

SEP 11 1941

STATISTICS OF INCOME FOR 1938

PART I

COMPILED FROM INDIVIDUAL INCOME TAX RETURNS, FIDUCIARY
INCOME TAX RETURNS, ESTATE TAX RETURNS,
AND GIFT TAX RETURNS

UNITED STATES TREASURY DEPARTMENT
BUREAU OF INTERNAL REVENUE WASHINGTON, D. C.

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COMPILED FROM INDIVIDUAL INCOME TAX RETURNS,
FIDUCIARY INCOME TAX RETURNS, ESTATE TAX
RETURNS, AND GIFT TAX RETURNS

PREPARED UNDER DIRECTION OF THE
COMMISSIONER OF INTERNAL REVENUE
BY THE
STATISTICAL SECTION, INCOME TAX UNIT



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STATISTICS OF INCOME FOR 1938

PART 1

INDIVIDUAL INCOME TAX RETURNS, FIDUCIARY INCOME TAX RETURNS, ESTATE TAX RETURNS, AND GIFT TAX RETURNS

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF INTERNAL REVENUE,
Washington, D. C., June 28, 1941.

SIR: In accordance with the provisions of the Revenue Act of 1916 and subsequent acts requiring the publication annually of statistics with respect to the operation of the income, war-profits, and excess-profits tax laws, I have the honor to transmit herewith a report entitled "Statistics of Income for 1938, Part 1," prepared from individual income tax returns and fiduciary income tax returns for 1938 filed during 1939, with a historical presentation of the income and of the tax liability reported on income tax returns since the inception of the present period of income taxation under the sixteenth amendment to the Constitution. The report also contains tabulations of data from estate tax returns filed during 1939, irrespective of the date of death of the decedent, and tabulations of data from gift tax returns for 1938 filed during 1939, with brief historical summaries for each. On pages 267-282 there is presented a synopsis of the provisions of the Revenue Acts of 1913-1938 relating to Federal tax rates, credits and exemptions applicable to individual income and profits tax returns, fiduciary income tax returns, estate tax returns, and gift tax returns which affect the historical comparability of data in Statistics of Income.

Respectfully,

GUY T. HELVERING,
Commissioner of Internal Revenue.

HON. HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

INDIVIDUAL INCOME TAX RETURNS AND FIDUCIARY INCOME TAX RETURNS

NUMBER OF RETURNS, NET INCOME, AND TAX

The total number of returns for 1938 is 6,451,835, of which 6,251,009 are individual returns and 200,826 are fiduciary returns. There are 6,150,776 individual returns showing a net income of \$18,660,929,186, and 100,233 individual returns with no net income. There are 76,379 fiduciary returns showing a net income taxable to the fiduciary of

\$242,168,363, and 124,447 fiduciary returns with no net income. Of the 6,150,776 individual returns with net income, 2,995,664 are taxable and 3,155,112 nontaxable, and of the 76,379 fiduciary returns with net income taxable to the fiduciary, 52,881 are taxable and 23,498 nontaxable. The total tax is \$765,832,841, of which \$726,734,864 is reported on taxable individual returns and \$39,097,977 on taxable fiduciary returns. (Twenty-six individual returns with no net income show alternative tax; see explanation on pages 21-22.)

RETURNS TABULATED

In each volume of Statistics of Income the data tabulated are from returns for the calendar year indicated therein and from a negligible number of returns for a fiscal year ending in the period July of the calendar year through June of the succeeding year, and for a part year with the greater number of months of the accounting period falling in the calendar year.

The returns covered by this report are, in general, filed under the provisions of the Revenue Act of 1938, and include returns for the calendar year 1938 and a negligible number of returns for a fiscal year ending in the period January through June 1939, a part year beginning and ending in 1938, and a part year beginning in 1938 and ending in 1939, the greater part of the accounting period falling in 1938. However, there are included a number of returns filed under the provisions of the Revenue Act of 1936 as amended by the Revenue Act of 1937, consisting of returns for a fiscal year beginning in 1937 and ending in the period July 1938 through November 1938, and for a part year beginning in 1937 and ending in 1938, the greater part of the accounting period falling in 1938.

The returns used for this report are individual returns, Forms 1040, 1040A, and 1040B, and fiduciary returns, Form 1041, filed for income from estates and trusts. The data are tabulated from the returns as filed by the taxpayer, and prior to any revisions that may be made as a result of audit by the Bureau of Internal Revenue. Amended returns and tentative returns are not included in the tabulations.

DATA TABULATED

Data are tabulated from each of the following returns: (1) Individual returns with net income of \$5,000 and over, (2) individual returns with net income under \$5,000 filed on Form 1040, which show income characteristics similar to those usually found on returns with net income of \$5,000 and over, such as varied or unusual sources of income or large total income, (3) individual returns with no net income, Form 1040, and (4) fiduciary returns. The statistics pertaining to individual returns, Forms 1040 and 1040A, with net income under \$5,000, except Forms 1040 specified in (2) above, represent estimates based on samples of such returns (see pages 14-15 for a description of the sample).

Data for individual returns with net income of less than \$1,000 or with no net income are included in Statistics of Income because of certain provisions of the revenue acts requiring that a return be filed (1) by every individual and married couple with gross income of \$5,000 and over regardless of the amount of net income or deficit or marital status; (2) for every decedent covering the income period to

date of death, if the gross income for the period is \$5,000 and over; and (3) by taxpayers electing to change the accounting period (part-year returns). Also, one of the separate returns, which married persons may choose to file, may show net income of less than \$1,000 or no net income.

Data for fiduciary returns with net income of less than \$1,000 or with no net income appear in this report because of the provisions that a return be filed for (1) the income from an estate or trust (a) with gross income of \$5,000 and over irrespective of the amount of net income or deficit, (b) if any beneficiary is a nonresident alien, and (c) when the accounting period is changed (part-year returns), and (2) every trust with net income of \$100 and over.

CHANGES PROVIDED BY REVENUE ACT OF 1938

The major changes provided by the Revenue Act of 1938, affecting individual and fiduciary income tax returns, as compared with the provisions of the Revenue Act of 1936, and that act as amended by the Revenue Act of 1937, are: (1) Revision of the treatment of net short-term gains or losses on the sale or exchange of capital assets held 18 months or less, whereby only the net short-term capital gain is taken into account in the computation of net income, and the net short-term capital loss (not in excess of net income for the year in which the loss is sustained) may be carried forward to the succeeding year and applied against the short-term capital gains not already offset by short-term capital losses in such succeeding year; (2) revision of the treatment of net long-term gains and losses on the sale or exchange of capital assets held over 18 months, whereby only the following percentages of the net long-term gains and losses recognized upon the sale or exchange of capital assets are taken into account in computing net income: 66% percent if the capital assets were held over 18 months but not over 24 months, and 50 percent if the capital assets were held over 24 months; and (3) the application of an alternative tax in the case of returns with net long-term capital gains and losses. Net long-term capital gains are included with other income subject to normal tax and surtax rates or are segregated and taxed at 30 percent, whichever method results in the lesser total tax. Net long-term capital losses are deducted from other income and a tax is computed, or 30 percent of such losses is credited against the tax computed on net income before deducting the net loss, whichever method results in the greater tax. A change provided by the Revenue Act of 1938 affecting the fiduciary income tax returns filed for trusts is the allowance of a credit of \$100 against net income, in lieu of a personal exemption of \$1,000 which, with some exceptions, was allowed trusts in 1937. The provisions of the Revenue Act of 1938, affecting individual and fiduciary income tax returns, as well as the provisions of previous revenue acts, are summarized on pages 270-279 of this report.

DEFINITIONS OF NET INCOME AND NO NET INCOME

Individual returns.—"Net income" means the amount of gross income, as defined in the revenue acts effective for the year for which the returns are filed, in excess of the deductions claimed by the taxpayer under the provisions of the respective acts (item 20 on page 1 of Form 1040, facsimile on page 290, and item 12 on page 1 of Form 1040A, facsimile on page 286); and "No net income" or "Deficit"

means excess of deductions over gross income. Credits allowed individuals, such as personal exemption, credit for dependents, and credit for earned income, are not included in deductions. Net income and no net income or deficit for 1938 include net short-term gain and net long-term gain or loss from the sale or exchange of capital assets to the extent provided under the Revenue Act of 1938, as well as net capital gain or loss reported on the small number of returns filed under the provisions of the Revenue Act of 1936.

On returns with normal tax and surtax liabilities, net income subject to surtax means net income (item 20 on page 1, Form 1040, facsimile on page 290) after personal exemption and credit for dependents, and net income subject to the normal tax is surtax net income less (1) interest on Government obligations not wholly exempt from tax, (2) dividends on share accounts in Federal savings and loan associations, and (3) earned income credit. On returns with alternative tax liability, ordinary net income (item 3, Schedule F on page 3, Form 1040, facsimile on page 292) is the base for the normal tax and surtax in the computation of the alternative tax. Ordinary net income means the net income excluding net long-term capital gain or loss. For returns with alternative tax liability see section of this report entitled "Tax Liability," page 5.

Fiduciary returns.—In this report "Net income" for estates and trusts means net income taxable to the fiduciary (item 17 on page 1 of Form 1041, facsimile on page 298) which is equal to gross income, as defined by law, in excess of the sum of (1) deductions claimed by the taxpayer and (2) amount distributable to beneficiaries. "No net income" or "Deficit" means the excess of the sum of (1) deductions claimed by the taxpayer and (2) amount distributable to beneficiaries over gross income. Deductions do not include the credit of \$1,000 for personal exemption allowed an estate and the credit of \$100, in lieu of the credit for personal exemption, allowed a trust. Net income and no net income or deficit for 1938 include net short-term gain and net long-term gain or loss from sale or exchange of capital assets to the extent provided under the Revenue Act of 1938 as well as net capital gain or loss reported on the small number of returns filed under the provisions of the Revenue Act of 1936.

On returns with normal tax and surtax liabilities, net income subject to surtax means net income (item 17 on page 1 of Form 1041, facsimile on page 298) after the personal exemption of \$1,000 allowed an estate and the credit of \$100, in lieu of the credit for personal exemption, allowed a trust, and net income subject to normal tax is the surtax net income less the fiduciary's balance of (1) interest on Government obligations not wholly exempt from tax and (2) dividends on share accounts in Federal savings and loan associations. On returns with alternative tax liability, ordinary net income (item 3, Schedule E on page 3, Form 1041, facsimile on page 300) is the base for the normal tax and surtax in the computation of the alternative tax. Ordinary net income means the net income excluding net long-term capital gain or loss. For returns with alternative tax liability see section of this report entitled "Tax Liability," page 5.

For definition of "Balance income" and "Balance deficit" used in basic tables 12, 13, and 15, see pages 50-51 in the section of this report entitled "Fiduciary income tax returns."

TAX LIABILITY

Normal tax and surtax liabilities are reported on individual and fiduciary returns filed (1) under the provisions of the Revenue Act of 1938 with (a) no net long-term capital gain or loss or (b) net long-term capital gain or loss but no alternative tax liability and (2) under the provisions of the Revenue Act of 1936, as amended by the Revenue Act of 1937 (see second paragraph, page 2).

Alternative tax liability is reported on individual and fiduciary returns filed under the provisions of section 117(c) of the Revenue Act of 1938, as follows: The alternative tax is imposed on returns with net long-term capital gain if such alternative tax is less than the sum of the normal tax and surtax computed on net income including net long-term capital gain, and the alternative tax is imposed on returns with net long-term capital loss if such alternative tax is greater than the sum of the normal tax and surtax computed on net income after deducting net long-term capital loss. Twenty-six individual returns with no net income show an alternative tax liability (see explanation, pages 21-22).

Total tax, as tabulated in this report, means the sum of the normal tax, surtax, and alternative tax liabilities. The total tax liability represents an amount prior to the allowance of credits claimed for income tax paid at source and for income tax paid to a foreign country or United States possession.

TAX LIABILITY AND COLLECTIONS

The amount of tax liability as reported on the individual and fiduciary returns is not precisely comparable with the amount of income tax collections during the calendar year in which the returns are filed. Several factors are responsible for the difference in the taxes collected and the tax liability reported on the returns, among which are the following:

1. The amount of tax originally reported may have been subsequently revised as the result of audit of returns. The revisions may result in additional assessments, thereby increasing the tax liability, or in certificates of overassessment, representing abatements and credits, which reduce the tax liability originally reported.

2. Income and profits taxes paid to foreign countries or possessions of the United States may be included in deductions from gross income or applied with certain limitations as a credit against the income tax payable to the United States. The amount of such taxes taken as a credit by individuals against the income tax liability to the United States has not been deducted from the amount of income tax liability shown in the tabulations in this report. The aggregate amounts of this credit, which are available only for individual returns for the years 1925-1930, inclusive, appear on page 9 of the Statistics of Income for 1930.

3. Income taxes paid at the source on tax-free covenant bonds are deductible from income taxes payable by individuals and fiduciaries but they are not deducted in arriving at the income tax liability on individual and fiduciary returns shown herein.

4. For fiscal year returns on which the tax is paid in four equal installments, the total tax liability may not be collected during the calendar year in which the returns are filed.

5. Delays in tax payment due to financial embarrassment, death, liquidation of business, or any other cause, result in the classification of such taxes as "back taxes," the collection of which is made after the close of the year in which such taxes are due. For similar reasons, certain amounts are uncollectible.

6. Collections in the current year include such interest and penalty items as are received in connection with delinquent payments of taxes.

7. Tabulations in this report exclude data reported on individual income tax returns, Forms 1040C, 1040D, 1040NB, and 1040NB-a, whereas collections in the current year include taxes on these returns. Forms 1040C and 1040D are used for departing aliens. Forms 1040NB and 1040NB-a are for nonresident aliens not engaged in trade or business within the United States and not having an office or place of business therein.

GEOGRAPHIC DISTRIBUTION

Income tax returns may be filed either in the collection district in which the individual or fiduciary resides or in which his principal place of business is located. Although the individual returns in this report are tabulated by the States in which they were filed (basic tables 1, 1-A, 4, 6, and 9), the data do not represent the geographic distribution of the sources of income, as income reported by an individual in one State may have been derived from sources in other States. Similarly, the classification by States of the taxable fiduciary returns with net income (in basic tables 1 and 9) does not represent a geographic distribution of the sources of income.

NET INCOME CLASSES

For individual returns, the net income classes are based on the size of net income reported as item 20 on page 1 of Form 1040, facsimile on page 290, and as item 12 on page 1 of Form 1040A, facsimile on page 286. Net income means the amount of gross income less deductions (see page 3). A classification of individual returns with no net income by size of deficit is not shown in this report.

In the text table on pages 10-11 and in basic tables 2, 3, and 7, pages 82-91, 102-104, and 123-130 fiduciary returns are classified by size of net income taxable to the fiduciary (item 17 on page 1 of return, Form 1041, facsimile on page 298). Net income taxable to the fiduciary means gross income in excess of the sum of (1) deductions claimed by the taxpayer and (2) amount distributable to beneficiaries (see page 4). A classification of fiduciary returns with no net income taxable to the fiduciary by the size of this deficit is not shown in this report.

CONTENT OF TABLES

A summary of the content of the tables in this report showing data for individual returns and fiduciary returns for 1938 and the major changes in the presentation of data for these returns as compared with those in Statistics of Income for 1937, Part 1, are given below. In later sections of this report each table is described in greater detail.

Throughout this report, except the text table on pages 10-11 and basic tables 1, 2, 3, and 7, pages 78-79, 82-91, 102-104, and 123-130 information for the 1938 individual returns is shown separately from that for fiduciary returns. Moreover, the majority of tables showing data for returns with net income also contain aggregate data for returns with no

net income. In general, this report contains a more complete tabulation of aggregate information for individual returns with no net income than that in the Statistics of Income for 1928 through 1937 (for those years a limited amount of data was published in a separate section of the report, see page 30 and basic tables 10 and 11, pages 169 and 170, Statistics of Income for 1937, Part 1), but there is omitted from the current report the former classification of number of returns, sources of income, deductions, and deficit by size of deficit.

The text table on pages 10-11 and basic tables 1, 2, 3, and 7, pages 78-79, 82-91, 102-104, and 123-130, show certain composite data for individual returns and taxable fiduciary returns with net income, as well as certain data for individual returns with no net income. Basic table 1 contains a classification of the data by States and Territories. In the text table on pages 10-11 and in basic tables 2, 3, and 7, pages 82-91, 102-104, and 123-130, composite data for individual and taxable fiduciary returns with net income are classified by size of net income, and data for individual returns with no net income are shown in aggregate. The reason for presenting composite tables in this report is that the information they contain, relating to individual and taxable fiduciary returns with net income, is similar to that for 1937 in basic tables 1, 2, 3, and 7, pages 115-121 and 133-137, in Statistics of Income for 1937, Part 1 (for one minor exception see note 1 of basic tables 1, 2, 3, and 7).

The text tables on pages 16-21, 25, and 28-33 and basic tables 1-A, 2-A, 3-A, 4, 5, 6, and 7-A, pages 80-81, 92-101, 105-122, and 131-138, show data for individual returns with net income and with no net income (except that the text table on pages 20-21 and basic tables 4 and 5, do not show data for returns with no net income). Unlike text tables on pages 8-10 and 12-16 and basic tables 1-7, pages 115-137, in Statistics of Income for 1937, Part 1, these tables exclude (1) data for taxable fiduciary returns with net income, Form 1041, and (2) taxable and nontaxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041. For individual returns with no net income aggregate data are shown in the text tables on pages 16-19, 25, and 28-33, and basic tables 2-A, 3-A, and 7-A, pages 92-101, 105-107, and 131-138, and a distribution by States and Territories is shown in basic table 1-A and 6.

Basic table 8, pages 139-141, for individual returns with net income of \$5,000 and over, filed by sole proprietors, shows the number of businesses with net profit or with net loss, total receipts, and amount of net profit or net loss, classified by a more detailed industrial classification than that for prior years. Basic table 8 is substituted for the text table for sole proprietors which was published formerly (see pages 28-29, Statistics of Income for 1937, Part 1). The tabulation of number of businesses and amount of net profit or loss, cross-classified by industrial groups and by size of net profit or loss from business has been discontinued (see basic table 8, pages 138-143, Statistics of Income for 1937, Part 1).

The text table on pages 34-47, for individual returns with net income of \$5,000 and over, showing the frequency distribution of selected sources of income and loss by net income classes and by size of each source of income or loss, has been expanded somewhat to include the following sources of income or loss: salaries and wages, dividends, partnership profit and loss, business profit and loss, net short-term capital gain, and net long-term capital gain and loss.

Unlike the text tables on pages 17-26, Statistics of Income for 1937, Part 1, there are excluded from this table data for the following returns with net income taxable to the fiduciary of \$5,000 and over: taxable returns, Form 1041, and taxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041.

In basic table 9, pages 142-167, there are shown number of returns, net income, and total tax for individual returns with net income, classified by States and Territories and by net income classes, and number of returns, deficit, and total tax for individual returns with no net income, classified by States and Territories. Attention is called to the fact that unlike basic table 9, pages 144-168, in Statistics of Income for 1937, Part 1, the data for individual returns with net income, distributed by net income classes, in basic table 9 in this report exclude data for taxable fiduciary returns with net income, Form 1041, and taxable and nontaxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041. In order that the current year data be made comparable with the historical summary presented in the table, there are shown composite data for 1938 individual returns and taxable fiduciary returns with net income classified by States and Territories.

Data for fiduciary returns are presented in basic tables 10-13, pages 171-193. Basic tables 10 and 11 show, for the first time, by net income classes, data for fiduciary returns with net income taxable to the fiduciary, and aggregate data for fiduciary returns with no net income. Basic tables 12 and 13, showing sources of income and deductions by balance income and balance deficit classes, are similar to basic tables 12 and 13, pages 173-178, in Statistics of Income for 1937, Part 1. Basic table 12 contains data for fiduciary returns with net income taxable to the fiduciary, and basic table 13 contains data for fiduciary returns with no net income.

Basic tables 14-16 show amount of Government obligations owned and the interest received on such obligations, segregated by nature of obligations and by income classes. Data in basic table 14 are for individual returns with net income of \$5,000 and over, classified by size of net income. Data in basic tables 15 and 16 are for fiduciary returns with net income taxable to the fiduciary showing a balance income of \$5,000 and over. In basic table 15 the data are classified by size of balance income and in basic table 16 by size of net income taxable to the fiduciary. Basic table 14 of this report is similar to basic table 14, pages 181-182, in the Statistics of Income for 1937, Part 1, except that there are excluded data for the following returns with net income of \$5,000 and over taxable to the fiduciary: taxable returns, Form 1041, and taxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041. Basic table 15 contains 1938 data for the same fiduciary returns, classified by size of balance income, as were published for 1937 in basic table 15, pages 183-184, in Statistics of Income for 1937, Part 1. In basic table 16 the data for fiduciary returns with net income and with balance income of \$5,000 and over, classified by size of net income taxable to the fiduciary, are shown separately for the first time.

COMPARABILITY WITH PREVIOUS REPORTS

In various sections of this report attention is directed to changes in methods of tabulation and in provisions of the revenue acts under which returns for given years are filed which interfere with precise comparability of the data over a period of years. The major provisions of the revenue acts from 1913 to date are summarized on pages 270-279.

The content of the tables in this report as compared with those in Statistics of Income for 1937, Part 1, are given in the preceding section of this report entitled "Content of tables," pages 6-8.

INDIVIDUAL INCOME TAX RETURNS AND TAXABLE FIDUCIARY INCOME TAX RETURNS WITH NET INCOME (ALSO INDIVIDUAL INCOME TAX RETURNS WITH NO NET INCOME)

As stated on page 7 in the section of this report entitled "Content of tables," the text table on pages 10-11 and basic tables 1, 2, 3, and 7, pages 78-79, 82-91, 102-104, and 123-130, show certain composite data for individual returns and taxable fiduciary return with net income, as well as certain data for individual returns with no net income. Definitions of net income, no net income, and tax are given on pages 3-5, the method of estimating data for individual returns with net income under \$5,000 and definitions of sources of income and deductions are found on pages 14-15 and 24-28, and the method of tabulating fiduciary returns is on pages 49-54.

In basic tables 1, 2, 3, and 7 the information for individual and taxable fiduciary returns with net income is shown for the same returns as that for 1937 in basic tables 1, 2, 3, and 7, pages 115-121 and 133-137, in Statistics of Income for 1937, Part 1, with one minor exception, explained in the following paragraph.

For both 1938 and 1937 taxable fiduciary returns with net income consist of those filed on Form 1041 and those incorrectly filed on Form 1040 instead of Form 1041. However, for the 1938 returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041, an adjustment for statistical purposes was made for the majority of these returns, whereby the "Amount distributable to beneficiaries," if any, was removed from "Other deductions" and "Total deductions" and the income prior to distribution to beneficiaries ("Balance income") was computed in order that data for estates and trusts on these incorrectly filed returns might be tabulated with the data reported on fiduciary returns, Form 1041. For the small number of such returns for which this adjustment was not made "Other deductions" and "Total deductions" include "Amount distributable to beneficiaries" (if any). The minor difference between the 1938 and 1937 data, referred to in the preceding paragraph, consists of the exclusion, for 1938, of nontaxable returns with net income for estates and trusts incorrectly filed on Form 1040 instead of Form 1041. For 1937, these incorrectly filed nontaxable returns with net income, which numbered 3,784, were tabulated as individual returns, but for 1938, these returns, which number only 276, are tabulated in this report as fiduciary returns. Therefore, data for these incorrectly filed nontaxable returns, which are tabulated with other nontaxable returns correctly filed on Form 1041, are not included in these tables (see page 50 of the section of this report entitled "Fiduciary Income Tax Returns").

Individual returns and taxable fiduciary returns with net income,¹ by net income returns), 1938: number of returns, net income, personal exemption, credit for

Net income ² classes T (thousands of dollars)	Number of returns	Net income ³	Personal ex- emption ⁴	Credit for dependents (individual returns)
(1)	(2)	(3)	(4)	(5)
Individual returns and taxable fiduciary returns ⁵ with net income:				
Under 5 (estimated) ⁶	3,154,446	\$6,222,282,985	\$6,640,024,448	\$1,047,176,533
Under 5 (estimated) ⁶	2,456,765	5,876,902,819	3,501,833,950	222,660,417
5 under 6 ⁷	666	3,553,832	1,652,854	1,558,667
6 under 6 ⁷	164,502	898,085,421	359,175,065	73,398,038
7 under 7 ⁷	102,956	665,222,127	226,604,104	45,159,910
8 under 8 ⁷	46,758	498,251,912	142,927,880	29,974,451
9 under 9 ⁷	34,488	391,923,655	97,888,976	20,300,352
10 under 10 ⁷	25,922	320,855,706	72,295,255	14,781,138
11 under 11 ⁷	20,577	271,631,437	54,158,439	10,887,797
12 under 12 ⁷	16,566	236,256,433	42,558,849	8,656,436
13 under 13 ⁷	13,479	206,723,924	34,255,160	7,030,816
14 under 14 ⁷	11,346	181,826,257	27,874,439	5,671,524
15 under 15 ⁷	35,032	164,843,500	23,338,674	4,763,019
20 under 20 ⁷	17,859	601,551,619	71,658,219	14,625,462
25 under 25 ⁷	10,207	397,446,278	35,997,700	7,158,342
30 under 30 ⁷	10,814	278,699,824	20,282,403	4,100,621
40 under 40 ⁷	5,815	370,977,888	21,351,054	4,211,049
50 under 50 ⁷	2,943	236,719,777	10,360,300	2,017,714
60 under 60 ⁷	1,775	160,636,379	5,700,903	1,112,891
70 under 70 ⁷	1,144	114,704,074	3,440,150	691,529
80 under 80 ⁷	841	85,416,671	2,246,596	431,272
90 under 90 ⁷	556	52,699,076	1,611,332	307,177
100 under 100 ⁷	1,326	158,413,072	1,021,017	186,470
150 under 150 ⁷	420	72,545,228	2,492,308	423,198
200 under 200 ⁷	229	50,745,408	794,484	123,265
250 under 250 ⁷	117	31,706,437	429,040	67,933
300 under 300 ⁷	142	49,350,256	219,388	38,233
400 under 400 ⁷	65	29,091,252	248,700	27,501
500 under 500 ⁷	81	49,096,100	118,175	15,632
750 under 1,000 ⁷	37	32,299,944	152,325	18,967
1,000 under 1,500 ⁷	30	37,582,974	59,300	4,367
1,500 under 2,000 ⁷	16	27,625,269	56,925	8,300
2,000 under 3,000 ⁷	6	15,292,558	31,950	3,467
3,000 under 4,000 ⁷	1	3,524,972	10,100	400
4,000 under 5,000 ⁷	1	4,273,201	1,250	
5,000 and over ⁷	3	21,803,582	1,000	
Nontaxable returns ⁷	3,155,112	6,225,836,817	6,641,677,302	1,048,735,200
Taxable returns ⁷	3,048,545	12,671,536,806	4,761,201,411	478,558,488
Total individual returns and tax- able fiduciary returns with net income	6,203,657	18,897,373,623	11,402,878,713	1,527,593,688
Individual returns with no net income:				
Nontaxable ⁸	100,207	10 352,752,145	(12)	(12)
Taxable ⁹	26	10 1,403,649	49,000	6,400
Total individual returns with no net income	100,233	10 354,155,794	(12)	(12)
Grand total	6,303,890	11 18,543,217,829	(12)	(12)

¹ This table contains data for individual returns with net income and with no net income and for taxable fiduciary returns with net income. See basic table 2, pp. 82-91, for a more detailed tabulation of the data by returns with no alternative tax, and with alternative tax, and data for returns with net income under \$5,000, by net income classes.

² For general explanations, see pp. 1-6 and 14-15.

³ For taxable fiduciary returns the net income used for classification and tabulation is the net income taxable to the fiduciary (item 17 on p. 1, Form 1041, facsimile on p. 298).

⁴ On fiduciary returns an estate is allowed the personal exemption of \$1,000 allowed a single person and a trust is allowed, in lieu of the personal exemption, a credit of \$100 against net income.

⁵ Consists of (1) returns with no net long-term capital gain or loss, and (2) returns with net long-term capital gain or loss which have no alternative tax.

⁶ The alternative tax is imposed on returns with net long-term capital gain if such alternative tax is less than the sum of the normal tax and surtax computed on net income including net long-term capital gain. The alternative tax is imposed on returns with net long-term capital loss if such alternative tax is greater than the sum of the normal tax and surtax computed on net income after deducting net long-term capital loss.

classes, also aggregate for individual returns with no net income (excluding fiduciary dependents, earned income credit, tax, average tax, and effective tax rate¹

Earned in- come credit (individual returns)	Tax					Average total tax (Col. 7+2)	Effective tax rate, percent (returns with net income) (Col. 7+3)
	Total tax (Col. 8+11)	Returns with no alternate tax ¹			Returns with alter- native tax ²		
		Total (Col. 9+10)	Normal tax	Surtax			
(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
\$453,049,810							
556,970,854	\$63,629,748	\$63,479,028	\$63,390,295	\$88,733	\$150,720	\$26	1.05
245,705							
76,256,344	16,182,183	16,165,364	15,574,146	591,218	16,819	98	1.80
56,661,114	14,945,000	14,945,000	13,599,307	1,345,693		145	2.25
38,466,964	13,983,479	13,983,479	11,370,192	2,613,287		209	2.81
31,067,738	13,490,680	13,458,338	9,698,598	3,759,740	32,342	292	3.44
23,514,190	13,052,771	13,031,418	8,559,650	4,471,768	21,353	378	3.99
18,931,150	12,184,690	12,164,378	7,422,592	4,741,786	20,312	470	4.49
16,053,410	11,667,118	11,664,683	6,687,595	4,977,088	2,435	567	5.94
13,714,220	11,035,616	11,030,647	6,005,356	5,025,291	4,969	666	5.34
11,970,803	10,468,638	10,401,736	5,392,376	5,009,360	66,902	777	5.76
10,379,888	10,042,678	10,042,678	4,987,345	5,055,333		885	6.11
32,427,832	42,872,018	42,691,714	19,098,098	23,593,616	180,304	1,224	7.13
16,762,319	35,891,180	35,725,630	13,336,156	22,389,474	165,550	2,010	9.03
9,689,430	30,851,963	30,574,475	9,629,985	20,944,490	277,488	3,023	11.07
5,128,511	50,314,148	49,176,077	13,062,482	36,113,595	1,138,071	4,653	13.56
2,854,532	31,823,724	17,109,216	7,172,084	24,537,132	7,718,929	7,418	16.66
1,740,847	26,232,159	17,192,747	3,354,677	13,838,070	14,630,977	10,813	19.80
1,142,198	21,942,470	12,226,371	2,099,500	10,126,871	14,005,788	14,779	22.87
808,942	20,457,515	10,127,966	1,538,603	8,589,363	11,814,504	19,180	25.69
517,792	16,533,381	7,623,755	1,034,618	6,589,137	12,833,760	24,325	28.71
1,228,348	58,224,181	5,984,659	738,863	5,245,796	10,548,722	29,736	31.37
379,136	30,892,337	17,414,805	1,818,780	15,596,025	40,809,376	43,910	36.75
200,101	30,892,337	7,572,969	656,903	6,916,066	23,319,368	73,553	42.58
102,661	23,644,277	4,276,797	337,896	3,938,901	19,367,480	103,250	46.59
108,157	15,207,302	2,816,699	212,137	2,604,562	12,390,603	129,977	47.96
55,285	25,041,152	6,471,338	455,388	6,015,950	18,569,814	176,346	50.74
51,182	14,791,233	3,252,979	216,408	3,036,571	11,538,254	227,557	50.84
23,224	25,881,612	2,903,606	180,339	2,723,327	22,977,946	319,526	52.72
26,407	16,470,934	3,583,200	213,404	3,369,796	12,857,734	445,160	50.99
9,500	17,154,201	1,907,557	108,291	1,799,266	15,246,644	571,807	45.64
2,300	13,442,406	1,225,838	68,250	1,157,588	12,216,568	840,150	48.66
860	6,606,032	1,485,442	81,766	1,403,676	5,120,590	1,101,005	43.20
* 1,400	2,561,584				2,561,584	2,561,584	72.67
900	1,606,967				1,606,967	1,606,967	37.61
	6,664,068				6,664,068	2,221,356	30.56
453,295,515							
937,593,865	765,217,590	486,310,649	228,102,080	258,208,569	278,906,941	251	6.04
1,390,889,380	765,217,590	486,310,649	228,102,080	258,208,569	278,906,941	123	4.05
14,848	615,251				615,251	23,664	
	615,251				615,251	(13)	
	765,832,841	486,310,649	228,102,080	258,208,569	279,522,192	(13)	

⁷ Nontaxable individual returns. Exemptions from normal tax and surtax exceed net income. A negligible number of nontaxable individual returns in net income classes of \$6,000 and over is not tabulated separately.

⁸ Includes returns with zero net income (total income equals total deductions).

⁹ Returns with net long-term capital loss on which the tax, computed on net income before the deduction of net long-term capital loss, exceeds 30 percent of the net long-term capital loss.

¹⁰ Deficit.

¹¹ Net income less deficit.

¹² Not available.

¹³ Average total tax not computed.

NUMBER OF RETURNS, NET INCOME, AND TAX

The number of returns, net income or deficit, tax, average total tax, and effective tax rate are shown in the preceding table for individual returns and taxable fiduciary returns with net income, and for individual returns with no net income. The combined data for individual returns and taxable fiduciary returns with net income are classified by size of net income, and data for individual returns with no net income are presented in aggregate.

The number of individual returns and taxable fiduciary returns with net income is 6,203,657, of which 3,048,545 are taxable and 3,155,112 nontaxable. Aggregate net income is \$18,897,373,623, of which \$12,671,536,806 is reported on taxable returns and \$6,225,836,817 on nontaxable returns. The tax liability on the 3,048,545 taxable individual and fiduciary returns with net income is \$765,217,590. The average tax liability on all individual and fiduciary returns with net income is \$123, effective tax rate 4.1 percent; and on taxable individual and fiduciary returns with net income the average tax liability is \$251, effective tax rate 6.0 percent. The number of individual returns with no net income is 100,233 and the deficit is \$354,155,794. Twenty-six individual returns with no net income show an alternative tax liability of \$615,251 (see pages 21-22).

With one minor exception relating to nontaxable returns, which is stated on page 9, the 1938 and 1937 data for the individual returns and taxable fiduciary returns with net income are comparable. As compared with 1937 data, the total number of individual returns and taxable fiduciary returns with net income, shown in the table on pages 10-11 and in basic tables 1, 2, and 3, pages 78-79, 82-91, and 102-104, respectively, decreased 146,491, or 2.3 percent; the number of taxable returns decreased 322,898, or 9.6 percent; and the number of nontaxable returns increased 176,407, or 5.9 percent. Aggregate net income decreased \$2,341,200,540, or 11.0 percent, the net income on taxable returns decreased \$2,592,625,611, or 17.0 percent, and the net income on nontaxable returns increased \$251,425,071, or 4.2 percent. The total tax liability (omitting for this comparison the tax on the 26 individual returns with no net income) decreased \$376,351,154, or 33.0 percent. The effective tax rates for 1937, which were somewhat higher than those for 1938, were 5.4 percent for all returns and 7.5 percent for taxable returns.

Basic table 2, pages 82-91, show data for the returns in the preceding table, classified in greater detail. Returns with no alternative tax (Part II, pages 84-85) are shown separately from those with alternative tax (Part III, pages 86-91) and returns with alternative tax are further classified into those with net long-term capital gain and with net long-term capital loss. In all parts of basic table 2, six net income classes are used for returns with net income under \$5,000. The information for individual returns and taxable fiduciary returns with net income, in basic table 2 of this report, is shown for the same returns, with the one exception stated on page 9,

as in basic table 2, pages 117-118, Statistics of Income for 1937, Part 1; but because of the alternative tax, effective for the first time under the provisions of the Revenue Act of 1938, basic table 2 in this report has been expanded to show more classifications and items than were applicable for 1937.

In basic table 1, pages 78-79, the number of returns, net income or deficit, and tax are shown, by States and Territories, for the individual returns and taxable fiduciary returns with net income, and for individual returns with no net income. In basic table 3, pages 102-104, simple and cumulative totals and percentages of the number of returns, net income, and tax are shown for individual returns and taxable fiduciary returns with net income, by net income classes, and aggregate data are presented for individual returns with no net income. The data for individual returns and taxable fiduciary returns with net income in basic tables 1 and 3 are comparable, with one minor exception stated on page 9, with data for 1937 in basic tables 1 and 3, respectively, pages 115-116 and 119-121, in Statistics of Income for 1937, Part 1.

SOURCES OF INCOME AND DEDUCTIONS

In basic table 7, pages 123-130, there are presented the sources of income and deductions reported on individual returns and taxable fiduciary returns with net income, and on individual returns with no net income. The combined data for individual returns and taxable fiduciary returns with net income are classified by net income classes and aggregate data are presented for individual returns with no net income. The data for individual returns and taxable fiduciary returns with net income in basic table 7 are comparable, with one minor exception stated on page 9, with data for 1937 in basic table 7, pages 133-137, in Statistics of Income for 1937, Part 1.

There is shown separately for the first time the amount distributable to beneficiaries reported on taxable fiduciary returns contained in basic table 7 (except for a small number of fiduciary returns incorrectly filed on Form 1040, see footnote 17, basic table 7, page 130). Some of this amount distributable to beneficiaries, reported on taxable fiduciary returns and shown in basic table 7, is also tabulated in basic table 7 as certain sources of income for individual returns filed by beneficiaries and for certain taxable fiduciary returns filed for estates and trusts which are recipients of an amount distributable. The items in basic table 7, which may include some of amount distributable to beneficiaries, are: "Income from fiduciaries," "Taxable interest on partially tax-exempt Government obligations," and "Net short-term and long-term capital gain" (if distribution consists of net capital gain from a "Common trust fund") and "Total income." However, this duplication of data represents a negligible percentage of total income or net income shown in basic table 7. For explanation of method of reporting distributions to beneficiaries, see section of this report entitled "Fiduciary Income Tax Returns," pages 52-54.

INDIVIDUAL INCOME TAX RETURNS WITH NET INCOME AND WITH NO NET INCOME (EXCLUDING FIDUCIARY INCOME TAX RETURNS)

The two major changes in data for individual returns presented in text tables on pages 16-19, 25, and 28-33 and in basic tables 1-A, 2-A, 3-A, 4, 5, 6, and 7-A, as compared with 1937 data shown in the text tables on pages 8 and 12-26 and in basic tables 1-7, pages 115-137, in Statistics of Income for 1937, Part 1, are as follows: (1) Information is excluded for taxable fiduciary returns with net income, Form 1041, and for taxable and nontaxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041, and (2) information is shown, in aggregate, for individual returns with no net income (except in basic tables 4 and 5, pages 108-115). The data for individual returns with no net income were formerly shown in separate tables (see pages 30 and 169-170 in Statistics of Income for 1937, Part 1). For changes in basic table 9, as compared with 1937 data in basic table 9, pages 144-168, Statistics of Income for 1937, Part 1, see section of this report entitled "Content of Tables," page 8.

The 1938 data for fiduciary returns are shown in this report in basic tables 10-13, pages 171-193. Composite data for certain items and classifications for individual returns and taxable fiduciary returns with net income are shown in the text table on pages 10-11 and in basic tables, 1, 2, 3, and 7, pages 78-79, 82-91, 102-104, and 123-130.

ESTIMATE OF DATA FOR CERTAIN RETURNS WITH NET INCOME UNDER \$5,000

All individual returns, Form 1040, are sent to Washington for administrative action. The Statistical Section tabulates completely all Forms 1040 with net income of \$5,000 and over and all Forms 1040 with net income under \$5,000 showing income characteristics similar to those usually found on returns with net income of \$5,000 and over, such as varied and unusual sources of income or large total income (which number approximately 232,000). The remaining returns, Form 1040, with net income under \$5,000, are sampled and estimates of data are computed. Individual returns, Form 1040A, are retained in the collection districts, except that (1) all such returns with net income of \$5,000 and over are forwarded to the Statistical Section to be tabulated completely, and (2) a sample of the returns with net income under \$5,000 is forwarded to the Statistical Section and estimates of data are computed.

The sample of the 1938 individual returns with net income under \$5,000 consists of (1) approximately 265,000 returns, Form 1040, representing 18.65 percent of the total number of taxable and nontaxable returns, Form 1040, with net income under \$5,000 after deducting those showing income characteristics similar to those usually found in returns with net income of \$5,000 and over, and (2) approximately 785,000 returns, Form 1040A, representing 20.05 percent of the total number of taxable and nontaxable returns, Form 1040A, with net income under \$5,000.

For each collection district the minimum number of Forms 1040 in the sample is 2,000 taxable and 2,000 nontaxable returns and the minimum number of Forms 1040A in the sample is 2,000 taxable and 2,000 nontaxable returns, or 20 percent of the total number of taxable and nontaxable returns filed on Form 1040A with net income under \$5,000, whichever is larger. If less than 2,000 taxable or 2,000 nontaxable returns, Form 1040 or Form 1040A, are filed in a collection district, information is tabulated from the entire number filed.

Estimates, by States, are made separately for the four following categories of returns: Forms 1040, taxable and nontaxable, and Forms 1040A, taxable and nontaxable. The total number of returns filed in each of the four categories in each State is obtained from records of the Bureau of Internal Revenue. From the total number of returns filed for each category, there is subtracted the number of returns tabulated completely by the Statistical Section. The remainder in each category is the number of returns with net income under \$5,000 for which estimates are computed. For each State and for each of the four categories of returns, estimates of data for each net income class are secured by applying to the sample in each net income class the appropriate ratio of the number of returns in the sample with net income under \$5,000 to the remainder of returns with net income under \$5,000, computed as stated above. Published data for each net income class for returns with net income under \$5,000 consist of the combination of these estimates with data for returns, Form 1040, with net income under \$5,000 which are tabulated completely.

For the returns with net income under \$5,000 the number of returns on which each specific source of income and deduction is reported, by net income classes, is not estimated for 1938. For 1937, such data were presented in basic table 7, pages 133-137, Statistics of Income for 1937, Part 1.

NUMBER OF RETURNS, NET INCOME, AND TAX

The number of returns, net income or deficit, tax, average total tax, and effective tax rate are shown in the following table for individual returns with net income and with no net income. The data for individual returns with net income are classified by size of net income and aggregate data are presented for individual returns with no net income.

The total number of individual returns is 6,251,009, of which 6,150,776 are returns with net income and 100,233 are returns with no net income. Of the 6,150,776 returns showing a net income of \$18,660,929,186, there are 2,995,664 taxable returns and 3,155,112 nontaxable returns. The total tax liability is \$726,734,864, of which \$462,260,874 is the normal tax and surtax reported on taxable returns with no alternative tax, and \$264,473,990 is the alternative tax reported on 6,605 returns with alternative tax. (Twenty-six returns with no net income show alternative tax, see pages 21-22.) The average tax liability on all individual returns with net income is \$118 and on taxable individual returns is \$242. The effective tax rate is 3.9 percent for all individual returns, and 5.8 for all taxable individual returns.

Individual returns¹ with net income (excluding fiduciary returns), by net income classes, 1933: number of returns, net income, personal exemption, credit

Net income classes (Thousands of dollars)	Number of returns	Net income	Personal exemption	Credit for dependents
(1)	(2)	(3)	(4)	(5)
Returns with net income:				
Under 5 (estimated) ²	3,154,440	\$6,222,282,985	\$6,640,024,448	\$1,047,176,533
Under 5 (estimated)	2,412,785	5,821,002,620	3,488,234,591	222,660,417
5 under 6 ³	666	3,553,832	1,652,854	1,558,667
5 under 6	162,978	889,703,586	358,338,599	73,398,038
6 under 7	101,823	657,877,449	226,026,204	45,159,910
7 under 8	65,960	492,287,834	142,484,630	29,974,451
8 under 9	45,575	386,388,754	97,523,442	20,300,352
9 under 10	33,929	321,550,943	72,013,422	14,781,138
10 under 11	25,458	266,761,612	53,932,289	10,887,797
11 under 12	20,251	232,507,440	42,393,049	8,656,436
12 under 13	16,266	202,986,079	34,108,744	7,030,816
13 under 14	13,235	178,534,829	27,748,639	5,671,524
14 under 15	11,095	160,702,492	23,231,674	4,763,019
15 under 20	34,247	588,056,167	71,266,986	14,625,462
20 under 25	17,388	386,936,217	35,770,800	7,158,342
25 under 30	9,868	269,467,718	20,129,703	4,100,621
30 under 40	10,457	358,598,886	21,208,473	4,211,049
40 under 50	5,105	227,370,635	10,265,500	2,017,714
50 under 60	2,809	153,281,985	5,647,886	1,112,891
60 under 70	1,697	109,588,444	3,400,150	691,529
70 under 80	1,112	83,032,219	2,233,496	431,272
80 under 90	800	67,747,331	1,597,333	307,177
90 under 100	526	49,853,357	1,011,717	186,470
100 under 150	1,249	149,052,084	2,460,308	423,198
150 under 200	395	68,055,899	782,084	123,265
200 under 250	219	48,536,006	423,540	67,933
250 under 300	103	27,861,894	211,688	38,233
300 under 400	124	42,957,843	241,500	27,501
400 under 500	58	26,073,525	113,875	15,632
500 under 750	71	43,412,282	148,625	18,967
750 under 1,000	31	27,177,682	56,000	4,367
1,000 under 1,500	27	33,592,338	56,625	8,300
1,500 under 2,000	14	24,189,917	31,750	3,467
2,000 under 3,000	4	10,284,547	10,000	400
3,000 under 4,000	1	3,524,972	1,250	
4,000 under 5,000	1	4,273,201	1,000	
5,000 and over	3	21,803,582	6,000	800
Nontaxable returns ⁴	3,155,112	6,225,836,817	6,641,677,302	1,048,735,200
Taxable returns	2,995,064	12,435,092,309	4,743,111,574	478,858,488
Total individual returns with net income	6,150,776	18,660,929,186	11,384,788,876	1,527,593,688
Returns with no net income:				
Nontaxable ⁵	100,207	⁶ 352,752,145	(10)	(10)
Taxable ⁷	26	⁸ 1,403,649	49,000	6,400
Total individual returns with no net income	100,233	⁹ 354,155,794	(10)	(10)
Grand total	6,251,009	⁹ 18,306,773,392	(10)	(10)

¹ Unlike basic table 2 in Statistics of Income for 1937, Part 1 (pp. 117-118), this table excludes taxable fiduciary returns with net income, Form 1041, and taxable and nontaxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041. Data for individual returns with no net income are included in this table for the first time. See basic table 2-A (pp. 92-101) for a classification of the data by returns with no alternative tax and with alternative tax and data for returns with net income under \$5,000, by net income classes.

² For general explanations, see pp. 1-6 and 14-15.

³ See footnote 5, p. 10.

⁴ See footnote 6, p. 10.

classes, also aggregate for individual returns with no net income (excluding fiduciary dependents, earned income credit, tax, average tax, and effective tax rate²)

Earned income credit	Tax					Average total tax (Col. 7÷2)	Effective tax rate, percent (returns with net income) (Col. 7÷3)
	Total tax (Col. 8+11)	Returns with no alternative tax ³			Returns with alternative tax ⁴		
		Total (Col. 9+10)	Normal tax	Surtax			
(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
\$453,040,810							
556,970,854	\$61,950,566	\$61,799,846	\$61,727,243	\$72,603	\$150,720	\$26	1.06
245,705							
76,256,344	15,837,305	15,820,486	15,285,391	535,095	16,819	97	1.78
56,661,114	14,589,806	14,589,806	13,336,010	1,253,796		143	2.22
38,466,964	13,668,109	13,668,109	11,155,317	2,512,792		207	2.78
31,067,738	13,173,777	13,141,435	9,497,621	3,643,814	32,342	289	3.41
23,514,190	12,722,903	12,701,550	8,363,477	4,338,073	21,353	375	3.96
18,931,150	11,861,734	11,841,422	7,240,335	4,601,087	20,312	466	4.45
16,053,410	11,405,950	11,403,515	6,546,782	4,856,733	2,435	563	4.91
13,714,220	10,761,977	10,757,008	5,864,587	4,892,421	4,969	662	5.30
11,970,803	10,218,299	10,151,397	5,268,411	4,882,986	66,902	772	5.72
10,379,888	9,750,715	9,750,715	4,848,100	4,902,615		879	6.07
32,427,832	41,680,815	41,500,511	18,585,551	22,914,960	180,304	1,217	7.09
16,762,319	34,756,480	34,590,930	12,928,685	21,662,245	165,550	1,999	8.98
9,689,430	29,689,323	29,411,835	9,280,188	20,131,647	277,488	3,009	11.02
10,345,326	48,454,013	47,315,942	12,583,025	34,732,917	1,138,071	4,634	13.51
5,128,511	37,772,697	30,133,569	6,820,683	23,312,886	7,639,128	7,399	16.61
2,854,632	30,284,681	15,804,899	3,091,842	12,713,057	14,479,782	10,781	19.76
1,740,847	25,024,318	11,282,910	1,941,665	9,341,245	13,741,408	14,746	22.83
1,142,198	21,310,484	9,634,068	1,464,454	8,169,614	11,676,416	19,164	25.67
808,942	19,421,852	7,052,303	957,415	6,094,888	12,369,549	24,277	28.67
517,792	15,664,294	5,521,307	682,072	4,839,235	10,142,987	29,780	31.42
1,228,348	54,872,431	15,897,396	1,661,586	14,235,810	38,975,035	43,933	36.81
379,136	29,121,566	6,791,797	590,688	6,201,109	22,329,769	73,725	42.79
200,101	22,720,083	4,057,191	320,344	3,736,847	18,662,892	103,745	46.81
102,661	13,399,897	2,400,790	180,614	2,220,176	10,999,107	130,096	48.09
108,157	21,805,563	5,003,069	353,087	4,649,982	16,802,494	175,851	50.76
55,285	13,120,247	2,473,431	164,101	2,309,330	10,646,816	226,211	50.32
51,182	23,309,073	2,111,677	130,610	1,981,067	21,197,396	328,297	53.69
23,224	14,342,882	2,518,565	149,055	2,369,510	11,824,317	462,674	52.77
26,407	15,958,166	1,907,557	108,291	1,799,266	14,050,609	591,043	57.51
9,500	12,405,568	1,225,838	68,250	1,157,588	11,179,730	886,112	51.28
2,300	4,231,420				4,231,420	1,057,855	41.24
860	2,561,584				2,561,584	2,561,584	72.61
1,400	1,006,967				1,006,967	1,006,967	37.67
900	6,664,068				6,664,068	2,221,356	30.66
453,295,515							
937,593,865	726,119,613	462,260,874	221,195,480	241,065,394	263,858,739	242	5.84
1,390,889,380	726,119,613	462,260,874	221,195,480	241,065,394	263,858,739	118	3.89
14,848	615,251				615,251	23,664	
	615,251				615,251	(11)	
	726,734,864	462,260,874	221,195,480	241,065,394	264,473,990	(11)	

³ Nontaxable returns. Exemptions from normal tax and surtax exceed net income. A negligible number of nontaxable returns in net income classes of \$6,000 and over is not tabulated separately.

⁴ See footnote 8, p. 11.

⁵ See footnote 9, p. 11.

⁶ Deficit.

⁷ Net income less deficit.

⁸ Not available.

⁹ Average total tax not computed.

Basic table 2-A, pages 92-101, shows data similar to those in the preceding table, but classified in greater detail. The returns with no alternative tax (Part II, pages 94-95) are shown separately from those with alternative tax (Part III, pages 96-101) and the returns with alternative tax are further classified into those with net long-term capital gain and with net long-term capital loss. In all parts of basic table 2-A there are presented six net income classes for returns with net income under \$5,000.

The distribution of number of returns, net income or deficit, and tax, by States and Territories, is given in basic table 1-A, pages 80-81.

SIMPLE AND CUMULATIVE DISTRIBUTION BY NET INCOME CLASSES OF NUMBER OF RETURNS, NET INCOME, AND TAX

The distribution of individual returns with net income by a limited number of net income classes is exhibited in the following table. There are shown simple and cumulative totals and percentages for the number of returns, net income, and tax. Basic table 3-A, pages 105-107, contains number of returns, net income, and tax distributed by a more detailed net income classification. Both in the following table and basic table 3-A, aggregates are shown for the returns with no net income:

Individual returns¹ with net income (excluding fiduciary returns), 1938, by net income classes: simple and cumulative distribution of number of returns, net income and tax, and percentages; also aggregate for individual returns with no net income (excluding fiduciary returns), 1938²

[Net income classes and money figures in thousands of dollars]

Net income classes	Returns					
	Simple distribution		Cumulative distribution from highest income class		Cumulative distribution from lowest income class	
	Number	Percent of total	Number	Percent of total	Number	Percent of total
Returns with net income:						
Under 1 (estimated).....	366,591	5.96	6,150,776	100.00	366,591	5.96
1 under 2 (estimated).....	2,423,278	39.40	5,784,185	94.04	2,789,869	45.36
2 under 3 (estimated).....	1,609,883	26.17	3,360,907	54.64	4,399,752	71.53
3 under 5 (estimated).....	1,167,479	18.98	1,751,024	28.47	5,567,231	90.51
5 under 10.....	410,931	6.68	583,545	9.49	5,978,162	97.19
10 under 25.....	137,940	2.25	172,614	2.81	6,116,102	99.44
25 under 50.....	25,430	.41	34,674	.56	6,141,532	99.85
50 under 100.....	6,944	.11	9,244	.15	6,148,476	99.96
100 under 150.....	1,249	.02	2,300	.04	6,149,725	99.98
150 under 300.....	717	.01	1,051	.02	6,150,442	99.99
300 under 500.....	182	(³)	334	.01	6,150,624	99.99
500 under 1,000.....	102	(³)	152	(³)	6,150,726	99.99
1,000 and over.....	50	(³)	50	(³)	6,150,776	100.00
Total, individual returns with net income.....	6,150,776	100.00				
Individual returns with no net income ²	100,233	(⁷)				
Grand total.....	6,251,009	(⁷)				

For footnotes, see p. 19.

Individual returns¹ with net income (excluding fiduciary returns), 1938, by net income classes: simple and cumulative distribution of number of returns, net income and tax, and percentages; also aggregate for individual returns with no net income (excluding fiduciary returns), 1938—Continued²

[Net income classes and money figures in thousands of dollars]

Net income classes	Net income					
	Simple distribution		Cumulative distribution from highest income class		Cumulative distribution from lowest income class	
	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total
Returns with net income:						
Under 1 (estimated).....	250,739	1.34	18,660,929	100.00	250,739	1.34
1 under 2 (estimated).....	3,414,877	18.30	18,410,190	98.66	3,665,616	19.64
2 under 3 (estimated).....	4,079,068	21.86	14,995,313	80.36	7,744,684	41.50
3 under 5 (estimated).....	4,298,601	23.04	10,916,245	58.50	12,043,286	64.54
5 under 10.....	2,751,422	14.74	6,617,644	35.46	14,794,708	79.28
10 under 25.....	2,016,484	10.81	3,866,221	20.72	16,811,193	90.09
25 under 50.....	855,437	4.58	1,849,736	9.91	17,666,630	94.67
50 under 100.....	463,503	2.48	994,299	5.33	18,130,133	97.15
100 under 150.....	149,052	.80	530,796	2.85	18,279,185	97.95
150 under 300.....	144,454	.78	381,744	2.05	18,423,639	98.73
300 under 500.....	69,031	.37	237,290	1.27	18,492,671	99.10
500 under 1,000.....	70,590	.38	168,259	.90	18,563,261	99.48
1,000 and over.....	97,669	.52	97,669	.52	18,660,929	100.00
Total, individual returns with net income.....	18,660,929	100.00				
Individual returns with no net income ²	635,156	(⁷)				

Net income classes	Total tax					
	Simple distribution		Cumulative distribution from highest income class		Cumulative distribution from lowest income class	
	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total
Returns with net income:						
Under 1 (estimated).....	445	0.06	726,120	100.00	445	0.06
1 under 2 (estimated).....	14,835	2.04	725,675	99.94	15,280	2.10
2 under 3 (estimated).....	13,414	1.85	710,840	97.90	28,694	3.95
3 under 5 (estimated).....	33,257	4.58	697,426	96.05	61,851	8.53
5 under 10.....	69,992	9.64	664,169	91.47	131,942	18.17
10 under 25.....	130,436	17.96	594,177	81.83	262,378	36.13
25 under 50.....	115,916	15.97	463,741	63.87	378,294	52.10
50 under 100.....	111,706	15.38	347,825	47.90	490,000	67.48
100 under 150.....	54,872	7.56	236,120	32.52	544,873	75.04
150 under 300.....	65,242	8.98	181,247	24.96	610,114	84.02
300 under 500.....	34,926	4.81	116,006	15.98	645,040	88.88
500 under 1,000.....	37,652	5.19	81,080	11.17	682,692	94.02
1,000 and over.....	43,428	5.98	43,428	5.98	726,120	100.00
Total, individual returns with net income.....	726,120	100.00				
Individual returns with no net income (taxable) ⁴	615	(⁷)				
Grand total.....	726,735	(⁷)				

¹ Unlike text table on p. 8, Statistics of Income for 1937, Part 1, excludes taxable fiduciary returns with net income, Form 1041, and taxable and nontaxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041. Data for individual returns with no net income are included in this table for the first time. See basic table 3-A, pp. 105-107, for distribution of the data by more detailed net income classes.

² For general explanations, see pp. 1-6 and 14-15.

³ See footnote 8, p. 11.

⁴ Reported on 26 returns with net long-term capital loss on which the tax, computed on net income before the deduction of net long-term capital loss, exceeds 30 percent of the net long-term capital loss.

⁵ Less than one-hundredth of 1 percent.

⁶ Deficit.

⁷ Percentage not computed.

CLASSIFICATION BY SEX AND FAMILY RELATIONSHIP, INDIVIDUAL RETURNS WITH NET INCOME

The table presented herewith shows the number of individual returns with net income and the net income distributed according to sex and family relationship of the taxpayer. In basic table 4, pages 108-110, similar data are shown by States and Territories. In basic table 5, there are presented the number of returns, net income, personal exemption, and credit for dependents, classified by net income classes and by sex and family relationship of the taxpayer. There are excluded from the following table and from basic tables 4 and 5 individual returns with no net income which are not classified by sex and family relationship of the taxpayer.

The tabulation of the individual returns showing community property income excludes returns with net income under \$5,000 and joint returns of husband and wife with net income under \$10,000. The returns of married persons not showing community property income filed in the eight community property States are classified according to the status reported, as joint returns of husbands and wives or separate returns of husbands and wives. In tabulating joint returns showing community property net income of \$10,000 and over, with tax liability apportioned between husband and wife, the items of income and deductions are divided to represent two community property returns, the net income class for each of the separate returns being one-half of the combined community income. Separate returns of husbands and wives showing community property income of \$5,000 and over are classified as community property returns by net income classes according to the net income on each return.

Individual returns¹ with net income (excluding fiduciary returns), 1938, by sex and family relationship: number of returns, net income, and percentages²

Family relationship	Returns		Net income	
	Number	Percent of total	Amount (thousands of dollars)	Percent of total
Joint returns of husbands, wives, and dependent children, and returns of either husband or wife when no other return is filed.....	2,866,026	46.60	10,001,384	53.60
Separate returns of husbands and wives:				
Men ³	152,654	2.48	1,593,939	8.54
Women ³	153,143	2.49	693,027	3.71
Heads of families:				
Single men and married men not living with wives.....	395,073	6.42	1,040,372	5.58
Single women and married women not living with husbands.....	210,143	3.42	472,994	2.53
Not heads of families:				
Single men and married men not living with wives.....	1,418,385	23.06	2,611,197	13.99
Single women and married women not living with husbands.....	909,935	14.79	1,717,196	9.20
Community property returns ⁴	45,417	.74	530,819	2.85
Total, individual returns with net income.....	6,150,776	100.00	18,660,929	100.00

¹ Unlike text table on p. 9, Statistics of Income for 1937, Part 1, excludes taxable fiduciary returns with net income, Form 1041, and taxable and nontaxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041. Data for individual returns with no net income are not classified by sex and family relationship. See basic table 4, pp. 108-110, for distribution of data by States and Territories. See basic table 5, pp. 111-115, for distribution of data by net income classes.

² For general explanations, see pp. 1-6 and 14-15.

³ An unequal number of separate returns for husbands and wives results from (1) the use of the sample method on returns with net income under \$5,000, as the net income of one spouse may be \$5,000 or over and that of the other spouse under \$5,000 (see description of sample, pp. 14-15), and (2) certain cases in which incomplete or inaccurate answers to questions 4 and 5 on p. 4, Form 1040, and on the back of Form 1040A make it impossible to identify the returns as separate returns.

⁴ See text, p. 20.

PERSONAL EXEMPTION AND CREDITS AGAINST NET INCOME, INDIVIDUAL RETURNS WITH NET INCOME

The following table shows that of the net income of \$18,660,929,186 reported on all individual returns with net income, there is \$6,146,343,-050 which is subject to the normal tax rate of 4 percent. Of this \$6,146,343,050 there is reported net income of \$5,529,887,000 subject to the normal tax liability on returns with no alternative tax liability and net income of \$616,456,050 which is the base for the normal tax computation used in the determination of the alternative tax on returns with alternative tax liability (see item 9, Schedule F, on page 3 of Form 1040, facsimile on page 292). Of this latter amount, net income of \$239,864,000 is reported on returns which show net long-term capital gain and net income of \$376,592,050 is reported on returns which show net long-term capital loss.

The net income specifically exempt from the normal tax rate of 4 percent through personal exemption, credit for dependents, earned income credit, interest on Government obligations not wholly exempt from tax, and net long-term capital gain and loss reported on returns with alternative tax liability is also shown in the following table:

Individual returns¹ with net income (excluding fiduciary returns), 1938: net income exempt from and amount subject to normal tax²

(Money figures in thousands of dollars)

	Amount	Percent of net income
Net income.....	18,660,929	100.00
Personal exemption and credits against net income:		
Personal exemption.....	11,384,789	61.01
Credit for dependents.....	1,527,594	8.19
Earned income credit.....	1,390,889	7.45
Taxable interest on partially tax-exempt Government obligations ³	42,099	.22
Total personal exemption and credits against net income.....	14,345,371	76.87
Net long-term capital gain and loss reported on returns with alternative tax:		
Net long-term capital gain.....	143,197	
Less: Net long-term capital loss.....	51,306	
	91,891	.49
Total.....	14,437,262	77.36
Less: Excess exemption and credits ⁴	1,922,676	10.30
Net income exempt from normal tax.....	12,514,586	67.06
Net income subject to normal tax.....	⁵ 6,146,343	32.94

¹ Unlike text table on p. 10, Statistics of Income for 1937, Part 1, excludes taxable fiduciary returns with net income, Form 1041, and taxable and nontaxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041.

² For general explanations, see pp. 1-6 and 14-15.

³ Interest received on United States savings bonds and Treasury bonds, owned in excess of \$5,000, and on obligations of instrumentalities of the United States other than those issued under the Federal Farm Loan Act or such act as amended (see item 5 on p. 1, Form 1040, facsimile on p. 290) reported on returns with net income of \$5,000 and over.

⁴ See footnote 5, p. 17.

⁵ Consists of \$5,529,887,000 subject to the normal tax liability on returns with no alternative tax liability and \$616,456,050 which is the base for the normal tax computation used in the determination of the alternative tax on returns with alternative tax liability.

INDIVIDUAL RETURNS WITH NO NET INCOME BUT WITH ALTERNATIVE TAX LIABILITY

In the following table there is presented the computation of the alternative tax, in accordance with the provisions of section 117(c)(2) of the Revenue Act of 1938, for the 26 individual returns with no net

income which show alternative tax liability. Each of these returns shows a net long-term capital loss in excess of deficit and there is an alternative tax liability because the partial tax computed on ordinary net income before the deduction of net long-term capital loss exceeds 30 percent of the net long-term capital loss (see Schedule F on page 3 of Form 1040, facsimile on page 292).

Individual returns with no net income, 1938, but with ordinary net income before deducting net long-term capital loss, and alternative tax liability¹

[Money figures in thousands of dollars]

Number of returns.....	26
Deficit (includes net long-term capital loss).....	1, 404
Net long-term capital loss.....	6, 768
Ordinary net income before deducting net long-term capital loss.....	5, 365
Less: Credits for surtax net income computation:	
Personal exemption.....	49
Credit for dependents.....	6
	55
Ordinary net income for surtax computation.....	5, 309
Less: Credits for normal tax net income computation:	
Interest on partially tax-exempt Government obligations.....	8
Earned income credit.....	15
	23
Ordinary net income for normal tax computation.....	5, 286
Normal tax.....	211
Surtax.....	2, 434
Total, partial tax.....	2, 645
Less: 30 percent of net long-term capital loss.....	2, 030
Alternative tax ²	615

¹ For general explanations, see pp. 1-6.

² This alternative tax, computed in accordance with the provisions of sec. 117(c)(2) of the Revenue Act of 1938, is reported as item 31 on p. 1 of Form 1040 and as items 14 and 16 in Schedule F on p. 3 of Form 1040, facsimile on p. 292.

CAPITAL GAINS AND LOSSES

The provisions of the revenue acts relating to capital gains and losses from the sale of assets held *more than two years* apply to capital gains and capital losses resulting from the sale or exchange of capital assets consummated after December 31, 1921, and prior to January 1, 1934. Definitions of terms and a summary of the provisions of the Revenue Act of 1921 and subsequent acts, affecting the tax on capital gains, and of the provisions of the Revenue Act of 1924 and subsequent acts, affecting the tax credit on capital losses, is found on pages 276-277 of this report. The "Total income" and "Net income" for individual returns for 1922 through 1933, as presented in the historical tables, pages 66-75, include "Capital net gains," whereas, for the years 1924 through 1933, the "Net income" has *not* been reduced by, and "Deductions" have *not* been increased by, the amount of "Capital net losses" reported for tax credit.

Under the provisions of the Revenue Acts of 1934 and 1936, the definition of capital assets is extended to include assets held by the taxpayer, *regardless of time held*, instead of only assets held over two

years. The term "Capital assets" means property held by the taxpayer (whether or not connected with his trade or business), but excludes (1) stock in trade or other property which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year and (2) property held primarily for sale to customers in the ordinary course of trade or business. Certain percentages of the gain or loss recognized upon such sales or exchanges are taken into account in computing net income. These percentages, which vary according to the period for which the assets have been held, are as follows: 100 percent, for capital assets held not over 1 year; 80 percent, for capital assets held over 1 year but not over 2 years; 60 percent, for capital assets held over 2 years but not over 5 years; 40 percent, for capital assets held over 5 years but not over 10 years; and 30 percent, for capital assets held over 10 years. The deduction for net capital loss after the percentages are applied and after subtracting the prorated gains from the sales or exchanges of capital assets is limited to \$2,000, or the amount of the net capital loss, whichever is less.

The net income reported on individual returns for the taxable years 1934 through 1937 includes net capital gain and loss computed in accordance with the limitations stated in the preceding paragraph. It is not possible, by using the net capital gain and net capital loss on the returns for these years, to adjust the "Total income," "Total deductions," and "Net income" so that they will be comparable with these items as tabulated for prior years. Moreover, net capital gain and loss reported on individual returns for 1934 through 1937 are not comparable with "Profit and loss from sale of real estate, stocks, and bonds," etc., "Capital net gain," or "Capital net loss" which were reported on returns for prior years. The net capital gain and loss reported on fiduciary income tax returns, Form 1041, for 1937, included in Statistics of Income for 1937, Part 1, are computed according to the limitations which apply to the individual returns.

Under the provisions of the Revenue Act of 1938, the definition of capital assets is the same as that under the provisions of the Revenue Acts of 1934 and 1936, except that there is excluded property used in trade or business of a character which is subject to the allowance for depreciation. The net gain or loss from the sale or exchange of this excluded property subject to the allowance for depreciation is reported as "Net gain (or loss) from sale or exchange of property other than capital assets" (item 10(c) on page 1 of Form 1040, facsimile on page 290).

The following percentages of the gain or loss recognized upon the sale or exchange of capital assets which are taken into account in computing net income are different from those under the provisions of the Revenue Acts of 1934 and 1936: 100 percent, for capital assets held 18 months or less; 66% percent, for capital assets held over 18 months but not over 24 months; 50 percent, for capital assets held over 24 months (see Schedule F on page 3 of Form 1040, facsimile on page 292). The net capital gain or loss resulting from the application of the above percentages is divided into short-term and long-term. Net short-term gain or loss refers to that for capital assets held 18 months

or less, and net long-term gain or loss refers to that for capital assets held over 18 months. Net short-term gain and net long-term gain or loss may be taken into account in computing current year net income. Net short-term loss, however, may not be taken into account in computing current year net income. According to section 117(e) of the Revenue Act of 1938, the net short-term loss (not in excess of the net income for the year in which the loss is sustained) is carried forward to the succeeding year and applied against the short-term capital gains not already offset by short-term capital losses in such succeeding year.

According to sections 169(c)(1) and 182 of the Revenue Act of 1938, net short-term capital gain or loss and net long-term capital gain or loss include, respectively, (1) net short-term and net long-term capital gain or loss from sale or exchange of capital assets received from "Common trust funds" and (2) each partner's share of net short-term and net long-term capital gain or loss allowed partnerships. Under the provisions of the Revenue Acts of 1934 and 1936, net capital gain or loss from "Common trust funds" and net capital gain or loss allowed partnerships were included in "Income from fiduciaries" and "Partnership profit or loss," respectively.

For the returns in this volume filed under the provisions of the Revenue Act of 1938, there are tabulated, as sources of income and deductions, the net short-term capital gain and the net long-term capital gain and loss. For the small number of returns in this report filed under the Revenue Act of 1936, the net capital gain and loss are tabulated with the net long-term capital gain and loss reported on the returns filed under the provisions of the Revenue Act of 1938.

The net income reported on individual returns in this report includes (1) net short-term capital gain and net long-term capital gain and loss reported on returns filed under the provisions of the Revenue Act of 1938, and (2) net capital gain and loss reported on a small number of returns filed under the provisions of the Revenue Act of 1936. It is not possible, by using the net short-term capital gain, and net long-term capital gain and loss, to adjust "Total income," "Total deductions," and "Net income" so that they are comparable with these items tabulated for the taxable years 1934 through 1937. Moreover, the amounts for net short-term capital gain and net long-term capital gain and loss are not comparable with those for net capital gain and loss tabulated for the taxable years 1934 through 1937.

SOURCES OF INCOME AND DEDUCTIONS

In the following table there appears a distribution, by sources, of the income and deductions reported on individual returns with net income and with no net income. Income from the various sources represents the net amount by which the gross receipts exceed the deductions, as reported in the schedules on the return (see facsimile of Form 1040, pages 290-297), and in aggregate represents the sum of the net amounts of income from each source. Net losses reported under "Income" items on the face of the returns are transferred in tabulation to deductions, and are included with the amounts reported under specified or other deductions.

Individual returns¹ with net income and with no net income (excluding fiduciary returns), 1938: number of returns, sources of income and deductions, and net income²

[Money figures in thousands of dollars]

Sources of income and deductions	Individual returns		
	Total	With net income	With no net income
Number of returns.....	6, 251, 009	6, 150, 776	100, 233
Sources of income:			
Salaries, wages, commissions, etc.....	13, 306, 816	13, 240, 991	65, 825
Dividends from domestic and foreign corporations ³	2, 211, 501	2, 122, 076	89, 424
Taxable interest:			
Bank deposits, notes, mortgages, corporation bonds ⁴	778, 537	746, 504	32, 034
Partially tax-exempt Government obligations ⁵	44, 471	42, 099	2, 373
Partnership profit ⁷	1, 041, 059	1, 047, 526	13, 533
Income from fiduciaries ⁸	656, 332	637, 041	19, 291
Rents and royalties.....	770, 435	728, 834	41, 601
Business profit.....	2, 308, 398	2, 342, 443	25, 954
Net capital gain: ⁹			
Short-term ¹⁰	139, 471	131, 689	7, 781
Long-term ¹¹	267, 712	261, 209	6, 443
Net gain from sale of property other than capital assets ¹²	23, 087	21, 561	1, 525
Other income.....	240, 227	227, 245	12, 983
Total income.....	21, 868, 046	21, 549, 277	318, 769
Deductions:			
Partnership loss ⁷	68, 240	30, 441	37, 800
Business loss.....	241, 400	98, 084	142, 717
Net long-term capital loss ¹³	582, 734	390, 514	192, 220
Net loss from sale of property other than capital assets ¹²	42, 752	21, 325	21, 427
Contributions ¹⁴	413, 879	407, 419	6, 560
Interest paid ¹⁵	548, 613	500, 504	48, 049
Taxes paid ¹⁶	837, 730	792, 951	44, 779
Other deductions.....	825, 825	646, 451	179, 374
Total deductions.....	3, 561, 273	2, 888, 348	672, 925
Net income.....	¹⁰ 18, 306, 773	18, 660, 929	¹⁷ 354, 156

¹ Unlike text table on p. 12, Statistics of Income for 1937, Part 1, excludes taxable fiduciary returns with net income, Form 1041, and taxable and nontaxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041. Data for individual returns with no net income are included in this table for the first time.

² For general explanations, see pp. 1-6 and 14-15.

³ See footnote 8, p. 11.

⁴ Excludes dividends received through partnerships and fiduciaries and dividends received on share accounts in Federal savings and loan associations.

⁵ Includes taxable interest received on partially tax-exempt Government obligations reported on returns with net income under \$5,000.

⁶ See footnote 3, p. 21.

⁷ For 1938, partnership profit or loss includes dividends received, and excludes (1) taxable interest on obligations of the United States, and (2) net gain or loss from the sale or exchange of capital assets. The item "Charitable contributions" is not an allowable deduction in the computation of partnership profit or loss. For 1937, partnership profit or loss included (1) dividends received and (2) net gain or loss from sale or exchange of capital assets (as defined by sec. 117(b) of the Revenue Act of 1936) and excluded taxable interest on obligation of the United States. The item "Charitable contributions" (limited to 15 percent of partnership net income before deduction of contributions or gifts) was an allowable deduction in the computation of partnership profit or loss. Each item which is excluded from partnership profit or loss for 1938 and 1937 is reported under its appropriate classification.

⁸ For 1938, income from fiduciaries includes (1) dividends received, and (2) net gain or loss from sale or exchange of capital assets, and excludes (1) taxable interest on obligations of the United States and (2) net gain or loss from sale or exchange of capital assets received from "Common trust funds." For 1937, income from fiduciaries included (1) dividends received, and (2) net gain or loss (including that received from "Common trust funds") from sale or exchange of capital assets as defined by sec. 117(b) of the Revenue Act of 1936, and excluded taxable interest on obligations of the United States. Each item which is excluded from income from fiduciaries for 1938 and 1937 is reported under its appropriate classification.

Profit or loss from partnership *includes* dividends received, and *excludes* (1) taxable interest on obligations of the United States and (2) net gain or loss from the sale or exchange of capital assets. The item "Charitable contributions" is not an allowable deduction in the computation of partnership profit or loss. For 1937, income from partnerships *included* (1) dividends received and (2) net gain or loss from sale or exchange of capital assets (as defined in section 117(b) of the Revenue Act of 1936) and *excluded* taxable interest on obligations of the United States. For 1937, the item "Charitable contributions" (limited to 15 percent of partnership net income before deduction of contributions or gifts) was an allowable deduction in the computation of partnership profit or loss. Each item which is excluded from partnership profit or loss for 1938 and 1937 is reported under its appropriate classification.

Income from fiduciaries *includes* (1) dividends received and (2) net gain or loss from sale or exchange of capital assets, and *excludes* (1) taxable interest on obligations of the United States and (2) net gain or loss from sale or exchange of capital assets received from "Common trust funds." For 1937, income from fiduciaries *included* (1) dividends received and (2) net gain or loss (including that received from "Common trust funds") from sale or exchange of capital assets (as defined in section 117(b) of the Revenue Act of 1936) and *excluded* taxable interest on obligations of the United States. Each item which is excluded from income from fiduciaries for 1938 and 1937 is reported under its appropriate classification.

Income from rents and royalties represents a net profit after the deduction of the amounts of depreciation, repairs, interest, taxes, and other expenses which are deductible from the gross amount received for the rent of property and the amount of depletion which is deductible from the gross amount of royalties received (see Schedule C on page 2, Form 1040, facsimile on page 291).

For statements regarding business profit and loss and the number of businesses with profit and loss, see section of this report entitled "Profit and loss from business," etc., pages 48-49.

⁹ Unlike 1937 (1) capital assets exclude property used in trade or business of a character which is subject to the allowance for depreciation and (2) "Net capital gain" and "Net long-term capital loss" include each partner's share of net capital gain or loss allowed partnerships and "Common trust funds." Net long-term capital gain and loss include losses from worthless stocks and bonds, which for 1937 were tabulated in "Other deductions."

¹⁰ Consists of net short-term capital gain on capital assets held 18 months or less. Includes net capital gain of \$346,495 on sale of capital assets (regardless of period capital assets were held) as defined in sec. 117(b) of the Revenue Act of 1936, reported on 120 fiscal year returns with year ended in period July through November 1938.

¹¹ Consists of net gain or loss from property used in trade or business of a character which is subject to the allowance for depreciation which under the Revenue Act of 1938 is excluded from capital assets. For 1937, net gain or loss from the sale of depreciable property was included in "Net capital gain or loss."

¹² Consists of net long-term capital loss on capital assets held over 18 months. Includes net capital loss of \$139,727 on sale of capital assets (regardless of period capital assets were held) as defined in sec. 117(b) of the Revenue Act of 1936, reported on 121 fiscal year returns with year ended in period July through November 1938.

¹³ Includes each partner's share of charitable contributions of partnerships. For 1937, such contributions were allowed as a deduction in the computation of partnership profit or loss (see footnote 7).

¹⁴ Excludes amounts reported in Schedules C and D as business deductions.

¹⁵ Net income less deficit.

¹⁶ Deficit.

With reference to the amounts of net short-term capital gain and net long-term capital gain and loss attention is directed to the provisions of the Revenue Act of 1938, as described in the section of the text entitled "Capital gains and losses," pages 23-24.

Net gain or loss from sale of property other than capital assets consists of net gain or loss from property used in trade or business of a character which is subject to the allowance for depreciation, which, under the provisions of the Revenue Act of 1938, is excluded from capital assets. For 1937, net gain or loss from the sale of a depreciable asset was included in "Net capital gain or loss."

A portion of the amount distributable to beneficiaries, tabulated for fiduciary returns in basic tables 11 and 13, pages 180-186 and 190-193, respectively, is reported on the individual returns of the beneficiaries as income in the following items: "Income from fiduciaries," "Taxable interest on partially tax-exempt Government obligations," "Net short-term and long-term capital gain" (if distribution consists of net capital gain from a "Common trust fund"), "Total income," and "Net income." For explanation of method of reporting distributions to beneficiaries, see section of this report entitled "Fiduciary Income Tax Returns," pages 52-54.

Contributions to domestic charitable and scientific organizations, etc., consist of those of each individual and each partner's share of charitable contributions of partnerships. The total of such contributions is limited, in general, to 15 percent of the net income reported on the individual return before deducting the contributions. Like other items of income and deductions, "Contributions" represents amounts prior to any revisions that may be made as a result of audit by the Bureau of Internal Revenue. In tabulating these data no adjustment is made for any contributions which may be reported by the taxpayer in excess of the 15 percent legal deduction. For 1937, contributions were not confined exclusively to domestic organizations, and charitable contributions were allowed as a deduction in the computation of partnership profit or loss.

The items of "Interest paid" and "Taxes paid" which are reported under "Deductions" on income tax returns do not include amounts reported as business deductions.

Interest paid is reported as item 14 on page 1 of Form 1040, in accordance with the following instructions:

Enter as item 14 interest on personal indebtedness as distinguished from business indebtedness (which should be deducted under Schedules C and D). Do not include interest on indebtedness incurred or continued to purchase or carry obligations (other than obligations of the United States issued after September 24, 1917, and originally subscribed for by the taxpayer) the interest upon which is wholly exempt from taxation.

Taxes paid exclude (1) the Federal income tax (the tax withheld or paid under section 801 of the Social Security Act for or in behalf of the employee is a Federal income tax of the employee and, therefore, cannot be included in "Taxes paid"), (2) estate, inheritance, legacy, succession, and gift taxes, (3) income and profits taxes paid to foreign countries or possessions of the United States, which are allowed as a credit against the tax, and (4) taxes reported as business deductions in Schedules C and D and on Form 1040F, schedule of farm income

and expenses. Taxes paid are reported as item 15 on page 1 of Form 1040, in accordance with the following instructions:

Enter as item 15 taxes imposed upon you and paid or accrued during the taxable year, not including taxes on property used in your business or profession and those assessed against local benefits of a kind tending to increase the value of the property assessed. Do not include Federal income taxes, nor estate, inheritance, legacy, succession, gift taxes, taxes imposed upon your interest as shareholder of a corporation which are paid by the corporation without reimbursement from you, nor income taxes claimed as a credit in item 33. Tax withheld or paid under section 801 of the Social Security Act for or in behalf of the employee is a Federal income tax and is not deductible by the employee. Do not include sales taxes unless such taxes were imposed directly upon you by law. No deduction is allowable for any portion of foreign income and profits taxes if a credit is claimed in item 33.

The following table shows, for a limited number of net income classes, sources of income, deductions, and net income. The distribution by States and Territories and by more detailed net income classes is shown in basic tables 6 and 7-A, respectively (pages 116-122 and 131-138). The following text table and basic table 7-A also show the total number of returns in each net income class and, for returns with net income of \$5,000 and over, the number of returns on which were reported specific sources of income and deductions. The number of returns with net income under \$5,000 on which specific sources of income and deductions are reported, which was published in Statistics of Income for 1937, Part 1 (see text table on pages 13-15 and basic table 7, pages 133-137), is not available for 1938. The table on pages 32-33 shows for a limited number of net income classes the percentage distribution of sources of income, deductions, and net income.

Individual returns¹ with net income (excluding fiduciary returns), by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938: total number of returns, number of returns and amount for each specific source of income and deductions, and net income²

[Net income classes and money figures in thousands of dollars]

Net income classes	Total number of returns	Sources of income					
		Salaries, wages, commissions, etc.		Dividends from domestic and foreign corporations ⁴		Taxable interest Bank deposits, notes, mortgages, corporation bonds	
		Number of returns ³	Amount	Number of returns ³	Amount	Number of returns ³	Amount
Returns with net income:							
Under 5 (estimated).....	5,567,231		9,931,705		611,969		18 420,251
5 under 10.....	410,931	278,935	1,703,773	226,706	323,002	173,788	131,281
10 under 25.....	137,940	88,900	1,022,429	101,933	436,345	76,914	117,304
25 under 50.....	25,430	16,331	347,134	22,004	282,362	17,285	45,399
50 under 100.....	6,944	4,519	152,929	6,382	201,778	5,312	19,229
100 under 150.....	1,249	810	41,125	1,169	75,138	1,018	4,399
150 under 300.....	717	482	30,876	691	79,502	605	5,171
300 under 500.....	182	121	7,976	179	44,259	161	1,216
500 under 1,000.....	102	51	1,916	96	33,187	89	1,208
1,000 and over.....	50	32	1,128	50	34,535	48	1,047
Total.....	6,150,776	3 390,181	13,240,991	3 359,210	2,122,076	3 275,220	746,504
Returns with no net income ¹⁷	100,233	20,521	65,825	33,929	89,424	29,364	32,034
Grand total, individual returns.....	6,251,009	3 410,702	13,306,816	3 393,139	2,211,501	3 304,584	778,537

For footnotes, see p. 31.

Individual returns¹ with net income (excluding fiduciary returns), by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938: total number of returns, number of returns and amount for each specific source of income and deductions, and net income²—Continued

[Net income classes and money figures in thousands of dollars]

Net income classes	Sources of income—Continued					
	Taxable interest—Con.		Partially tax-exempt Government obligations ⁵		Partnership profit ⁶	
	Number of returns ³	Amount	Number of returns ³	Amount	Number of returns ³	Amount ⁷
Returns with net income:						
Under 5 (estimated).....		(19)		349,872		138,991
5 under 10.....	24,273	13,449	52,207	258,759	32,747	112,384
10 under 25.....	16,718	16,135	23,948	244,910	19,699	149,046
25 under 50.....	4,806	7,461	5,285	113,417	5,422	88,532
50 under 100.....	1,540	3,000	1,435	55,768	1,820	54,718
100 under 150.....	285	873	198	12,616	391	22,835
150 under 300.....	190	864	85	8,371	269	26,239
300 under 500.....	32	207	24	2,005	68	10,337
500 under 1,000.....	31	101	11	91	54	22,971
1,000 and over.....	10	9	3	1,118	21	10,989
Total.....	3 47,891	42,099	3 83,196	1,047,526	3 60,491	637,041
Returns with no net income ¹⁷	3,332	2,373	4,904	13,533	5,189	19,291
Grand total, individual returns.....	3 51,223	44,471	3 88,100	1,061,059	3 65,680	656,332

Net income classes	Sources of income—Continued					
	Rents and royalties		Business profit		Net capital gain ⁸	
	Number of returns ³	Amount	Number of businesses ⁹	Amount	Number of returns ³	Amount ¹⁰
Returns with net income:						
Under 5 (estimated).....		449,357		1,489,611		45,515
5 under 10.....	91,195	126,834	84,350	476,999	35,872	30,492
10 under 25.....	35,474	90,904	23,535	263,156	20,556	30,949
25 under 50.....	7,200	36,625	3,159	72,814	5,296	14,093
50 under 100.....	2,040	15,456	646	27,858	1,543	6,681
100 under 150.....	370	4,401	83	6,155	301	2,152
150 under 300.....	208	2,726	41	2,588	189	1,154
300 under 500.....	57	1,340	7	386	43	231
500 under 1,000.....	36	1,119	5	2,125	38	248
1,000 and over.....	13	71	4	750	17	176
Total.....	3 136,593	728,834	3 111,830	2,342,443	3 63,855	131,689
Returns with no net income ¹⁷	27,635	41,601	9,796	25,954	5,411	7,781
Grand total, individual returns.....	3 164,228	770,435	3 121,626	2,368,398	3 69,266	139,471

For footnotes, see p. 31.

Individual returns ¹ with net income (excluding fiduciary returns), by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938: total number of returns, number of returns and amount for each specific source of income and deductions, and net income ²—Continued

[Net income classes and money figures in thousands of dollars]

Net income classes	Sources of income—Continued					
	Net capital gain ¹ —Con.		Net gain from sale of property other than capital assets ¹²		Other income ¹³	Total income
	Long-term ¹¹					
	Number of returns ³	Amount	Number of returns ³	Amount		
Returns with net income:						
Under 5 (estimated).....		30,633		12,159	149,571	13,629,634
5 under 10.....	26,703	23,379	4,445	5,174	28,586	3,234,113
10 under 25.....	16,577	32,772	1,686	2,999	23,131	2,430,079
25 under 50.....	4,737	22,704	308	793	12,524	1,043,858
50 under 100.....	1,803	20,990	111	400	9,462	568,266
100 under 150.....	448	12,072	14	22	1,765	183,554
150 under 300.....	332	20,342	7	14	1,195	179,041
300 under 500.....	98	15,702	1	(²²)	772	85,031
500 under 1,000.....	60	21,899	1	(²²)	136	85,001
1,000 and over.....	43	60,776			103	110,702
Total.....	³ 50,801	261,269	³ 6,573	21,561	227,245	21,549,277
Returns with no net income ¹⁷	3,010	6,443	1,210	1,526	12,983	318,769
Grand total, individual returns.....	³ 53,811	267,712	³ 7,783	23,087	240,227	21,868,046

Net income classes	Deductions					
	Partnership loss ⁴		Business loss		Net long-term capital loss ¹⁴	
	Number of returns ³	Amount	Number of businesses ⁵	Amount	Number of returns ³	Amount
Returns with net income:						
Under 5 (estimated).....		15,192		50,826		147,423
5 under 10.....	4,234	4,606	9,376	14,982	45,466	77,956
10 under 25.....	2,502	5,614	5,008	14,237	29,907	90,392
25 under 50.....	745	2,440	1,519	7,508	8,187	41,892
50 under 100.....	295	1,489	579	4,804	2,550	20,435
100 under 150.....	66	282	179	1,843	445	4,897
150 under 300.....	50	587	104	2,532	249	4,332
300 under 500.....	17	118	22	983	50	1,034
500 under 1,000.....	6	101	23	475	34	1,651
1,000 and over.....	5	12	16	373	4	502
Total.....	³ 7,920	30,441	³ 16,826	98,684	³ 86,902	390,514
Returns with no net income ¹⁷	7,479	37,800	54,021	142,717	21,346	192,220
Grand total, individual returns.....	³ 15,399	68,240	³ 70,847	241,400	³ 108,248	582,734

¹For footnotes, see p. 31.

Individual returns ¹ with net income (excluding fiduciary returns), by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938: total number of returns, number of returns and amount for each specific source of income and deductions, and net income ²—Continued.

[Net income classes and money figures in thousands of dollars]

Net income classes	Deductions—Continued					
	Net loss from sale of property other than capital assets ¹²		Contributions ¹³		Interest paid ¹⁴	
	Number of returns ³	Amount	Number of returns ³	Amount	Number of returns ³	Amount
Returns with net income:						
Under 5 (estimated).....		12,146		230,211		295,480
5 under 10.....	3,723	3,890	337,462	61,112	217,710	95,873
10 under 25.....	1,833	2,911	118,587	48,201	77,712	63,199
25 under 50.....	456	1,236	22,715	24,487	15,311	23,994
50 under 100.....	129	413	6,398	16,340	4,484	11,789
100 under 150.....	36	124	1,182	6,854	872	3,979
150 under 300.....	19	79	687	6,985	522	3,198
300 under 500.....	6	108	176	4,333	138	1,165
500 under 1,000.....	6	67	97	4,912	76	748
1,000 and over.....	9	349	47	3,983	40	1,140
Total.....	³ 6,217	21,325	³ 487,351	407,419	³ 316,865	500,564
Returns with no net income ¹⁷	3,827	21,427	30,849	6,560	31,792	48,049
Grand total, individual returns.....	³ 10,044	42,752	³ 518,200	413,979	³ 348,657	548,613

Net income classes	Deductions—Continued				Net income
	Taxes paid ¹⁶		Other deductions ¹³	Total deductions	
	Number of returns ³	Amount			
Returns with net income:					
Under 5 (estimated).....		423,290	411,780	1,586,348	12,043,286
5 under 10.....	364,431	134,362	89,009	482,690	2,751,422
10 under 25.....	126,713	116,986	72,055	413,705	2,016,485
25 under 50.....	23,945	54,309	32,493	188,420	855,437
50 under 100.....	6,640	30,858	18,575	104,762	463,503
100 under 150.....	1,221	9,995	6,527	34,502	149,052
150 under 300.....	707	10,479	6,394	34,587	144,454
300 under 500.....	181	5,194	3,065	15,999	69,031
500 under 1,000.....	99	3,749	2,708	14,411	70,590
1,000 and over.....	49	3,730	2,944	13,033	97,669
Total.....	³ 523,986	792,951	646,451	2,888,348	18,660,929
Returns with no net income ¹⁷	46,591	44,779	179,374	672,925	²⁰ 354,156
Grand total, individual returns.....	³ 570,577	837,730	825,825	3,561,273	²¹ 18,306,773

¹ Unlike text table on pp. 13-15, Statistics of Income for 1937, Part 1, this table excludes taxable fiduciary returns with net income, Form 1041, and taxable and nontaxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041. Data for individual returns with no net income are included in this table for the first time.

² For general explanations, see pp. 1-6 and 14-15.

³ The number of returns with net income under \$5,000, which is not available, is excluded from the totals in this column.

⁴ See footnote 4, p. 25.

⁵ See footnote 3, p. 21.

⁶ See footnote 7, p. 25.

⁷ See footnote 8, p. 25.

⁸ If two or more businesses in different industrial groups are reported on one return, each business is counted separately. Consequently, the number of businesses exceeds the number of returns showing business profit or loss. The number of businesses for returns with net income under \$5,000, which is not available, is excluded from the totals in this column.

⁹ See footnote 9, p. 26.

¹⁰ See footnote 10, p. 26.

¹¹ See footnote 11, p. 26.

¹² See footnote 12, p. 26.

¹³ The number of returns with "Other income" and "Other deductions" is not available, since the amount of "Other income" is secured by deducting the sum of the specific sources of income from total income and the amount of "Other deductions" is determined by subtracting the sum of the specific deductions from the total deductions.

¹⁴ See footnote 13, p. 26.

¹⁵ Includes each partner's share of charitable contributions of partnerships. For 1937, such contributions were allowed as a deduction in the computation of partnership profit or loss (see footnote 7, p. 25).

¹⁶ See footnote 15, p. 26.

¹⁷ See footnote 8, p. 11.

¹⁸ Includes taxable interest received on partially tax-exempt Government obligations.

¹⁹ Tabulated with "Taxable interest received on bank deposits, notes, mortgages, corporation bonds."

²⁰ Deficit.

²¹ Net income less deficit.

²² Less than \$500.

Individual returns¹ with net income (excluding fiduciary returns), by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938: percentage distribution of sources of income, deductions, and net income²

Net income classes (Thousands of dollars)	Sources of income					Income from fiduciaries ⁵
	Salaries, wages, commis- sions, etc.	Dividends from do- mestic and for- eign cor- porations ³	Taxable interest		Partner- ship profit ⁴	
			Bank de- posits, notes, mortgages, corporation bonds	Partially tax-exempt Govern- ment obli- gations ⁴		
Returns with net income:						
Under 5 (estimated)	72.87	4.49	15 3.08	(16) 0.42	2.57	1.02
5 under 10.....	52.68	9.90	4.06	0.42	8.00	3.48
10 under 25.....	42.08	17.96	4.83	.66	10.08	6.13
25 under 50.....	33.25	27.05	4.35	.71	10.87	8.48
50 under 100.....	26.91	35.51	3.38	.53	9.81	9.63
100 under 150.....	22.40	40.94	2.40	.48	6.87	12.44
150 under 300.....	17.25	44.40	2.89	.48	4.68	14.66
300 under 500.....	9.38	52.05	1.43	.24	3.06	12.16
500 under 1,000.....	2.25	39.04	1.42	.12	.11	27.02
1,000 and over.....	1.02	31.20	.94	.01	1.01	9.93
Total.....	61.45	9.85	3.46	.20	4.86	2.96
Returns with no net income ¹⁴	20.64	28.05	10.05	.75	4.25	6.05
Grand total, individual re- turns.....	60.85	10.11	3.56	.20	4.85	3.00

Net income classes (Thousands of dollars)	Sources of income—Continued						
	Rents and royalties	Business profits	Net capital gain ⁷		Net gain from sale of prop- erty other than cap- ital assets ¹⁰	Other income	Total in- come
			Short- term ⁸	Long- term ⁹			
Returns with net income:							
Under 5 (estimated).....	3.30	10.93	0.33	0.22	0.09	1.10	100.00
5 under 10.....	3.02	14.75	.94	.72	.16	.88	100.00
10 under 25.....	3.74	10.83	1.27	1.35	.12	.95	100.00
25 under 50.....	3.51	6.98	1.35	2.18	.07	1.20	100.00
50 under 100.....	2.72	4.90	1.18	3.69	.07	1.67	100.00
100 under 150.....	2.40	3.35	1.17	6.58	.01	.96	100.00
150 under 300.....	1.52	1.45	.64	11.36	.01	.66	100.00
300 under 500.....	1.58	.45	.27	18.47	(17) .91	.91	100.00
500 under 1,000.....	1.32	2.50	.29	25.76	(17) .16	.16	100.00
1,000 and over.....	.06	.68	.16	54.9009	100.00
Total.....	3.38	10.87	.61	1.21	.10	1.05	100.00
Returns with no net income ¹⁴ ..	13.05	8.14	2.44	2.03	.48	4.07	100.00
Grand total, individual returns.....	3.52	10.83	.64	1.23	.11	1.10	100.00

For footnotes, see p. 33.

Individual returns¹ with net income (excluding fiduciary returns), by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938: percentage distribution of sources of income, deductions, and net income²—Continued

Net income classes (Thousands of dollars)	Deductions				
	Partnership loss ⁶	Business loss	Net long-term capital loss ^{7 11}	Net loss from sale of property other than capital assets ¹⁰	Contributions ¹²
Returns with net income:					
Under 5 (estimated).....	0.11	0.37	1.08	0.09	1.69
5 under 10.....	.14	.46	2.41	.12	1.89
10 under 25.....	.23	.59	3.72	.12	1.98
25 under 50.....	.23	.73	4.01	.12	2.35
50 under 100.....	.26	.86	3.60	.07	2.88
100 under 150.....	.15	1.00	2.67	.07	3.73
150 under 300.....	.33	1.42	2.42	.04	3.90
300 under 500.....	.14	1.16	1.21	.13	5.10
500 under 1,000.....	.12	.56	1.94	.08	5.78
1,000 and over.....	.01	.34	.45	.31	6.60
Total.....	.14	.46	1.81	.10	1.89
Returns with no net income ¹⁴	11.86	44.77	60.30	6.72	2.06
Grand total, individual returns.....	.31	1.10	2.67	.20	1.89

Net income classes (Thousands of dollars)	Deductions—Continued				Net income
	Interest paid ¹³	Taxes paid ¹³	Other deductions	Total deductions	
Returns with net income:					
Under 5 (estimated).....	2.17	3.11	3.02	11.64	88.36
5 under 10.....	2.96	4.16	2.78	14.92	85.08
10 under 25.....	2.60	4.81	2.97	17.02	82.98
25 under 50.....	2.30	5.20	3.11	18.05	81.95
50 under 100.....	2.07	5.43	3.27	18.44	81.56
100 under 150.....	2.17	5.45	3.56	18.80	81.20
150 under 300.....	1.79	5.85	3.57	19.32	80.68
300 under 500.....	1.37	6.11	3.60	18.82	81.18
500 under 1,000.....	.88	4.41	3.18	16.95	83.05
1,000 and over.....	1.03	3.37	2.66	11.77	88.23
Total.....	2.32	3.68	3.00	13.40	86.60
Returns with no net income ¹⁴	15.07	14.05	56.27	211.10	(15)
Grand total, individual returns.....	2.51	3.83	3.78	16.29	19 83.71

¹ Unlike text table on pp. 15-16, Statistics of Income for 1937, Part 1, this table excludes taxable fiduciary returns with net income, Form 1041, and taxable and nontaxable returns for estates and trusts filed on Form 1040 instead of Form 1041. Percentages for individual returns with no net income are included in this table for the first time.

² For general explanations, see pp. 1-6 and 14-15.

³ See footnote 4, p. 25.

⁴ See footnote 3, p. 21.

⁵ See footnote 7, p. 25.

⁶ See footnote 8, p. 25.

⁷ See footnote 9, p. 26.

⁸ See footnote 10, p. 26.

⁹ See footnote 11, p. 26.

¹⁰ See footnote 12, p. 26.

¹¹ See footnote 13, p. 26.

¹² Includes each partner's share of charitable contributions of partnerships. For 1937, such contributions were allowed as a deduction in the computation of partnership profit and loss (see footnote 7, p. 25).

¹³ See footnote 15, p. 26.

¹⁴ See footnote 8, p. 11.

¹⁵ See footnote 18, p. 31.

¹⁶ See footnote 19, p. 31.

¹⁷ Less than one-hundredth of 1 percent.

¹⁸ Percent which deficit is of total income not computed.

¹⁹ Percent which net income less deficit is of total income.

FREQUENCY DISTRIBUTION OF SELECTED SOURCES OF INCOME AND LOSS BY NET INCOME CLASSES AND BY SIZE OF EACH SOURCE OF INCOME AND LOSS

For individual returns with net income of \$5,000 and over, there is shown in the following table the frequency distribution of selected sources of income and loss by net income classes and by size of each source of income and loss.

Partnership profit and partnership loss are shown in the following table for the first time. Net short-term capital gain, net long-term capital gain, and net long-term capital loss are amounts used in the computation of net income and are reported as items 10 (a) and (b) on page 1 of Form 1040, facsimile on page 290. Net short-term capital loss, which is not reported as an item of loss in the computation of net income for 1938, is not included in this table (see section of this report entitled "Capital gains and losses," pages 23-24).

Individual returns¹ with net income of \$5,000 and over (excluding fiduciary returns), 1938, by net income classes and by size of selected sources of income and loss: number of returns

SALARIES AND WAGES

[Net income classes and salary and wage classes in thousands of dollars]

Net income classes	Salary and wage classes							
	Aggregate	Under 0.1	0.1 under 0.2	0.2 under 0.3	0.3 under 0.4	0.4 under 0.5	0.5 under 1	1 under 2
5 under 6.....	114,136	1,009	788	584	478	409	1,910	3,953
6 under 7.....	68,977	689	526	387	334	247	1,183	2,374
7 under 8.....	43,890	459	358	283	210	175	781	1,492
8 under 9.....	29,897	358	288	226	163	141	547	1,006
9 under 10.....	22,035	288	233	160	131	89	395	604
10 under 15.....	55,794	817	547	435	371	248	1,084	1,778
15 under 20.....	21,991	346	243	184	154	112	462	673
20 under 25.....	11,115	168	110	97	77	76	220	329
25 under 30.....	6,369	124	87	72	46	37	159	196
30 under 40.....	6,682	110	81	67	58	31	139	234
40 under 50.....	3,280	55	42	40	21	13	72	99
50 under 60.....	1,821	46	19	19	10	11	40	59
60 under 70.....	1,136	24	18	20	8	6	31	40
70 under 80.....	733	9	16	4	7	9	20	23
80 under 90.....	510	12	3	7	7	3	8	22
90 under 100.....	319	6	5	1	3	-----	11	5
100 under 150.....	810	15	9	10	9	6	18	29
150 under 200.....	270	6	4	2	3	1	8	7
200 under 250.....	139	4	1	3	2	-----	6	5
250 under 300.....	73	1	-----	-----	1	-----	-----	3
300 under 400.....	82	4	2	-----	1	1	3	2
400 under 500.....	39	1	-----	-----	1	1	-----	-----
500 under 750.....	35	1	1	-----	1	1	-----	1
750 under 1,000.....	16	2	1	-----	1	1	-----	-----
1,000 and over.....	32	2	-----	2	1	-----	2	3
Total.....	390,181	4,556	3,382	2,603	2,096	1,618	7,101	12,997

For footnotes, see p. 47.

Individual returns¹ with net income of \$5,000 and over (excluding fiduciary returns), 1938, by net income classes and by size of selected sources of income and loss: number of returns—Continued

SALARIES AND WAGES—Continued

[Net income classes and salary and wage classes in thousands of dollars]

Net income classes	Salary and wage classes—Continued							
	2 under 3	3 under 4	4 under 5	5 under 10	10 under 15	15 under 20	20 under 25	25 under 30
5 under 6.....	4,544	6,457	11,836	81,238	739	125	37	14
6 under 7.....	2,490	3,093	3,985	52,498	988	118	38	12
7 under 8.....	1,418	1,662	1,789	33,382	1,663	142	36	23
8 under 9.....	914	1,037	1,056	20,301	3,561	211	51	15
9 under 10.....	682	675	644	10,066	7,660	256	54	23
10 under 15.....	1,611	1,603	1,515	11,200	28,726	5,160	460	132
15 under 20.....	549	555	488	2,804	4,459	8,329	2,153	314
20 under 25.....	301	258	249	1,240	1,420	1,889	3,198	1,200
25 under 30.....	140	139	107	647	626	745	906	1,435
30 under 40.....	121	133	98	606	636	688	656	754
40 under 50.....	72	67	52	274	275	243	275	278
50 under 60.....	37	36	25	146	141	128	130	113
60 under 70.....	20	23	21	96	74	82	71	71
70 under 80.....	15	12	13	54	48	50	35	35
80 under 90.....	8	10	2	39	33	23	32	30
90 under 100.....	7	4	2	22	27	19	18	14
100 under 150.....	21	14	8	53	36	33	54	31
150 under 200.....	8	3	7	15	17	9	15	12
200 under 250.....	-----	-----	2	7	9	8	10	7
250 under 300.....	3	1	2	1	4	5	3	2
300 under 400.....	3	2	1	6	5	6	4	4
400 under 500.....	-----	1	1	-----	2	2	4	1
500 under 750.....	-----	1	1	2	1	1	1	2
750 under 1,000.....	-----	1	1	-----	-----	3	1	1
1,000 and over.....	-----	-----	-----	1	2	-----	-----	4
Total.....	12,964	15,787	21,905	214,698	51,152	18,267	8,242	4,527

Net income classes	Salary and wage classes—Continued							
	30 under 40	40 under 60	50 under 75	75 under 100	100 under 250	250 under 500	500 under 1,000	1,000 and over
5 under 6.....	6	3	6	-----	-----	-----	-----	-----
6 under 7.....	6	4	3	2	-----	-----	-----	-----
7 under 8.....	6	3	4	-----	2	-----	-----	-----
8 under 9.....	12	5	4	1	-----	-----	-----	-----
9 under 10.....	7	2	3	3	-----	-----	-----	-----
10 under 15.....	67	27	18	3	2	-----	-----	-----
15 under 20.....	119	26	14	6	1	-----	-----	-----
20 under 25.....	224	35	17	6	1	-----	-----	-----
25 under 30.....	825	51	26	1	-----	-----	-----	-----
30 under 40.....	1,777	393	90	4	6	-----	-----	-----
40 under 50.....	502	608	280	10	2	-----	-----	-----
50 under 60.....	235	187	407	27	5	-----	-----	-----
60 under 70.....	112	96	317	6	-----	-----	-----	-----
70 under 80.....	69	54	140	110	10	-----	-----	-----
80 under 90.....	53	33	86	82	17	-----	-----	-----
90 under 100.....	28	17	45	54	31	-----	-----	-----
100 under 150.....	80	59	91	72	162	-----	-----	-----
150 under 200.....	18	16	34	18	66	1	-----	-----
200 under 250.....	9	8	12	12	28	6	-----	-----
250 under 300.....	10	5	7	9	13	3	-----	-----
300 under 400.....	7	5	5	9	6	6	-----	-----
400 under 500.....	7	3	5	-----	8	2	-----	-----
500 under 750.....	5	4	6	2	4	-----	-----	-----
750 under 1,000.....	1	-----	2	1	-----	-----	-----	-----
1,000 and over.....	2	1	5	3	2	-----	-----	-----
Total.....	4,187	1,645	1,627	443	366	18	-----	-----

For footnotes, see p. 47.

Individual returns¹ with net income of \$5,000 and over (excluding fiduciary returns), 1938, by net income classes and by size of selected sources of income and loss: number of returns—Continued

DIVIDENDS²

[Net income classes and dividend classes in thousands of dollars]

Net income classes	Dividend classes							
	Aggregate	Under 0.1	0.1 under 0.2	0.2 under 0.3	0.3 under 0.4	0.4 under 0.5	0.5 under 1	1 under 2
5 under 6	82,365	22,097	11,811	6,849	5,010	3,702	11,123	9,130
6 under 7	55,078	12,932	6,628	4,517	3,260	2,598	7,897	6,971
7 under 8	38,498	7,812	4,140	2,910	2,252	1,682	5,445	5,038
8 under 9	28,432	5,096	2,819	1,969	1,486	1,201	3,919	3,927
9 under 10	21,733	3,506	2,000	1,357	1,110	922	3,001	2,970
10 under 15	61,098	7,725	4,805	3,495	2,694	2,231	7,793	8,077
15 under 20	26,661	2,319	1,434	1,050	925	763	2,722	3,324
20 under 25	14,174	877	592	525	377	346	1,162	1,604
25 under 30	8,398	419	317	252	182	158	633	788
30 under 40	4,054	354	265	200	157	148	546	710
40 under 50	4,552	169	88	85	80	67	212	280
50 under 60	2,576	62	43	33	31	36	120	134
60 under 70	1,561	33	13	24	21	21	48	79
70 under 80	1,014	13	11	23	17	11	23	59
80 under 90	744	7	11	3	9	7	27	36
90 under 100	487	18	8	3	5	3	15	12
100 under 150	1,169	15	6	11	6	9	23	44
150 under 200	378	1			2	2	11	10
200 under 250	211	6	1	1	1	2	6	4
250 under 300	102			2	1		2	2
300 under 400	122			1	2		3	4
400 under 500	57							
500 under 750	65	1		1				3
750 under 1,000	31				1			1
1,000 and over	50	2						2
Total	359,210	63,464	34,992	23,311	17,622	13,909	44,731	43,909

Net income classes	Dividend classes—Continued							
	2 under 3	3 under 4	4 under 5	5 under 10	10 under 15	15 under 20	20 under 25	25 under 30
5 under 6	4,375	2,652	1,894	3,334	250	65	23	12
6 under 7	3,504	2,095	1,437	3,403	276	65	39	24
7 under 8	2,745	1,669	1,103	3,196	340	96	30	11
8 under 9	2,161	1,434	958	2,815	481	83	39	15
9 under 10	1,675	1,134	825	2,367	675	107	40	13
10 under 15	4,818	3,546	2,667	7,787	3,938	935	279	116
15 under 20	2,231	1,617	1,320	4,142	2,284	1,569	559	160
20 under 25	1,012	800	639	2,375	1,438	979	805	337
25 under 30	631	422	372	1,272	904	624	487	456
30 under 40	569	425	343	1,299	939	779	618	476
40 under 50	225	194	151	530	413	339	312	289
50 under 60	122	78	69	267	198	181	162	146
60 under 70	71	44	48	160	81	96	75	86
70 under 80	42	28	23	87	63	33	46	38
80 under 90	21	15	10	56	42	34	36	21
90 under 100	9	7	15	38	25	21	21	24
100 under 150	28	21	10	67	53	43	45	36
150 under 200	13	3	5	20	15	24	11	9
200 under 250	3	3	1	5	12	8	7	3
250 under 300		3	1	3	6	1	2	
300 under 400		2	1	4		4	2	3
400 under 500	1	1		1	1	4	1	
500 under 750	1		1	1			2	
750 under 1,000								2
1,000 and over						1		3
Total	24,257	16,183	11,893	33,250	12,434	6,091	3,641	2,282

For footnotes, see p. 47.

Individual returns¹ with net income of \$5,000 and over (excluding fiduciary returns), 1938, by net income classes and by size of selected sources of income and loss: number of returns—Continued

DIVIDENDS²—Continued

[Net income classes and dividend classes in thousands of dollars]

Net income classes	Dividend classes—Continued							
	30 under 40	40 under 50	50 under 75	75 under 100	100 under 250	250 under 500	500 under 1,000	1,000 and over
5 under 6	19	10	4	2	3			
6 under 7	15	9	5	3				
7 under 8	17	3	7	1				
8 under 9	16	7	4					
9 under 10	14	6	5	2				
10 under 15	97	46	34	9				
15 under 20	127	58	40	12				
20 under 25	189	59	38	13			1	
25 under 30	338	72	51	13		1		
30 under 40	266	131	21	12				
40 under 50	469	370	220	42	16	1		
50 under 60	262	221	339	42	28	1	1	
60 under 70	139	140	301	60	26	2		
70 under 80	99	86	171	110	30	1		
80 under 90	45	67	135	134	36	2		
90 under 100	35	77	77	71	58			
100 under 150	56	58	150	133	318	7		
150 under 200	17	26	22	22	153		1	
200 under 250	25	6	10	13	77	33	3	
250 under 300	4	5	5	3	30	27	3	
300 under 400	4	5	6	7	14	53	6	1
400 under 500	2	2		4	8	23	9	
500 under 750		7	6	4	9	10	18	1
750 under 1,000	1	1	3	2	3	2	13	2
1,000 and over	1	1	1	4	7	10	6	12
Total	2,776	1,534	1,769	727	858	181	61	16

PARTNERSHIP PROFIT³

[Net income classes and partnership profit classes in thousands of dollars]

Net income classes	Partnership profit classes							
	Aggregate	Under 0.1	0.1 under 0.2	0.2 under 0.3	0.3 under 0.4	0.4 under 0.5	0.5 under 1	1 under 2
5 under 6	18,529	771	432	433	352	343	1,259	1,691
6 under 7	13,017	494	320	263	220	217	773	1,069
7 under 8	8,968	339	228	160	129	145	496	679
8 under 9	6,610	228	167	129	120	93	339	455
9 under 10	5,083	178	130	97	82	71	237	340
10 under 15	14,284	498	304	263	210	178	675	905
15 under 20	6,262	219	124	111	83	71	273	351
20 under 25	3,402	136	80	61	43	32	133	157
25 under 30	2,037	68	40	19	27	35	80	103
30 under 40	2,153	69	37	35	34	29	79	110
40 under 50	1,095	38	15	22	6	14	42	65
50 under 60	569	20	14	6	4	11	17	25
60 under 70	388	5	11	3	5	7	13	20
70 under 80	215	8	7	3	1		7	5
80 under 90	153	4	4	2	2		3	8
90 under 100	110	7	4		2		6	4
100 under 150	198	6	4	3		5	9	14
150 under 200	54	4	3	1			4	
200 under 250	24	1				1		
250 under 300	7						1	
300 under 400	19	1					1	3
400 under 500	5				1			2
500 under 750	7	1		1				1
750 under 1,000	4	1						1
1,000 and over	3							1
Total	83,196	3,096	1,924	1,612	1,321	1,252	4,447	6,009

For footnotes, see p. 47.

Individual returns¹ with net income of \$5,000 and over (excluding fiduciary returns), 1938, by net income classes and by size of selected sources of income and loss: number of returns—Continued

PARTNERSHIP PROFIT²—Continued

[Net income classes and partnership profit classes in thousands of dollars]

Net income classes	Partnership profit classes—Continued							
	2 under 3	3 under 4	4 under 5	5 under 10	10 under 15	15 under 20	20 under 25	25 under 30
5 under 6	1,333	1,320	1,723	8,704	122	29	8	5
6 under 7	824	770	830	7,012	192	21	6	4
7 under 8	496	456	490	5,011	287	35	10	3
8 under 9	382	289	285	3,480	582	48	4	1
9 under 10	244	201	215	2,051	1,165	46	12	6
10 under 15	576	487	488	2,565	5,927	1,041	105	36
15 under 20	263	188	172	676	901	2,150	549	79
20 under 25	109	92	83	305	274	463	989	330
25 under 30	49	60	51	162	136	159	242	487
30 under 40	73	45	42	149	143	103	134	179
40 under 50	33	30	23	71	50	33	55	44
50 under 60	12	9	15	27	30	18	19	21
60 under 70	10	2	10	31	16	13	17	10
70 under 80	6	4	4	21	10	4	8	5
80 under 90	4	5	6	9	7	4	4	5
90 under 100	6	4		4	2	1	2	6
100 under 150	6	2	3	11	5	3	6	3
150 under 200		3		2	1	2		1
200 under 250	1	1		2	3		2	
250 under 300	1							
300 under 400				2	3			
400 under 500								
500 under 750		1		3				
750 under 1,000							1	
1,000 and over					1			
Total	4,428	3,969	4,440	30,298	9,857	4,173	2,173	1,225

Net income classes	Partnership profit classes—Continued							
	30 under 40	40 under 50	50 under 75	75 under 100	100 under 250	250 under 500	500 under 1,000	1,000 and over
5 under 6	2	1	1					
6 under 7	1		1					
7 under 8	2	2						
8 under 9	3	4		1				
9 under 10	7			1				
10 under 15	19	6	1					
15 under 20	30	14	7	1				
20 under 25	84	22	5	3	1			
25 under 30	274	30	12	2	1			
30 under 40	671	184	32	5				
40 under 50	131	286	130	5	2			
50 under 60	57	54	195	8	7			
60 under 70	27	131	26	4	4			
70 under 80	12	12	38	57	3			
80 under 90	7	5	16	47	11			
90 under 100	6	3	12	24	17			
100 under 150	7	3	20	16	72			
150 under 200	2	3	3		25			
200 under 250	2	1	1		8	1		
250 under 300		1				4		
300 under 400			2		1	6		
400 under 500		1		1				
500 under 750								
750 under 1,000	1							
1,000 and over								1
Total	1,345	659	607	197	152	11		1

For footnotes, see p. 47.

Individual returns¹ with net income of \$5,000 and over (excluding fiduciary returns), 1938, by net income classes and by size of selected sources of income and loss: number of returns—Continued

PARTNERSHIP LOSS²

[Net income classes and partnership loss classes in thousands of dollars]

Net income classes	Partnership loss classes							
	Aggregate	Under 0.1	0.1 under 0.2	0.2 under 0.3	0.3 under 0.4	0.4 under 0.5	0.5 under 1	1 under 2
5 under 6	1,431	269	196	140	103	87	257	212
6 under 7	999	214	139	110	82	49	152	117
7 under 8	780	148	94	80	64	44	144	98
8 under 9	606	117	72	55	46	50	99	93
9 under 10	418	72	61	37	27	31	59	64
10 under 15	1,392	234	164	124	100	64	234	202
15 under 20	711	114	62	47	44	44	106	114
20 under 25	399	59	34	24	17	19	68	61
25 under 30	272	45	16	22	18	14	40	36
30 under 40	278	45	13	16	17	6	49	42
40 under 50	195	18	13	13	14	8	28	30
50 under 60	113	5	4	6	8	9	13	22
60 under 70	76	4	3	3	5	8	11	12
70 under 80	47	1	9	1	2	2	10	4
80 under 90	36	2	4	1	2	1	3	3
90 under 100	23	2		1	1	2		4
100 under 150	66	6	3	6	2	4	5	13
150 under 200	29	4	2	1	5		3	2
200 under 250	15			1	1		1	3
250 under 300	6	1				1		1
300 under 400	9						2	
400 under 500	8	1	2					1
500 under 750	2						1	
750 under 1,000	4							
1,000 and over	5					1		1
Total	7,920	1,361	896	688	558	444	1,285	1,135

Net income classes	Partnership loss classes—Continued							
	2 under 3	3 under 4	4 under 5	5 under 10	10 under 15	15 under 20	20 under 25	25 under 30
5 under 6	83	23	19	26	10	3		
6 under 7	44	22	19	36	9	3		
7 under 8	42	22	9	25	7	1	3	
8 under 9	30	14	8	13	7			1
9 under 10	22	17	3	17	6	1		1
10 under 15	99	64	32	49	15	6	2	2
15 under 20	48	22	21	61	13	3	8	1
20 under 25	38	22	9	24	7	6	6	
25 under 30	20	14	9	20	6	8		
30 under 40	21	22	10	18	13	3		2
40 under 50	15	16	5	11	4	4	5	1
50 under 60	12	5	5	8	4	2	3	2
60 under 70	10	2	2	7	1	2	2	2
70 under 80	2	2	3	6	1	3		
80 under 90	6		4	6	1			
90 under 100	5	4	1	2			1	
100 under 150	2		3	8	6			1
150 under 200	1			6		1		
200 under 250		3		3	1			1
250 under 300		1	1	1				1
300 under 400	3			1		1		1
400 under 500	3					1		
500 under 750								
750 under 1,000		2					1	
1,000 and over	1	2						
Total	507	286	163	348	111	48	31	16

For footnotes, see p. 47.

Individual returns ¹ with net income of \$5,000 and over (excluding fiduciary returns), 1938, by net income classes and by size of selected sources of income and loss: number of returns—Continued

PARTNERSHIP LOSS ²—Continued

[Net income classes and partnership loss classes in thousands of dollars]

Net income classes	Partnership loss classes—Continued							
	30 under 40	40 under 50	50 under 75	75 under 100	100 under 250	250 under 500	500 under 1,000	1,000 and over
5 under 6	2	1						
6 under 7		1						
7 under 8		1						
8 under 9	1							
9 under 10								
10 under 15					1			
15 under 20		1	1				1	
20 under 25	1	3	1					
25 under 30		1			1			
30 under 40		2		1				
40 under 50	2	1		2				
50 under 60	3	1	1					
60 under 70	1	1						
70 under 80					1			
80 under 90	2							
90 under 100								
100 under 150	1		1					
150 under 200	2					1		
200 under 250				1				
250 under 300								
300 under 400	1							
400 under 500								
500 under 750	1							
750 under 1,000		1						
1,000 and over								
Total	17	13	4	4	3	1	1	

BUSINESS PROFIT ⁴

[Net income classes and business profit classes in thousands of dollars]

Net income classes	Business profit classes							
	Aggregate	Under 0.1	0.1 under 0.2	0.2 under 0.3	0.3 under 0.4	0.4 under 0.5	0.5 under 1	1 under 2
5 under 6	33,813	460	399	333	281	285	1,192	1,797
6 under 7	21,360	295	225	213	161	162	668	1,078
7 under 8	13,590	175	142	124	104	99	406	638
8 under 9	9,052	141	81	78	77	58	256	365
9 under 10	6,535	66	57	56	38	32	134	284
10 under 15	15,469	210	166	129	125	118	453	576
15 under 20	5,530	80	60	59	52	40	167	198
20 under 25	2,536	46	34	25	16	23	71	95
25 under 30	1,309	19	20	12	3	8	29	66
30 under 40	1,271	20	16	9	14	8	47	43
40 under 50	570	18	4	4	6	6	19	30
50 under 60	274	3	2	2	3	2	8	6
60 under 70	157	4		2		1	3	9
70 under 80	97	1		1			5	3
80 under 90	72	2	4		1			3
90 under 100	46	1		1			1	2
100 under 150	83	2	6		1	1	2	2
150 under 200	21	1	1	1	1		1	2
200 under 250	17		1					2
250 under 300	3							
300 under 400	4		1					1
400 under 500	3							
500 under 750	2							
750 under 1,000	3							
1,000 and over	4							
Total	111,830	1,544	1,219	1,049	883	843	3,462	5,180

For footnotes, see p. 47.

Individual returns ¹ with net income of \$5,000 and over (excluding fiduciary returns), 1938, by net income classes and by size of selected sources of income and loss: number of returns—Continued

BUSINESS PROFIT ⁴—Continued

[Net income classes and business profit classes in thousands of dollars]

Net income classes	Business profit classes—Continued							
	2 under 3	3 under 4	4 under 5	5 under 10	10 under 15	15 under 20	20 under 25	25 under 30
5 under 6	1,908	2,548	4,132	20,208	218	26	9	5
6 under 7	1,032	1,134	1,430	14,665	234	39	7	2
7 under 8	599	592	704	9,628	330	24	14	5
8 under 9	360	332	395	6,172	721		9	
9 under 10	212	208	229	3,548	1,620	49	9	7
10 under 15	477	416	449	3,178	8,014	1,007	110	16
15 under 20	167	120	120	574	954	2,404	453	47
20 under 25	71	44	39	221	231	417	914	218
25 under 30	51	40	26	97	74	94	184	399
30 under 40	29	26	25	95	65	59	93	132
40 under 50	14	17	7	30	30	21	23	27
50 under 60	5	11	7	20	12	3	9	8
60 under 70	10	1	2	6	10	5	5	4
70 under 80	6	1	3	3		6	3	1
80 under 90	1		3	6	1	3		
90 under 100		1		4	3	1	4	
100 under 150				7	3	4		
150 under 200			1	1	1	2		1
200 under 250	1		3				2	1
250 under 300			1					
300 under 400	1							
400 under 500					2			
500 under 750		1						
750 under 1,000	1							
1,000 and over								
Total	4,945	5,492	7,576	58,463	12,523	4,164	1,848	873

Net income classes	Business profit classes—Continued							
	30 under 40	40 under 50	50 under 75	75 under 100	100 under 250	250 under 500	500 under 1,000	1,000 and over
5 under 6	7		5					
6 under 7	7	1	6	1				
7 under 8	3	2	1					
8 under 9	3	2	2					
9 under 10	2	3	1					
10 under 15	18	4	3					
15 under 20	28	4	3					
20 under 25	47	11	9	1	3			
25 under 30	167	13	6		1			
30 under 40	476	89	23		2			
40 under 50	81	186	53	3				
50 under 60	18	36	114	5				
60 under 70	7	11	68	8	1			
70 under 80	2	3	30	24	5			
80 under 90	2	3	9	30	4			
90 under 100	2	1	2	17	6			
100 under 150	5	1	6	5	38			
150 under 200		1	1		2			
200 under 250			2	1		2		
250 under 300			1	1				
300 under 400	1							
400 under 500						1		
500 under 750						1		
750 under 1,000							2	
1,000 and over			2			2		
Total	876	371	347	96	68	6	2	

For footnotes, see p. 47.

Individual returns¹ with net income of \$5,000 and over (excluding fiduciary returns), 1938, by net income classes and by size of selected sources of income and loss: number of returns—Continued

BUSINESS LOSS⁴

[Net income classes and business loss classes in thousands of dollars]

Net income classes	Business loss classes							
	Aggregate	Under 0.1	0.1 under 0.2	0.2 under 0.3	0.3 under 0.4	0.4 under 0.5	0.5 under 1	1 under 2
5 under 6	3,225	367	348	276	199	218	655	563
6 under 7	2,300	225	223	186	168	113	472	428
7 under 8	1,597	136	129	97	94	81	313	339
8 under 9	1,248	93	87	61	56	44	230	256
9 under 10	1,006	73	62	44	44	30	187	218
10 under 15	2,843	162	173	149	117	156	537	580
15 under 20	1,335	57	65	44	56	47	202	280
20 under 25	830	49	36	30	30	23	130	158
25 under 30	534	17	14	4	14	14	57	104
30 under 40	645	21	20	16	22	16	68	121
40 under 50	340	10	10	8	8	10	30	50
50 under 60	226	9	6	5	5	6	17	30
60 under 70	153	3	3	4	2	4	12	22
70 under 80	108	2	4	1	1	2	3	13
80 under 90	54	1	1		2		2	6
90 under 100	38					1	3	8
100 under 150	179	1	4	1	3	3	5	18
150 under 200	48					1	1	4
200 under 250	35			1			4	6
250 under 300	21							1
300 under 400	12		1				1	
400 under 500	10		1				2	
500 under 750	17	1						1
750 under 1,000	6	1						
1,000 and over	16							
Total	16,826	1,228	1,187	960	856	803	2,931	3,219

Net income classes	Business loss classes—Continued							
	2 under 3	3 under 4	4 under 5	5 under 10	10 under 15	15 under 20	20 under 25	25 under 30
5 under 6	244	134	82	111	18	5	2	1
6 under 7	217	98	70	80	9	4	1	5
7 under 8	149	104	48	82	16	3	1	2
8 under 9	122	98	37	81	13	6	1	4
9 under 10	115	49	36	75	17	6	4	
10 under 15	329	181	111	207	77	27	12	6
15 under 20	167	118	67	151	37	17	14	6
20 under 25	83	77	48	97	29	14	6	1
25 under 30	78	36	47	91	28	13	5	2
30 under 40	82	55	38	115	35	18	9	2
40 under 50	44	28	28	78	20	8	4	1
50 under 60	23	15	20	47	17	7	8	
60 under 70	14	21	10	31	14	6	1	2
70 under 80	13	10	8	23	7	8	3	1
80 under 90	7	8	6	11	5	2		
90 under 100	2	3	4	7	5		1	1
100 under 150	14	14	7	49	24	6	13	4
150 under 200	3	2	5	9	7	7	3	2
200 under 250	4	1	3	6	2	5		
250 under 300		2	2	3	5	1		1
300 under 400				2	3	1		1
400 under 500				2	1			1
500 under 750	1	1		5	2			1
750 under 1,000		1		2	1			
1,000 and over	2			4	4	2		1
Total	1,723	1,046	677	1,367	393	169	92	45

For footnotes, see p. 47.

Individual returns¹ with net income of \$5,000 and over (excluding fiduciary returns), 1938, by net income classes and by size of selected sources of income and loss: number of returns—Continued

BUSINESS LOSS⁴—Continued

[Net income classes and business loss classes in thousands of dollars]

Net income classes	Business loss classes—Continued							
	30 under 40	40 under 50	50 under 75	75 under 100	100 under 250	250 under 500	500 under 1,000	1,000 and over
5 under 6	2							
6 under 7		1						
7 under 8	2				1			
8 under 9	3							
9 under 10	1	1	1					
10 under 15	5	2	2					
15 under 20	5		1	1				
20 under 25	4		1	1	1			
25 under 30	5	3	1	1				
30 under 40	2	2	3					
40 under 50	2		1	2	2			
50 under 60	6	2	1		2			
60 under 70	1		1		2			
70 under 80	5	3	1		1			
80 under 90		1	1		1			
90 under 100	2		1					
100 under 150	11	1			1			
150 under 200	1		2				1	
200 under 250	1		1	1	1			
250 under 300	3				1		1	
300 under 400		1		1			1	
400 under 500		2		1				
500 under 750	1	3	1					
750 under 1,000					1			
1,000 and over	1		1		1			
Total	63	22	19	8	15		3	

NET SHORT-TERM CAPITAL GAIN⁴

[Net income classes and net short-term capital gain classes in thousands of dollars]

Net income classes	Net short-term capital gain classes							
	Aggregate	Under 0.1	0.1 under 0.2	0.2 under 0.3	0.3 under 0.4	0.4 under 0.5	0.5 under 1	1 under 2
5 under 6	11,810	2,802	1,851	1,217	950	701	1,986	1,300
6 under 7	8,835	2,038	1,248	886	646	530	1,459	1,086
7 under 8	6,400	1,437	863	617	490	382	1,083	757
8 under 9	4,920	1,118	639	437	371	274	818	491
9 under 10	3,907	823	448	359	304	211	654	320
10 under 15	11,856	2,493	1,342	973	764	639	2,022	1,671
15 under 20	5,518	1,047	589	427	337	295	918	787
20 under 25	3,182	572	325	233	181	154	537	491
25 under 30	1,954	379	205	158	103	86	309	297
30 under 40	2,281	397	169	162	126	91	373	320
40 under 50	1,061	203	90	72	74	44	133	151
50 under 60	643	114	56	40	40	22	104	85
60 under 70	373	70	19	19	20	21	57	43
70 under 80	242	43	23	16	9	33	36	
80 under 90	183	28	17	11	15	2	19	25
90 under 100	102	20	7	5	6	6	9	
100 under 150	301	55	29	21	12	10	34	43
150 under 200	97	22	5	4	5	4	13	12
200 under 250	65	9	9	2	6	1	10	8
250 under 300	27	4			3		3	2
300 under 400	29	5	5	1		1	5	
400 under 500	14	1	2			4	2	1
500 under 750	25	3	5		1	1	5	1
750 under 1,000	13			2	2			1
1,000 and over	17			1		2	2	4
Total	63,855	13,683	7,946	5,663	4,466	3,490	10,585	8,303

For footnotes, see p. 47.

Individual returns¹ with net income of \$5,000 and over (excluding fiduciary returns), 1938, by net income classes and by size of selected sources of income and loss: number of returns—Continued

NET SHORT-TERM CAPITAL GAIN²—Continued

[Net income classes and net short-term capital gain classes in thousands of dollars]

	Net short-term capital gain classes—Continued							
Net income classes	2 under 3	3 under 4	4 under 5	5 under 10	10 under 15	15 under 20	20 under 25	25 under 30
5 under 6	464	242	130	140	24			2
6 under 7	414	203	109	199	12	2	1	1
7 under 8	317	165	99	163	19	4	2	
8 under 9	280	120	72	140	20	1	1	
9 under 10	214	115	46	150	29	9	2	1
10 under 15	660	359	219	482	171	46	7	3
15 under 20	320	195	133	288	105	50	14	4
20 under 25	200	124	72	143	57	48	25	9
25 under 30	127	71	38	86	36	18	16	10
30 under 40	170	111	46	159	57	29	26	8
40 under 50	78	32	24	71	26	17	10	10
50 under 60	39	25	27	43	14	9	3	
60 under 70	34	8	11	34	10	8	5	
70 under 80	27	8	5	13	5	4	1	
80 under 90	8	10	6	15	7	7	3	3
90 under 100	5	7	8	9	3	4	1	1
100 under 150	15	13	11	20	11	3	6	1
150 under 200	2	3	3	10	2	1	1	
200 under 250	2	3	1	5	5	1	2	
250 under 300	4			5	1		2	1
300 under 400	2	1		3				
400 under 500	1			1	1			
500 under 750	2	1			3	1		1
750 under 1,000	1	2		1	2	1	1	
1,000 and over	1	1		2	2		1	
Total	3,392	1,819	1,060	2,182	622	263	130	56

	Net short-term capital gain classes—Continued							
Net income classes	30 under 40	40 under 50	50 under 75	75 under 100	100 under 250	250 under 500	500 under 1,000	1,000 and over
5 under 6		1						
6 under 7				1				
7 under 8	1							
8 under 9			1					
9 under 10			1	1				
10 under 15	3		2					
15 under 20	4		4		1			
20 under 25	8	2	1					
25 under 30	9	3	3					
30 under 40	29	4	3	1				
40 under 50	13	8	5					
50 under 60	5	8	6	3				
60 under 70	3	4	6	1				
70 under 80	1		7		1			
80 under 90		2	4		1			
90 under 100	2	1	2					
100 under 150	3	2	5	1	6			
150 under 200		2	3					
200 under 250			1					
250 under 300		1			1			
300 under 400			1					
400 under 500				1				
500 under 750			1					
750 under 1,000								
1,000 and over				1				
Total.....	81	38	56	10	10			

For footnotes see p. 47.

Individual returns¹ with net income of \$5,000 and over (excluding fiduciary returns), 1938, by net income classes and by size of selected sources of income and loss: number of returns—Continued

NET LONG-TERM CAPITAL GAIN²

[Net income classes and net long-term capital gain classes in thousands of dollars]

Net income classes	Net long-term capital gain classes							
	Aggregate	Under 0.1	0.1 under 0.2	0.2 under 0.3	0.3 under 0.4	0.4 under 0.5	0.5 under 1	1 under 2
5 under 6	8,731	2,738	1,343	872	600	428	1,132	778
6 under 7	6,513	1,996	896	625	414	290	859	697
7 under 8	4,665	1,249	659	450	319	213	636	535
8 under 9	3,798	1,065	488	319	229	182	511	420
9 under 10	2,996	804	361	233	193	122	406	336
10 under 15	9,243	2,186	1,103	728	546	403	1,282	1,085
15 under 20	4,604	914	498	319	266	176	635	535
20 under 25	2,730	490	273	166	149	101	367	353
25 under 30	1,702	282	158	128	96	59	194	186
30 under 40	1,983	300	175	105	77	74	227	256
40 under 50	1,052	138	65	47	69	28	115	121
50 under 60	656	88	51	22	26	20	55	60
60 under 70	434	49	27	18	14	10	37	54
70 under 80	311	47	14	18	9	6	24	22
80 under 90	244	24	9	9	10	4	16	24
90 under 100	158	19	7	3	1	4	13	12
100 under 150	448	37	20	17	7	6	35	36
150 under 200	181	12	13	2	6		12	12
200 under 250	99	3	1	1		3	2	5
250 under 300	52	5	2	1	1		2	
300 under 400	57	2			1		3	
400 under 500	41			1			3	3
500 under 750	38		1	2		1		1
750 under 1,000	22						1	
1,000 and over	43							1
Total	50,801	12,448	6,164	4,086	3,033	2,132	6,567	5,532

Net income classes	Net long-term capital gain classes—Continued							
	2 under 3	3 under 4	4 under 5	5 under 10	10 under 15	15 under 20	20 under 25	25 under 30
5 under 6	359	225	117	127	8	2	1	
6 under 7	304	147	99	172	9	2	1	
7 under 8	212	128	89	153	15	5		1
8 under 9	186	116	83	178	13	5	3	
9 under 10	155	104	72	194	11	2	2	
10 under 15	546	330	232	564	198	22	10	2
15 under 20	279	190	129	395	192	47	13	4
20 under 25	190	93	73	211	127	86	35	6
25 under 30	110	76	55	145	82	45	51	21
30 under 40	106	80	72	215	95	67	51	37
40 under 50	62	44	31	108	56	46	33	30
50 under 60	51	32	19	61	38	33	31	17
60 under 70	28	14	17	35	25	14	22	12
70 under 80	20	11	8	27	14	13	4	8
80 under 90	22	5	13	19	12	12	12	
90 under 100	7	7	4	23	6	3	9	6
100 under 150	20	17	10	40	19	16	9	16
150 under 200	9	2	3	12	9	9	7	3
200 under 250	1	3	5	8	6	5	4	1
250 under 300	1	1		4	2	2		
300 under 400		3	1	7	1		1	
400 under 500		1	2	3		1	1	
500 under 750	2			1	1	1		1
750 under 1,000							2	
1,000 and over					1			
Total	2,670	1,629	1,134	2,702	941	438	302	165

For footnotes, see p. 47.

Individual returns¹ with net income of \$5,000 and over (excluding fiduciary returns), 1938, by net income classes and by size of selected sources of income and loss: number of returns—Continued.

NET LONG-TERM CAPITAL GAIN^{2,3}—Continued

[Net income classes and net long-term capital gain classes in thousands of dollars]

Net income classes	Net long-term capital gain classes—Continued							
	30 under 40	40 under 50	50 under 75	75 under 100	100 under 250	250 under 500	500 under 1,000	1,000 and over
5 under 6	1							
6 under 7		1	1					
7 under 8	1							
8 under 9								
9 under 10			1					
10 under 15	5	1						
15 under 20	5	3	1	2	1			
20 under 25	4	2	2	1	1			
25 under 30	10	2	2					
30 under 40	34	6	3	1	2			
40 under 50	41	15	2		1			
50 under 60	27	13	10	1	1			
60 under 70	18	18	22					
70 under 80	16	14	33	3				
80 under 90	13	12	23	5				
90 under 100	8	9	11	5	1			
100 under 150	26	15	38	36	28			
150 under 200	5	4	12	9	40			
200 under 250	1	4	6	4	36			
250 under 300	2	1	2	4	21	1		
300 under 400	1	3	2	1	11	19		
400 under 500	2	1			6	13	2	
500 under 750			1	1	1	9	15	
750 under 1,000	1	1			4	3	10	
1,000 and over	1		2	1	7		6	24
Total	222	125	174	74	161	45	33	24

NET LONG-TERM CAPITAL LOSS^{4,5}

[Net income classes and net long-term capital loss classes in thousands of dollars]

Net income classes	Net long-term capital loss classes							
	Aggregate	Under 0.1	0.1 under 0.2	0.2 under 0.3	0.3 under 0.4	0.4 under 0.5	0.5 under 1	1 under 2
5 under 6	14,230	2,155	1,610	1,228	1,012	854	2,642	2,172
6 under 7	10,867	1,495	1,117	965	731	642	1,916	1,800
7 under 8	8,284	1,064	822	622	518	453	1,461	1,425
8 under 9	6,777	718	647	506	423	365	1,191	1,186
9 under 10	5,308	599	420	387	294	272	961	921
10 under 15	16,683	1,693	1,210	1,111	885	734	2,834	2,894
15 under 20	8,442	695	512	438	397	344	1,269	1,459
20 under 25	4,782	358	277	231	194	199	662	741
25 under 30	2,955	194	144	129	92	80	405	506
30 under 40	3,424	261	166	125	116	100	404	557
40 under 50	1,808	111	78	54	52	50	217	285
50 under 60	1,012	56	55	27	23	29	111	138
60 under 70	641	46	29	19	17	9	67	82
70 under 80	390	17	24	20	10	6	33	58
80 under 90	307	12	11	13	11	6	25	29
90 under 100	210	12	7	5	4	4	23	25
100 under 150	445	22	14	20	12	16	32	50
150 under 200	130	9	6	6	2	1	6	10
200 under 250	85	2	3	3			5	9
250 under 300	34	4	2			1	4	3
300 under 400	42	3	4	1		1	5	3
400 under 500	8						2	1
500 under 750	28	3	1				1	2
750 under 1,000	6	2						
1,000 and over	4	1						
Total	86,902	9,532	7,149	5,910	4,793	4,166	14,276	14,364

For footnotes, see p. 47.

Individual returns¹ with net income of \$5,000 and over (excluding fiduciary returns), 1938, by net income classes and by size of selected source of income and loss: number of returns—Continued

NET LONG-TERM CAPITAL LOSS^{7,8}—Continued

[Net income classes and net long-term capital loss classes in thousands of dollars]

Net income classes	Net long-term capital loss classes—Continued							
	2 under 3	3 under 4	4 under 5	5 under 10	10 under 15	15 under 20	20 under 25	25 under 30
5 under 6	963	524	319	501	137	51	17	12
6 under 7	808	411	243	484	140	59	18	13
7 under 8	599	340	268	472	127	49	26	15
8 under 9	557	330	207	427	126	48	14	11
9 under 10	440	275	168	365	111	37	20	8
10 under 15	1,552	892	626	1,409	415	192	90	48
15 under 20	872	541	391	916	268	137	64	39
20 under 25	477	354	227	606	210	102	44	33
25 under 30	323	215	132	375	132	87	49	28
30 under 40	315	237	173	492	198	106	71	41
40 under 50	181	117	89	267	127	76	36	16
50 under 60	90	66	48	171	69	48	19	19
60 under 70	48	58	36	113	43	24	11	6
70 under 80	38	24	16	56	30	15	9	8
80 under 90	35	11	23	55	28	17	4	10
90 under 100	29	17	10	28	12	10	8	3
100 under 150	37	26	23	69	38	19	12	13
150 under 200	8	7	7	18	10	8	6	2
200 under 250	4	4	5	14	6	8	3	3
250 under 300		1	2	1	2	3	3	1
300 under 400		2		6	3	2		1
400 under 500				2	1	1	1	
500 under 750	3			2				1
750 under 1,000			1	1				1
1,000 and over								
Total	7,379	4,452	3,014	6,850	2,234	1,100	525	332

Net income classes	Net long-term capital loss classes—Continued							
	30 under 40	40 under 50	50 under 75	75 under 100	100 under 250	250 under 500	500 under 1,000	1,000 and over
5 under 6	18	3	8	3	1			
6 under 7	11	3	11					
7 under 8	12	9	2					
8 under 9	9	6	3	2	1			
9 under 10	17	5	5	2	1			
10 under 15	45	23	25	1	4			
15 under 20	48	29	17	3	4			
20 under 25	29	23	11	4				
25 under 30	34	13	12	4	1			
30 under 40	38	17	9	4	4			
40 under 50	27	6	10	6	3			
50 under 60	23	7	8	3	1		1	
60 under 70	14	5	3	5	4	2		
70 under 80	10	7	7	1	1			
80 under 90	6	3	4	1	3			
90 under 100	3	4	4	1	1			
100 under 150	18	7	12	1	4			
150 under 200	7	4	3		1			
200 under 250	3	3	6		3	1		
250 under 300		3	3			1		
300 under 400	2	3	2	2	2			
400 under 500								
500 under 750	2	2	1	5	3	1		
750 under 1,000								
1,000 and over	1		1			1		
Total	377	185	167	48	42	6	1	

¹ Unlike text table on pp. 17-26, Statistics of Income for 1937, Part 1, this table excludes the following returns with net income taxable to the fiduciary of \$5,000 and over: taxable returns, Form 1041, and taxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041.

² See footnote 4, p. 25.

³ See footnote 7, p. 25.

⁴ The information in this section of the table is the number of businesses rather than the number of returns filed by sole proprietors. If two or more businesses in different industrial groups are reported on one return, each business is counted separately. Consequently the number of businesses exceeds the number of returns showing business profit or loss.

⁵ Consists of net short-term capital gain on capital assets held 18 months or less.

⁶ Consists of net long-term capital gain on capital assets held over 18 months. Includes net capital gain of \$346,367 on sale of capital assets (regardless of period capital assets were held) as defined in sec. 117(b) of the Revenue Act of 1936, reported on 119 fiscal year returns with year ended in period July through November 1938.

⁷ Consists of net long-term capital loss on capital assets held over 18 months. Includes net capital loss of \$139,727 on sale of capital assets (regardless of period capital assets were held) as defined in sec. 117(b) of the Revenue Act of 1936, reported on 121 fiscal year returns with year ended in period July through November 1938.

⁸ See footnote 9, p. 26.

PROFIT AND LOSS FROM BUSINESS, BY INDUSTRIAL GROUPS, RETURNS FORM 1040
WITH NET INCOME OF \$5,000 AND OVER

The profit and loss from business (sole proprietorship) reported on returns, Form 1040, with net income of \$5,000 and over, are classified in basic table 8, pages 139-141, according to nature of business.

For businesses with receipts and deductions in Schedule D there are shown, by industrial groups, the number with net profit or with net loss, total receipts, and amount of net profit or net loss. For businesses classified in the industrial division "Agriculture, forestry and fishery" these data are tabulated from Form 1040F (schedule of farm income and expenses), if submitted with the individual income tax return. There is also presented an historical summary of these data for the years 1933 through 1937.

For all businesses, with and without receipts and deductions in the business schedule, the number with net profit and amount of net profit are shown for 1929 through 1938 and the number with net loss and amount of net loss are shown for 1933 through 1938 at the end of basic table 8.

Sole proprietors are classified industrially according to their predominant business. The number of industrial groups has been increased over those shown in the Statistics of Income for 1937, Part 1, and there have been certain changes in the definitions of the contents of the groups. A comparison of the industrial groups for 1938 with those for 1937 is shown on pages 205-211. In so far as applicable to sole proprietors, the definitions of the industrial groups for 1938 are, in general, similar to those of the major industrial groups used for corporations, which will be published at a later date in the Statistics of Income for 1938, Part 2. However, in basic table 8 a more detailed classification is used for the sole proprietors engaged in service and a less detailed classification is used for sole proprietors engaged in mining and quarrying than will be shown for corporations in the Statistics of Income for 1938, Part 2.

The number of businesses with net profit or with net loss in basic table 8 and in the tables in this report relating to sources of income and deductions exceeds the number of returns showing a business profit or loss for the reason that when two or more businesses in different industrial groups are reported on one return, each business is counted separately.

"Net profit" in basic table 8 and "Business profit" in the tables in this report showing sources of income and deductions represent items of profit reported on the returns, as shown by total receipts from business or profession, less cost of goods sold and other business deductions, such as salaries and wages (except compensation of the proprietor); interest on business indebtedness; taxes on business and business property; losses from fire, storm, or theft not compensated for by insurance or otherwise; bad debts arising from sales; depreciation, obsolescence, and depletion; rents, repairs, and other expenses as provided in Schedule D of the individual returns, Form 1040. "Net loss" in basic table 8 and "Business loss" in the table showing source of income and deductions represent items of loss from business which occur when deductions exceed total receipts. In using these amounts of "Net profit or loss" and "Business profit or loss" it must be remembered that the compensation of the proprietor is not allowed as a deduction.

The data in basic table 8 exclude (1) income from partnerships reported as item 6 on face of return, Form 1040 (see page 290), (2) salaries, wages, fees, commissions, etc., reported in item 1 on face of return, and (3) business profits and losses reported on individual returns with net income under \$5,000.

NUMBER OF RETURNS BY COUNTIES, CITIES, AND TOWNS

The statistics showing the number of individual income tax returns for 1938 by counties, cities, and towns having a population of 1,000 and over have been issued in a separate mimeographed bulletin entitled "Individual Income Tax Returns for 1938—Number of Returns by States, by Counties, and by Cities and Towns." Copies may be secured from the Bureau of Internal Revenue, Washington, D. C., upon request. Information concerning net income and tax liability on individual income tax returns is not tabulated for smaller civil divisions than States and Territories.

FIDUCIARY INCOME TAX RETURNS

NUMBER OF RETURNS, NET INCOME TAXABLE TO THE FIDUCIARY, AND TAX

The number of returns, net income taxable to the fiduciary, deficit, tax, average total tax, and effective tax rate are shown in basic table 10, pages 171-179, for fiduciary returns with net income and with no net income taxable to the fiduciary. The data for fiduciary returns with net income are classified by size of net income and aggregate data are presented for fiduciary returns with no net income. The returns with no alternative tax (Part II, pages 173-174) are shown separately from those with alternative tax (Part III, pages 175-179) and the returns with alternative tax are further classified into those with net long-term capital gain and with net long-term capital loss.

Basic table 10, which is published for the first time, contains information for fiduciary returns similar to that for individual returns in basic table 2-A, pages 92-101. Attention is called to the fact that data for the 52,881 taxable fiduciary returns shown in basic table 10 are included in the text on pages 10-11 and in basic table 2, pages 82-91, where composite data for individual returns and taxable fiduciary returns with net income are classified by size of net income.

The total number of fiduciary returns for estates and trusts is 200,826, of which 76,379 are returns with net income taxable to the fiduciary and 124,447 are returns with no net income. Of the 76,379 returns showing a net income of \$242,168,363, there are 52,881 taxable returns and 23,498 nontaxable returns. The total tax liability is \$39,097,977, of which \$24,049,775 is the normal tax and surtax reported on taxable returns with no alternative tax, and \$15,048,202 is the alternative tax reported on 191 returns with alternative tax. The average tax liability on all fiduciary returns with net income is \$512 and on taxable fiduciary returns is \$739. The effective tax rates are 16.1 percent for all fiduciary returns with net income and 16.5 percent for taxable fiduciary returns.

As compared with 1937 data, the total number of fiduciary returns increased 17,853, or 9.8 percent, the number of returns with net income

taxable to the fiduciary increased 1,095, or 1.5 percent, and the number of returns with no net income increased 16,758, or 15.6 percent. The number of taxable returns with net income increased 8,350, or 18.8 percent, and the number of nontaxable returns with net income decreased 7,255, or 23.6 percent. For returns with net income the aggregate net income taxable to the fiduciary decreased \$64,104,156, or 20.9 percent, the net income on taxable returns decreased \$58,545,581, or 19.8 percent, and the net income on nontaxable returns decreased \$5,558,575, or 49.3 percent. The total tax liability decreased \$9,307,573, or 19.2 percent. The effective tax rates for 1937 were 15.8 percent for all fiduciary returns with net income and 16.4 percent for taxable fiduciary returns.

RETURNS TABULATED AND DEFINITIONS OF CERTAIN ITEMS

Data are tabulated from all fiduciary returns, Form 1041, filed for the year covered by this report (see page 2). For both 1938 and 1937 the tabulations for fiduciary returns include returns for income for estates and trusts incorrectly filed on Form 1040 instead of Form 1041. However, for the 1938 returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041, an adjustment for statistical purposes was made for all the returns with no net income and for the majority of returns with net income whereby the "Amount distributable to beneficiaries," if any, was removed from "Other deductions" and "Total deductions" and the income prior to distribution to beneficiaries ("Balance income") was computed in order that data for estates and trusts on these incorrectly filed returns might be tabulated with the data reported on fiduciary returns, Form 1041. For the small number of returns with net income taxable to the fiduciary for which this adjustment was not made "Other deductions" and "Total deductions" include "Amount distributable to beneficiaries" (if any).

For the fiduciary returns tabulated in this report, the changes in the provisions of the Revenue Act of 1938 affecting fiduciary returns, the definitions of net income taxable to the fiduciary, no net income or deficit, net income subject to surtax, net income subject to normal tax, ordinary net income, and tax liability, are given in the section of this report entitled "Individual Income Tax Returns and Fiduciary Income Tax Returns," pages 3-5. There is no alternative tax liability shown on any of the fiduciary returns with no net income.

Attention is called to a change in one of the requirements for filing a fiduciary return for a trust, provided by section 142 of the Revenue Act of 1938. A return is required to be filed for every trust, if the net income for the taxable year is \$100 or over, in lieu of the requirement that the net income be \$1,000 or over which, with some exceptions, was effective for trusts for 1937 (see General Instruction A, Form 1041, facsimile on page 302).

"Balance income" before distribution to the beneficiaries (item 15 on page 1 of return, Form 1041, facsimile on page 298) means the amount of gross income, as defined in the revenue acts effective for the year for which the returns are filed, in excess of the deductions claimed by the taxpayer under the provisions of the respective acts. "Balance deficit" means excess of deductions over gross income. Deductions do not include the credit of \$1,000 for personal exemption allowed an estate or the credit of \$100, in lieu of the credit for personal

exemption, allowed a trust. Balance income and balance deficit for 1938 include net short-term gain and net long-term gain or loss from sale or exchange of capital assets to the extent provided under the Revenue Act of 1938, as well as net capital gain or loss reported on the small number of fiscal year returns filed under the provisions of the Revenue Act of 1936.

INCOME CLASSES

In basic tables 10 and 11, fiduciary returns with net income taxable to the fiduciary are classified by size of net income taxable to the fiduciary (item 17 on page 1 of return, Form 1041, facsimile on page 298). Net income taxable to the fiduciary means gross income in excess of the sum of (1) deductions claimed by the taxpayer and (2) amount distributable to beneficiaries (see page 4). A classification of fiduciary returns with no net income taxable to the fiduciary by the size of this deficit is not shown in this report.

In basic table 12 fiduciary returns with net income taxable to the fiduciary are classified by size of balance income. In basic table 13 fiduciary returns with no net income taxable to the fiduciary are classified by size of balance deficit and of balance income (for definitions of balance income and balance deficit, see pages 50-51).

SOURCES OF INCOME AND DEDUCTIONS

In basic table 11, pages 180-186, sources of income and deductions, balance income, amount distributable to beneficiaries, and net income taxable to the fiduciary reported on 76,379 fiduciary returns with net income taxable to the fiduciary are classified by size of net income taxable to the fiduciary, and these data reported on 124,447 fiduciary returns with no net income are presented in aggregate. Basic table 11, which is published for the first time, contains information for fiduciary returns similar to that for individual returns in basic table 7-A, pages 131-138. Attention is called to the fact that data for the 52,881 taxable fiduciary returns shown in basic table 11 are included in basic table 7, pages 123-130, where composite data for individual returns and taxable fiduciary returns with net income are classified by size of net income.

In basic table 12, sources of income and deductions, balance income, amount distributable to beneficiaries, and net income taxable to the fiduciary reported on the 76,379 fiduciary returns with net income taxable to the fiduciary are classified by balance income. Basic table 12 contains, in general, the same items and classifications as those for 1937 in basic table 12, Statistics of Income for 1937, Part 1, pages 173-175. The 1937 classification "Net income for estates and trusts filed on Form 1040" is not used in basic table 12 because the majority of the 1938 returns for estates and trusts incorrectly filed on Form 1040 were adjusted and tabulated as returns, Form 1041 (for method of adjustment, see page 50). The small number of 1938 returns for estates and trusts incorrectly filed on Form 1040 which were not adjusted is classified in basic table 12 by size of net income taxable to the fiduciary because on these returns the "Amount distributable to beneficiaries" is negligible.

In basic table 13, pages 190-193, sources of income and deductions, balance income or deficit, amount distributable to beneficiaries, and net deficit reported on the 124,447 fiduciary returns with no net in-

come taxable to the fiduciary are classified by size of balance deficit and balance income. The following groups of returns with no net income taxable to the fiduciary are tabulated for basic table 13: 15,249 returns with balance deficit of \$66,539,872 before distribution to beneficiaries, classified by size of balance deficit (total deductions exceed total income, items 14 and 10, respectively, on page 1, Form 1041, facsimile on page 298); 109,009 returns with balance income of \$550,272,564 before distribution to beneficiaries, classified by size of balance income (balance income is equal to amount distributable to beneficiaries, items 15 and 16, respectively, on page 1, Form 1041, facsimile on page 298); and 189 returns with zero balance income before distribution to beneficiaries (total income is equal to total deductions, items 10 and 14, respectively, on page 1, Form 1041, facsimile on page 298). Basic table 13 of this report contains items and classifications which are similar to those for 1937 in basic table 13, Statistics of Income for 1937, Part 1, pages 176-178.

Income from the various sources represents the net amount by which the gross receipts exceed the deductions, as reported in the schedules on the return (see Form 1041, facsimile on pages 298-305) and in aggregate represents the sum of the net amounts of income from each source. Net losses reported under "Income" items on the face of the returns are transferred in tabulation to deductions, which also include amounts reported on the returns under "Deductions."

For definitions of certain sources of income and deductions, other than "Salaries, wages, commissions," etc., and "Contributions" which are not applicable to fiduciary returns, see section of this report under "Individual Income Tax Returns" entitled "Sources of Income and Deductions," pages 24-28, and footnotes to basic tables 11-13. The net short-term capital gain and net long-term capital gain and loss reported on fiduciary returns, Form 1041, for 1938, are computed according to the provisions which apply to individual returns (see section of the text entitled "Capital Gains and Losses," pages 23-24).

AMOUNT DISTRIBUTABLE TO BENEFICIARIES

On fiduciary returns, Form 1041, for 1938 and 1937, the income distributable to beneficiaries consists of the amount paid during the taxable year to or permanently set aside for beneficiaries and for charitable contributions (as well as any part of the income of a trust which is taxable to the grantor). Amount distributable to beneficiaries is reported as item 16 on page 1 of Form 1041 (facsimile on page 298) in accordance with the following instructions:

Enter as item 16 the total amount distributable to beneficiaries as reflected in columns 2 and 9, Schedule A, and line (h), Schedule B. Care should be taken in filling in Schedule A so as to include as beneficiaries persons for whose benefit amounts of charitable contributions which pursuant to the terms of the will or deed creating the trust are during the taxable year paid or permanently set aside as provided in section 162(a). If any part of the income of the trust is taxable to the grantor, such grantor's share should be designated and included among the beneficiaries' shares in Schedule A.

Each beneficiary who files an income tax return must report his share of the amount distributable to beneficiaries on his income tax return. Consequently, in the Statistics of Income for 1937 and

1938, Part 1, showing data for all fiduciary returns, Form 1041, and for all individual returns, Forms 1040, 1040A, and 1040B, a large portion of the amount distributable to beneficiaries tabulated for fiduciary returns is also tabulated as sources of income for individual returns filed by beneficiaries and for fiduciary returns filed for estates and trusts which are recipients of an amount distributable.

For 1938, duplication of data may occur as follows: On the individual return of each beneficiary, his share of the distribution from an estate or trust, except interest on partially tax-exempt Government obligations, and net gain or loss from the sale or exchange of capital assets received from "Common trust funds," is reported as "Income from fiduciaries" (item 7 on page 1, Form 1040, facsimile on page 290). The beneficiary's share of interest on partially tax-exempt Government obligations owned by the estate or trust is included in "Taxable interest on Government obligations" (item 5 on page 1, Form 1040, facsimile on page 290) and the net gain from the sale or exchange of capital assets received from "Common trust funds" is included in "Net short-term gain from sale or exchange of capital assets" or in "Net long-term gain from sale or exchange of capital assets" (items 10 (a) and (b) on page 1, Form 1040, facsimile on page 290). Consequently, the above-mentioned specific sources of income, "Total income" and "Net income," on the individual returns of the beneficiaries may include all (if each beneficiary files an individual income tax return) or a portion (if all beneficiaries do not file individual returns) of the fiduciary income distributable to beneficiaries which is reported on the fiduciary return of an estate or trust. In a similar manner, whenever the recipient is an estate or trust, the items "Income from fiduciaries," "Taxable interest on Government obligations," and "Net short-term gain from sale or exchange of capital assets" or "Net long-term gain from sale or exchange of capital assets," "Total income," and "Net income," on the fiduciary return for this recipient estate or trust may include all or a portion of the amount distributable to beneficiaries which is reported on another fiduciary return for an estate or trust.

For 1937 the duplication of data is similar to that for 1938, described above, except that on the return of the beneficiary the net gain from the sale or exchange of capital assets from "Common trust funds" is included in "Income from fiduciaries" instead of being treated as a net gain from a sale of capital assets.

Attention is called to the fact that, for 1938 and 1937, the total of the "Amount distributable to beneficiaries," tabulated for all fiduciary returns, Form 1041, is not entirely duplicated in certain sources of income, "Total income," and "Net income" reported on the income tax returns of the beneficiaries. The portion which is unaccounted for may result from (1) the use of the sample method for individual returns with net income under \$5,000 (for a description of the sample, see pages 14-15), (2) part or all of the distribution being made to beneficiaries who did not meet the requirements for filing an income tax return or who were nonresident aliens not engaged in trade or business within the United States, or (3) distribution to charitable organizations for which returns are not included in the Statistics of Income, Part 1.

Prior to 1937, fiduciary returns, Form 1041, were information returns which were not tabulated in Statistics of Income. In general, the individual return, Form 1040 or 1040A, was used by the fiduciary for the income from an estate or trust if (1) there was a tax liability of the fiduciary (net income after distribution to beneficiaries in excess of the \$1,000 personal exemption), (2) the gross income was \$5,000 or over, or (3) any beneficiary was a nonresident alien. Data for all Forms 1040 and 1040A filed by fiduciaries for the income from an estate or trust were tabulated in the Statistics of Income, Part 1, with data for other returns Form 1040 and 1040A.

On the returns, Form 1040 and 1040A, for 1936 and prior years, filed by fiduciaries for the income from an estate or trust the two following methods of reporting data were used: either (1) the only income shown was the residual income taxable to the fiduciary, i. e., the income of the estate or trust after deducting the amount distributable to beneficiaries, and tax liability of the fiduciary, or (2) all sources of income and deductions relating to the annual income of the estate or trust with the amount distributable to beneficiaries included in "Other deductions," net income taxable to the fiduciary, and tax liability of the fiduciary. Only on the returns using method (2) was there a duplication of the amount distributable to beneficiaries (reported on the returns, Forms 1040 and 1040A, for estates and trusts) in certain sources of income, "Total income" and "Net income" reported on the income tax return of each beneficiary. The duplication of the amount distributable to beneficiaries for 1936 and prior years is less than that for 1937 and 1938 because, in these latter years, returns, Form 1041 (which were tabulated in the Statistics of Income, Part 1) show all sources of income and deductions relating to the annual income of the estate or trust and the amount distributable to beneficiaries.

For 1936 this duplication occurred as follows: On the individual return Form 1040, 1040A, or 1040B for each beneficiary, the amount of distribution from the estate or trust, except interest on partially tax-exempt Government obligations, was reported as "Income from fiduciaries," and the beneficiary's share of interest on partially tax-exempt Government obligations owned by the estate or trust was included in "Taxable interest on Government obligations." For years prior to 1936, the duplication of data was similar to that for 1936, described above, except that on the income tax return of the beneficiary dividends received on stock of domestic corporations (subject to taxation under Title I of the effective revenue acts) were included in "Dividends" instead of in "Income from fiduciaries."

It must be borne in mind that, for all years, there is no duplication of data when a comparison is made either of (1) net income taxable to the fiduciary and net income of the beneficiary or (2) tax liability of the fiduciary and tax liability of the beneficiary. The net income of the recipient (whether an individual, estate, or trust) includes his share of the income of the fiduciary distributable to beneficiaries but the net income taxable to the fiduciary on the fiduciary return for the estate or trust making the distributions excludes the "Amount distributable to beneficiaries." The taxes on the return of the beneficiary and the fiduciary are based on these amounts of net income.

WHOLLY AND PARTIALLY TAX-EXEMPT GOVERNMENT OBLIGATIONS, AMOUNT OWNED AND INTEREST RECEIVED—INDIVIDUAL AND FIDUCIARY INCOME TAX RETURNS

Wholly tax-exempt obligations consist of securities the interest on which is wholly exempt from the normal tax and surtax of the Federal Government. Partially tax-exempt obligations comprise securities the interest on which is exempt from the normal tax of the Federal Government and certain issues on which the interest on the principal amount up to \$5,000 is also exempt from surtax. For the calendar year 1938, the wholly tax-exempt obligations required to be reported on the returns consist of (1) obligations of the Federal Government: bonds issued on or before September 1, 1917, Treasury bills, Treasury certificates of indebtedness, Treasury notes, securities issued under the Federal Farm Loan Act, or such Act as amended, (2) obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, and (3) obligations of United States possessions. Partially tax-exempt obligations are United States savings bonds, Treasury bonds, and obligations of instrumentalities of the United States other than obligations issued under Federal Farm Loan Act, or such Act as amended.

Basic table 14, for individual returns with net income of \$5,000 and over, shows the amounts reported as wholly and partially tax-exempt obligations owned as of the end of the year, and the total wholly and partially tax-exempt interest received or accrued during the year, segregated by nature of obligations and by net income classes. Unlike basic table 14 in Statistics of Income for 1937, Part 1 (page 181-182), there are excluded from basic table 14 in this report, taxable fiduciary returns, Form 1041, and taxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041 with net income of \$5,000 and over taxable to the fiduciary. In basic table 16, pages 201-203, there is given information for these excluded returns with net income taxable to the fiduciary of \$5,000 and over, classified by size of net income taxable to the fiduciary (see note 1, Table 16).

Basic tables 15 and 16, for taxable and nontaxable fiduciary returns with net income and with balance income of \$5,000 and over before distribution to beneficiaries, show the amount of wholly and partially tax-exempt Government obligations owned at the end of the year, and the wholly and partially tax-exempt interest received or accrued during the year, segregated by nature of obligation. In basic table 15 the data are classified by size of balance income and in basic table 16 by size of net income taxable to the fiduciary. The definitions of balance income and net income taxable to the fiduciary are given on pages 50-51 of the section of this report entitled "Fiduciary Income Tax Returns."

The data in basic table 15 are similar to those for 1937 in basic table 15, pages 183-184, Statistics of Income for 1937, Part 1. It was not necessary to show in basic table 15 of this report the classification "Taxable net income of \$5,000 and over for estates and trusts filed on Form 1040," which was used in basic table 15 in Statistics of Income for 1937, Part 1, for the reason that adjustments were made for the

majority of returns for estates and trusts for 1938 incorrectly filed on Form 1040, and balance income was computed (see footnote 1, basic table 15, page 200). The small number of 1938 returns for estates and trusts incorrectly filed on Form 1040 which were not adjusted is classified in basic table 15 by size of net income taxable to the fiduciary since the "Amount distributable to beneficiaries" on these returns is negligible.

In basic table 16 the data for taxable and nontaxable fiduciary returns with net income and with balance income of \$5,000 and over, classified by size of net income, are shown separately for the first time. For 1937, the information for taxable fiduciary returns with net income of \$5,000 and over was tabulated with individual returns with net income of \$5,000 and over in basic table 14, pages 181-182, Statistics of Income for 1937, Part 1.

Basic tables 14-16 fail to present an accurate summary of either the bond holdings or interest received because of an indefinite amount of understatement and duplication in the data reported by the taxpayer, as explained below.

Schedule B, Forms 1040 and 1041, from which these tables are prepared, is an information schedule. Bond holdings may vary materially during the year, therefore the amount of bonds reported as of the end of the year may include bonds on which no interest was received, and, vice versa, the interest reported may include interest on bonds which have been sold prior to the end of the year. Frequently neither the principal amount owned nor the interest received is reported, the interest may be reported for which no corresponding principal amount is shown, or the principal amount may be reported for which no corresponding interest is shown. Moreover, each member of a partnership or each beneficiary of an estate, trust, or "common trust fund" is instructed to include in Schedule B his proportionate share of wholly and partially tax-exempt Government interest distributable by these entities and the corresponding amount of Government obligations owned. If these instructions are followed, the partner's or beneficiary's share of data reported in Schedule A on Form 1065 and in Schedule B on Form 1041 (facsimiles on pages 307 and 299, respectively), are also reported in Schedule B on the partner's or beneficiary's return. However, in many cases, these instructions are not followed, with the result that the proportionate shares are not accurately reported in Schedule B on the returns, Form 1040, filed by the partners and beneficiaries.

PARTNERSHIP RETURNS OF INCOME

Partnership returns of income, except for the war excess-profits tax of 1917, are not subject to direct assessments of Federal income tax. However, every domestic partnership and every foreign partnership doing business in the United States or having an office or place of business therein is required to file a return of income on Form 1065 (facsimile on pages 306-313). "The term 'partnership' includes a syndicate, group, pool, joint venture, or other unincorporated organization, through or by means of which any business, financial operation, or venture is carried on, and which is not, within the meaning of this Act,

a trust or estate or a corporation * * *." (Section 901(a)(3), Revenue Act of 1938.) The net income of the partnership, whether distributed or not, or the net loss, is reported on the individual income tax return of the co-partners according to their proportionate share.

The number of partnership returns filed, as reported by the collectors of internal revenue, for 1917 through 1938 is shown below. The number represents for each income year all returns, Form 1065, received in the succeeding calendar year. Consequently, each number shown below consists of delinquent returns, calendar year returns for the preceding income year, and all fiscal and part year returns filed during the succeeding calendar year regardless of the month in which the income year ended.

Income year:	Number of returns	Income year:	Number of returns
1917.....	31, 701	1928.....	272, 127
1918.....	100, 728	1929.....	263, 519
1919.....	175, 898	1930.....	244, 670
1920.....	240, 767	1931.....	230, 407
1921.....	259, 359	1932.....	216, 712
1922.....	287, 959	1933.....	214, 881
1923.....	304, 996	1934.....	221, 740
1924.....	321, 158	1935.....	222, 293
1925.....	309, 414	1936.....	237, 367
1926.....	295, 425	1937.....	261, 470
1927.....	282, 841	1938.....	273, 361

HISTORICAL SUMMARIES—INDIVIDUAL INCOME TAX RETURNS WITH NET INCOME, INCLUDING RETURNS FOR ESTATES AND TRUSTS, 1913-1938, AND INDIVIDUAL RETURNS WITH NO NET INCOME, 1928-1938

A résumé of the individual income tax returns with net income, including returns for estates and trusts, for each of the years since the inception of the present period of income taxation, showing number of returns, net income, and tax, by net income classes, and sources of income and deductions, is presented in the following tables.

For 1913 through 1915, the number of returns, net income, and tax are secured from annual reports of the Commissioner of Internal Revenue. The net income for each of these years is estimated from the number of returns filed and the average net income for each net income class. Information for 1916 through 1936 includes that on Forms 1040 and 1040A filed for individuals and for estates and trusts. Information for 1937 and 1938 includes that on Forms 1040 and 1040A filed for individuals, taxable Forms 1041 filed for estates and trusts, and Forms 1040 erroneously filed for estates and trusts (except that for 1938 there is excluded information on nontaxable Forms 1040 with net income, erroneously filed for estates and trusts). Available data for individual returns with no net income for 1928 through 1938 are shown in the tables for the first time.

The number of returns, net income, and tax for individual income tax returns with net income, including returns for estates and trusts, for 1934 through 1938, by States and Territories, are tabulated in a section of basic table 9, pages 142-167. Similar data for 1927 through 1933, by States and Territories, are presented in basic table 9, Statistics of Income for 1937, Part 1, pages 144-168.

Individual returns with net income, including returns for estates and trusts, 1913-1938, and individual returns with no net income 1928-1938: number of returns, net income or deficit, tax before tax credits, tax credits, and tax ¹

[Money figures in thousands of dollars]

Year	Individual returns with net income, including returns for estates and trusts ²							
	Number of returns					Tax before tax credits		
	Total	Taxable	Non-taxable	Percent of total		Net income ⁴	Normal tax	Surtax
				Taxable	Non-taxable			
1913 ⁵	357,598					3,800,000	12,729	15,525
1914	357,515					4,000,000	16,559	24,487
1915	336,652					4,600,000	23,996	43,948
1916	437,036	362,970	74,066	83	17	6,298,578	51,441	121,946
1917	3,472,890	2,707,234	765,656	78	22	13,652,383	156,897	433,346
1918	4,425,114	3,392,863	1,032,251	77	23	15,924,639	476,433	651,289
1919	5,332,760	4,231,181	1,101,579	79	21	19,859,491	468,105	801,525
1920	7,259,944	5,518,310	1,741,634	76	24	23,735,629	478,250	590,804
1921	6,662,176	3,589,985	3,072,191	54	46	19,577,213	308,059	411,327
1922	6,787,481	3,681,249	3,106,232	54	46	21,336,213	355,410	474,581
1923	7,698,321	4,270,121	3,428,200	55	45	24,777,466	378,388	464,918
1924	7,369,788	4,489,698	2,880,090	61	39	25,656,153	257,795	437,541
1925	4,171,051	2,501,166	1,669,885	60	40	21,894,576	216,360	432,853
1926	4,138,092	2,470,990	1,667,102	60	40	21,958,506	200,599	448,330
1927	4,101,547	2,440,941	1,660,606	59	41	22,545,091	215,817	511,731
1928	4,070,851	2,523,063	1,547,788	61	39	24,800,736	162,332	582,393
1929	4,044,327	2,458,049	1,586,278	61	39	18,118,635	129,475	316,816
1930	3,707,509	2,037,645	1,669,864	55	45	13,604,996	82,302	186,078
1931	3,225,924	1,525,546	1,700,378	47	53	11,655,909	156,606	239,232
1932	3,877,430	1,936,095	1,941,335	50	50	11,008,638	164,277	244,307
1933	3,723,558	1,747,740	1,975,818	47	53	12,796,802	123,261	388,139
1934	4,094,420	1,795,920	2,298,500	44	56	14,909,812	152,814	504,625
1935	4,575,012	2,110,890	2,464,122	46	54	10,240,110	330,197	883,820
1936	5,413,499	2,861,108	2,552,391	53	47	21,238,574	334,550	807,019
1937	6,350,148	3,371,443	2,978,705	53	47	18,897,374	228,102	258,209
1938	6,203,657	3,048,545	3,155,112	49	51			

For footnotes, see p. 59.

Individual returns with net income, including returns for estates and trusts, 1913-1938, and individual returns with no net income 1928-1938: number of returns, net income or deficit, tax before tax credits, tax credits, and tax ¹—Continued

[Money figures in thousands of dollars]

Year	Individual returns with net income, including returns for estates and trusts ² —Continued						Individual returns with no net income ³	
	Tax before tax credits—Con.			Tax credits			Number of returns	Deficit
	Alternative tax ⁶	Tax on capital net gain, 12½ percent	Total	25 percent of tax on earned net income ⁷	12½ percent on capital net loss from sale of assets held more than 2 years	Total		
1913 ⁵			28,254				28,254	
1914			41,046				41,046	
1915			67,944				67,944	
1916			173,387				173,387	
1917			⁸ 795,381				⁹ 795,381	
1918			1,127,722				1,127,722	
1919			1,269,630				1,269,630	
1920			1,075,054				1,075,054	
1921			719,387				719,387	
1922		31,066	861,057				861,057	
1923		¹² 38,916	¹¹ 882,222			¹³ 220,555	¹⁴ 661,666	
1924		48,603	743,939	30,637	9,036	39,673	704,265	
1925		117,571	766,784	24,570	7,659	32,229	734,555	
1926		112,510	761,440	24,647	4,322	28,969	732,475	
1927		134,034	861,582	24,915	6,028	30,943	830,639	
1928		235,451	1,204,170	34,790	5,126	39,916	1,164,254	72,829
1929		284,654	1,029,379	24,062	5,378	27,441	1,001,938	92,545
1930		65,422	511,713	22,062	10,112	34,998	476,715	144,867
1931		19,423	287,803	17,491	24,185	41,676	246,127	184,583
1932		6,039	401,877		71,915	71,915	329,962	206,293
1933		16,435	425,019		50,899	50,899	374,120	108,449
1934			511,400			511,400	104,170	1,141,331
1935			657,439			657,439	94,609	381,353
1936			1,214,017			1,214,017	73,272	286,632
1937			1,141,569			1,141,569	83,904	308,518
1938	¹⁰ 279,522		¹⁶ 765,833			¹⁵ 765,833	100,233	354,156

Individual returns with net income, including returns for estates and trusts, 1914-1938, by net income classes, and aggregate for individual returns with no net income, 1928-1938: number of returns¹

Net income classes (Thousands of dollars)	1914	1915	1916 ²	1917	1918	1919	1920
Individual returns with net income, including returns for estates and trusts: ³							
Under 1.....				1,640,758	1,516,938	1,924,872	2,671,950
1 under 2.....				838,707	1,496,878	1,569,741	2,569,316
2 under 3.....				560,763	932,336	1,180,488	1,337,116
3 under 5.....	149,279	127,994	157,149	270,666	319,356	438,851	455,442
5 under 10.....	127,448	120,402	150,553	112,502	116,569	162,485	171,830
10 under 25.....	58,603	60,284	80,880	30,391	28,542	37,477	38,548
25 under 50.....	14,676	17,301	23,734	12,439	9,996	13,320	12,093
50 under 100.....	5,161	6,847	10,452	3,302	2,358	2,983	2,191
100 under 150.....	1,189	1,793	2,900	2,347	1,514	1,864	1,063
150 under 300.....	769	1,326	2,437	559	382	425	239
300 under 500.....	216	376	714	315	178	189	123
500 under 1,000.....	114	209	376	141	67	65	33
1,000 and over.....	60	120	206				
Total individual, estate, and trust returns with net income.....	357,515	336,652	429,401	3,472,890	4,425,114	5,332,760	7,259,944
Grand total.....	357,515	336,652	429,401	3,472,890	4,425,114	5,332,760	7,259,944

Net income classes (Thousands of dollars)	1921	1922	1923	1924	1925	1926	1927
Individual returns with net income, including returns for estates and trusts: ³							
Under 1.....	401,849	402,076	368,502	344,876	98,178	119,513	126,745
1 under 2.....	2,440,544	2,471,181	2,523,150	2,413,881	1,071,992	1,045,519	996,098
2 under 3.....	2,222,031	2,129,898	2,472,641	2,112,993	842,528	837,792	855,762
3 under 5.....	1,072,146	1,190,115	1,719,625	1,800,900	1,327,683	1,240,400	1,209,345
5 under 10.....	353,247	391,373	387,842	437,330	503,652	560,549	567,700
10 under 25.....	132,344	151,329	170,095	191,216	236,779	246,730	252,079
25 under 50.....	28,946	35,478	39,832	47,061	59,721	57,487	60,123
50 under 100.....	8,717	12,000	12,452	15,816	20,958	20,520	22,573
100 under 150.....	1,367	2,171	2,339	3,065	4,759	4,724	5,261
150 under 300.....	739	1,323	1,301	1,876	3,223	3,267	3,873
300 under 500.....	162	309	327	457	892	892	1,141
500 under 1,000.....	63	161	141	242	479	468	557
1,000 and over.....	21	67	74	75	207	231	290
Total individual, estate, and trust returns with net income.....	6,662,176	6,787,481	7,698,321	7,369,788	4,171,051	4,138,092	4,101,547
Grand total.....	6,662,176	6,787,481	7,698,321	7,369,788	4,171,051	4,138,092	4,101,547

For footnotes, see p. 61.

Individual returns with net income, including returns for estates and trusts, 1914-1938, by net income classes, and aggregate for individual returns with no net income, 1928-1938: number of returns¹—Continued

Net income classes (Thousands of dollars)	1928	1929	1930	1931	1932	1933	1934
Individual returns with net income, including returns for estates and trusts: ³							
Under 1.....	111,123	126,172	150,000	185,391	359,688	397,076	320,460
1 under 2.....	918,447	903,082	909,155	862,153	1,489,589	1,480,717	1,608,095
2 under 3.....	837,781	810,347	767,684	675,019	967,956	914,198	980,682
3 under 5.....	1,192,618	1,172,655	1,070,239	912,630	703,755	599,075	762,536
5 under 10.....	628,766	658,039	550,877	417,655	251,014	229,764	290,824
10 under 25.....	270,889	271,454	198,762	137,754	79,210	75,643	102,892
25 under 50.....	68,048	63,689	40,845	24,308	18,480	18,423	20,931
50 under 100.....	27,207	24,073	13,045	7,830	5,902	6,021	6,093
100 under 150.....	7,049	6,376	3,111	1,634	995	1,084	982
150 under 300.....	5,678	5,310	2,071	1,056	595	695	690
300 under 500.....	1,756	1,641	552	268	140	141	116
500 under 1,000.....	983	976	318	149	86	81	86
1,000 and over.....	511	513	150	77	20	50	33
Total individual, estate, and trust returns with net income.....	4,070,851	4,044,327	3,707,509	3,225,924	3,877,410	3,723,508	4,094,387
Individual returns with no net income ⁴	72,829	92,545	144,867	184,583	206,293	168,449	104,170
Grand total.....	4,143,680	4,136,872	3,852,376	3,410,507	4,083,723	3,892,007	4,198,599

Net income classes (Thousands of dollars)	1935	1936	1937	1938
Individual returns with net income, including returns for estates and trusts: ³				
Under 1.....	299,594	277,803	297,143	389,871
1 under 2.....	1,777,931	2,111,789	2,524,763	2,433,949
2 under 3.....	1,123,699	1,317,752	1,571,996	1,614,982
3 under 5.....	873,673	1,029,144	1,251,213	1,172,409
5 under 10.....	339,842	440,886	471,171	415,596
10 under 25.....	123,564	176,649	178,446	140,781
25 under 50.....	26,029	41,137	38,948	26,336
50 under 100.....	8,033	13,620	12,318	7,259
100 under 150.....	1,395	2,606	2,269	1,326
150 under 300.....	896	1,544	1,358	766
300 under 500.....	206	330	312	207
500 under 1,000.....	109	178	162	118
1,000 and over.....	41	61	49	57
Total individual, estate, and trust returns with net income.....	4,575,012	5,413,499	6,350,148	6,203,657
Individual returns with no net income ⁴	94,609	73,272	83,904	100,233
Grand total.....	4,669,621	5,486,771	6,434,052	6,303,890

¹ Changes in revenue acts affecting the comparability of statistical data from income tax returns of individuals, including returns for estates and trusts, are summarized on pp. 270-279. Number of returns for 1913 is omitted, as they pertain only to the last 10 months of that year. For returns with net income under \$5,000 the distribution of number of returns by net income classes is estimated on basis of sample for 1918 through 1927 and for 1929; and partly estimated and partly tabulated for 1917, 1928, 1930, and subsequent years.

² Excludes 7,635 returns of married women making separate returns from husbands. In 1916 the net income on returns filed separately by husband and wife is combined and the total appears as one return. In all other years the returns of married women filed separately are included in their individual income classes independently of the husband's income.

³ For 1914 through 1936 includes Forms 1040 and 1040A filed for individuals and for estates and trusts. For 1937 and 1938, includes Forms 1040 and 1040A filed for individuals, taxable Forms 1041 filed for estates and trusts, and Forms 1040 erroneously filed for estates and trusts, except that for 1938 there are excluded nontaxable Forms 1040 with net income, erroneously filed for estates and trusts.

⁴ Data are not available prior to 1928. For 1937 and 1938 includes returns with zero net income (total income equals total deductions).

Individual returns with net income, including returns for estates and trusts, 1916-1938, by net income classes, and aggregate for individual returns with no net income, 1928-1938: net income or deficit ¹

[Net income classes and money figures in thousands of dollars]

Net income classes	1916	1917	1918	1919	1920	1921
Individual returns with net income, including returns for estates and trusts: ²						213,850
Under 1.....						3,620,762
1 under 2.....		2,461,137	2,232,355	2,829,113	4,050,067	5,325,931
2 under 3.....		2,064,977	3,626,825	3,807,286	6,184,543	4,054,891
3 under 5.....	624,669	2,115,865	3,535,219	4,513,264	5,039,607	2,378,759
5 under 10.....	1,037,248	1,827,508	2,145,690	2,954,137	3,068,331	1,958,156
10 under 25.....	1,235,016	1,687,166	1,736,548	2,412,276	2,547,905	979,629
25 under 50.....	822,662	1,042,320	978,043	1,277,365	1,307,785	582,230
50 under 100.....	722,795	846,894	679,721	896,497	810,386	163,521
100 under 150.....	357,355	400,492	284,107	358,393	265,512	145,948
150 under 300.....	505,859	474,652	305,025	371,149	215,139	61,343
300 under 500.....	271,938	209,905	144,545	159,071	89,314	42,780
500 under 1,000.....	256,771	214,631	119,076	128,290	79,963	49,411
1,000 and over.....	464,264	306,836	137,487	152,650	77,078	
Total individual, estate, and trust returns with net income.....	6,296,578	13,652,383	15,924,639	19,859,491	23,735,629	19,577,213
Net income classes	1922	1923	1924	1925	1926	1927
Individual returns with net income, including returns for estates and trusts: ²						72,231
Under 1.....	247,564	252,513	235,452	58,306	67,238	1,645,576
1 under 2.....	3,630,571	3,693,642	3,564,474	1,774,602	1,747,917	2,062,275
2 under 3.....	5,153,497	6,073,444	5,277,147	2,047,970	2,042,903	4,700,816
3 under 5.....	4,500,558	6,469,195	6,827,924	5,236,003	4,872,789	3,895,759
5 under 10.....	2,641,905	2,653,026	2,991,188	3,463,852	3,838,953	3,748,058
10 under 25.....	2,255,872	2,538,079	2,855,397	3,544,898	3,660,622	2,051,771
25 under 50.....	1,208,274	1,350,680	1,599,848	2,032,239	1,954,653	1,535,387
50 under 100.....	805,224	833,898	1,066,784	1,418,948	1,389,339	636,019
100 under 150.....	260,204	280,656	377,645	572,860	570,190	787,270
150 under 300.....	266,814	260,584	374,609	655,300	661,412	431,122
300 under 500.....	116,672	124,569	171,249	339,774	340,214	378,167
500 under 1,000.....	107,671	95,107	158,462	327,368	317,881	600,641
1,000 and over.....	141,387	152,072	155,974	422,457	494,394	
Total individual, estate, and trust returns with net income.....	21,336,213	24,777,466	25,656,153	21,894,576	21,958,506	22,543,091

For footnotes, see p. 63.

Individual returns with net income, including returns for estates and trusts, 1916-1938, by net income classes, and aggregate for individual returns with no net income, 1928-1938: net income or deficit ¹—Continued

[Net income classes and money figures in thousands of dollars]

Net income classes	1928	1929	1930	1931	1932	1933
Individual returns with net income, including returns for estates and trusts: ²						
Under 1.....	64,535	73,742	86,892	106,622	231,140	264,784
1 under 2.....	1,526,832	1,499,908	1,494,526	1,399,430	2,145,834	2,093,292
2 under 3.....	2,030,901	1,958,595	1,864,162	1,641,594	2,437,251	2,295,586
3 under 5.....	4,648,098	4,572,596	4,151,967	3,515,716	2,697,915	2,207,458
5 under 10.....	4,282,520	4,481,570	3,723,763	2,807,901	1,677,039	1,537,875
10 under 25.....	4,037,853	4,025,293	2,922,750	2,006,721	1,160,398	1,112,086
25 under 50.....	2,326,503	2,174,458	1,383,619	820,648	620,639	630,005
50 under 100.....	1,857,878	1,646,476	919,040	528,049	393,206	401,049
100 under 150.....	850,451	770,536	374,171	196,598	119,896	129,159
150 under 300.....	1,157,191	1,087,410	419,016	212,059	118,008	139,215
300 under 500.....	663,900	628,229	207,131	102,186	52,469	54,570
500 under 1,000.....	670,862	669,878	211,693	102,311	57,874	56,700
1,000 and over.....	1,108,893	1,212,099	359,905	166,060	35,240	86,857
Total individual, estate, and trust returns with net income.....	25,226,327	24,800,736	18,118,635	13,604,996	11,655,909	11,008,638
Individual returns with no net income ³	6,499,213	6,102,130	6,153,945	6,193,878	6,148,922	6,141,331
Net income classes	1934	1935	1936	1937	1938	
Individual returns with net income, including returns for estates and trusts: ²						
Under 1.....	211,113	198,900	187,113	202,401	259,833	
1 under 2.....	2,277,726	2,534,828	3,011,409	3,592,283	3,430,143	
2 under 3.....	2,467,851	2,831,583	3,325,252	3,980,864	4,091,500	
3 under 5.....	2,839,348	3,249,107	3,821,708	4,646,965	4,317,709	
5 under 10.....	1,952,891	2,283,402	2,977,790	3,170,571	2,783,893	
10 under 25.....	1,513,592	1,822,271	2,628,692	2,639,518	2,059,779	
25 under 50.....	708,530	882,309	1,400,493	1,319,431	886,398	
50 under 100.....	405,976	535,772	913,518	824,261	484,768	
100 under 150.....	117,744	166,379	311,279	272,264	158,413	
150 under 300.....	140,960	179,911	307,930	272,724	154,996	
300 under 500.....	43,832	77,907	124,523	117,477	78,441	
500 under 1,000.....	59,464	73,811	122,762	114,399	81,396	
1,000 and over.....	57,775	73,630	107,641	85,416	110,103	
Total individual, estate and trust returns with net income.....	12,796,802	14,909,812	19,240,110	21,238,574	18,897,374	
Individual returns with no net income ³	6,412,859	6,381,353	6,286,632	6,308,518	6,354,156	

¹ Changes in the revenue acts affecting the comparability of statistical data from income tax returns of individuals, including estates and trusts, are summarized on pp. 270-279. For returns with net income under \$5,000, the amount and distribution by net income classes are estimated on basis of sample for 1918 through 1927 and for 1929; and partly estimated and partly tabulated for 1917, 1928, 1930, and subsequent years.

² For 1916 through 1936 includes Forms 1040 and 1040A filed for individuals and for estates and trusts. For 1937 and 1938 includes Forms 1040 and 1040A filed for individuals, taxable Forms 1041 filed for estates and trusts, and Forms 1040 erroneously filed for estates and trusts, except that for 1938 there are excluded nontaxable Forms 1040 with net income, erroneously filed for estates and trusts.

³ Data are not available prior to 1928.

⁴ Revised. (See Statistics of Income for 1925, pp. 28-29.)

⁵ Revised. (See Statistics of Income for 1935, Part 1, p. 34, footnote 3.)

⁶ Deficit.

Individual returns with net income, including returns for estates and trusts, 1916-1938, by net income classes, and aggregate for individual returns with no net income, 1938: tax ¹

[Net income classes and money figures in thousands of dollars]

Net income classes	1916	1917	1918	1919	1920	1921
Individual returns with net income, including returns for estates and trusts: ²						
Under 1.....						174
1 under 2.....		16,244	26,482	24,696	36,860	29,161
2 under 3.....		9,097	35,415	28,258	45,508	20,712
3 under 5.....	776	18,283	82,929	75,915	83,496	42,744
5 under 10.....	6,301	44,066	93,058	91,538	97,886	68,871
10 under 25.....	11,637	80,695	142,449	164,833	172,259	126,886
25 under 50.....	11,603	76,593	130,241	154,946	154,265	112,910
50 under 100.....	16,299	85,028	147,429	186,358	163,718	115,712
100 under 150.....	12,423	55,766	95,680	118,705	86,588	52,330
150 under 300.....	24,007	86,718	136,156	163,095	92,604	61,496
300 under 500.....	17,951	50,228	79,165	86,031	47,043	31,860
500 under 1,000.....	20,902	59,349	69,834	76,228	45,641	25,112
1,000 and over.....	51,487	100,425	88,885	99,027	49,185	31,420
Total individual, estate, and trust returns with net income.....	173,387	691,493	1,127,722	1,269,630	1,075,054	719,387

Net income classes	1922	1923	1924	1925	1926	1927
Individual returns with net income, including returns for estates and trusts: ²						
Under 1.....	247	317	146	69	56	40
1 under 2.....	27,081	418,253	10,432	1,704	1,761	1,234
2 under 3.....	20,730	416,606	10,207	3,809	4,217	3,970
3 under 5.....	47,533	440,048	26,865	8,326	7,245	6,508
5 under 10.....	70,388	454,075	28,828	19,149	20,272	20,665
10 under 25.....	123,576	4103,109	78,069	74,172	72,465	74,226
25 under 50.....	125,697	103,601	109,360	120,689	112,797	119,475
50 under 100.....	144,093	108,879	136,636	147,843	140,947	156,675
100 under 150.....	71,337	55,719	75,678	79,472	77,900	87,398
150 under 300.....	98,810	62,104	92,481	103,059	103,997	123,776
300 under 500.....	43,488	31,669	45,771	55,722	55,256	73,750
500 under 1,000.....	38,559	25,498	42,585	53,674	53,665	64,265
1,000 and over.....	49,518	35,788	47,207	60,867	81,893	98,657
Total individual, estate, and trust returns with net income.....	861,057	4,661,666	704,265	734,555	732,471	830,639

Net income classes	1928	1929	1930	1931	1932	1933
Individual returns with net income, including returns for estates and trusts: ²						
Under 1.....	60	17	37	24	103	97
1 under 2.....	1,560	553	1,269	943	12,254	10,345
2 under 3.....	4,317	1,404	3,310	2,466	9,822	7,710
3 under 5.....	7,475	2,413	5,352	3,832	20,895	18,307
5 under 10.....	22,896	9,551	17,448	12,407	35,615	35,077
10 under 25.....	82,758	59,893	49,561	31,897	50,150	54,977
25 under 50.....	136,568	113,904	72,708	40,096	43,546	52,355
50 under 100.....	104,447	160,814	87,379	44,780	47,150	57,491
100 under 150.....	116,855	99,590	48,749	25,135	24,469	30,369
150 under 300.....	182,514	159,221	62,403	28,793	31,912	40,412
300 under 500.....	113,250	97,336	33,633	15,411	18,554	17,910
500 under 1,000.....	116,424	106,219	34,289	15,457	19,016	21,221
1,000 and over.....	185,140	191,054	61,098	26,886	16,476	27,759
Total individual, estate, and trust returns with net income.....	1,164,254	1,001,938	476,715	246,127	329,962	374,120

For footnotes, see p. 65.

Individual returns with net income, including returns for estates and trusts, 1916-1938, by net income classes, and aggregate for individual returns with no net income, 1938: tax ¹—Continued

[Net income classes and money figures in thousands of dollars]

Net income classes	1934	1935	1936	1937	1938
Individual returns with net income, including returns for estates and trusts: ²					
Under 1.....	111	125	331	468	719
1 under 2.....	8,659	10,058	14,010	17,262	15,202
2 under 3.....	7,567	9,311	13,988	15,622	13,789
3 under 5.....	18,349	20,738	32,232	38,852	33,020
5 under 10.....	43,086	48,728	79,369	83,629	71,654
10 under 25.....	83,960	103,754	175,613	175,709	134,162
25 under 50.....	84,907	106,670	191,339	179,395	120,594
50 under 100.....	84,792	112,816	216,045	194,507	116,989
100 under 150.....	38,166	54,132	116,156	102,062	58,224
150 under 300.....	57,995	74,039	147,381	131,060	69,744
300 under 500.....	20,854	37,245	71,470	67,489	39,832
500 under 1,000.....	30,745	38,323	78,945	74,156	42,353
1,000 and over.....	32,211	41,499	77,138	61,457	48,035
Total individual, estate, and trust returns with net income.....	511,400	657,439	1,214,017	1,141,569	765,218
Individual returns with no net income: ³					615
Grand total.....	511,400	657,439	1,214,017	1,141,569	765,833

¹ Changes in the revenue acts affecting the comparability of statistical data from income tax returns of individuals, including estates and trusts, are summarized on pp. 270-279. For returns with net income under \$5,000, the amount and distribution by net income classes are estimated, based on samples for years 1918 through 1927 and for 1929; and partly estimated and partly tabulated for 1917, 1928, 1930, and subsequent years.

² For 1916 through 1936 includes Forms 1040 and 1040A filed for individuals and for estates and trusts. For 1937 and 1938 includes Forms 1040 and 1040A filed for individuals, taxable Forms 1041 filed for estates and trusts, and Forms 1040 erroneously filed for estates and trusts, except that for 1938 there are excluded non-taxable Forms 1040 with net income, erroneously filed for estates and trusts.

³ Alternative tax reported on 26 returns with net long-term capital loss on which the tax, computed on net income before the deduction of net long-term capital loss, exceeds 30 percent of the net long-term capital loss.

⁴ Revised. (See Statistics of Income for 1925, pp. 28-29.)

Individual returns with net income, including returns for estates and trusts, 1916-1938, by net income classes: effective tax rate (percent) ¹

Net income classes (thousands of dollars)	1916	1917	1918	1919	1920	1921	1922	1923	1924
Under 1.....						0.08	0.10	0.13	0.06
1 under 2.....		0.66	1.19	0.87	0.91	.81	.75	.49	.29
2 under 3.....		.44	.98	.74	.74	.39	.40	.27	.19
3 under 5.....	0.12	.86	2.35	1.68	1.66	1.05	1.06	.71	.39
5 under 10.....	.61	2.41	4.34	3.10	3.19	2.90	2.66	2.04	.96
10 under 25.....	1.41	4.78	8.20	6.83	6.70	6.48	5.48	4.06	2.73
25 under 50.....	2.25	7.34	13.32	12.13	11.80	11.53	10.40	7.67	6.84
50 under 100.....	2.25	10.04	21.69	20.79	20.20	19.87	17.89	13.06	12.81
100 under 150.....	3.48	13.92	33.68	33.12	32.61	32.00	27.42	19.85	20.04
150 under 300.....	4.75	18.27	44.64	43.94	43.04	42.14	37.03	23.83	24.69
300 under 500.....	6.60	23.93	54.77	54.08	52.67	51.94	37.27	25.42	26.73
500 under 1,000.....	8.14	27.63	58.65	59.42	57.08	58.70	35.81	26.81	26.87
1,000 and over.....	11.09	35.65	64.65	64.87	63.81	63.59	35.02	23.53	30.27
Total individual, estate, and trust returns with net income.....	2.75	5.06	7.08	6.39	4.53	3.67	4.04	2.67	2.74

Net income classes (thousands of dollars)	1925	1926	1927	1928	1929	1930	1931	1932	1933
Under 1.....	0.12	0.68	0.06	0.09	0.02	0.04	0.02	0.04	0.04
1 under 2.....	.10	.10	.07	.10	.04	.08	.07	.57	.49
2 under 3.....	.19	.21	.19	.21	.07	.18	.15	.40	.34
3 under 5.....	.16	.15	.14	.16	.05	.13	.11	.80	.83
5 under 10.....	.55	.52	.53	.53	.21	.47	.44	2.12	2.28
10 under 25.....	2.09	1.98	1.98	2.05	1.49	1.70	1.59	4.32	4.94
25 under 50.....	5.94	5.77	5.82	5.87	5.24	5.25	4.89	6.92	8.31
50 under 100.....	10.42	10.14	10.20	10.47	9.77	9.51	8.48	11.99	14.34
100 under 150.....	13.87	13.66	13.74	13.74	12.92	13.03	11.77	20.41	23.51
150 under 300.....	15.73	15.72	15.72	15.77	14.64	14.91	13.58	27.04	29.03
300 under 500.....	16.40	16.24	17.11	17.06	15.49	15.96	15.08	35.36	32.82
500 under 1,000.....	16.39	16.88	16.99	17.35	15.86	16.20	15.11	32.86	37.43
1,000 and over.....	15.83	16.56	16.42	16.70	15.76	16.98	16.19	46.75	31.96
Total individual, estate, and trust returns with net income.....	3.35	3.33	3.68	4.62	4.04	2.63	1.81	2.83	3.40

For footnotes, see p. 66.

Individual returns with net income, including returns for estates and trusts, 1916-1938, by net income classes: effective tax rate (percent)¹—Continued

Net income classes (thousands of dollars)	1934	1935	1936	1937	1938
Under 1.....	0.05	0.06	0.18	0.23	0.28
1 under 2.....	.38	.40	.47	.48	.44
2 under 3.....	.31	.33	.42	.39	.34
3 under 5.....	.65	.64	.84	.84	.79
5 under 10.....	2.21	2.13	2.67	2.63	2.57
10 under 25.....	5.55	5.69	6.68	6.66	6.51
25 under 50.....	11.98	12.09	13.66	13.60	13.60
50 under 100.....	20.89	21.06	23.65	23.60	24.13
100 under 150.....	32.41	32.54	37.32	37.49	36.75
150 under 300.....	41.14	41.15	47.86	48.06	45.00
300 under 500.....	47.58	47.81	57.40	57.45	50.78
500 under 1,000.....	51.70	51.92	64.31	64.82	52.03
1,000 and over.....	55.75	56.36	71.66	71.95	43.63
Total individual, estate, and trust returns with net income.....	4.00	4.41	6.31	5.37	4.05

¹ Changes in the revenue acts affecting the comparability of statistical data from income tax returns of individuals, including estates and trusts, are summarized on pp. 270-279. For returns with net income under \$5,000, the amount of tax and distribution by net income classes are estimated, based on sample for years 1918 through 1927 and for 1929; and partly estimated and partly tabulated for 1917, 1928, 1930, and subsequent years.

Individual returns with net income, including returns of estates and trusts, 1916-1938, and individual returns with no net income, 1928-1938: sources of income, deductions, and net income or deficit¹

[Thousands of dollars]

Distribution	1916	1917 ²	1918	1919	1920	1921
Income: ³						
Salaries, wages, commissions, etc. ⁴	1,851,277	3,648,438	8,267,392	10,755,093	15,322,873	13,813,169
Business.....	2,637,475	2,865,413	3,124,355	3,877,550	3,215,555	2,360,319
Partnership ⁷	(²⁰)	775,087	1,214,914	1,831,430	1,706,229	1,341,180
Profit from sale of real estate, stocks, bonds, etc., other than taxed as capital net gain from sale of assets held more than 2 years.....	(²⁰)					
Capital net gain from sale of assets held more than 2 years.....	(²⁰)	318,171	291,186	999,364	1,020,543	462,850
Rents and royalties.....	643,803	684,343	975,680	1,019,094	1,047,424	1,177,955
Dividends received ⁵	2,136,469	2,848,842	2,468,749	2,453,775	2,735,846	2,476,952
Income from fiduciaries ⁶	379,795	(²¹)	(²²)	(²²)	(²³)	(²²)
Taxable interest on partially tax-exempt Government obligations ¹⁰	(²³)	(²¹)	(²¹)	63,377	61,550	46,994
Interest and other income ¹¹	701,084	936,715	1,403,486	1,437,402	1,580,250	1,643,344
Total income.....	8,349,902	12,077,009	17,745,761	22,437,686	26,690,270	23,328,782
Deductions: ⁵						
Net loss from sale of real estate, stocks, bonds, etc., other than reported for tax credit on capital net loss from sale of assets held more than 2 years.....	(²⁴)	(²⁴)	(²⁴)	(²⁴)	(²⁴)	(²⁴)
Net loss from business.....	(²⁴)	(²⁴)	(²⁴)	(²⁴)	(²⁴)	(²⁴)
Net loss from partnership.....	(²⁴)	(²⁴)	(²⁴)	(²⁴)	(²⁴)	(²⁴)
Interest paid.....	(²⁴)	(²⁴)	(²⁴)	(²⁴)	(²⁴)	(²⁴)
Taxes paid.....	(²⁴)	245,080	(²⁴)	(²⁴)	387,290	(²⁴)
Contributions ¹²	(²⁴)	640,683	(²⁴)	(²⁴)	2,567,351	3,751,509
Other deductions ¹³	2,051,324		1,821,122	2,578,194	2,954,641	3,751,509
Total deductions ¹³	2,051,324	885,763	1,821,122	2,578,194	2,954,641	3,751,509
Net income.....	6,298,578	11,191,246	15,924,639	19,859,491	23,735,629	19,577,213

For footnotes, see pp. 74-75.

Individual returns with net income, including returns of estates and trusts, 1916-1938, and individual returns with no net income, 1928-1938: sources of income, deductions, and net income or deficit¹—Continued

[Thousands of dollars]

Distribution	1922	1923 ²	1924	1925	1926	1927
Income: ³						
Salaries, wages, commissions, etc. ⁴	13,693,993	14,195,356	13,617,663	9,742,160	9,994,315	10,218,450
Business.....	2,839,771	4,722,766	4,755,483	3,688,804	3,572,895	3,287,421
Partnership ⁷	1,427,127	1,676,409	1,810,014	1,827,025	1,732,581	1,755,145
Profit from sale of real estate, stocks, bonds, etc., other than taxed as capital net gain from sale of assets held more than 2 years.....	742,104	863,107	1,124,566	1,991,659	1,465,625	1,813,396
Capital net gain from sale of assets held more than 2 years ¹⁴	249,248	305,394	389,148	940,569	912,917	1,081,186
Rents and royalties.....	1,224,929	1,814,126	2,009,716	1,471,332	1,450,760	1,302,276
Dividends received ⁵	2,664,219	3,119,829	3,250,914	3,464,625	4,011,590	4,254,829
Income from fiduciaries ⁶	257,928	329,124	310,144	305,806	333,365	421,481
Taxable interest on partially tax-exempt Government obligations ¹⁰	33,989	43,711	29,045	25,651	36,782	47,479
Other taxable interest.....	1,738,601	2,177,771	2,281,703	1,814,402	1,936,604	1,675,916
Other income ¹¹						350,981
Total income.....	24,871,908	29,247,593	29,578,997	25,272,035	25,447,436	26,208,561
Deductions: ⁵						
Net loss from sale of real estate, stocks, bonds, etc., other than reported for tax credit on capital net loss from sale of assets held more than 2 years.....	(²⁴)	(²⁴)	(²⁴)	(²⁴)	178,216	227,879
Net loss from business.....	(²⁴)	(²⁴)	(²⁴)	(²⁴)	(²⁴)	(²⁴)
Net loss from partnership.....	(²⁴)	(²⁴)	(²⁴)	(²⁴)	(²⁴)	(²⁴)
Interest paid.....	(²⁴)	(²⁴)	(²⁴)	(²⁴)	(²⁴)	(²⁴)
Taxes paid.....	425,218	534,797	533,168	441,590	484,205	507,705
Contributions ¹²	3,110,478	3,935,330	3,389,675	2,935,868	2,826,509	2,927,886
Other deductions ¹³	3,535,696	4,470,127	3,922,843	3,377,458	3,488,930	3,663,470
Total deductions ¹³	21,336,213	24,777,466	25,656,153	21,894,576	21,958,506	22,545,091
Net income.....						

For footnotes, see pp. 74-75.

Individual returns with net income, including returns of estates and trusts, 1916-1938, and individual returns with no net income, 1928-1938: sources of income, deductions, and net income or deficit ¹—Continued

[Thousands of dollars]

Distribution	1928		1929		1930	
	Individual, estate, and trust returns with net income	Individual returns with no net income	Individual, estate, and trust returns with net income ⁴	Individual returns with no net income	Individual, estate, and trust returns with net income	Individual returns with no net income
Income: ⁵						
Salaries, wages, commissions, etc. ⁶	10,862,331	82,193	11,173,068	199,654	9,921,952	283,727
Business	3,243,955	32,811	3,327,989	58,413	2,628,057	69,697
Partnership ⁷	1,929,520	16,631	1,846,431	49,533	1,089,646	57,260
Profit from sale of real estate, stocks, bonds, etc., other than taxed as capital net gain from sale of assets held more than 2 years	2,928,142	53,584	2,335,898	85,265	636,738	68,135
Capital net gain from sale of assets held more than 2 years ¹⁴	1,879,780	274	2,346,704	1,426	556,392	
Rents and royalties	1,164,518	67,071	1,278,757	79,984	974,325	103,460
Dividends received ⁸	4,350,979	88,984	4,783,240	297,726	4,197,304	434,988
Income from fiduciaries ⁹	443,998	17,577	508,221	12,209	429,459	19,843
Taxable interest on partially tax-exempt Government obligations ¹⁰	40,553	1,763	40,184	2,864	38,134	5,738
Other taxable interest	1,841,818	59,760	1,908,030	115,177	1,608,434	161,536
Other income ¹¹	302,040		296,235		19,239,004	
Total income	28,987,634	420,649	29,844,758	902,251	22,319,446	1,204,833
Deductions: ⁵						
Net loss from sale of real estate, stocks, bonds, etc., other than reported for tax credit on capital net loss from sale of assets held more than 2 years	171,743	144,561	994,665	²⁵ 838,984	1,232,776	²⁶ 1,307,143
Net loss from business	(²⁴)	(²⁴)	(²⁴)	(²⁴)	172,538	570,023
Net loss from partnership ⁷	(²⁴)	(²⁴)	(²⁴)	(²⁴)	(²⁴)	(²⁴)
Interest paid	(²⁴)	(²⁴)	(²⁴)	(²⁴)	(²⁴)	(²⁴)
Taxes paid ¹⁵	(²⁴)	(²⁴)	(²⁴)	(²⁴)	(²⁴)	(²⁴)
Contributions ¹²	532,886	8,465	527,093	13,016	²⁸ 417,771	16,630
Other deductions ¹³	3,056,679	640,847	3,522,265	919,327	2,377,726	818,503
Total deductions ¹³	3,761,308	919,862	5,044,023	1,927,381	²⁵ 4,200,811	2,743,835
Net income or deficit	25,226,327	²⁷ 499,213	24,800,736	²⁷ 1,025,130	18,118,635	²⁷ 1,539,452

For footnotes, see pp. 74-75.

Individual returns with net income, including returns of estates and trusts, 1916-1938, and individual returns with no net income, 1928-1938: sources of income, deductions, and net income or deficit ¹—Continued

[Thousands of dollars]

Distribution	1931		1932		1933	
	Individual, estate, and trust returns with net income	Individual returns with no net income	Individual, estate, and trust returns with net income	Individual returns with no net income	Individual, estate, and trust returns with net income	Individual returns with no net income
Income: ⁵						
Salaries, wages, commissions, etc. ⁶	8,325,162	305,684	8,136,717	219,716	7,390,356	174,581
Business	1,889,759	73,186	1,294,952	54,880	1,402,923	51,137
Partnership ⁷	729,523	47,754	482,863	28,612	603,725	31,000
Profit from sale of real estate, stocks, bonds, etc., other than taxed as capital net gain from sale of assets held more than 2 years	301,664	29,573	112,814	20,602	419,591	67,470
Capital net gain from sales of assets held more than 2 years ¹⁴	169,949		50,074		133,616	
Rents and royalties	770,764	117,059	529,989	105,609	447,883	83,675
Dividends received ⁸	3,113,861	485,616	1,972,133	216,544	1,559,046	152,361
Income from fiduciaries ⁹	369,140	29,438	310,949	18,843	276,067	19,846
Taxable interest on partially tax-exempt Government obligations ¹⁰	25,325	5,138	29,188	4,235	31,689	4,420
Other taxable interest	1,337,606	206,302	1,141,799	30,559	961,732	107,904
Other income ¹¹	235,696		330,602		167,197	
Total income	17,268,451	1,299,750	14,392,080	831,592	13,393,825	725,817
Deductions: ⁵						
Net loss from sale of real estate, stocks, bonds, etc., other than reported for tax credit on capital net loss from sale of assets held more than 2 years	1,160,765	²⁵ 1,818,724	375,445	²⁶ 835,280	365,782	²⁶ 773,899
Net loss from business	134,685	590,123	112,659	519,340	61,985	181,099
Net loss from partnership ⁷	(²⁴)	(²⁴)	(²⁴)	(²⁴)	30,435	68,850
Interest paid ¹⁵	(²⁴)	(²⁴)	(²⁴)	(²⁴)	507,520	135,232
Taxes paid ¹⁵	(²⁴)	(²⁴)	(²⁴)	(²⁴)	506,258	171,387
Contributions ¹²	328,300	25,629	304,009	12,651	252,251	29,664
Other deductions ¹³	2,039,705	605,019	²⁸ 1,944,057	767,486	660,956	507,017
Total deductions ¹³	3,663,455	3,236,628	²⁸ 2,736,171	2,312,514	2,385,187	1,867,148
Net income or deficit	13,604,996	²⁷ 1,936,878	²⁸ 11,655,909	²⁷ 1,480,922	11,008,638	²⁷ 1,141,331

For footnotes, see pp. 74-75.

Individual returns with net income, including returns of estates and trusts, 1916-1938 and individual returns with no net income, 1928-1938: sources of income, deductions, and net income or deficit ¹—Continued

(Thousands of dollars)

Distribution	1934		1935		1936	
	Individual, estate, and trust returns with net income	Individual returns with no net income	Individual, estate, and trust returns with net income	Individual returns with no net income	Individual, estate, and trust returns with net income	Individual returns with no net income
Income: ⁵						
Salaries, wages, commissions, etc. ⁶	8,600,455	80,415	9,900,578	71,670	11,661,274	57,036
Business profit	1,716,842	30,808	1,855,019	25,688	2,374,258	22,729
Partnership profits ⁷	631,915	12,137	739,822	9,514	1,022,288	9,450
Net capital gain ¹⁶	211,319	17,746	509,714	20,409	973,796	22,497
Rents and royalties	509,844	59,225	572,060	51,121	685,063	42,091
Dividends received ⁸	1,965,670	75,078	2,234,727	53,608	3,173,844	54,156
Income from fiduciaries ⁹	288,730	8,552	328,978	6,874	826,184	8,738
Taxable interest on partially tax-exempt Government obligations ¹⁰	38,044	2,224	43,820	2,319	43,627	1,322
Other taxable interest	909,231	45,235	900,501	32,985	887,684	22,017
Other income ¹¹	220,910	12,635	231,286	14,465	240,357	8,493
Total income	15,092,960	344,055	17,316,505	288,653	21,888,373	248,530
Deductions: ⁵						
Business loss	63,885	130,522	67,453	116,068	79,520	90,070
Partnership loss ⁷	29,004	42,943	23,876	35,601	21,307	28,190
Net capital loss ¹⁶	183,762	27,274	145,728	21,616	129,704	14,845
Interest paid ¹⁵	517,217	88,538	503,730	67,924	544,869	48,189
Taxes paid ¹⁵	541,191	64,143	596,559	48,415	698,609	38,850
Contributions ¹²	272,822	6,994	305,155	4,998	385,838	3,753
Other deductions ¹³	688,277	396,499	764,191	375,384	788,416	311,263
Total deductions ¹³	2,296,158	756,914	2,406,693	670,006	2,648,263	535,161
Net income or deficit	12,796,802	27 412,859	14,909,812	27 381,353	19,240,110	27 286,632

Distribution	1937		1938	
	Individual, estate, and trust returns with net income	Individual returns with no net income	Individual, estate, and trust returns with net income	Individual returns with no net income
Income: ⁵				
Salaries, wages, commissions, etc. ⁶	14,148,510	57,386	13,240,991	65,825
Business profits	2,493,426	23,421	2,349,344	25,954
Partnership profits ⁷	1,139,301	10,885	1,053,673	13,533
Net capital gain: ¹⁶				
Short-term	434,114	16,947	152,108	7,781
Long-term			324,795	6,443
Net gain from sale of property other than capital assets ¹⁷			22,607	1,526
Rents and royalties	758,444	40,146	769,687	41,601
Dividends received ⁸	3,514,293	60,440	2,372,459	89,424
Income from fiduciaries ⁹	830,772	10,295	646,258	19,291
Taxable interest on partially tax-exempt Government obligations ¹⁰	47,955	1,563	46,065	2,373
Other taxable interest	862,349	21,343	844,443	32,034
Other income ¹¹	224,935	7,968	233,019	12,983
Total income	24,454,099	250,394	22,055,449	318,769
Deductions: ⁵				
Business loss	97,940	124,159	99,263	142,717
Partnership loss ⁷	29,011	40,034	30,662	37,800
Net capital loss ¹⁶	204,192	28,695		
Net long-term capital loss ¹⁶			395,779	192,220
Net loss from sale of property other than capital assets ¹⁷			21,805	21,427
Interest paid ¹⁵	560,997	44,601	509,093	48,049
Taxes paid ¹⁵	837,272	37,618	816,381	44,779
Contributions ¹²	440,010	4,919	407,419	6,560
Other deductions ¹³	986,103	278,886	877,674	179,374
Total deductions ¹³	3,215,525	558,912	3,158,076	672,925
Net income or deficit	21,238,574	27 308,518	18,897,374	27 354,156

For footnotes, see pp. 74-75.

Individual returns with net income of \$5,000 and over, including returns of estates and trusts, 1916-1938: sources of income, deductions, and net income ¹

(Money figures in thousands of dollars)

Distribution	1916	1917	1918	1919	1920	1921
Number of returns	29 272,252	432,662	478,062	657,659	681,562	525,606
Income: ⁵						
Salaries, wages, commissions, etc. ⁶	1,398,329	1,794,790	2,103,819	2,948,006	3,367,516	2,831,520
Business	15 2,386,905	1,062,772	1,148,297	1,743,800	1,398,069	816,040
Partnership ⁷	(20)	581,708	913,853	1,426,072	1,261,899	903,571
Profit from sale of real estate, stocks, bonds, etc., other than taxed as capital net gain from sale of assets held more than 2 years	(20)					
Capital net gain from sale of assets held more than 2 years	(20)	217,929	187,406	677,284	623,993	254,456
Rents and royalties	516,742	340,868	386,474	445,701	451,878	420,932
Dividends received ⁸	2,098,428	2,648,155	2,133,209	2,128,291	2,363,880	1,915,138
Income from fiduciaries ⁹	365,326	(21)	(22)	(22)	(22)	(22)
Taxable interest on partially tax-exempt Government obligations ¹⁰	(23)	(21)	(21)	62,571	60,432	40,281
Interest and other income ¹¹	627,943	822,480	799,186	876,687	847,894	732,697
Total income	7,393,672	7,468,702	7,672,243	10,306,411	10,375,561	7,914,635
Deductions: ⁵						
Net loss from sale of real estate, stocks, bonds, etc., other than reported for tax credit on capital net loss from sale of assets held more than 2 years	(24)	(24)	(24)	(24)	(24)	(24)
Net loss from business	(24)	(24)	(24)	(24)	(24)	(24)
Net loss from partnership	(24)	(24)	(24)	(24)	(24)	(24)
Interest paid	(24)	(24)	(24)	(24)	(24)	(24)
Taxes paid	(24)	(24)	(24)	(24)	(24)	(24)
Contributions ¹²	(24)	(24)	(24)	(24)	(24)	(24)
Other deductions ¹³	1,719,764	271,391	1,142,003	1,598,583	1,914,150	1,552,857
Total deductions ¹³	1,719,764	458,297	1,142,003	1,598,583	1,914,150	1,552,857
Net income	5,673,909	7,010,404	6,530,241	8,709,828	8,461,412	6,361,778

For footnotes, see pp. 74-75.

Individual returns with net income of \$5,000 and over, including returns of estates and trusts, 1916-1938: sources of income, deductions, and net income¹—Continued

[Money figures in thousands of dollars]

Distribution	1922	1923 ²	1924	1925	1926	1927
Number of returns.....	594, 211	625, 897	697, 138	830, 670	894, 868	913, 597
Income: ³						
Salaries, wages, commissions, etc. ⁴	2, 933, 454	3, 114, 006	3, 490, 916	4, 033, 811	4, 363, 395	4, 524, 276
Business.....	1, 012, 440	1, 057, 731	1, 290, 722	1, 623, 638	1, 735, 523	1, 704, 175
Partnership ⁷	918, 183	921, 851	1, 112, 710	1, 422, 799	1, 329, 786	1, 354, 422
Profit from sale of real estate, stocks, bonds, etc., other than taxed as capital net gain from sale of assets held more than 2 years.....	490, 794	458, 184	770, 026	1, 723, 438	1, 224, 278	1, 511, 859
Capital net gain from sale of assets held more than 2 years ¹⁴	249, 248	305, 394	389, 148	940, 569	912, 918	1, 081, 186
Rents and royalties.....	482, 189	497, 624	570, 427	679, 509	659, 981	644, 302
Dividends received ⁸	2, 173, 499	2, 435, 137	2, 617, 871	3, 045, 368	3, 581, 362	3, 761, 910
Income from fiduciaries ⁹	197, 189	233, 982	206, 972	248, 163	273, 252	320, 351
Taxable interest on partially tax-exempt Government obligations ¹⁰	30, 962	30, 465	29, 645	25, 651	36, 782	47, 479
Other taxable interest.....	850, 935	864, 514	932, 324	1, 084, 120	1, 217, 681	1, 115, 925
Other income ¹¹						185, 099
Total income.....	9, 338, 893	9, 918, 886	11, 410, 761	14, 827, 127	15, 367, 957	16, 259, 984
Deductions: ⁵						
Net loss from sale of real estate, stocks, bonds, etc., other than reported for tax credit on capital net loss from sale of assets held more than 2 years.....	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	122, 409	136, 482
Net loss from business.....	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)
Net loss from partnership.....	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)
Interest paid ¹⁵	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	440, 974
Taxes paid ¹⁵	211, 863	238, 378	254, 072	293, 401	326, 511	353, 188
Contributions ¹²	1, 323, 007	1, 391, 835	1, 405, 532	1, 756, 030	1, 691, 377	1, 265, 148
Other deductions ¹³						
Total deductions ¹³	1, 534, 871	1, 630, 214	1, 659, 605	2, 049, 431	2, 140, 298	2, 195, 792
Net income.....	7, 804, 022	8, 288, 672	9, 751, 156	12, 777, 696	13, 227, 659	14, 064, 193

For footnotes, see pp. 74-75.

Individual returns with net income of \$5,000 and over, including returns of estates and trusts, 1916-1938: sources of income, deductions, and net income¹—Continued

[Money figures in thousands of dollars]

Distribution	1928	1929	1930	1931	1932	1933
Number of returns.....	1, 010, 887	1, 032, 071	810, 431	590, 731	356, 442	331, 892
Income: ⁶						
Salaries, wages, commissions, etc. ⁴	5, 008, 286	5, 179, 041	4, 407, 606	3, 320, 028	2, 057, 254	1, 838, 646
Business.....	1, 772, 255	1, 836, 329	1, 215, 452	766, 730	354, 488	393, 815
Partnership ⁷	1, 583, 322	1, 497, 922	786, 931	492, 147	284, 624	401, 031
Profit from sale of real estate, stocks, bonds, etc., other than taxed as capital net gain from sale of assets held more than 2 years.....	2, 700, 557	2, 044, 058	527, 653	196, 574	71, 643	308, 711
Capital net gain from sale of assets held more than 2 years ¹⁴	1, 879, 780	2, 346, 704	556, 392	169, 949	50, 074	133, 616
Rents and royalties.....	637, 371	649, 124	479, 401	306, 336	160, 244	124, 144
Dividends received ⁸	4, 009, 915	4, 247, 031	3, 708, 656	2, 583, 674	1, 540, 625	1, 199, 867
Income from fiduciaries ⁹	364, 889	422, 076	338, 400	280, 627	217, 610	182, 735
Taxable interest on partially tax-exempt Government obligations ¹⁰	40, 553	40, 184	38, 134	25, 325	29, 188	31, 689
Other taxable interest.....	1, 230, 178	1, 257, 590	1, 018, 001	749, 345	536, 541	422, 731
Other income ¹¹	196, 111	190, 110	130, 191	120, 845	67, 353	69, 656
Total income.....	19, 423, 216	19, 710, 168	13, 206, 817	9, 011, 581	5, 369, 646	5, 107, 539
Deductions: ⁵						
Net loss from sale of real estate, stocks, bonds, etc., other than reported for tax credit on capital net loss from sale of assets held more than 2 years.....	129, 865	632, 693	947, 121	813, 503	174, 627	152, 959
Net loss from business.....	(¹⁴)	(¹⁴)	105, 219	72, 125	46, 972	26, 792
Net loss from partnership ⁷	(¹⁴)	(¹⁴)				15, 597
Interest paid ¹⁵	866, 058	886, 187	574, 630	373, 603	250, 844	208, 311
Taxes paid ¹⁵	475, 422	479, 100	407, 996	294, 165	230, 543	200, 078
Contributions ¹²	390, 923	384, 458	286, 218	202, 970	139, 846	111, 219
Other deductions ¹³	604, 987	631, 836	364, 544	313, 573	283, 046	245, 065
Total deductions ¹³	2, 467, 255	3, 014, 274	2, 685, 728	2, 069, 948	1, 125, 878	960, 022
Net income.....	16, 955, 961	16, 695, 895	10, 521, 088	6, 941, 633	4, 243, 768	4, 147, 517

For footnotes, see pp. 74-75.

Individual returns with net income of \$5,000 and over, including returns of estates and trusts, 1916-1938: sources of income, deductions, and net income¹—Continued

[Money figures in thousands of dollars]

Distribution	1934	1935	1936	1937	1938
Number of returns	422,647	500,115	677,011	705,033	592,446
Income: ²					
Salaries, wages, commissions, etc. ³	2,300,256	2,708,879	3,493,623	3,819,979	3,309,286
Business profit	568,689	687,467	1,021,608	1,062,875	856,740
Partnership profits ⁴	438,066	531,620	791,010	827,058	702,317
Net capital gain: ⁵					
Short-term					101,822
Long-term	160,218	399,918	806,916	325,270	282,712
Net gain from sale of property other than capital assets ⁶					9,953
Rents and royalties	165,786	198,210	271,556	324,869	298,349
Dividends received	1,585,042	1,814,184	2,583,888	2,780,529	1,662,511
Income from fiduciaries ⁷	203,854	232,324	691,024	703,920	503,905
Taxable interest on partially tax-exempt Government obligations ⁸	38,044	43,820	43,627	47,955	46,065
Other taxable interest	453,480	448,022	445,355	431,923	350,031
Other income ⁹	99,226	123,234	108,784	91,931	80,427
Total income	6,012,662	7,187,678	10,257,390	10,416,309	8,204,120
Deduction: ²					
Business loss	29,753	33,713	45,125	54,680	48,185
Partnership loss ⁷	15,178	13,113	12,551	16,535	15,377
Net capital loss ¹⁰	90,968	68,981	62,828	139,832	240,213
Net loss from sale of property other than capital assets ¹¹					9,503
Interest paid ¹²	231,267	240,731	285,260	265,243	209,986
Taxes paid ¹³	232,490	267,571	353,986	431,620	381,403
Contributions ¹²	129,650	148,180	202,147	218,614	177,207
Other deductions ¹³	282,591	319,993	400,864	473,724	318,057
Total deductions ¹³	1,011,898	1,092,283	1,362,762	1,600,248	1,405,932
Net income	5,000,764	6,095,394	8,894,628	8,816,061	6,798,188

¹ Changes in the revenue acts affecting the comparability of statistical data from income tax returns of individuals, estates, and trusts are summarized on pp. 270-279. For 1916 through 1936 includes Forms 1040 and 1040A filed for individuals and for estates and trusts. For 1937 and 1938 includes Forms 1040 and 1040A filed for individuals, taxable Forms 1041 filed for estates and trusts, and Forms 1040 erroneously filed for estates and trusts. For returns of net income under \$5,000, the distribution of number of returns by net income classes is estimated on basis of sample for years 1918 through 1927 and for 1929, and partly estimated and partly tabulated for 1917, 1928, 1930, and subsequent years. For returns with net income under \$5,000 the amount and distribution by net income classes, of net income and tax are estimated on basis of sample for 1918 through 1927 and for 1929; and partly estimated and partly tabulated for 1917, 1928, 1930, and subsequent years. Individual returns with no net income available since 1928 are completely tabulated.

² Excludes data for 1,640,758 returns with net income under \$2,000 and aggregate net income of \$2,461,137,000.

³ Revised. (See Statistics of Income for 1925, pp. 28-29.)

⁴ Revised figures for returns with net income under \$5,000. (See Statistics of Income for 1934, Part 1, p. 31, footnote 18.)

⁵ The income items for 1916 are "Gross income," the deductions not having been allocated to the various sources but included in aggregate under "Deductions." Beginning 1917, the income items are "Net income," the deductions allocable to the various sources of income being applied against the gross income from the specific sources as reported on the schedules in the income tax returns. When net losses are shown on the schedules such net losses are transferred in tabulation to "Deductions," which also include the other unallocated items shown on the return under "Deductions."

⁶ Reported on individual returns. Excludes beginning 1924 wages and salaries of the individual, his wife, or dependent minors derived from the business conducted by the individual. Prior to 1924 such wages and salaries were reported as income under "Wages and salaries." Prior to 1927 includes taxpayer's earned income from a partnership. Includes "Professions and vocations" in 1916.

(Continued on p. 75)

⁷ Certain income from partnerships is included in other sources (see notes 8, 10, and 14). Beginning 1936 amount includes all dividends received by partnerships. Prior to 1936, dividends received by partnerships on stock of domestic corporations subject to taxation under Title 1 of the effective revenue laws were tabulated under "Dividends received," while dividends on stock of foreign corporations (other than those deriving more than half their gross income from sources in the United States) and, except for 1932 and 1933, dividends on stock of domestic corporations not subject to taxation under Title 1 of the effective revenue laws, were left in income from partnerships. For 1934 through 1937, amount includes net capital gain or loss from sale of capital assets by partnerships (see note 16). For 1918 through 1921, amount includes income from fiduciaries, and income from personal service corporations as defined in the Revenue Acts of 1918 and 1921 (except certain amounts included in other sources, see notes 8 and 10). The amount for partnerships for 1916 was tabulated with business.

⁸ Beginning 1936, amount includes dividends on stock of both domestic and foreign corporations, excepting dividends received by partnerships and fiduciaries. Prior to 1936, amount includes dividends on stock of domestic corporations subject to taxation under Title 1 of the effective revenue laws, and until 1934, the dividends received on stock of foreign corporations deriving more than half their gross income from sources within the United States, whether or not received direct or by partnership and fiduciaries; also dividends received through personal service corporations, 1918 through 1921; and stock dividends, 1916 through 1919.

⁹ Certain income from fiduciaries is included in other sources (see notes 8, 10, and 14). Beginning 1936, amount includes all dividends received by fiduciaries. Prior to 1936, dividends received by fiduciaries on stock of domestic corporations subject to taxation under Title 1 of the effective revenue laws were tabulated under "Dividends received," while dividends on stock of foreign corporations (other than those deriving more than half their gross income from sources in the United States) and, except for 1932 and 1933, dividends on stock of domestic corporations not subject to taxation under Title 1 of the effective revenue laws, were left in income from fiduciaries. For 1934 through 1937, amount includes net capital gain or loss from sale of capital assets received from an estate or trust (see note 16). For 1917, income from fiduciaries is included in "Interest and other income"; for 1918 through 1921, in "Partnerships."

¹⁰ Includes interest on such obligations held directly by individuals, estates, or trusts, or such interest received through partnerships and fiduciaries; also such interest through personal service corporations, 1919 to 1921, inclusive. In 1917 and 1918, amount included in "Interest and other income."

¹¹ Beginning 1936, amount excludes dividends received on stock of domestic corporations not subject to taxation under Title 1 of the effective revenue law and on stock of foreign corporations. For years prior to 1936, amount includes dividends received from these two types of corporations, except in so far as included in partnership and fiduciary income, and until 1934, except in so far as received from foreign corporations deriving more than half their gross income from sources within the United States. For 1917, includes income from fiduciaries.

¹² Reported on individual returns.

¹³ For returns with net income, includes distributions to beneficiaries on estates and trusts, Forms 1040, 1040A, and 1041.

¹⁴ Capital net gain received by individuals, estates, or trusts direct or through partnerships or fiduciaries was taxed at special rate, 1922 to 1933, inclusive.

¹⁵ Excludes amounts reported in schedules for business or profession and rents and royalties. A historical summary of taxes paid for the years 1927 through 1932 and of interest paid for the years 1928 through 1932, for returns with net income of \$5,000 and over, showing separately the amount reported in deductions from total income and in business deductions, is found in the 1932 Statistics of Income, table 8A, p. 80.

¹⁶ Net capital gain or loss on sale of capital assets (regardless of time held) by individuals, estates, and trusts, after certain limitations are applied (see sec. 117, Revenue Acts of 1934, 1936, and 1938). For 1934 through 1937, excludes net capital gain or loss on sale of capital assets by partnerships or fiduciaries, which amounts are included in income (or loss) from partnerships or income from fiduciary. For 1938, short-term net capital gain consists of gains on capital assets held 18 months or less, and long-term net capital gain or loss consists of gain or loss on capital assets held over 18 months (short-term net capital loss is not deductible in current year, see text, pp. 23-24).

¹⁷ For 1938, gain or loss from property used in trade or business of a character which is subject to the allowance for depreciation and excluded from capital assets under Revenue Act of 1938.

¹⁸ For 1916, includes partnership income and profit from sale of all stocks, bonds, etc., but excludes income from "Professions and vocations."

¹⁹ Revised. (See Statistics of Income for 1935, Part 1, p. 42, note 4.)

²⁰ All profit from sale of real estate, stocks, bonds, etc., and income from partnership included in business for 1916.

²¹ Included in "Interest and other income."

²² Included in "Partnership."

²³ Such obligations were issued after Sept. 1, 1917.

²⁴ Included in "Other deductions."

²⁵ Revised figures. See "Statistics of Income for 1937, Part 1" page 47, note 25.)

²⁶ Includes capital net loss from sale of assets held more than 2 years.

²⁷ Deficit.

²⁸ Revised. (See Statistics of Income for 1935, Part 1, p. 34, note 3.)

²⁹ Exclusive of returns of married women making separate returns from husbands.

³⁰ Contributions for 1920 not available for returns with net income of \$5,000 and over.

HISTORICAL DATA IN SOURCE BOOK

The Source Book is a comprehensive compilation of data tabulated from individual income tax returns for 1927-1937, inclusive, and from corporation income tax returns for 1926-1937, inclusive. These data are supplementary to the published volumes, "Statistics of Income." It is planned also to transcribe in the Source Book the information from the 1938 returns.

The following data in the Source Book for individual income tax returns are cross-classified by States and Territories, by taxable and nontaxable returns, and by net income classes: The sources of income and deductions (as published for each year in the Statistics of Income), total income, total deductions, net income, personal exemption and credit for dependents (combined for 1927-1932 and shown separately for 1933-1937), earned income credit for 1934-1937, net loss for prior year for 1927-1932, normal tax, surtax, 12½ percent tax on capital net gain for 1927-1933, 12½ percent tax credit for capital net loss for 1927-1933, tax credit for earned income for 1927-1931, and total tax. The number of returns with net income and the amount of net income are cross-classified by States and Territories, by taxable and nontaxable returns, by net income classes, and by sex and family relationship. The items "amount owned" and "interest received" which are reported for each type of wholly and partially tax-exempt Government obligations on returns with net income of \$5,000 and over for 1932-1937, inclusive, are cross-classified by States and Territories and by net income classes.

A copy of the Source Book is maintained in the Statistical Section, Income Tax Unit, Bureau of Internal Revenue, and is available for research purposes to officials of the Federal and State Governments and to qualified students representing accredited organizations. To obtain data from the Source Book, written permission must be secured from the Commissioner of Internal Revenue.

BASIC TABLES

Tables showing information from individual income tax returns and fiduciary income tax returns in greater detail than in the preceding text are continued in the following pages.

BASIC TABLES 1-9¹

INDIVIDUAL INCOME TAX RETURNS WITH NET
INCOME AND WITH NO NET INCOME, AND
TAXABLE FIDUCIARY INCOME TAX
RETURNS WITH NET INCOME

¹ For summary of content of each table, see text pages 6-8.

TABLE 1.—Individual returns and taxable fiduciary returns with net income ¹ and individual returns with no net income (excluding fiduciary returns), 1938, by States and Territories: population, percent of population filing returns, total number of returns, and total tax; for returns with net income, number of returns, net income, personal exemption, credit for dependents, and tax; for returns with no net income, number of returns, deficit, and alternative tax

[For text defining certain items and describing methods of tabulating and estimating data, see pp. 1-6 and 14-15]

States and Territories	Population July 1, 1938 (Census Bureau estimate) (in thousands)	Percent of population filing returns	Total number of individual and taxable fiduciary returns	Total tax	Individual returns and taxable fiduciary returns ² with net income					Individual returns with no net income ³		
					Number of returns	Net income ⁴	Personal exemption ⁴	Credit for dependents (individual returns)	Tax ⁵	Number of returns	Deficit	Alternative tax ⁶
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Alabama.....	2,895	1.38	39,885	\$2,715,111	39,261	\$116,163,358	\$78,001,626	\$10,900,394	\$2,715,111	624	\$2,213,530	-----
Arizona.....	412	5.12	21,091	1,048,176	20,552	56,563,874	37,875,138	5,783,593	1,048,176	559	1,961,380	-----
Arkansas.....	2,048	.99	20,226	1,576,934	19,720	63,377,344	40,507,662	5,930,667	1,576,934	506	1,308,050	-----
California.....	6,154	8.75	538,186	60,139,302	526,593	1,585,719,800	922,265,076	108,709,681	60,127,190	11,593	40,449,183	\$12,112
Colorado.....	1,071	4.03	43,131	5,783,308	42,132	130,642,002	80,181,823	9,743,330	5,783,308	999	2,495,890	-----
Connecticut.....	1,741	7.72	134,416	20,907,185	132,395	409,628,026	227,673,957	27,577,306	20,903,630	2,021	6,945,395	3,555
Delaware.....	261	6.61	17,246	14,338,669	17,061	53,391,790	30,069,549	3,757,127	14,338,669	185	2,155,191	-----
District of Columbia.....	627	18.25	114,445	9,696,058	113,869	321,127,649	101,291,985	21,547,001	9,696,058	576	1,829,419	-----
Florida.....	1,670	3.49	58,265	16,904,888	56,401	218,938,342	110,567,101	16,266,803	16,904,888	1,864	6,812,573	-----
Georgia.....	3,085	1.92	59,295	6,903,764	58,309	194,543,384	114,418,014	18,028,904	6,903,764	986	2,989,640	-----
Hawaii.....	399	4.83	19,270	2,631,872	18,048	62,683,790	34,691,202	10,469,128	2,631,872	222	367,921	-----
Idaho.....	493	2.76	13,601	442,079	13,245	34,271,316	23,720,685	3,529,424	442,079	356	820,791	-----
Illinois.....	7,878	6.40	504,529	69,736,533	498,614	1,626,760,418	919,337,015	118,575,892	69,736,533	5,915	23,225,950	-----
Indiana.....	3,474	3.56	123,702	10,242,508	122,018	344,430,560	227,960,346	28,311,375	10,242,508	1,684	4,514,024	-----
Iowa.....	2,552	3.03	77,266	3,497,739	75,514	191,016,764	144,460,271	20,201,533	3,497,739	1,752	3,478,108	-----
Kansas.....	1,864	2.89	53,865	2,657,650	52,027	133,806,279	101,860,793	13,372,953	2,657,650	1,838	4,281,687	-----
Kentucky.....	2,920	1.86	54,431	4,529,952	53,701	159,635,556	101,026,979	12,625,254	4,529,952	730	3,305,852	-----
Louisiana.....	2,132	2.82	60,168	6,512,924	59,127	192,257,708	108,844,725	17,451,348	6,512,924	1,041	3,107,987	-----
Maine.....	856	3.22	27,589	8,058,579	27,001	97,911,961	49,034,916	6,520,427	8,058,579	588	2,202,927	-----
Maryland.....	1,679	8.17	137,104	15,225,066	135,800	423,887,924	248,399,431	33,833,320	15,225,066	1,304	6,032,488	-----
Massachusetts.....	4,426	6.95	307,403	28,842,058	302,590	868,958,070	525,200,399	65,397,197	28,740,229	4,813	15,903,479	95,829
Michigan.....	4,830	5.78	279,075	29,522,751	275,425	897,129,521	503,207,112	71,011,358	29,511,649	3,650	13,387,856	11,102
Minnesota.....	2,652	4.14	109,841	8,870,398	108,506	299,991,730	198,673,406	26,513,630	8,870,398	1,335	3,335,902	-----
Mississippi.....	2,023	1.02	20,642	1,138,139	19,881	57,872,070	39,998,154	6,169,486	1,138,139	761	1,705,210	-----
Missouri.....	3,989	3.69	147,150	18,771,830	144,996	452,816,402	273,374,567	34,205,551	18,766,176	2,154	6,655,430	5,654
Montana.....	539	5.28	28,453	1,019,928	28,037	71,826,749	51,896,921	7,298,356	1,019,928	416	875,878	-----
Nebraska.....	1,354	2.98	40,372	2,328,680	39,393	111,243,317	76,222,414	10,459,952	2,328,680	979	2,290,732	-----
Nevada.....	101	9.07	9,163	1,718,719	8,987	28,129,319	15,573,633	1,869,156	1,718,719	176	610,458	-----
New Hampshire.....	510	4.23	21,563	1,855,212	21,118	59,704,177	37,602,558	4,385,759	1,855,212	445	1,065,688	-----
New Jersey.....	4,343	7.05	306,368	36,852,409	302,957	928,770,742	566,850,105	76,928,302	36,805,520	3,411	12,332,445	40,889
New Mexico.....	422	3.35	14,118	829,246	13,726	39,485,826	25,748,784	3,990,053	829,246	392	862,643	-----
New York.....	12,959	8.36	1,082,966	186,774,956	1,065,193	3,426,113,310	1,961,283,730	272,330,944	186,356,097	17,863	85,684,977	418,289
North Carolina.....	3,492	1.47	51,324	7,773,586	50,481	163,528,414	97,118,991	16,102,042	7,773,586	843	2,203,957	-----
North Dakota.....	706	1.68	11,840	280,185	11,457	27,446,660	22,722,021	3,573,840	280,185	392	636,413	-----
Ohio.....	6,733	5.20	349,880	36,379,379	345,903	1,013,713,152	632,870,963	80,209,237	36,374,856	3,977	13,114,829	4,523
Oklahoma.....	2,548	2.26	57,599	5,267,186	56,083	170,403,396	112,211,853	17,387,165	5,267,186	1,516	4,878,327	-----
Oregon.....	1,027	5.35	54,924	2,423,702	53,807	135,376,385	98,034,626	11,575,246	2,423,702	1,117	2,712,631	-----
Pennsylvania.....	10,176	5.04	512,732	63,271,109	505,049	1,562,159,923	965,286,426	132,773,153	63,253,811	7,683	26,097,370	17,298
Rhode Island.....	681	6.21	42,308	5,012,419	41,590	122,134,507	73,849,501	9,239,504	5,012,419	718	2,754,108	-----
South Carolina.....	1,875	1.31	24,567	1,315,342	24,097	67,056,883	47,060,719	8,060,128	1,315,342	470	1,069,427	-----
South Dakota.....	692	1.76	12,195	331,776	11,801	28,073,557	22,834,587	3,297,616	331,776	394	749,867	-----
Tennessee.....	2,893	2.03	58,788	6,637,134	58,132	186,396,193	110,882,068	16,110,834	6,637,134	656	2,035,325	-----
Texas.....	6,172	3.41	210,543	28,144,104	206,210	691,247,447	380,616,455	54,043,891	28,144,104	4,333	16,929,993	-----
Utah.....	519	3.77	19,591	1,059,037	19,278	53,219,070	38,378,805	7,243,091	1,059,037	313	869,377	-----
Vermont.....	393	3.52	13,822	777,312	13,683	36,600,627	24,729,089	3,649,115	777,312	139	450,191	-----
Virginia.....	2,706	2.72	73,522	7,828,571	72,625	228,428,434	138,838,398	19,171,398	7,828,571	897	2,436,648	-----
Washington.....	1,720	6.32	108,756	5,167,854	106,982	276,900,100	184,301,189	22,485,477	5,167,854	1,774	4,738,201	-----
West Virginia.....	1,865	2.94	54,740	3,481,769	54,014	146,991,478	99,996,936	15,656,739	3,481,769	726	1,688,142	-----
Wisconsin.....	2,926	5.12	149,884	9,033,882	147,609	355,240,899	263,275,957	30,215,119	9,033,882	2,275	4,842,273	-----
Wyoming.....	235	5.12	12,041	476,480	11,769	31,563,520	22,149,962	3,098,069	476,480	272	707,031	-----
Total, individual and taxable fiduciary returns.....	129,718	4.86	6,363,890	765,832,841	6,203,657	18,897,373,623	11,402,878,713	1,527,593,688	765,217,590	100,233	354,155,794	615,251

¹ This table contains data for individual returns with net income and with no net income shown in basic table 1-A and data for taxable fiduciary returns with net income. Unlike basic table 1 in Statistics of Income for 1937, Part 1 (pp. 115-116), this table excludes nontaxable returns with net income for estates and trusts filed incorrectly on Form 1040 instead of Form 1041. For 1937, these incorrectly filed nontaxable returns with net income, which numbered 3,784, were tabulated as individual returns; but for 1938, these returns, which numbered only 276, are tabulated in this report as fiduciary returns.

² For taxable fiduciary returns the net income used for classification and tabulation is the net income taxable to the fiduciary (item 17 on p. 1, Form 1041, facsimile on p. 298).

³ Includes individual returns with zero net income (total income equals total deductions).

⁴ On fiduciary returns an estate is allowed the personal exemption of \$1,000 allowed a single person and a trust is allowed, in lieu of the personal exemption, a credit of \$100 against net income.

⁵ Consists of normal tax, surtax, and alternative tax. Normal tax and surtax are reported on returns with no net long-term capital gain or loss and on returns with net long-term capital gain or loss which have no alternative tax. Alternative tax is reported on (1) returns with net long-term capital gain if the alternative tax is less than the sum of the normal tax and surtax computed on net income including net long-term capital gain and (2) returns with net long-term capital loss if the alternative tax is greater than the sum of the normal tax and surtax computed on net income after deducting net long-term capital loss.

⁶ Reported on 26 returns with net long-term capital loss on which the tax, computed on net income before the deduction of net long-term capital loss, exceeds 30 percent of the net long-term capital loss.

⁷ Includes Alaska.

TABLE 1-A.—Individual returns¹ with net income and with no net income (excluding fiduciary returns), 1938, by States and Territories: total number of returns and total tax; for returns with net income, number of returns, net income, personal exemption, credit for dependents, and tax; for returns with no net income, number of returns, deficit, and alternative tax

[For text defining certain items and describing methods of tabulating and estimating data, see pp. 1-6 and 14-15]

States and Territories (1)	Total number of returns (col. 4+9) (2)	Total tax (col. 8+11) (3)	Returns with net income					Returns with no net income		
			Number of returns (4)	Net income (5)	Personal exemption (6)	Credit for dependents (7)	Tax ² (8)	Number of returns (9)	Deficit (10)	Alternative tax ³ (11)
Alabama	39,634	\$2,628,418	39,010	\$115,142,172	\$77,887,426	\$10,900,394	\$2,628,418	624	\$2,213,530	-----
Arizona	21,006	1,040,021	20,447	56,359,487	37,825,021	5,783,593	1,040,021	559	1,901,380	-----
Arkansas	20,133	1,557,402	19,627	63,018,868	40,450,862	5,930,667	1,557,402	506	1,308,050	-----
California	535,289	57,662,250	523,696	1,569,973,956	920,921,848	108,709,681	57,650,138	11,593	40,449,183	\$12,112
Colorado	42,700	5,416,548	41,701	128,562,793	79,967,532	9,743,330	5,416,548	999	2,495,890	-----
Connecticut	132,901	20,125,699	130,890	403,408,548	227,105,790	27,577,306	20,122,144	2,021	6,945,395	3,555
Delaware	16,742	13,347,465	16,567	81,037,843	29,993,949	3,757,127	13,347,465	185	2,155,191	-----
District of Columbia	114,001	9,433,868	113,425	319,469,261	191,121,485	21,547,001	9,433,868	576	1,829,419	-----
Florida	57,804	15,169,934	55,940	215,232,204	110,325,760	16,265,803	15,169,934	1,894	6,842,573	-----
Georgia	58,989	6,809,998	58,003	193,294,033	114,252,047	18,029,904	6,809,998	986	2,989,640	-----
Hawaii	19,115	2,554,514	18,893	61,977,932	34,542,492	10,469,128	2,554,514	222	367,921	-----
Idaho	13,579	436,631	13,223	34,180,317	23,704,985	3,529,424	436,631	356	820,701	-----
Illinois	499,397	65,267,918	493,482	1,601,813,600	918,053,459	118,575,892	65,267,918	5,915	23,225,950	-----
Indiana	123,223	10,037,444	121,539	342,298,045	227,724,630	28,811,375	10,037,444	1,684	4,514,024	-----
Iowa	76,652	3,253,719	74,900	189,050,647	144,094,854	20,201,533	3,253,719	1,752	3,478,108	-----
Kansas	53,568	2,612,768	51,730	132,992,114	101,668,443	13,372,953	2,612,768	1,838	4,284,687	-----
Kentucky	54,183	4,400,142	53,453	158,724,364	100,900,685	12,625,254	4,400,142	730	3,305,852	-----
Louisiana	60,060	6,406,689	59,019	191,540,852	108,781,625	17,451,248	6,406,689	1,041	3,107,987	-----
Maine	27,264	8,017,009	26,676	97,189,142	48,897,533	6,529,427	8,017,009	588	2,202,927	-----
Maryland	135,941	14,848,579	134,637	420,582,895	248,090,956	33,853,320	14,848,579	1,304	6,032,488	-----
Massachusetts	302,493	27,432,925	297,680	853,712,263	523,773,941	65,397,107	27,337,096	4,813	15,903,479	95,829
Michigan	277,328	28,114,298	273,678	738,203,445	502,617,737	71,011,358	28,103,193	3,650	13,387,856	11,102
Minnesota	108,573	8,093,575	107,238	295,418,646	198,572,105	26,513,630	8,093,575	1,335	3,335,902	-----
Mississippi	20,584	1,116,742	19,823	57,551,919	39,953,654	6,169,486	1,116,742	761	1,705,210	-----
Missouri	145,816	16,642,609	143,662	442,525,472	272,979,267	34,205,551	16,636,955	2,154	6,655,430	5,654
Montana	28,392	1,010,158	27,976	71,630,206	51,845,521	7,298,356	1,010,158	416	875,878	-----
Nebraska	40,188	2,296,751	39,209	110,679,068	76,130,214	10,459,952	2,296,751	979	2,290,732	-----
Nevada	9,145	1,706,060	8,969	27,989,210	15,561,133	1,869,156	1,706,060	176	610,458	-----
New Hampshire	21,381	1,792,818	20,956	59,101,648	37,507,858	4,385,759	1,792,818	445	1,065,688	-----
New Jersey	304,597	33,666,243	301,186	918,935,308	566,167,887	76,928,302	33,619,354	3,411	12,332,445	46,889
New Mexico	14,082	760,386	13,690	39,211,297	25,717,284	3,990,053	760,386	392	852,643	-----
New York	1,070,265	176,680,621	1,062,402	3,372,818,061	1,957,782,345	272,336,944	176,262,332	17,863	85,684,977	418,289
North Carolina	51,067	7,523,113	50,224	162,122,223	97,015,908	16,102,042	7,523,113	843	2,203,957	-----
North Dakota	11,810	275,892	11,418	27,330,717	22,690,221	3,573,840	275,892	392	636,413	-----
Ohio	347,509	34,362,248	343,532	1,000,584,821	631,948,215	80,209,237	34,357,725	3,977	13,114,829	4,523
Oklahoma	57,278	5,036,591	55,762	168,181,163	112,047,953	17,387,165	5,036,591	1,516	4,878,327	-----
Oregon	54,701	2,391,782	53,584	134,810,060	97,928,559	11,575,246	2,391,782	1,117	2,712,631	-----
Pennsylvania	507,568	60,723,201	499,885	1,544,736,356	963,718,125	132,773,153	60,705,903	7,618	26,097,370	17,298
Rhode Island	41,476	4,802,742	40,758	120,062,898	73,591,001	9,239,504	4,802,742	718	2,754,108	-----
South Carolina	24,470	1,276,775	24,000	66,593,880	46,996,969	8,060,128	1,276,775	470	1,069,427	-----
South Dakota	12,151	325,992	11,757	27,951,041	22,804,987	3,297,616	325,992	394	749,867	-----
Tennessee	58,517	5,734,667	57,861	183,788,110	110,737,968	16,110,834	5,734,667	656	2,035,325	-----
Texas	209,587	26,808,125	205,254	683,095,699	380,164,005	54,043,801	26,808,125	4,333	16,929,993	-----
Utah	19,490	997,183	19,177	52,716,666	38,336,305	7,243,091	997,183	313	869,377	-----
Vermont	13,702	727,263	13,563	36,257,828	24,654,089	3,649,115	727,263	139	450,191	-----
Virginia	73,114	7,740,652	72,217	227,144,112	138,618,215	19,171,398	7,740,652	897	2,436,648	-----
Washington ⁴	108,246	5,037,724	106,472	275,061,168	184,045,039	22,485,477	5,037,724	1,774	4,738,201	-----
West Virginia	54,470	3,405,230	53,744	145,921,972	99,859,020	15,656,739	3,405,230	726	1,688,142	-----
Wisconsin	148,840	8,755,765	146,565	351,738,500	262,802,957	30,215,119	8,755,765	2,275	4,842,273	-----
Wyoming	11,988	469,717	11,716	31,400,296	22,108,662	3,098,069	469,717	272	707,031	-----
Total, individual returns	6,251,099	726,734,864	6,150,776	18,660,929,186	11,384,788,876	1,527,593,688	726,119,613	100,233	354,155,794	615,251

¹ Unlike basic table 1 in Statistics of Income for 1937, Part 1 (pp. 115-116), this table excludes taxable fiduciary returns with net income, Form 1041, and taxable and nontaxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041. Data for individual returns with no net income are included in this table for the first time.

² Consists of normal tax, surtax, and alternative tax. Normal tax and surtax are reported on returns with no net long-term capital gain or loss and on returns with net long-term capital gain or loss which have no alternative tax. Alternative tax is reported on (1) returns with net long-term capital gain if the alternative tax is less than the sum of

the normal tax and surtax computed on net income including net long-term capital gain and (2) returns with net long-term capital loss if the alternative tax is greater than the sum of the normal tax and surtax computed on net income after deducting net long-term capital loss.

³ Reported on 26 returns with net long-term capital loss on which the tax, computed on net income before the deduction of net long-term capital loss, exceeds 30 percent of the net long-term capital loss.

⁴ Includes Alaska.

TABLE 2.—Individual returns and taxable fiduciary returns with net income,¹ by fiduciary returns², 1938, by returns with no alternative tax and with alternative income credit, tax, average tax, and effective tax rate

[For text defining certain items and describing methods]

PART I—

Net income ³ classes (Thousands of dollars)	Number of returns	Net income ²	Personal exemption ³	Credit for dependents (individual returns)	Earned in- come credit (individual returns)
(1)	(2)	(3)	(4)	(5)	(6)
Individual returns and tax- able fiduciary returns ² with net income:					
Under 1 (est.) ⁶	339,369	\$236,843,136	\$510,498,530	\$33,985,808	\$11,401,309
Under 1 (est.) ⁶	50,502	22,989,460	3,338,767	159,780	1,389,620
1 under 2 (est.) ⁶	1,241,979	1,686,272,556	2,209,848,217	241,953,090	122,100,520
1 under 2 (est.) ⁶	1,191,970	1,743,870,417	1,174,037,050	15,198,712	172,860,443
2 under 2.5 (est.) ⁶	466,146	1,060,877,022	1,153,778,851	121,464,451	62,555,613
2 under 2.5 (est.) ⁶	208,450	461,593,336	210,022,289	10,593,999	45,490,071
2.5 under 3 (est.) ⁶	732,327	1,986,296,997	1,829,236,704	310,589,507	156,178,662
2.5 under 3 (est.) ⁶	208,059	582,733,384	367,470,596	7,014,919	57,699,328
3 under 4 (est.) ⁶	356,083	1,172,918,195	890,340,140	309,026,377	94,560,532
3 under 4 (est.) ⁶	498,524	1,733,756,859	1,086,434,391	82,520,162	160,266,072
4 under 5 (est.) ⁶	18,542	79,075,079	46,322,006	30,160,240	6,253,174
4 under 5 (est.) ⁶	299,260	1,331,959,363	660,530,857	107,172,845	119,265,314
5 under 6 ⁶	666	3,553,832	1,552,854	1,558,607	245,705
5 under 6 ⁶	164,502	898,085,421	359,175,065	73,398,038	76,256,344
6 under 7	102,956	665,222,127	226,604,104	45,159,910	56,061,114
7 under 8	66,758	498,251,912	142,927,880	29,974,451	38,406,964
8 under 9	46,226	391,923,655	97,888,976	20,300,352	31,067,738
9 under 10	34,488	326,855,706	72,295,255	14,781,138	23,514,190
10 under 11	25,922	271,631,437	54,158,439	10,887,797	18,931,150
11 under 12	20,577	236,256,433	42,558,849	8,656,436	16,053,410
12 under 13	16,566	206,723,924	34,255,160	7,630,816	13,714,220
13 under 14	13,479	181,826,257	27,874,439	5,671,524	11,970,803
14 under 15	11,346	164,343,500	23,338,674	4,763,019	10,379,888
15 under 20	35,032	601,551,619	71,658,219	14,625,462	32,427,832
20 under 25	17,859	397,446,278	35,997,700	7,158,342	16,762,319
25 under 30	10,207	278,699,824	20,282,403	4,100,621	9,089,430
30 under 40	10,814	370,977,888	21,351,054	4,211,049	10,345,326
40 under 50	5,315	236,719,777	10,360,300	5,128,511	5,128,511
50 under 60	2,943	160,693,379	5,700,903	1,112,891	2,854,532
60 under 70	1,775	114,704,074	3,440,150	691,529	1,740,847
70 under 80	1,144	85,416,671	2,246,596	431,272	1,142,198
80 under 90	841	71,254,776	1,611,333	307,177	808,942
90 under 100	556	52,699,076	1,021,017	186,470	517,792
100 under 150	1,326	158,413,072	2,492,308	423,198	1,228,348
150 under 200	420	72,545,228	794,484	123,265	379,136
200 under 250	229	50,745,408	429,040	67,933	200,101
250 under 300	117	31,706,437	219,388	38,233	102,661
300 under 400	142	49,350,256	248,700	27,501	108,157
400 under 500	65	29,091,252	118,175	15,632	55,285
500 under 750	81	49,096,100	152,325	18,967	51,182
750 under 1,000	37	32,289,944	59,300	4,367	23,224
1,000 under 1,500	30	37,582,974	56,925	8,300	26,407
1,500 under 2,000	16	27,625,269	31,950	3,467	9,500
2,000 under 3,000	6	15,292,558	10,100	400	2,300
3,000 under 4,000	1	3,524,972	1,250	—	860
4,000 under 5,000	1	4,273,201	1,000	—	1,400
5,000 and over	3	21,803,582	6,000	800	900
Nontaxable returns ⁶	3,155,112	6,225,836,817	6,641,677,302	1,048,735,200	453,295,515
Taxable returns	3,048,545	12,671,536,806	4,761,201,411	478,858,488	937,593,865
Total, individual re- turns and taxable fiduciary returns with net income	6,203,657	18,897,373,623	11,402,878,713	1,527,593,688	1,390,889,380
Individual returns with no net income:					
Nontaxable ⁷	100,207	⁸ 352,752,145	(11) 49,000	(11) 6,400	14,848
Taxable ⁸	26	⁹ 1,403,649	—	—	—
Total, individual re- turns with no net income	100,233	⁹ 354,155,794	(11) —	(11) —	—
Grand total	6,303,890	¹⁰ 18,543,217,829	(11) —	(11) —	—

For footnotes, see p. 91.

net income classes, also aggregate for individual returns with no net income (excluding tax: number of returns, net income, personal exemption, credit for dependents, earned

of tabulating and estimating data, see pp. 1-6 and 11-15]

ALL RETURNS

Total tax (col. 8+11)	Tax			Returns with alternative tax ⁴	Average total tax (col. 7÷2)	Effective tax rate, percent (returns with net income) (col. 7÷3)
	Returns with no alternative tax ⁴	Normal tax	Surtax			
(7)	Total (col. 9+10)	(9)	(10)	(11)	(12)	(13)
\$719,042	\$719,042	\$719,042	—	—	\$14	3.13
15,202,489	15,202,489	15,202,489	—	—	13	.87
7,781,637	7,773,610	7,773,610	—	\$8,027	37	1.69
6,006,551	5,973,356	5,973,356	—	33,195	29	1.03
16,079,651	16,051,432	16,051,432	—	28,219	32	.93
17,840,378	17,759,099	17,670,366	\$88,733	81,279	60	1.34
16,182,183	16,165,364	15,574,146	591,218	16,819	98	1.80
14,945,000	14,945,000	13,599,307	1,345,693	—	145	2.25
13,983,479	13,983,479	11,370,192	2,613,287	—	209	2.81
13,490,680	13,458,338	9,698,598	3,759,740	—	292	3.44
13,052,771	13,031,418	8,559,630	4,471,786	32,342	378	3.99
12,184,600	12,164,378	7,422,592	4,741,786	21,353	470	4.49
11,667,118	11,664,683	6,087,595	5,577,088	2,435	567	4.94
11,035,616	11,030,647	6,005,356	5,025,291	4,969	666	5.34
10,468,638	10,401,736	5,392,376	5,009,360	66,902	777	5.76
10,042,678	10,042,678	4,987,345	5,055,333	—	885	6.11
42,872,018	42,691,714	19,098,098	23,593,616	180,304	1,224	7.13
35,891,180	35,725,630	13,336,156	22,389,474	165,550	2,010	9.03
30,851,963	30,574,475	9,629,985	20,944,490	277,488	3,023	11.07
50,314,148	49,176,077	13,062,482	36,113,595	1,138,071	4,653	13.56
39,428,145	31,709,216	24,537,132	7,178,079	7,118,229	7,418	16.66
31,823,724	17,192,747	3,354,677	13,838,070	14,630,977	10,813	19.80
26,232,150	12,226,371	2,098,500	10,126,871	14,005,788	14,779	22.87
21,942,470	10,127,966	1,538,603	8,589,363	11,814,504	19,180	25.69
20,467,515	7,623,755	1,034,618	6,589,137	12,833,760	24,325	28.71
16,533,381	5,984,659	738,863	5,245,796	10,548,722	29,736	31.37
58,224,181	17,414,805	1,818,780	15,596,025	40,809,376	43,910	36.75
30,892,337	7,572,969	656,903	6,916,066	23,319,768	73,553	42.58
23,644,277	4,276,797	337,896	3,938,901	19,367,490	129,977	46.59
15,207,302	2,816,690	212,187	2,604,562	12,390,603	176,346	50.74
25,041,152	6,471,338	455,388	6,015,950	18,569,814	227,557	50.84
14,791,233	3,252,979	216,408	3,036,571	12,887,734	319,526	52.72
25,881,612	2,903,666	180,339	3,369,796	22,977,946	445,160	50.99
16,470,934	3,583,200	213,404	3,369,796	15,246,644	571,807	45.64
17,154,201	1,907,557	108,291	1,799,266	12,216,508	840,150	48.66
13,442,406	1,225,838	68,250	1,157,588	5,120,590	1,101,005	43.20
6,606,032	1,485,442	81,766	1,403,676	2,561,584	2,561,584	72.67
2,561,584	—	—	—	1,606,967	1,606,967	37.61
1,606,967	—	—	—	6,664,068	2,221,356	30.56
6,664,068	—	—	—	—	—	—
765,217,590	486,310,649	228,102,080	258,208,569	278,906,941	251	6.04
765,217,590	486,310,649	228,102,080	258,208,569	278,906,941	123	4.05
615,251	—	—	—	615,251	23,694	—
615,251	—	—	—	615,251	(11)	—
765,832,841	486,310,649	228,102,080	258,208,569	279,522,192	(11)	—

TABLE 2.—Individual returns and taxable fiduciary returns with net income,¹ by fiduciary returns, 1938, by returns with no alternative tax and with alternative income credit, tax, average tax, and effective tax rate—Continued

PART II—RETURNS WITH

Net income ² classes (Thousands of dollars)	Number of returns	Net income ³	Personal ex- emption ⁴	Credit for dependents (individual returns)	Earned in- come credit (individual returns)
(1)	(2)	(3)	(4)	(5)	(6)
Individual returns and taxable fiduciary returns ² with net income:					
Under 1 (est.) ⁵	339,369	\$236,843,136	\$510,498,530	\$33,985,808	\$11,401,309
Under 1 (est.) ⁶	50,502	22,989,460	3,338,767	159,780	1,389,626
1 under 2 (est.) ⁶	1,241,979	1,686,272,556	2,209,848,217	241,953,090	122,100,520
1 under 2 (est.) ⁶	1,191,970	1,743,870,417	1,174,037,050	15,198,712	172,860,443
2 under 2.5 (est.) ⁶	466,146	1,080,877,022	1,153,778,851	121,464,451	62,555,613
2 under 2.5 (est.) ⁶	208,449	461,591,073	210,019,789	10,593,999	45,489,845
2.5 under 3 (est.) ⁶	732,327	1,986,296,997	1,829,236,704	310,586,567	156,178,662
2.5 under 3 (est.) ⁶	208,057	582,728,230	367,467,096	7,014,919	57,698,813
3 under 4 (est.) ⁶	356,083	1,172,918,195	890,340,140	309,026,377	94,560,532
3 under 4 (est.) ⁶	498,523	1,733,753,811	1,086,431,891	82,500,162	160,265,772
4 under 5 (est.) ⁶	18,542	79,075,079	46,322,006	30,160,240	6,253,174
4 under 5 (est.) ⁶	299,258	1,331,950,525	660,527,357	107,172,845	119,264,714
5 under 6 ⁶	666	3,553,832	1,652,854	1,558,667	245,705
5 under 6 ⁶	164,495	898,047,464	359,160,565	73,396,671	76,254,012
5 under 6 ⁶	102,956	665,222,127	226,604,104	45,159,910	56,661,114
6 under 7	66,758	498,251,012	142,927,880	29,974,451	38,466,964
7 under 8	46,223	391,897,848	97,885,476	20,300,352	31,066,299
8 under 9	34,485	326,827,528	72,289,255	14,780,338	23,512,941
9 under 10	25,917	271,578,184	54,150,439	10,886,530	18,928,980
10 under 11	20,573	236,210,244	42,551,349	8,656,036	16,049,600
11 under 12	16,559	206,635,880	34,244,160	7,029,283	13,708,777
12 under 13	13,474	181,757,847	27,865,939	5,670,924	11,965,562
13 under 14	11,346	164,343,500	23,338,674	4,763,019	10,379,888
15 under 20	35,002	601,025,160	71,605,669	14,616,744	32,406,755
20 under 25	17,819	396,530,109	35,924,005	7,146,475	16,725,617
25 under 30	10,147	277,058,710	20,164,278	4,080,354	9,640,230
30 under 40	10,651	365,187,179	21,033,083	4,166,632	10,201,714
40 under 50	4,423	195,040,103	8,743,459	1,740,476	4,330,528
50 under 60	1,649	89,781,712	3,154,725	664,350	1,615,637
60 under 70	857	55,311,791	1,622,624	350,377	832,050
70 under 80	544	40,572,653	1,051,633	221,706	549,549
80 under 90	319	27,007,203	611,363	128,326	309,464
90 under 100	202	19,163,795	370,925	72,642	189,224
100 under 150	398	46,993,770	740,925	149,979	371,403
150 under 200	97	16,734,850	173,059	23,567	85,990
200 under 250	39	8,639,725	69,415	15,800	37,141
250 under 300	20	5,353,737	33,250	1,267	14,220
300 under 400	33	11,471,970	50,900	6,000	25,400
400 under 500	12	5,442,370	22,750	1,166	6,100
500 under 750	7	4,547,178	13,875	2,833	3,612
750 under 1,000	6	5,346,104	7,500		3,400
1,000 under 1,500	2	2,713,532	3,750	1,200	1,307
1,500 under 2,000	1	1,710,156	2,500		1,400
2,000 under 3,000	1	2,044,156			
3,000 under 4,000					
4,000 under 5,000					
5,000 and over					
Nontaxable returns ⁸	3,155,112	6,225,836,817	6,641,677,302	1,048,735,200	453,295,515
Taxable returns	3,041,775	11,895,332,013	4,748,239,479	476,667,825	931,314,061
Total, individual returns and taxable fiduciary returns with net income	6,196,887	18,121,168,830	11,389,916,781	1,525,463,025	1,384,609,576
Individual nontaxable returns with no net income ⁷	100,207	* 352,752,145	(11)	(11)	
Grand total	6,297,094	¹⁰ 17,768,416,685	(11)	(11)	

For footnotes, see p. 91.

net income classes, also aggregate for individual returns with no net income (excluding tax: number of returns, net income, personal exemption, credit for dependents, earned

NO ALTERNATIVE TAX ⁴

Tax					Average total tax (col. 7+2)	Effective tax rate, percent (returns with net income) (col. 7+3)
Total tax (col. 9+11)	Normal tax		Surtax			
	Number of returns	Amount	Number of returns	Amount		
(7)	(8)	(9)	(10)	(11)	(12)	(13)
\$719,042	50,502	\$719,042			\$14	3.13
15,202,489	1,191,970	15,202,489			13	.87
7,773,610	208,449	7,773,610			37	1.68
5,973,356	208,057	5,973,356			29	1.03
16,051,432	498,523	16,051,432			32	.93
17,759,099	299,258	17,670,366	4,690	\$88,733	59	1.33
16,165,364	164,448	15,574,146	24,582	591,218	98	1.80
14,945,000	102,832	13,599,307	34,002	1,345,693	145	2.25
13,983,479	66,716	11,370,192	53,525	2,613,287	209	2.81
13,458,338	46,205	9,698,598	45,158	3,759,740	291	3.43
13,031,418	34,462	8,559,650	34,341	4,471,768	378	3.99
12,164,378	25,896	7,422,592	25,917	4,741,786	409	4.48
11,664,683	20,563	6,687,595	20,573	4,977,088	567	4.94
11,030,647	16,548	6,005,356	16,559	5,025,291	666	5.34
10,401,736	13,463	5,392,376	13,474	5,009,360	772	5.72
10,042,078	11,339	4,987,345	11,346	* 5,055,333	885	6.11
42,691,714	34,985	19,098,098	35,002	23,593,016	1,220	7.10
35,725,630	17,810	13,336,156	17,810	22,389,474	2,005	9.01
30,574,475	10,140	9,629,985	10,147	20,944,490	3,013	11.04
49,176,077	10,649	13,062,482	10,652	36,113,595	4,617	13.47
31,709,216	4,422	7,172,054	4,423	24,537,132	7,169	16.26
17,192,747	1,649	3,354,677	1,649	13,838,070	10,426	19.15
12,226,371	857	2,099,500	857	10,126,871	14,266	22.10
10,127,966	544	1,538,603	544	8,589,363	18,618	24.96
7,623,755	319	1,034,618	319	6,589,137	23,899	28.23
5,984,650	202	738,863	202	5,245,796	29,627	31.23
17,414,805	398	1,818,780	398	15,596,025	43,756	37.06
7,572,969	97	656,903	97	6,916,066	78,072	45.25
4,276,797	39	337,896	39	3,938,901	109,661	49.60
2,816,699	20	212,137	20	2,604,562	140,835	52.61
6,471,338	33	455,388	33	6,015,950	196,101	56.41
3,252,979	12	216,408	12	3,036,571	271,082	59.77
2,903,666	7	180,339	7	2,723,327	414,809	63.86
3,583,200	6	213,404	6	3,369,796	597,200	67.02
1,907,557	2	108,291	2	1,799,266	953,779	70.30
1,225,838	1	68,250	1	1,157,588	1,225,838	71.68
1,485,442	1	81,766	1	1,403,676	1,485,442	72.67
486,310,649	3,041,424	228,102,084	366,397	258,208,569	160	4.09
486,310,649	3,041,424	228,102,084	366,397	258,208,569	78	2.68
486,310,649	3,041,424	228,102,084	366,397	258,208,569	(12)	

TABLE 2.—Individual returns and taxable fiduciary returns with net income,¹ by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938, by returns with no alternative tax and with alternative tax: number of returns, net income, personal exemption, credit for dependents, earned income credit, tax, average tax, and effective tax rate—Continued

PART III—RETURNS WITH ALTERNATIVE TAX²

Net income ² classes (Thousands of dollars)	Number of returns (col. 5+17)	Net income ² (col. 6+18)	Alternative tax (col. 14+26)	Computation of alternative tax		
				Returns with net long-term capital gain		
				Number of returns	Net income ²	Net long- term capital gain (item 10(b), p. 1, Form 1040; item 7(b), p. 1, Form 1041)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Individual returns and taxable fiduciary returns ² with net income:						
Under 1 (est.) ⁶						
Under 1 (est.) ⁶						
1 under 2 (est.) ⁶						
1 under 2 (est.) ⁶						
2 under 2.5 (est.) ⁶						
2 under 2.5 (est.) ⁶	1	\$2,263	\$8,027			
2.5 under 3 (est.) ⁶						
2.5 under 3 (est.) ⁶	2	5,154	33,195			
3 under 4 (est.) ⁶						
3 under 4 (est.) ⁶	1	3,048	28,219			
4 under 5 (est.) ⁶						
4 under 5 (est.) ⁶	2	8,838	81,279			
5 under 6 ⁶						
5 under 6 ⁶	7	37,957	16,819			
6 under 7						
7 under 8						
8 under 9	3	25,807	32,342			
9 under 10	3	28,178	21,353			
10 under 11	5	53,253	20,312			
11 under 12	4	46,189	2,435			
12 under 13	7	88,044	4,969			
13 under 14	5	68,410	66,902			
14 under 15						
15 under 20	30	526,459	180,304			
20 under 25	40	916,169	165,550			
25 under 30	60	1,641,114	277,488			
30 under 40	162	5,790,709	1,138,071			
40 under 50	892	41,679,674	7,718,920	133	\$6,378,243	\$155,608
50 under 60	1,294	70,911,667	14,630,977	429	23,649,579	1,310,786
60 under 70	918	59,892,283	14,005,783	352	22,779,100	2,356,126
70 under 80	600	44,844,018	11,814,504	255	19,125,917	3,226,393
80 under 90	522	44,247,573	12,833,760	241	20,445,937	3,869,447
90 under 100	354	33,535,281	10,548,722	164	15,576,178	3,568,893
100 under 150	928	111,419,302	40,809,376	474	56,935,482	14,781,940
150 under 200	323	55,810,378	23,319,368	193	33,349,528	9,928,460
200 under 250	190	42,105,083	19,367,480	104	23,034,174	8,256,827
250 under 300	97	26,352,700	12,390,603	57	15,469,151	5,978,160
300 under 400	109	37,875,286	18,569,814	65	22,593,502	9,584,064
400 under 500	53	28,648,882	11,538,254	43	19,200,670	7,985,993
500 under 750	71	44,548,922	22,977,946	45	27,327,734	15,725,123
750 under 1,000	34	26,053,840	12,887,734	26	22,726,266	12,608,573
1,000 under 1,500	28	34,869,442	15,246,644	26	32,755,219	21,575,090
1,500 under 2,000	15	25,915,113	12,216,568	14	24,300,997	14,211,456
2,000 under 3,000	5	13,248,402	5,120,500	4	10,804,365	10,397,266
3,000 under 4,000	1	3,524,972	2,561,584	1	3,524,972	162,260
4,000 under 5,000	1	4,273,201	1,606,967	1	4,273,201	3,393,153
5,000 and over	3	21,803,582	6,664,068	3	21,803,582	21,315,213
Nontaxable returns ⁶						
Taxable returns	6,770	776,204,793	278,906,941	2,630	426,053,797	170,390,826
Total, individual returns and taxable fiduciary returns with net income	6,770	776,204,793	278,906,941	2,630	426,053,797	170,390,826
Individual taxable returns with no net income ⁶	26	1,403,649	615,251			
Grand total	6,796	777,608,442	279,522,192	2,630	426,053,797	170,390,826

For footnotes, see p. 91.

TABLE 2.—Individual returns and taxable fiduciary returns with net income,¹ by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938, by returns with no alternative tax and with alternative tax: number of returns, net income, personal exemption, credit for dependents, earned income credit, tax, average tax, and effective tax rate—Continued

PART III—RETURNS WITH ALTERNATIVE TAX²—Continued

Net income ² classes (Thousands of dollars)	Computation of alternative tax—Continued					
	Returns with net long-term capital gain—Continued					
	Ordinary net income (col. 6-7) (item 3, Sch. F, Form 1040; item 3, Sch. E, Form 1041)	Personal exemption ³	Credit for dependents (individual returns)	Earned in- come credit (individual returns)	Normal tax (item 10, Sch. F, Form 1040; item 8, Sch. E, Form 1041)	Surtax (item 11, Sch. F, Form 1040; item 9, Sch. E, Form 1041)
(1)	(8)	(9)	(10)	(11)	(12)	(13)
Individual returns and taxable fiduciary returns ² with net income:						
Under 1 (est.) ⁶						
Under 1 (est.) ⁶						
1 under 2 (est.) ⁶						
1 under 2 (est.) ⁶						
2 under 2.5 (est.) ⁶						
2 under 2.5 (est.) ⁶						
2.5 under 3 (est.) ⁶						
2.5 under 3 (est.) ⁶						
3 under 4 (est.) ⁶						
3 under 4 (est.) ⁶						
4 under 5 (est.) ⁶						
4 under 5 (est.) ⁶						
5 under 6 ⁶						
5 under 6 ⁶						
6 under 7						
7 under 8						
8 under 9						
9 under 10						
10 under 11						
11 under 12						
12 under 13						
13 under 14						
14 under 15						
15 under 20						
20 under 25						
25 under 30						
30 under 40						
40 under 50	\$6,222,640	\$208,425	\$23,248	\$101,128	\$232,622	\$847,996
50 under 60	22,338,793	784,516	144,589	388,524	833,431	3,326,436
60 under 70	20,422,974	694,517	137,166	312,193	764,063	3,433,360
70 under 80	15,899,524	492,175	87,265	230,044	597,220	3,073,538
80 under 90	16,576,490	442,817	78,986	208,120	629,960	3,619,453
90 under 100	12,007,285	280,217	50,897	134,851	456,272	2,914,113
100 under 150	42,153,542	867,875	140,699	405,477	1,621,492	12,713,804
150 under 200	23,421,068	360,475	65,166	163,747	905,681	8,778,819
200 under 250	14,777,347	201,425	34,066	92,495	572,837	6,046,411
250 under 300	9,490,991	109,238	16,699	55,141	370,512	4,186,118
300 under 400	13,009,438	113,100	12,867	43,887	513,596	6,104,206
400 under 500	11,214,677	80,725	11,999	42,734	449,246	6,014,528
500 under 750	11,602,611	79,225	9,001	29,570	458,940	6,245,281
750 under 1,000	10,117,693	42,300	3,567	15,024	402,180	5,871,208
1,000 under 1,500	11,180,129	48,175	7,100	22,300	444,062	6,672,266
1,500 under 2,000	10,089,541	26,950	1,467	7,800	402,057	6,400,682
2,000 under 3,000	407,099	7,600	400	2,000	15,834	165,662
3,000 under 4,000	3,362,712	1,250		860	134,424	2,378,482
4,000 under 5,000	880,048	1,000		1,400	35,106	553,915
5,000 and over	488,369	6,000	800	900	20,533	248,971
Nontaxable returns ⁶						
Taxable returns	255,662,971	4,848,005	825,982	2,258,195	9,860,077	89,655,249
Total, individual returns and taxable fiduciary returns with net income	255,662,971	4,848,005	825,982	2,258,195	9,860,077	89,655,249
Individual taxable returns with no net income ⁶						
Grand total	255,662,971	4,848,005	825,982	2,258,195	9,860,077	89,655,249

For footnotes, see p. 91.

TABLE 2.—Individual returns and taxable fiduciary returns with net income,¹ by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938, by returns with no alternative tax and with alternative tax: number of returns, net income, personal exemption, credit for dependents, earned income credit, tax, average tax, and effective tax rate—Continued

PART III—RETURNS WITH ALTERNATIVE TAX—Continued

Net income ² classes (Thousands of dollars)	Computation of alternative tax—Continued					
	Returns with net long-term capital gain—Continued			Returns with net long-term capital loss		
	Alternative tax (col. 12+13+30 percent of col. 7) (item 14, Sch. F, Form 1040; item 12, Sch. E, Form 1041)	Average alternative tax (col. 14÷5)	Effective tax rate, percent (returns with net income) (col. 14÷6)	Number of returns	Net income ²	Net long-term capital loss (item 10(b), p. 1, Form 1040; item 7(b), p. 1, Form 1041)
(1)	(14)	(15)	(16)	(17)	(18)	(19)
Individual returns and taxable fiduciary returns ² with net income:						
Under 1 (est.) ⁶						
Under 1 (est.) ⁶						
1 under 2 (est.) ⁶						
1 under 2 (est.) ⁶						
2 under 2.5 (est.) ⁶				1	\$2,263	\$113,156
2 under 2.5 (est.) ⁶						
2.5 under 3 (est.) ⁶				2	5,154	285,872
2.5 under 3 (est.) ⁶						
3 under 4 (est.) ⁶				1	3,048	173,180
3 under 4 (est.) ⁶						
4 under 5 (est.) ⁶				2	8,838	414,919
4 under 5 (est.) ⁶						
5 under 6 ⁶				7	37,957	369,630
5 under 6 ⁶						
6 under 7 ⁶						
7 under 8 ⁶				3	25,807	317,493
8 under 9 ⁶				3	28,178	287,520
9 under 10 ⁶				5	53,253	268,040
10 under 11 ⁶				4	46,189	2,120
11 under 12 ⁶				7	88,044	65,007
12 under 13 ⁶				5	68,410	452,673
13 under 14 ⁶						
14 under 15 ⁶				30	526,459	1,645,67
15 under 20 ⁶				40	916,169	1,464,323
20 under 25 ⁶				60	1,641,114	1,514,810
25 under 30 ⁶				162	5,790,709	4,558,260
30 under 40 ⁶				759	35,301,431	7,838,283
40 under 50 ⁶	\$1,127,299	\$8,476	17.67	865	47,262,085	6,853,456
50 under 60 ⁶	4,553,103	10,613	19.25	566	36,613,183	5,357,950
60 under 70 ⁶	4,904,261	13,933	21.53	345	25,718,101	2,836,246
70 under 80 ⁶	4,638,676	18,191	24.25	281	23,801,636	2,601,153
80 under 90 ⁶	5,410,247	22,449	26.46	190	17,959,103	1,699,843
90 under 100 ⁶	4,441,053	27,080	28.51	454	54,483,820	4,943,647
100 under 150 ⁶	18,769,878	39,699	32.97	130	22,460,850	1,475,757
150 under 200 ⁶	12,663,038	65,612	37.97	86	19,071,509	2,142,270
200 under 250 ⁶	9,096,296	87,464	39.49	40	10,883,549	787,376
250 under 300 ⁶	6,350,078	111,405	41.05	44	15,284,784	1,016,920
300 under 400 ⁶	9,553,021	146,970	42.28	10	4,448,212	68,976
400 under 500 ⁶	8,859,572	206,037	46.14	29	17,221,188	1,624,330
500 under 750 ⁶	11,421,767	253,817	41.80	5	4,227,574	49,577
750 under 1,000 ⁶	10,055,960	386,768	44.25	2	2,114,223	450,637
1,000 under 1,500 ⁶	13,588,855	522,648	41.49	1	1,614,116	3
1,500 under 2,000 ⁶	11,066,176	790,441	45.54	1	2,444,037	51,100
2,000 under 3,000 ⁶	3,300,676	825,169	30.55			
3,000 under 4,000 ⁶	2,561,584	2,561,584	72.67			
4,000 under 5,000 ⁶	1,606,967	1,606,967	37.61			
5,000 and over ⁶	6,664,068	2,221,356	30.56			
Nontaxable returns ⁶						
Taxable returns	150,632,575	57,275	35.36	4,140	350,150,996	51,730,100
Total, individual returns and taxable fiduciary returns with net income	150,632,575	57,275	35.36	4,140	350,150,996	51,730,100
Individual taxable returns with no net income ⁶				26	* 1,403,649	6,768,474
Grand total	150,632,575	57,275	35.36	4,166	351,554,645	58,498,574

For footnotes, see p. 91.

TABLE 2.—Individual returns and taxable fiduciary returns with net income,¹ by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938, by returns with no alternative tax and with alternative tax: number of returns, net income, personal exemption, credit for dependents, earned income credit, tax, average tax, and effective tax rate—Continued.

PART III—RETURNS WITH ALTERNATIVE TAX—Continued

Net income ² classes (Thousands of dollars)	Computation of alternative tax—Continued					
	Returns with net long-term capital loss—Continued					
	Ordinary net income (col. 18+19) (item 3, Sch. F, Form 1040; item 3, Sch. E, Form 1041)	Personal exemption ³	Credit for dependents (individual returns)	Earned income credit (individual returns)	Normal tax (item 10, Sch. F, Form 1040; item 8, Sch. E, Form 1041)	Surtax (item 11, Sch. F, Form 1040; item 9, Sch. E, Form 1041)
(1)	(20)	(21)	(22)	(23)	(24)	(25)
Individual returns and taxable fiduciary returns ² with net income:						
Under 1 (est.) ⁶						
Under 1 (est.) ⁶						
1 under 2 (est.) ⁶						
1 under 2 (est.) ⁶						
2 under 2.5 (est.) ⁶	\$115,419	\$2,500		\$226	\$4,480	\$37,494
2 under 2.5 (est.) ⁶						
2.5 under 3 (est.) ⁶	291,026	3,500		515	11,179	107,778
2.5 under 3 (est.) ⁶						
3 under 4 (est.) ⁶	176,228	2,500		300	6,936	73,237
3 under 4 (est.) ⁶						
4 under 5 (est.) ⁶	423,757	3,500		600	14,764	190,990
4 under 5 (est.) ⁶						
5 under 6 ⁶	407,587	14,500	\$1,367	2,332	15,457	112,251
5 under 6 ⁶						
6 under 7 ⁶						
7 under 8 ⁶	343,800	3,500		1,439	13,535	114,055
8 under 9 ⁶	315,698	6,000	800	1,249	12,028	95,581
9 under 10 ⁶	321,293	8,000	1,267	2,170	12,311	88,413
10 under 11 ⁶	48,309	7,500	400	3,750	1,491	1,580
11 under 12 ⁶	153,051	11,000	1,533	5,443	5,403	19,068
12 under 13 ⁶	521,083	8,500	600	5,241	20,371	182,333
13 under 14 ⁶						
14 under 15 ⁶	2,172,032	52,550	8,718	21,077	82,704	591,272
15 under 20 ⁶	2,380,492	73,095	11,807	36,072	106,976	514,976
20 under 25 ⁶	5,155,924	118,125	20,267	49,200	118,048	613,883
25 under 30 ⁶	10,348,969	317,971	44,417	143,612	391,126	2,114,423
30 under 40 ⁶	43,139,714	1,408,416	253,990	696,855	1,619,901	7,323,214
40 under 50 ⁶	54,115,544	1,761,662	303,952	850,371	2,031,892	10,102,019
50 under 60 ⁶	41,971,133	1,123,009	263,986	596,604	1,678,832	9,130,080
60 under 70 ⁶	28,554,347	702,788	122,301	362,605	1,091,895	6,934,807
70 under 80 ⁶	26,402,789	557,153	99,865	291,358	1,010,919	7,192,940
80 under 90 ⁶	19,658,946	369,893	62,931	193,717	759,703	5,857,919
90 under 100 ⁶	59,427,467	833,508	132,520	451,468	2,306,314	21,216,278
100 under 150 ⁶	32,936,607	260,950	34,532	129,489	932,060	10,166,997
150 under 200 ⁶	21,213,779	158,260	20,067	70,465	836,139	10,077,726
200 under 250 ⁶	11,670,925	76,900	18,267	35,300	460,411	5,816,327
250 under 300 ⁶	16,301,704	84,700	20,267	38,870	640,097	8,681,772
300 under 400 ⁶	4,517,188	14,700	2,467	6,451	2,520,016	2,520,016
400 under 500 ⁶	18,845,518	59,225	7,133	18,000	749,844	11,293,634
500 under 750 ⁶	4,277,151	9,500	1,800	4,800	109,512	2,677,135
750 under 1,000 ⁶	2,564,860	5,000	2,800	2,800	102,283	1,690,697
1,000 under 1,500 ⁶	1,614,119	2,500	2,000	300	64,373	1,086,020
1,500 under 2,000 ⁶	2,495,137	2,500		300	99,693	1,735,551
2,000 under 3,000 ⁶						
3,000 under 4,000 ⁶						
4,000 under 5,000 ⁶						
5,000 and over ⁶						
Nontaxable returns ⁶						
Taxable returns	401,881,096	8,113,927	1,364,681	4,021,609	15,432,931	128,360,466
Total individual returns and taxable fiduciary returns with net income	401,881,096	8,113,927	1,364,681	4,021,609	15,432,931	128,360,466
Individual taxable returns with no net income ⁶	5,304,825	49,000	6,400	14,848	211,468	2,434,324
Grand total	407,245,921	8,162,927	1,371,081	4,036,457	15,644,399	130,794,790

For footnotes, see p. 91.

TABLE 2.—Individual returns and taxable fiduciary returns with net income,¹ by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938, by returns with no alternative tax and with alternative tax: number of returns, net income, personal exemption, credit for dependents earned income credit, tax, average tax, and effective tax rate—Continued

PART III—RETURNS WITH ALTERNATIVE TAX⁴—Continued

Net income ² classes (Thousands of dollars)	Computation of alternative tax—Con.			Average alternative tax (col. 4 ÷ 2)	Effective tax rate, percent (returns with net income) (col. 4 ÷ 3)
	Returns with net long-term capital loss—Continued				
	Alternative tax (col. 24 + 25—30 per- cent of col. 19) (item 14, Sch. F, Form 1040; item 12, Sch. E, Form 1041)	Average alternative tax (col. 26 ÷ 17)	Effective tax rate, percent (returns with net income) (col. 26 ÷ 18)		
(1)	(26)	(27)	(28)	(29)	(30)
Individual returns and taxable fiduciary returns ² with net income:					
Under 1 (est.) ⁶					
Under 1 (est.) ⁶					
1 under 2 (est.) ⁶					
1 under 2 (est.) ⁶					
2 under 2.5 (est.) ⁶					
2 under 2.5 (est.) ⁶	\$8,027	\$8,027	354.71	\$8,027	354.71
2.5 under 3 (est.) ⁶					
2.5 under 3 (est.) ⁶	33,195	16,598	644.06	16,598	644.06
3 under 4 (est.) ⁶					
3 under 4 (est.) ⁶	28,219	28,219	925.82	28,219	925.82
4 under 5 (est.) ⁶					
4 under 5 (est.) ⁶	81,279	40,640	919.65	40,640	919.65
5 under 6 ⁶					
5 under 6 ⁶	16,819	2,403	44.31	2,403	44.31
6 under 7					
7 under 8					
8 under 9	32,342	10,781	125.32	10,781	125.32
9 under 10	21,353	7,118	75.78	7,118	75.78
10 under 11	20,312	4,062	38.14	4,062	38.14
11 under 12	2,435	609	5.27	609	5.27
12 under 13	4,969	710	5.64	710	5.64
13 under 14	66,902	13,380	97.80	13,380	97.80
14 under 15					
15 under 20	180,304	6,010	34.25	6,010	34.25
20 under 25	165,550	4,139	18.07	4,139	18.07
25 under 30	277,488	4,625	16.91	4,625	16.91
30 under 40	1,138,071	7,025	19.65	7,025	19.65
40 under 50	6,591,630	8,685	18.67	8,654	18.52
50 under 60	10,077,874	11,651	21.32	11,307	20.63
60 under 70	9,101,527	16,080	24.86	15,257	23.58
70 under 80	7,175,828	20,800	27.90	19,691	26.35
80 under 90	7,423,513	26,418	31.19	24,586	29.00
90 under 100	6,107,669	32,146	34.01	29,799	31.46
100 under 150	22,039,498	48,545	40.45	43,976	36.63
150 under 200	10,656,330	81,972	47.44	72,196	41.78
200 under 250	10,271,184	119,432	53.86	101,934	46.00
250 under 300	6,040,525	151,013	55.50	127,738	47.02
300 under 400	9,016,793	204,927	58.99	170,365	49.02
400 under 500	2,678,682	267,868	60.22	217,703	48.79
500 under 750	11,556,179	398,489	67.10	310,513	51.58
750 under 1,000	2,831,774	566,355	66.98	415,733	47.81
1,000 under 1,500	1,657,789	828,895	78.41	544,523	43.72
1,500 under 2,000	1,150,392	1,150,392	71.27	814,438	47.14
2,000 under 3,000	1,819,914	1,819,914	74.46	1,024,118	38.65
3,000 under 4,000				2,561,584	72.67
4,000 under 5,000				1,606,967	37.61
5,000 and over				2,221,356	30.56
Nontaxable returns ⁸					
Taxable returns	128,274,366	30,984	36.63	41,197	35.93
Total individual returns and taxable fiduciary returns with net income	128,274,366	30,984	36.63	41,197	35.93
Individual taxable returns with no net income ⁹	615,251	23,664		23,664	
Grand total	128,889,617	30,938		41,130	

For footnotes, see p. 91.

Footnotes for table 2

¹ This table contains data for individual returns with net income and with no net income shown in basic table 2-A and data for taxable fiduciary returns with net income shown in basic table 10. Unlike basic table 2 in the Statistics of Income for 1937, Part 1 (pp. 117-118), this table excludes nontaxable returns with net income for estates and trusts filed incorrectly on Form 1040 instead of Form 1041. For 1937, these incorrectly filed nontaxable returns with net income, which numbered 3,784, were tabulated as individual returns; but for 1938, these returns, which number only 276, are tabulated in basic table 10 in this report as fiduciary returns.

² For taxable fiduciary returns the net income used for classification and tabulation is the net income taxable to the fiduciary (item 17 on p. 1, Form 1041, facsimile on p. 288).

³ On fiduciary returns an estate is allowed the personal exemption of \$1,000 allowed a single person and a trust is allowed, in lieu of the personal exemption, a credit of \$100 against net income.

⁴ Consists of (1) returns with no net long-term capital gain or loss and (2) returns with net long-term capital gain or loss which have no alternative tax.

⁵ The alternative tax is imposed on returns with net long-term capital gain if such alternative tax is less than the sum of the normal tax and surtax computed on net income including net long-term capital gain. The alternative tax is imposed on returns with net long-term capital loss if such alternative tax is greater than the sum of the normal tax and surtax computed on net income after deducting net long-term capital loss.

⁶ Nontaxable individual returns. Exemptions from normal tax and surtax exceed net income. A negligible number of nontaxable individual returns in net income classes of \$6,000 and over is not tabulated separately.

⁷ Includes returns with zero net income (total income equals total deductions).

⁸ Returns with net long-term capital loss on which the tax, computed on net income before the deduction of net long-term capital loss, exceeds 30 percent of the net long-term capital loss.

⁹ Deficit.

¹⁰ Net income less deficit.

¹¹ Not available.

¹² Average total tax not computed.

TABLE 2-A.—Individual returns ¹ with net income (excluding fiduciary returns), by fiduciary returns, 1938, by returns with no alternative tax and with alternative earned income credit, tax, average tax, and effective tax rate

[For text defining certain items and describing methods

PART I—ALL

Net income classes (Thousands of dollars)	Number of returns	Net income	Personal ex- emption	Credit for dependents	Earned in- come credit
(1)	(2)	(3)	(4)	(5)	(6)
Returns with net income:					
Under 1 (est.) ⁴	339,369	\$236,843,136	\$510,498,530	\$33,985,808	\$11,401,309
Under 1 (est.) ⁴	27,222	13,896,261	985,539	159,780	1,389,626
1 under 2 (est.) ⁴	1,241,979	1,086,272,556	2,209,848,217	241,953,090	122,100,520
1 under 2 (est.) ⁴	1,181,209	1,728,604,434	1,168,101,890	15,198,712	172,860,443
2 under 2.5 (est.) ⁴	466,146	1,060,877,022	1,153,778,851	121,464,451	62,555,613
2 under 2.5 (est.) ⁴	205,450	454,900,713	208,366,555	10,593,999	45,490,071
2.5 under 3 (est.) ⁴	732,327	1,986,296,997	1,829,236,704	310,586,567	156,178,662
2.5 under 3 (est.) ⁴	205,960	576,903,286	366,301,991	7,014,919	57,699,328
3 under 4 (est.) ⁴	356,083	1,172,918,195	890,340,140	309,026,377	94,560,532
3 under 4 (est.) ⁴	495,613	1,723,660,912	1,084,896,075	82,520,162	160,266,072
4 under 5 (est.) ⁴	18,542	79,075,079	46,322,006	30,160,240	6,253,174
4 under 5 (est.) ⁴	297,241	1,322,947,014	659,491,941	107,172,845	119,265,314
5 under 6 ⁴	666	3,553,832	1,652,854	1,558,667	245,705
5 under 6 ⁴	162,978	889,763,586	358,338,599	73,398,038	76,256,344
6 under 7 ⁴	101,823	657,877,449	226,026,204	45,159,910	56,661,114
6 under 7 ⁴	65,960	492,287,834	142,484,630	29,974,451	38,466,964
7 under 8 ⁴	45,575	386,388,754	97,523,442	20,300,352	31,067,738
8 under 9 ⁴	33,029	321,550,943	72,013,422	14,781,138	23,514,190
9 under 10 ⁴	25,458	266,761,612	53,632,288	10,887,797	18,931,150
10 under 11 ⁴	20,251	232,507,440	42,393,049	8,656,436	16,053,410
11 under 12 ⁴	16,266	202,986,079	34,108,744	7,030,816	13,714,220
12 under 13 ⁴	13,235	178,534,829	27,748,639	5,671,524	11,970,803
13 under 14 ⁴	11,095	160,702,492	23,231,674	4,763,019	10,379,888
14 under 15 ⁴	34,247	588,056,167	71,266,986	14,625,462	32,427,832
15 under 20 ⁴	17,388	386,936,217	35,770,800	7,158,342	16,762,319
20 under 25 ⁴	9,868	269,467,718	20,129,703	4,100,621	9,689,430
25 under 30 ⁴	10,457	358,598,886	21,208,476	4,211,049	10,345,326
30 under 40 ⁴	5,105	227,370,635	10,265,500	2,017,714	5,128,511
40 under 50 ⁴	2,809	153,281,985	5,647,886	1,112,891	2,854,532
50 under 60 ⁴	1,697	109,588,444	3,400,150	691,529	1,740,847
60 under 70 ⁴	1,112	83,032,219	2,233,496	431,272	1,142,198
70 under 80 ⁴	800	67,747,331	1,597,333	307,177	808,942
80 under 100 ⁴	526	49,853,357	1,011,717	186,470	517,792
100 under 150 ⁴	1,249	149,052,084	2,460,308	423,198	1,228,348
150 under 200 ⁴	395	68,055,899	782,084	123,265	379,136
200 under 250 ⁴	219	48,536,006	423,540	67,933	200,101
250 under 300 ⁴	103	27,861,894	211,688	38,233	102,661
300 under 400 ⁴	124	42,957,843	241,500	27,501	108,157
400 under 500 ⁴	58	26,073,525	113,875	15,632	55,285
500 under 750 ⁴	71	43,412,282	148,625	18,967	51,182
750 under 1,000 ⁴	31	27,177,682	56,000	4,367	23,224
1,000 under 1,500 ⁴	27	33,592,338	56,625	8,300	26,407
1,500 under 2,000 ⁴	14	24,189,917	31,750	3,467	9,500
2,000 under 3,000 ⁴	4	10,284,547	10,000	400	2,300
3,000 under 4,000 ⁴	1	3,525,972	1,250	-----	860
4,000 under 5,000 ⁴	1	4,273,201	1,000	-----	1,400
5,000 and over ⁴	3	21,803,582	6,000	800	900
Nontaxable returns ⁴	3,155,112	6,225,836,817	6,641,677,302	1,648,735,200	453,295,515
Taxable returns ⁴	2,995,664	12,435,092,369	4,743,111,574	478,858,488	937,593,865
Total, individual returns with net income ⁴	6,150,776	18,660,929,186	11,384,788,876	1,527,593,688	1,390,889,380
Returns with no net income:					
Nontaxable ⁴	100,207	7,352,752,145	(⁵)	(⁵)	-----
Taxable ⁴	26	7,140,369	49,000	6,400	14,848
Total, individual returns with no net income ⁴	100,233	7,354,155,794	(⁵)	(⁵)	-----
Grand total ⁴	6,251,009	\$18,306,773,392	(⁵)	(⁵)	-----

For footnotes, see p. 101.

net income classes, also aggregate for individual returns with no net income (excluding tax: number of returns, net income, personal exemption, credit for dependents,

of tabulating and estimating data, see pp. 1-6 and 14-15]

RETURNS

Total tax (col. 8+11)	Tax				Average total tax (col. 7÷2)	Effective tax rate, percent (returns with net income) (col. 7÷3)
	Returns with no alternative tax ²			Returns with alternative tax ²		
	Total (col. 9+10)	Normal tax	Surtax			
(7)	(8)	(9)	(10)	(11)	(12)	(13)
\$444,713	\$444,713	\$444,713			\$16	3.2
14,834,983	14,834,983	14,834,983			13	.8
7,585,777	7,577,750	7,577,750		\$8,027	37	1.6
5,828,434	5,795,239	5,795,239		33,195	28	1.0
15,746,316	15,718,097	15,718,097		28,219	32	.9
17,510,343	17,429,064	17,356,461	\$72,603	81,279	59	1.3
15,837,305	15,820,486	15,285,391	535,095	16,819	97	1.7
14,589,806	14,589,806	13,336,010	1,253,796		143	2.2
13,668,109	13,668,109	11,155,317	2,512,792		207	2.7
13,173,777	13,141,435	9,497,621	3,643,814	32,342	289	3.4
12,722,903	12,701,550	8,363,477	4,338,073	21,353	375	3.9
11,861,734	11,841,422	7,240,335	4,601,087	20,312	466	4.4
11,405,950	11,403,515	6,546,782	4,856,733	2,435	563	4.9
10,761,977	10,757,008	5,864,587	4,892,421	4,969	662	5.3
10,218,299	10,151,397	5,268,411	4,882,986	66,902	772	5.7
9,750,715	9,750,715	4,848,100	4,902,615		879	6.0
41,680,815	41,500,511	18,585,551	22,914,960	180,304	1,217	7.0
34,756,430	34,590,930	12,928,685	21,662,245	165,550	1,999	8.9
29,689,323	29,411,835	9,280,188	20,131,647	277,488	3,009	11.0
48,454,013	47,315,912	12,583,025	34,732,917	1,138,071	4,634	13.5
37,772,697	30,133,569	6,820,683	23,312,886	7,639,128	7,399	16.6
30,284,681	15,804,899	3,091,842	12,713,057	14,479,782	10,781	19.7
25,024,318	11,282,910	1,941,665	9,341,245	13,741,408	14,766	22.8
21,310,484	9,634,068	1,464,454	8,169,614	11,676,416	19,164	25.6
19,421,852	7,052,303	957,415	6,094,888	12,369,549	24,277	28.6
15,064,294	5,521,307	682,072	4,839,235	10,142,987	29,780	31.4
64,872,431	15,897,396	1,661,586	14,235,810	38,975,035	43,933	36.8
29,121,566	6,791,797	590,688	6,201,109	22,329,769	73,725	42.7
22,720,063	4,057,191	320,344	3,736,847	18,662,892	103,745	46.8
13,399,897	2,400,790	180,614	2,220,176	10,999,107	130,096	48.0
21,805,563	5,003,069	353,087	4,649,982	16,802,494	175,851	50.7
13,120,247	2,473,431	164,101	2,309,330	10,646,816	226,211	50.3
23,309,073	2,111,677	130,610	1,981,067	21,197,396	328,297	53.6
14,342,882	2,518,565	149,055	2,369,510	11,824,317	462,674	52.7
15,958,166	1,907,557	108,291	1,799,266	14,050,609	591,043	47.5
12,405,568	1,225,838	68,250	1,157,588	11,179,730	886,112	51.2
4,231,420				4,231,420	1,057,855	41.1
2,561,584				2,561,584	2,561,584	72.7
1,606,967				1,606,967	1,606,967	37.6
6,064,068				6,064,068	2,221,356	30.5
726,119,613	462,260,874	221,195,480	241,065,394	263,858,739	242	5.84
726,119,613	462,260,874	221,195,480	241,065,394	263,858,739	118	3.89
615,251				615,251	23,664	
615,251				615,251	(¹⁰)	
726,734,864	462,260,874	221,195,480	241,065,394	264,473,990	(¹⁰)	

TABLE 2-A.—Individual returns¹ with net income (excluding fiduciary returns), by fiduciary returns, 1938, by returns with no alternative tax and with alternative earned income credit, tax, average tax, and effective tax rate—Continued

PART II—RETURNS WITH

Net income classes (Thousands of dollars)	Number of returns	Net income	Personal exemption	Credit for dependents	Earned income credit
(1)	(2)	(3)	(4)	(5)	(6)
Returns with net income:					
Under 1 (est.) ⁴	339,369	\$236,843,136	\$510,498,530	\$33,985,808	\$11,401,309
Under 1 (est.) ⁴	27,222	13,896,261	985,539	159,780	1,389,626
1 under 2 (est.) ⁴	1,241,979	1,686,272,556	2,209,848,217	241,053,090	122,100,520
1 under 2 (est.) ⁴	1,181,209	1,728,604,434	1,168,191,890	15,198,712	172,860,443
2 under 2.5 (est.) ⁴	466,146	1,060,877,022	1,153,778,851	121,464,451	62,555,613
2 under 2.5 (est.) ⁴	205,449	454,898,450	208,364,055	10,593,999	45,489,845
2.5 under 3 (est.) ⁴	732,327	1,986,296,997	1,829,236,704	310,586,567	156,178,662
2.5 under 3 (est.) ⁴	205,958	576,988,132	366,298,491	7,014,919	57,698,813
3 under 4 (est.) ⁴	356,083	1,172,918,195	890,340,140	309,026,377	94,560,632
3 under 4 (est.) ⁴	495,612	1,723,657,864	1,084,894,175	82,520,162	160,265,772
4 under 5 (est.) ⁴	18,542	79,075,079	46,322,006	30,160,240	6,253,174
4 under 5 (est.) ⁴	297,239	1,322,938,176	659,488,441	107,172,845	119,264,714
5 under 6 ⁴	666	3,553,832	1,652,854	1,558,667	245,705
5 under 6 ⁴	162,971	889,725,629	358,324,099	73,396,671	76,254,012
6 under 7 ⁴	101,823	657,877,449	226,026,204	45,159,910	56,661,114
6 under 7 ⁴	65,960	402,287,834	142,484,630	29,974,451	38,466,964
7 under 8 ⁴	45,572	386,362,947	97,519,942	20,300,352	31,066,299
8 under 9 ⁴	33,926	321,522,765	72,007,422	14,780,338	23,512,941
9 under 10 ⁴	25,453	266,708,359	53,924,288	10,886,530	18,928,980
10 under 11 ⁴	20,247	232,461,251	42,385,549	8,656,036	16,049,660
12 under 13 ⁴	16,259	202,898,035	34,097,744	7,029,283	13,708,777
13 under 14 ⁴	13,230	178,466,419	27,740,139	5,670,924	11,965,562
14 under 15 ⁴	11,095	160,702,492	23,231,674	4,763,019	10,379,888
15 under 20 ⁴	34,217	587,529,708	71,214,436	14,616,744	32,406,755
20 under 25 ⁴	17,348	386,020,048	35,697,105	7,146,475	16,725,617
25 under 30 ⁴	9,808	267,826,604	20,011,578	4,080,354	9,640,230
30 under 40 ⁴	10,295	352,808,177	20,890,505	4,166,632	10,201,714
40 under 50 ⁴	4,222	186,112,288	8,650,459	1,740,476	4,330,528
50 under 60 ⁴	1,528	83,073,623	3,107,508	664,350	1,615,637
60 under 70 ⁴	796	51,309,873	1,589,724	350,377	832,050
70 under 80 ⁴	519	38,703,723	1,041,933	221,706	549,549
80 under 90 ⁴	296	25,063,561	601,863	128,326	309,464
90 under 100 ⁴	187	17,734,980	363,125	72,642	189,224
100 under 150 ⁴	365	43,035,966	721,425	149,979	371,403
150 under 200 ⁴	88	15,070,154	164,959	23,567	85,900
200 under 250 ⁴	37	8,198,929	67,415	15,800	37,141
250 under 300 ⁴	17	4,562,664	30,250	1,267	14,220
300 under 400 ⁴	26	8,911,041	47,500	6,000	25,400
400 under 500 ⁴	9	4,131,668	19,750	1,166	6,100
500 under 750 ⁴	5	3,301,948	11,875	2,833	3,612
750 under 1,000 ⁴	4	3,735,374	5,500		3,400
1,000 under 1,500 ⁴	2	2,713,532	3,750	1,200	1,307
1,500 under 2,000 ⁴	1	1,710,156	2,500		1,400
2,000 under 3,000 ⁴					
3,000 under 4,000 ⁴					
4,000 under 5,000 ⁴					
5,000 and over ⁴					
Nontaxable returns ⁴	3,155,112	6,225,836,817	6,641,677,302	1,048,735,200	453,295,515
Taxable returns ⁴	2,989,085	11,701,550,514	4,730,207,442	476,667,825	931,314,061
Total individual returns with net income	6,144,197	17,927,387,331	11,371,884,744	1,525,403,025	1,384,609,576
Nontaxable individual returns with no net income ⁵	100,207	7,352,752,145	(⁶)	(⁶)	
Grand total	6,244,404	17,574,635,186	(⁶)	(⁶)	

For footnotes, see p. 101.

net income classes, also aggregate for individual returns with no net income (excluding tax: number of returns, net income, personal exemption, credit for dependents,

NO ALTERNATIVE TAX²

Total tax liability (col. 9+11)	Tax				Average total tax (col. 7+2)	Effective tax rate, percent (returns with net income) (col. 7+3)
	Normal tax		Surtax			
	Number of returns	Amount	Number of returns	Amount		
(7)	(8)	(9)	(10)	(11)	(12)	(13)
\$444,713	27,222	\$444,713			\$16	3.20
14,834,983	1,181,299	14,834,983			13	.86
7,577,750	205,449	7,577,750			37	1.67
5,795,239	205,958	5,795,239			28	1.00
15,718,097	495,612	15,718,097			32	.91
17,429,064	297,239	17,356,461	3,761	\$72,603	59	1.32
15,820,486	162,932	15,285,391	23,076	535,095	97	1.78
14,589,806	101,705	13,336,010	32,869	1,253,796	143	2.22
13,668,109	65,920	11,155,317	52,727	2,512,792	207	2.78
13,141,435	45,554	9,497,621	44,607	3,643,814	288	3.40
12,701,550	33,903	8,363,477	33,782	4,338,073	374	3.95
11,841,422	25,432	7,240,335	25,453	4,601,087	465	4.44
11,403,515	20,238	6,546,782	20,247	4,856,733	563	4.91
10,757,008	16,248	5,864,587	16,259	4,892,421	662	5.30
10,151,397	13,220	5,268,411	13,230	4,882,986	767	5.69
9,750,715	11,088	4,848,100	11,095	4,902,615	879	6.07
41,500,511	34,205	18,585,551	34,217	22,914,960	1,213	7.06
34,590,930	17,339	12,928,685	17,348	21,662,245	1,994	8.96
29,411,835	9,806	9,280,188	9,808	20,131,647	2,999	10.98
47,315,942	10,294	12,583,025	10,295	34,732,917	4,596	13.41
30,133,569	4,222	6,820,683	4,222	23,312,886	7,137	16.19
15,804,899	1,528	3,091,842	1,528	12,713,057	10,344	19.03
11,282,910	796	1,941,605	796	9,341,245	14,175	21.99
9,634,068	519	1,494,454	519	8,169,614	18,563	24.89
7,052,303	296	957,415	296	6,094,888	23,825	28.14
5,521,307	187	682,072	187	4,839,235	29,526	31.13
15,897,396	365	1,661,586	365	14,235,810	43,555	36.94
6,791,797	88	590,688	88	6,201,109	77,180	45.07
4,057,191	37	320,344	37	3,736,847	109,654	49.48
2,400,790	17	150,614	17	2,220,176	141,223	52.62
5,003,069	26	353,087	26	4,649,982	192,426	56.14
2,473,431	9	164,101	9	2,309,330	274,826	59.87
2,111,677	5	130,610	5	1,981,067	422,335	63.95
2,518,665	4	149,055	4	2,369,510	629,641	67.42
1,907,557	2	108,291	2	1,799,266	953,779	70.30
1,225,838	1	68,250	1	1,157,588	1,225,838	71.68

TABLE 2-A.—Individual returns¹ with net income (excluding fiduciary returns), by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938, by returns with no alternative tax and with alternative tax: number of returns, net income, personal exemption, credit for dependents, earned income credit, tax, average tax, and effective tax rate—Continued

PART III—RETURNS WITH ALTERNATIVE TAX²

Net income classes (Thousands of dollars)	Number of returns (col. 5+17)	Net income (col. 6+18)	Alternative tax (col. 14+28)	Computation of alternative tax		
				Returns with net long-term capital gain		
				Number of returns	Net income (item 20, p. 1, Form 1040)	Net long- term capital gain (item 10 (b), p. 1, Form 1040)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Returns with net income:						
Under 1 (est.) ⁴						
Under 1 (est.) ⁴						
1 under 2 (est.) ⁴						
1 under 2 (est.) ⁴						
2 under 2.5 (est.) ⁴	1	\$2,263	\$8,027			
2 under 2.5 (est.) ⁴						
2.5 under 3 (est.) ⁴	2	5,154	33,195			
2.5 under 3 (est.) ⁴						
3 under 4 (est.) ⁴	1	3,048	28,219			
3 under 4 (est.) ⁴						
4 under 5 (est.) ⁴	2	8,838	81,279			
4 under 5 (est.) ⁴						
5 under 6 ⁴	7	37,957	16,819			
5 under 6 ⁴						
6 under 7 ⁴						
7 under 8 ⁴	3	25,807	32,342			
8 under 9 ⁴	3	28,178	21,353			
9 under 10 ⁴	5	53,253	20,312			
10 under 11 ⁴	4	46,189	2,435			
11 under 12 ⁴	7	88,044	4,969			
12 under 13 ⁴	5	68,410	66,902			
13 under 14 ⁴						
14 under 15 ⁴						
15 under 20 ⁴	30	526,459	180,304			
20 under 25 ⁴	40	916,169	165,550			
25 under 30 ⁴	60	1,641,114	277,488			
30 under 40 ⁴	162	5,790,709	1,138,071			
40 under 50 ⁴	883	41,258,347	7,639,128	129	\$6,185,756	\$151,973
50 under 60 ⁴	1,281	70,208,362	14,479,782	424	23,376,934	1,298,433
60 under 70 ⁴	901	58,278,571	13,741,408	345	22,314,901	2,257,373
70 under 80 ⁴	593	44,328,496	11,676,416	252	18,911,092	3,211,056
80 under 90 ⁴	504	42,683,770	12,369,549	229	19,404,724	3,310,767
90 under 100 ⁴	339	32,118,377	10,142,987	150	14,250,453	2,491,350
100 under 150 ⁴	884	106,016,118	38,975,035	441	52,967,898	11,865,593
150 under 200 ⁴	307	52,985,745	22,329,769	179	30,856,641	8,071,533
200 under 250 ⁴	182	40,337,077	18,662,892	99	21,963,182	7,223,950
250 under 300 ⁴	86	23,299,230	10,999,107	52	14,116,030	4,940,933
300 under 400 ⁴	98	34,046,802	16,802,494	57	19,730,503	8,129,827
400 under 500 ⁴	49	21,941,857	10,646,816	41	20,865,645	7,568,350
500 under 750 ⁴	66	40,110,334	21,197,396	38	23,526,850	12,709,243
750 under 1,000 ⁴	27	23,442,308	11,824,317	22	19,214,734	9,190,203
1,000 under 1,500 ⁴	25	30,878,806	14,050,609	23	28,764,583	17,588,943
1,500 under 2,000 ⁴	13	22,479,761	11,179,730	12	20,865,645	10,883,523
2,000 under 3,000 ⁴	4	10,284,547	4,231,420	3	7,840,510	7,433,366
3,000 under 4,000 ⁴	1	3,524,972	2,561,584	1	3,524,972	1,62,260
4,000 under 5,000 ⁴	1	4,273,201	1,606,967	1	4,273,201	3,393,153
5,000 and over ⁴	3	21,803,582	6,664,068	3	21,803,582	21,315,213
Nontaxable returns ⁴						
Taxable returns	6,579	733,541,855	263,858,739	2,501	392,250,208	143,197,042
Total, individual returns with net income	6,579	733,541,855	263,858,739	2,501	392,250,208	143,197,042
Taxable individual returns with no net income ⁴	26	1,403,649	615,251			
Grand total	6,605	732,138,206	264,473,990	2,501	392,250,208	143,197,042

For footnotes, see p. 101.

TABLE 2-A.—Individual returns¹ with net income (excluding fiduciary returns), by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938, by returns with no alternative tax and with alternative tax: number of returns, net income, personal exemption, credit for dependents, earned income credit, tax, average tax, and effective tax rate—Continued

PART III—RETURNS WITH ALTERNATIVE TAX²—Continued

Net income classes (Thousands of dollars)	Computation of alternative tax—Continued					
	Returns with net long-term capital gain—Continued					
	Ordinary net income (col. 6-7) (item 3, Sch. F, Form 1040)	Personal exemption	Credit for de- pendents	Earned income credit	Normal tax (item 10, Sch. F, Form 1040)	Surtax (item 11, Sch. F, Form 1040)
(1)	(8)	(9)	(10)	(11)	(12)	(13)
Returns with net income:						
Under 1 (est.) ⁴						
Under 1 (est.) ⁴						
1 under 2 (est.) ⁴						
1 under 2 (est.) ⁴						
2 under 2.5 (est.) ⁴						
2 under 2.5 (est.) ⁴						
2.5 under 3 (est.) ⁴						
2.5 under 3 (est.) ⁴						
3 under 4 (est.) ⁴						
3 under 4 (est.) ⁴						
4 under 5 (est.) ⁴						
4 under 5 (est.) ⁴						
5 under 6 ⁴						
5 under 6 ⁴						
6 under 7 ⁴						
7 under 8 ⁴						
8 under 9 ⁴						
9 under 10 ⁴						
10 under 11 ⁴						
11 under 12 ⁴						
12 under 13 ⁴						
13 under 14 ⁴						
14 under 15 ⁴						
15 under 20 ⁴						
20 under 25 ⁴						
25 under 30 ⁴						
30 under 40 ⁴						
40 under 50 ⁴	\$6,033,783	\$207,125	\$23,248	\$101,128	\$225,117	\$820,530
50 under 60 ⁴	22,078,501	731,316	144,589	388,524	823,270	3,285,529
60 under 70 ⁴	20,057,528	691,117	137,166	312,193	749,581	3,374,530
70 under 80 ⁴	15,700,036	490,075	87,265	230,044	589,324	3,033,769
80 under 90 ⁴	16,093,957	440,717	78,986	208,120	610,754	3,502,802
90 under 100 ⁴	11,759,103	278,817	60,897	134,851	446,485	2,872,603
100 under 150 ⁴	41,102,305	860,975	140,609	405,477	1,579,505	12,393,545
150 under 200 ⁴	22,785,108	356,375	65,166	163,747	870,652	8,522,945
200 under 250 ⁴	14,759,232	199,125	34,066	92,495	569,880	6,030,020
250 under 300 ⁴	9,175,097	106,938	16,689	55,141	358,407	4,040,847
300 under 400 ⁴	11,600,676	110,500	12,867	43,887	457,295	5,449,109
400 under 500 ⁴	10,789,667	79,625	11,999	432,286	5,780,200	6,366,513
500 under 750 ⁴	10,817,697	77,625	9,001	29,570	427,597	5,818,846
750 under 1,000 ⁴	10,024,531	41,000	3,567	15,024	397,855	5,837,627
1,000 under 1,500 ⁴	9,982,122	47,875	7,100	22,360	443,887	6,672,250
1,500 under 2,000 ⁴	4,077,144	26,750	1,467	7,800	397,768	6,366,513
2,000 under 3,000 ⁴	3,324,712	7,500	400	2,000	15,834	165,662
3,000 under 4,000 ⁴	880,048	1,250		860	134,424	2,378,482
4,000 under 5,000 ⁴	488,369	1,000		1,400	35,106	553,915
5,000 and over ⁴		6,000	800	900	20,533	248,971
Nontaxable returns ⁴						
Taxable returns	249,053,166	4,811,705	825,982	2,258,195	9,594,560	87,148,695
Total, individual returns with net income	249,053,166	4,811,705	825,982	2,258,195	9,594,560	87,148,695
Taxable individual returns with no net income ⁴						
Grand total	249,053,166	4,811,705	825,982	2,258,195	9,594,560	87,148,695

For footnotes, see p. 101.

TABLE 2-A.—Individual returns¹ with net income (excluding fiduciary returns), by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1958, by returns with no alternative tax and with alternative tax: number of returns, net income, personal exemption, credit for dependents, earned income credit, tax, average tax, and effective tax rate—Continued

PART III—RETURNS WITH ALTERNATIVE TAX¹—Continued

Net income classes (Thousands of dollars)	Computation of alternative tax—Continued					
	Returns with net long-term capital gain—Continued			Returns with net long-term capital loss		
	Alternative tax (col. 12+13+30 percent of col. 7) (item 14, Sch. F, Form 1040)	Average alternative tax (col. 14÷5)	Effective tax rate, percent (returns with net income) (col. 14÷6)	Number of returns	Net income (item 20, p. 1, Form 1040)	Net long-term capital loss (item 10(b), p. 1, Form 1040)
(1)	(14)	(15)	(16)	(17)	(18)	(19)
Returns with net income:						
Under 1 (est.) ⁴						
Under 1 (est.) ⁴						
1 under 2 (est.) ⁴						
1 under 2 (est.) ⁴						
2 under 2.5 (est.) ⁴						
2 under 2.5 (est.) ⁴						
2.5 under 3 (est.) ⁴						
2.5 under 3 (est.) ⁴						
3 under 4 (est.) ⁴						
3 under 4 (est.) ⁴						
4 under 5 (est.) ⁴						
4 under 5 (est.) ⁴						
5 under 6 ⁴						
5 under 6 ⁴						
6 under 7						
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1,500 under 2,000						
2,000 under 3,000						
2,000 under 3,000						
3,000 under 4,000						
3,000 under 4,000						
4,000 under 5,000						
4,000 under 5,000						
5,000 and over						
5,000 and over						
Nontaxable returns ⁴						
Taxable returns						
Total, individual returns with net income						
Taxable individual returns with no net income ⁶						
Grand total						

For footnotes, see p. 101.

TABLE 2-A.—Individual returns¹ with net income (excluding fiduciary returns), by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1958, by returns with no alternative tax and with alternative tax: number of returns, net income, personal exemption, credit for dependents, earned income credit, tax, average tax, and effective tax rate—Continued

PART III—RETURNS WITH ALTERNATIVE TAX¹—Continued

Net income classes (Thousands of dollars)	Computation of alternative tax—Continued					
	Returns with net long-term capital loss—Continued					
	Ordinary net income (col. 18+19) (item 3, Sch. F, Form 1040)	Personal exemption	Credit for dependents	Earned income credit	Normal tax (item 10, Sch. F, Form 1040)	Surtax (item 11, Sch. F, Form 1040)
(1)	(20)	(21)	(22)	(23)	(24)	(25)
Returns with net income:						
Under 1 (est.) ⁴						
Under 1 (est.) ⁴						
1 under 2 (est.) ⁴						
1 under 2 (est.) ⁴						
2 under 2.5 (est.) ⁴						
2 under 2.5 (est.) ⁴						
2.5 under 3 (est.) ⁴						
2.5 under 3 (est.) ⁴						
3 under 4 (est.) ⁴						
3 under 4 (est.) ⁴						
4 under 5 (est.) ⁴						
4 under 5 (est.) ⁴						
5 under 6 ⁴						
5 under 6 ⁴						
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2,000 under 3,000						
2,000 under 3,000						
3,000 under 4,000						
3,000 under 4,000						
4,000 under 5,000						
4,000 under 5,000						
5,000 and over						
5,000 and over						
Nontaxable returns ⁴						
Taxable returns						
Total, individual returns with net income						
Taxable individual returns with no net income ⁶						
Grand total						

For footnotes, see p. 101.

TABLE 2-A.—Individual returns¹ with net income (excluding fiduciary returns), by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938, by returns with no alternative tax and with alternative tax: number of returns, net income, personal exemption, credit for dependents, earned income credit, tax, average tax, and effective tax rate—Continued

PART III—RETURNS WITH ALTERNATIVE TAX²—Continued

Net income classes (Thousands of dollars)	Computation of alternative tax— Continued			Average alternative tax (col. 4÷2)	Effective tax rate, percent (re- turns with net income) (col. 4÷3)
	Returns with net long-term capital loss—Continued				
	Alternative tax (col. 24 +25—30 per- cent of col 19) (item 14, Sch. F, Form 1040)	Average alternative tax (col. 26÷17)	Effective tax rate, percent (returns with net income) (col. 26÷18)		
(1)	(26)	(27)	(28)	(29)	(30)
Returns with net income:					
Under 1 (est.) ⁴					
Under 1 (est.) ⁴					
1 under 2 (est.) ⁴					
1 under 2 (est.) ⁴					
2 under 2.5 (est.) ⁴					
2 under 2.5 (est.) ⁴	\$8,027	\$8,027	354.71	\$8,027	354.71
2.5 under 3 (est.) ⁴					
2.5 under 3 (est.) ⁴	33,195	16,598	644.06	16,598	644.06
3 under 4 (est.) ⁴					
3 under 4 (est.) ⁴	28,219	28,219	925.82	3,048	925.82
4 under 5 (est.) ⁴					
4 under 5 (est.) ⁴	81,279	40,640	919.65	40,640	919.65
5 under 6 ⁴					
5 under 6 ⁴	16,819	2,403	44.31	2,403	44.31
6 under 7					
7 under 8					
8 under 9	32,342	10,781	125.32	10,781	125.32
9 under 10	21,353	7,118	75.78	7,118	75.78
10 under 11	20,312	4,062	38.14	4,062	38.14
11 under 12	2,435	609	5.27	609	5.27
12 under 13	4,969	710	5.64	710	5.64
13 under 14	66,902	13,380	97.80	13,380	97.80
14 under 15					
15 under 20	180,304	6,010	34.25	6,010	34.25
20 under 25	165,550	4,139	18.07	4,139	18.07
25 under 30	277,488	4,625	16.91	4,625	16.91
30 under 40	1,138,071	7,025	19.65	7,025	19.65
40 under 60	6,547,889	8,684	18.67	8,651	18.62
50 under 60	9,981,453	11,647	21.31	11,303	20.62
60 under 70	8,940,085	16,079	24.86	15,251	23.58
70 under 80	7,090,006	20,792	27.89	19,690	26.34
80 under 90	7,262,763	26,410	31.20	24,543	28.98
90 under 100	6,076,494	32,151	34.01	29,920	31.58
100 under 150	21,442,307	48,402	40.42	44,089	36.76
150 under 200	10,506,712	82,076	47.47	72,735	42.14
200 under 250	9,895,807	119,227	53.86	102,543	46.27
250 under 300	5,117,573	150,517	55.73	127,897	47.21
300 under 400	8,457,142	206,272	59.07	171,454	49.35
400 under 500	2,163,825	270,478	60.38	217,282	48.52
500 under 750	11,138,180	397,792	67.16	321,173	52.85
750 under 1,000	2,831,774	566,355	66.98	437,938	50.44
1,000 under 1,500	1,657,789	828,895	78.41	562,024	45.50
1,500 under 2,000	1,150,392	1,150,392	71.27	859,979	49.73
2,000 under 3,000	1,819,914	1,819,914	74.46	1,057,855	41.14
3,000 under 4,000				2,561,584	72.67
4,000 under 5,000				1,606,967	37.61
5,000 and over				2,221,356	30.56
Nontaxable returns ⁴					
Taxable returns	124,156,370	30,445	36.38	40,106	35.97
Total, individual returns with net income	124,156,370	30,445	36.38	40,106	35.97
Taxable individual returns with no net income ⁶	615,251	23,664		23,664	
Grand total	124,771,621	30,402		40,041	

Footnotes for table 2-A

¹ Unlike basic table 2 in Statistics of Income for 1937, Part 1 (pp. 117-118), this table excludes taxable fiduciary returns with net income. Form 1041, and taxable and nontaxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041 (see table 10, pp. 171-179). Data for individual returns with no net income are included in this table for the first time.

² Consists of (1) returns with no net long-term capital gain or loss and (2) returns with net long-term capital gain or loss which have no alternative tax.

³ The alternative tax is imposed on returns with net long-term capital gain if such alternative tax is less than the sum of the normal tax and surtax computed on net income including net long-term capital gain. The alternative tax is imposed on returns with net long-term capital loss if such alternative tax is greater than the sum of the normal tax and surtax computed on net income after deducting net long-term capital loss.

⁴ Nontaxable returns. Exemptions from normal tax and surtax exceed net income. A negligible number of nontaxable returns in net income classes of \$6,000 and over is not tabulated separately.

⁵ Includes returns with zero net income (total income equals total deductions).

⁶ Returns with net long-term capital loss on which the tax, computed on net income before the deduction of net long-term capital loss, exceeds 30 percent of the net long-term capital loss.

⁷ Deficit.

⁸ Net income less deficit.

⁹ Not available.

¹⁰ A average total tax not computed.

TABLE 3.—Individual returns and taxable fiduciary returns, with net income,¹ 1938, by net income classes: simple and cumulative distribution of number of returns, net income and tax, and percentages; also aggregate for individual returns with no net income (excluding fiduciary returns), 1938

[Net income classes and money figures in thousands of dollars]

[For text defining certain items and describing methods of tabulating and estimating data, see pp. 1-6 and 14-15]

Net income ¹ classes	Returns					
	Simple distribution		Cumulative distribution from highest income class		Cumulative distribution from lowest income class	
	Number	Percent of total	Number	Percent of total	Number	Percent of total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Individual returns and taxable fiduciary returns ² with net income:						
Under 1 (est.).....	389,871	6.28	6,203,657	100.00	389,871	6.28
1 under 2 (est.).....	2,433,949	39.24	5,813,786	93.72	2,823,820	45.52
2 under 2.5 (est.).....	674,596	10.87	3,379,837	54.48	3,498,416	56.39
2.5 under 3 (est.).....	940,386	15.16	2,705,241	43.61	4,438,802	71.55
3 under 4 (est.).....	854,607	13.78	1,704,855	28.45	5,293,409	85.33
4 under 5 (est.).....	317,802	5.12	910,248	14.67	5,611,211	90.45
5 under 6.....	165,168	2.66	592,446	9.55	5,776,379	93.11
6 under 7.....	102,956	1.66	427,278	6.89	5,879,335	94.77
7 under 8.....	66,758	1.08	324,322	5.23	5,946,093	95.85
8 under 9.....	46,226	.74	257,564	4.15	5,992,319	96.59
9 under 10.....	34,488	.56	211,338	3.41	6,026,807	97.15
10 under 11.....	25,922	.42	176,850	2.85	6,052,729	97.57
11 under 12.....	20,577	.33	150,928	2.43	6,073,306	97.90
12 under 13.....	16,566	.27	130,351	2.10	6,089,872	98.17
13 under 14.....	13,479	.22	113,785	1.83	6,103,351	98.39
14 under 15.....	11,346	.18	100,306	1.61	6,114,697	98.57
15 under 20.....	35,032	.56	88,960	1.43	6,149,729	98.13
20 under 25.....	17,859	.29	53,928	.87	6,167,588	99.42
25 under 30.....	10,207	.16	36,069	.58	6,177,795	99.58
30 under 40.....	10,814	.18	25,862	.42	6,188,609	99.84
40 under 50.....	5,315	.08	15,048	.24	6,193,924	99.89
50 under 60.....	2,943	.05	9,733	.16	6,196,867	99.92
60 under 70.....	1,775	.03	6,790	.11	6,198,642	99.94
70 under 80.....	1,144	.02	5,015	.08	6,199,786	99.95
80 under 90.....	841	.01	3,871	.06	6,200,627	99.96
90 under 100.....	556	.01	3,030	.05	6,201,183	99.98
100 under 150.....	1,326	.02	2,474	.04	6,202,609	99.99
150 under 200.....	420	.01	1,148	.02	6,202,929	99.99
200 under 250.....	229	(9)	728	.01	6,203,158	99.99
250 under 300.....	117	(9)	499	.01	6,203,275	99.99
300 under 400.....	142	(9)	382	.01	6,203,417	99.99
400 under 500.....	65	(9)	240	(9)	6,203,482	99.99
500 under 750.....	81	(9)	175	(9)	6,203,563	99.99
750 under 1,000.....	37	(9)	94	(9)	6,203,600	99.99
1,000 under 1,500.....	30	(9)	57	(9)	6,203,630	99.99
1,500 under 2,000.....	16	(9)	27	(9)	6,203,646	99.99
2,000 under 3,000.....	6	(9)	11	(9)	6,203,652	99.99
3,000 under 4,000.....	1	(9)	5	(9)	6,203,653	99.99
4,000 under 5,000.....	1	(9)	4	(9)	6,203,654	99.99
5,000 and over.....	3	(9)	3	(9)	6,203,657	100.00
Total, individual returns and taxable fiduciary returns with net income.....	6,203,657	100.00				
Individual returns with no net income ³	100,233	(7)				
Grand total.....	6,303,890	(7)				

For footnotes, see p. 104.

TABLE 3.—Individual returns and taxable fiduciary returns, with net income,¹ 1938, by net income classes: simple and cumulative distribution of number of returns, net income and tax, and percentages; also aggregate for individual returns with no net income (excluding fiduciary returns), 1938—Continued

[Net income classes and money figures in thousands of dollars]

Net income ² classes	Net income ¹					
	Simple distribution		Cumulative distribution from highest income class		Cumulative distribution from lowest income class	
	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total
(1)	(8)	(9)	(10)	(11)	(12)	(13)
Individual returns and taxable fiduciary returns ² with net income:						
Under 1 (est.).....	259,833	1.37	18,897,374	100.00	259,833	1.37
1 under 2 (est.).....	3,430,143	18.16	18,637,541	98.63	3,689,976	19.63
2 under 2.5 (est.).....	1,522,470	8.06	15,207,398	80.47	5,212,446	27.59
2.5 under 3 (est.).....	2,560,030	13.59	13,684,928	72.41	7,781,476	41.18
3 under 4 (est.).....	2,906,675	15.38	11,115,897	58.82	10,688,151	56.56
4 under 5 (est.).....	1,411,034	7.47	8,209,222	43.44	12,099,186	64.03
5 under 6.....	901,639	4.77	6,798,188	35.97	13,000,825	68.80
6 under 7.....	665,222	3.52	5,896,549	31.20	13,666,047	72.32
7 under 8.....	498,252	2.64	5,231,326	27.68	14,164,299	74.96
8 under 9.....	391,924	2.07	4,733,075	25.04	14,556,223	77.03
9 under 10.....	326,856	1.73	4,341,151	22.97	14,883,078	78.76
10 under 11.....	271,631	1.44	4,014,295	21.24	15,154,710	80.20
11 under 12.....	236,256	1.25	3,742,664	19.80	15,390,966	81.45
12 under 13.....	206,724	1.09	3,506,407	18.55	15,597,690	82.64
13 under 14.....	181,826	.96	3,299,683	17.46	15,779,517	83.50
14 under 15.....	164,344	.87	3,117,857	16.50	15,943,860	84.37
15 under 20.....	601,552	3.18	2,953,514	15.63	16,545,412	87.55
20 under 25.....	397,446	2.11	2,351,962	12.45	16,942,858	89.66
25 under 30.....	278,700	1.47	1,954,516	10.34	17,221,558	91.13
30 under 40.....	370,978	1.97	1,675,816	8.87	17,592,536	93.10
40 under 50.....	236,720	1.25	1,304,838	6.90	17,829,255	94.35
50 under 60.....	160,693	.85	1,068,118	5.65	17,989,949	95.20
60 under 70.....	114,704	.61	907,425	4.80	18,104,653	95.81
70 under 80.....	85,417	.45	792,721	4.19	18,190,070	96.26
80 under 90.....	71,255	.37	707,304	3.74	18,261,324	96.63
90 under 100.....	52,699	.28	636,049	3.37	18,314,023	96.91
100 under 150.....	158,413	.84	583,350	3.09	18,472,436	97.75
150 under 200.....	72,545	.38	424,937	2.25	18,544,982	98.13
200 under 250.....	50,745	.27	352,392	1.87	18,595,727	98.40
250 under 300.....	31,706	.17	301,647	1.60	18,627,434	98.57
300 under 400.....	49,350	.26	269,940	1.43	18,676,784	98.83
400 under 500.....	29,091	.16	220,590	1.17	18,705,875	98.99
500 under 750.....	49,096	.26	191,499	1.01	18,754,971	99.25
750 under 1,000.....	32,300	.17	142,403	.75	18,787,271	99.42
1,000 under 1,500.....	37,583	.20	110,103	.58	18,824,854	99.62
1,500 under 2,000.....	27,625	.14	72,520	.38	18,852,479	99.76
2,000 under 3,000.....	15,293	.08	44,894	.24	18,867,772	99.84
3,000 under 4,000.....	3,525	.02	29,602	.16	18,871,297	99.86
4,000 under 5,000.....	4,273	.02	26,077	.14	18,875,570	99.88
5,000 and over.....	21,804	.12	21,804	.12	18,897,374	100.00
Total, individual returns and taxable fiduciary returns with net income.....	18,897,374	100.00				
Individual returns with no net income ³	354,156	(7)				

For footnotes, see p. 104.

TABLE 3.—Individual returns and taxable fiduciary returns, with net income,¹ 1938, by net income classes: simple and cumulative distribution of number of returns, net income and tax, and percentages; also aggregate for individual returns with no net income (excluding fiduciary returns), 1938—Continued

[Net income classes and money figures in thousands of dollars]

Net income ² classes (1)	Total tax					
	Simple distribution		Cumulative distribution from highest income class		Cumulative distribution from lowest income class	
	Amount (14)	Percent of total (15)	Amount (16)	Percent of total (17)	Amount (18)	Percent of total (19)
Individual returns and taxable fiduciary returns ³ with net income:						
Under 1 (est.)	719	0.09	765,218	100.00	719	0.09
1 under 2 (est.)	15,202	1.99	764,499	99.91	15,922	2.08
2 under 2.5 (est.)	7,782	1.02	749,296	97.92	23,703	3.10
2.5 under 3 (est.)	6,007	.79	741,514	96.90	29,710	3.89
3 under 4 (est.)	16,080	2.10	735,508	96.11	45,789	5.99
4 under 5 (est.)	17,840	2.33	719,428	94.01	63,630	8.32
5 under 6	16,182	2.11	701,588	91.08	79,812	10.43
6 under 7	14,945	1.95	685,406	89.57	94,757	12.38
7 under 8	13,983	1.83	670,461	87.62	108,740	14.21
8 under 9	13,491	1.76	656,477	85.79	122,231	15.97
9 under 10	13,052	1.71	642,987	84.03	135,284	17.68
10 under 11	12,185	1.59	629,934	82.32	147,469	19.27
11 under 12	11,667	1.53	617,749	80.73	159,136	20.80
12 under 13	11,035	1.44	606,082	79.20	170,171	22.24
13 under 14	10,469	1.37	595,046	77.76	180,640	23.61
14 under 15	10,043	1.31	584,578	76.39	190,683	24.92
15 under 20	42,872	5.60	574,535	75.08	233,555	30.32
20 under 25	35,891	4.69	531,663	69.48	269,446	35.21
25 under 30	30,852	4.03	495,772	64.79	300,208	39.24
30 under 40	50,314	6.58	414,606	54.18	350,612	45.82
40 under 50	39,428	5.15	375,178	49.03	421,864	55.13
50 under 60	31,824	4.16	343,354	44.87	448,096	58.56
60 under 70	26,232	3.43	317,122	41.44	470,038	61.43
70 under 80	21,942	2.87	295,179	38.57	490,496	64.10
80 under 90	20,458	2.67	274,722	35.90	507,029	66.26
90 under 100	16,533	2.16	258,188	33.74	565,253	73.87
100 under 150	58,224	7.61	199,964	26.13	596,146	77.91
150 under 200	30,892	4.04	169,072	22.09	619,790	81.00
200 under 250	23,644	3.09	145,427	19.00	634,997	82.99
250 under 300	15,207	1.99	130,220	17.01	660,039	86.26
300 under 400	25,041	3.27	105,179	13.74	674,830	88.19
400 under 500	14,791	1.93	90,388	11.81	700,711	91.57
500 under 750	25,882	3.38	64,506	8.43	717,182	93.72
750 under 1,000	16,471	2.15	48,035	6.28	734,337	95.96
1,000 under 1,500	17,154	2.24	30,881	4.04	747,779	97.72
1,500 under 2,000	13,442	1.76	17,439	2.28	754,385	98.58
2,000 under 3,000	6,606	.86	10,833	1.42	756,947	98.92
3,000 under 4,000	2,562	.34	8,271	1.08	758,554	99.13
4,000 under 5,000	1,607	.21	6,664	.87	765,218	100.00
5,000 and over	6,664	.87				
Total, individual returns and taxable fiduciary returns with net income	765,218	100.00				
Individual returns with no net income (taxable) ⁴	615	(7)				
Grand total	765,833	(7)				

¹ This table contains data for individual returns with net income and with no net income shown in basic table 3-A and for the taxable fiduciary returns with net income shown in Part 1 of basic table 10. Unlike basic table 3 in the Statistics of Income for 1937, Part 1 (pp. 119-121) excludes nontaxable returns with net income for estates and trusts filed incorrectly on Form 1040 instead of Form 1041. For 1937, these incorrectly filed nontaxable returns with net income, which numbered 3,784, were tabulated as individual returns; but for 1938, these returns, which number only 276, are tabulated in basic table 10 in this report as fiduciary returns.

² For taxable fiduciary returns the net income used for classification and tabulation is the net income taxable to the fiduciary (item 17, on p. 1, Form 1041, facsimile on p. 298).

³ Includes returns with zero net income (total income equals total deductions).

⁴ Returns with net long-term capital loss on which the tax, computed on net income before the deduction of long-term capital loss, exceeds 30 percent of the net long-term capital loss.

⁵ Less than one-hundredth of 1 percent.

⁶ Deficit.

⁷ Percentage not computed.

TABLE 3-A.—Individual returns¹ with net income (excluding fiduciary returns), 1938, by net income classes: simple and cumulative distribution of number of returns, net income and tax, and percentages; also aggregate for individual returns with no net income (excluding fiduciary returns), 1938

[Net income classes and money figures in thousands of dollars]

[For text defining certain items and describing methods of tabulating and estimating data, see pp. 1-6 and 14-15]

Net income classes (1)	Returns					
	Simple distribution		Cumulative distribution from highest income class		Cumulative distribution from lowest income class	
	Number (2)	Percent of total (3)	Number (4)	Percent of total (5)	Number (6)	Percent of total (7)
Returns with net income:						
Under 1 (est.)	366,591	5.96	6,150,776	100.00	366,591	5.96
1 under 2 (est.)	2,423,278	39.40	5,784,185	94.04	2,789,869	45.36
2 under 2.5 (est.)	671,596	10.92	3,300,907	54.64	3,461,405	56.28
2.5 under 3 (est.)	938,287	15.25	2,689,311	43.72	4,399,752	71.53
3 under 4 (est.)	851,696	13.85	1,751,024	28.47	5,251,448	85.38
4 under 5 (est.)	315,783	5.13	899,328	14.62	5,567,231	90.51
5 under 6	163,644	2.66	583,545	9.49	5,730,875	93.17
6 under 7	101,823	1.66	419,901	6.83	5,832,698	94.83
7 under 8	65,060	1.07	318,078	5.17	5,898,658	95.90
8 under 9	45,575	.74	252,118	4.10	5,944,233	96.64
9 under 10	33,929	.55	205,543	3.36	5,978,162	97.19
10 under 11	25,458	.42	172,614	2.81	6,003,620	97.61
11 under 12	20,251	.33	147,156	2.39	6,023,871	97.94
12 under 13	16,266	.26	126,905	2.06	6,040,137	98.20
13 under 14	13,235	.22	110,639	1.80	6,053,372	98.42
14 under 15	11,095	.17	97,404	1.58	6,064,467	98.59
15 under 20	34,247	.56	86,309	1.41	6,098,714	99.15
20 under 25	17,388	.29	52,062	.85	6,116,102	99.44
25 under 30	9,868	.16	34,674	.56	6,125,970	99.60
30 under 40	10,457	.17	24,806	.40	6,136,427	99.77
40 under 50	5,105	.08	14,349	.23	6,141,532	99.85
50 under 60	2,809	.04	9,244	.15	6,144,341	99.89
60 under 70	1,697	.03	6,435	.11	6,146,038	99.92
70 under 80	1,112	.02	4,738	.08	6,147,150	99.94
80 under 90	800	.01	3,626	.06	6,147,950	99.95
90 under 100	526	.01	2,826	.05	6,148,476	99.96
100 under 150	1,249	.02	2,300	.04	6,149,725	99.98
150 under 200	395	.01	1,051	.02	6,150,120	99.99
200 under 250	219	(7)	656	.01	6,150,339	99.99
250 under 300	103	(7)	437	.01	6,150,442	99.99
300 under 400	124	(7)	334	.01	6,150,566	99.99
400 under 500	58	(7)	210	(7)	6,150,624	99.99
500 under 750	71	(7)	152	(7)	6,150,695	99.99
750 under 1,000	31	(7)	81	(7)	6,150,726	99.99
1,000 under 1,500	27	(7)	50	(7)	6,150,753	99.99
1,500 under 2,000	14	(7)	23	(7)	6,150,767	99.99
2,000 under 3,000	4	(7)	9	(7)	6,150,771	99.99
3,000 under 4,000	1	(7)	5	(7)	6,150,772	99.99
4,000 under 5,000	1	(7)	4	(7)	6,150,773	99.99
5,000 and over	3	(7)	3	(7)	6,150,776	100.00
Total, individual returns with net income	6,150,776	100.00				
Individual returns with no net income ²	100,233	(7)				
Grand total	6,251,009	(7)				

For footnotes, see p. 107.

TABLE 3-A.—Individual returns¹ with net income (excluding fiduciary returns), 1938, by net income classes: simple and cumulative distribution of number of returns, net income and tax, and percentages; also aggregate for individual returns with no net income (excluding fiduciary returns), 1938—Continued

[Net income classes and money figures in thousands of dollars]

Net income classes (1)	Net income					
	Simple distribution		Cumulative distribution from highest income class		Cumulative distribution from lowest income class	
	Amount (8)	Percent of total (9)	Amount (10)	Percent of total (11)	Amount (12)	Percent of total (13)
Returns with net income:						
Under 1 (est.)	250,739	1.38	18,660,929	100.00	250,739	1.38
1 under 2 (est.)	3,414,877	18.30	18,410,190	98.62	3,665,616	19.68
2 under 2.5 (est.)	1,515,778	8.12	14,995,313	80.32	5,181,394	27.80
2.5 under 3 (est.)	2,563,290	13.74	13,479,535	72.20	7,744,684	41.54
3 under 4 (est.)	2,896,579	15.52	10,916,245	58.46	10,641,264	57.06
4 under 5 (est.)	1,402,022	7.51	8,019,666	42.94	12,043,786	64.57
5 under 6	893,317	4.70	6,617,644	35.43	12,936,603	69.36
6 under 7	657,877	3.52	5,724,326	30.64	13,594,480	72.88
7 under 8	492,288	2.64	5,066,449	27.12	14,086,768	75.52
8 under 9	386,389	2.07	4,574,161	24.48	14,473,157	77.59
9 under 10	321,551	1.72	4,187,772	22.41	14,794,708	79.31
10 under 11	266,762	1.43	3,866,221	20.69	15,061,470	80.74
11 under 12	232,507	1.24	3,599,460	19.26	15,293,977	81.98
12 under 13	202,986	1.09	3,366,952	18.02	15,496,963	83.07
13 under 14	178,535	.96	3,163,966	16.93	15,675,498	84.03
14 under 15	160,702	.86	2,985,431	15.97	15,836,200	84.89
15 under 20	588,056	3.15	2,824,729	15.11	16,424,257	88.04
20 under 25	386,936	2.07	2,236,673	11.96	16,811,193	90.11
25 under 30	269,468	1.44	1,849,736	9.89	17,080,661	91.55
30 under 40	358,599	1.92	1,580,269	8.45	17,439,259	93.47
40 under 50	227,371	1.22	1,221,670	6.53	17,666,630	94.69
50 under 60	153,282	.82	994,299	5.31	17,819,912	95.51
60 under 70	109,588	.59	841,017	4.49	17,920,501	96.10
70 under 80	83,032	.44	731,429	3.90	18,012,533	96.54
80 under 90	67,747	.36	648,396	3.46	18,080,280	96.90
90 under 100	49,853	.27	580,649	3.10	18,130,133	97.17
100 under 150	149,052	.80	530,796	2.83	18,279,185	97.97
150 under 200	68,056	.36	381,744	2.03	18,347,241	98.33
200 under 250	48,536	.26	313,688	1.67	18,395,777	98.59
250 under 300	27,862	.15	265,152	1.41	18,423,639	98.74
300 under 400	42,958	.23	237,290	1.26	18,466,597	98.97
400 under 500	26,074	.14	194,332	1.03	18,492,671	99.11
500 under 750	43,412	.23	168,259	.89	18,536,261	99.34
750 under 1,000	27,178	.14	124,846	.66	18,563,083	99.48
1,000 under 1,500	33,592	.18	97,609	.52	18,596,853	99.66
1,500 under 2,000	24,190	.13	64,076	.34	18,621,043	99.79
2,000 under 3,000	10,285	.05	39,886	.21	18,631,327	99.84
3,000 under 4,000	3,525	.02	29,002	.16	18,634,852	99.86
4,000 under 5,000	4,273	.02	26,077	.14	18,639,126	99.88
5,000 and over	21,804	.12	21,804	.12	18,660,929	100.00
Total, individual returns with net income	18,660,929	100.00				
Individual returns with no net income ²	354,156	(*)				

For footnotes, see p. 107.

TABLE 3-A.—Individual returns¹ with net income (excluding fiduciary returns), 1938, by net income classes: simple and cumulative distribution of number of returns, net income and tax, and percentages; also aggregate for individual returns with no net income (excluding fiduciary returns), 1938—Continued

[Net income classes and money figures in thousands of dollars]

Net income classes (1)	Total tax					
	Simple distribution		Cumulative distribution from highest income class		Cumulative distribution from lowest income class	
	Amount (14)	Percent of total (15)	Amount (16)	Percent of total (17)	Amount (18)	Percent of total (19)
Returns with net income:						
Under 1 (est.)	445	.06	726,120	100.00	445	0.06
1 under 2 (est.)	14,835	2.05	725,675	99.94	15,280	2.11
2 under 2.5 (est.)	7,586	1.05	710,840	97.89	22,865	3.16
2.5 under 3 (est.)	5,828	.80	703,254	96.84	28,694	3.96
3 under 4 (est.)	15,746	2.17	697,425	96.04	44,440	6.13
4 under 5 (est.)	17,510	2.41	681,679	93.87	61,951	8.54
5 under 6	15,837	2.18	664,169	91.46	77,788	10.72
6 under 7	14,590	2.01	648,332	89.28	92,378	12.73
7 under 8	13,668	1.88	633,742	87.27	106,046	14.61
8 under 9	13,174	1.82	620,074	85.39	119,220	16.43
9 under 10	12,723	1.75	606,900	83.57	131,942	18.18
10 under 11	11,862	1.63	594,177	81.82	143,804	19.81
11 under 12	11,406	1.57	582,315	80.19	155,210	21.38
12 under 13	10,762	1.48	570,009	78.62	165,972	22.86
13 under 14	10,218	1.41	560,147	77.14	176,190	24.27
14 under 15	9,751	1.34	549,920	75.73	185,941	25.61
15 under 20	41,681	5.74	540,178	74.39	227,622	31.35
20 under 25	34,756	4.70	498,498	68.65	262,378	36.14
25 under 30	20,689	4.09	463,741	63.86	292,068	40.23
30 under 40	48,454	6.67	434,052	59.77	340,522	46.90
40 under 50	37,773	5.20	385,598	53.10	378,294	52.10
50 under 60	30,285	4.17	347,825	47.90	408,570	56.27
60 under 70	25,024	3.45	317,540	43.73	433,603	59.72
70 under 80	21,310	2.94	292,516	40.28	454,914	62.60
80 under 90	19,422	2.65	271,206	37.34	474,336	65.31
90 under 100	15,664	2.16	251,784	34.69	490,000	67.47
100 under 150	54,872	7.56	236,120	32.53	544,873	75.03
150 under 200	29,122	4.01	181,247	24.97	573,994	79.04
200 under 250	22,720	3.13	152,126	20.96	596,714	82.17
250 under 300	13,400	1.85	129,405	17.83	610,114	84.02
300 under 400	21,806	3.00	116,006	15.98	631,920	87.02
400 under 500	13,120	1.81	94,200	12.98	645,040	88.83
500 under 750	23,309	3.21	81,080	11.17	665,349	92.04
750 under 1,000	14,343	1.98	57,771	7.96	682,692	94.02
1,000 under 1,500	15,958	2.20	43,428	5.98	698,650	96.22
1,500 under 2,000	12,406	1.71	27,470	3.78	711,056	97.93
2,000 under 3,000	4,231	.58	15,064	2.07	716,287	98.51
3,000 under 4,000	2,562	.35	10,833	1.49	717,849	98.86
4,000 under 5,000	1,607	.22	8,271	1.14	719,456	99.08
5,000 and over	6,664	.92	6,664	.92	726,120	100.00
Total, individual returns with net income	726,120	100.00				
Individual returns with no net income (taxable) ²	615	(*)				
Grand total	726,735	(*)				

¹ Unlike basic table 3 in Statistics of Income for 1937, Part 1 (119-121), this table excludes taxable fiduciary returns with net income, Form 1041, and taxable and nontaxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041 (see table 10, pp. 171-179). Data for individual returns with no net income are included in this table for the first time.

² Includes returns with zero net income (total income equals total deductions).

³ Reported on 26 returns with net long-term capital loss on which the tax, computed on net income before the deduction of net long-term capital loss, exceeds 30 percent of the net long-term capital loss.

⁴ Less than one-hundredth of 1 percent.

⁵ Deficit.

⁶ Percentage not computed.

TABLE 4.—Individual returns ¹ with net income (excluding fiduciary returns), 1938, by States and Territories and by sex and family relationship: number of returns and net income

[Money figures in thousands of dollars]

[For text defining certain items and describing methods of tabulating and estimating data, see pp. 1-6 and 14-15]

States and Territories	Total		Joint returns of husbands, wives, and dependent children, and returns of either husband or wife when no other return is filed	
	Number of returns	Net income	Number of returns	Net income
(1)	(2)	(3)	(4)	(5)
Alabama.....	39,010	115,142	21,073	73,957
Arizona.....	20,447	56,359	9,849	28,276
Arkansas.....	19,627	63,019	12,368	42,283
California.....	523,696	1,569,974	213,009	653,590
Colorado.....	41,701	128,563	21,059	72,460
Connecticut.....	130,880	403,409	48,673	185,183
Delaware.....	16,557	81,038	7,482	31,245
District of Columbia.....	113,425	319,469	41,170	156,254
Florida.....	55,940	215,232	30,835	116,069
Georgia.....	58,003	193,294	31,947	118,409
Hawaii.....	18,893	61,978	8,783	33,243
Idaho.....	13,223	34,180	5,887	17,364
Illinois.....	493,482	1,601,814	228,240	889,055
Indiana.....	121,539	342,298	59,335	203,642
Iowa.....	74,900	189,057	39,750	119,705
Kansas.....	51,730	132,992	29,450	86,142
Kentucky.....	53,453	158,724	24,529	87,700
Louisiana.....	59,019	191,541	25,054	78,462
Maine.....	26,676	97,189	12,051	42,392
Maryland.....	134,637	420,583	64,307	240,667
Massachusetts.....	297,680	853,712	115,838	412,942
Michigan.....	273,678	798,203	132,080	464,167
Minnesota.....	107,238	295,419	50,283	167,338
Mississippi.....	19,823	57,552	11,494	37,795
Missouri.....	143,662	442,325	69,004	246,339
Montana.....	27,976	71,630	13,035	43,262
Nebraska.....	39,209	110,679	21,527	71,879
Nevada.....	8,969	27,989	3,878	12,226
New Hampshire.....	20,936	59,102	3,982	30,935
New Jersey.....	301,186	916,935	139,331	517,557
New Mexico.....	13,690	39,211	6,823	19,847
New York.....	1,052,402	3,372,618	485,084	1,772,833
North Carolina.....	50,224	162,122	26,727	95,440
North Dakota.....	11,418	27,331	6,573	18,443
Ohio.....	343,532	1,000,585	160,061	573,590
Oklahoma.....	55,762	168,181	32,542	105,829
Oregon.....	53,584	134,810	24,931	80,358
Pennsylvania.....	499,885	1,544,736	261,722	901,324
Rhode Island.....	40,758	120,063	16,418	60,090
South Carolina.....	24,000	66,594	12,890	42,768
South Dakota.....	11,757	27,951	6,402	18,234
Tennessee.....	57,861	183,788	29,758	111,600
Texas.....	205,254	683,096	99,248	300,582
Utah.....	19,177	52,717	10,702	33,869
Vermont.....	13,563	36,258	5,643	19,736
Virginia.....	72,217	227,144	36,731	134,931
Washington.....	106,472	275,061	43,425	128,440
West Virginia.....	53,744	145,922	25,557	84,894
Wisconsin.....	146,565	351,739	68,191	198,108
Wyoming.....	11,716	31,400	6,095	19,871
Total, individual returns with net income.....	6,150,776	18,660,929	2,866,026	10,001,384

For footnotes, see p. 110.

TABLE 4.—Individual returns ¹ with net income (excluding fiduciary returns), 1938, by States and Territories and by sex and family relationship: number of returns and net income—Continued

[Money figures in thousands of dollars]

States and Territories	Separate returns of husbands and wives				Heads of families			
	Men ²		Women ²		Single men and married men not living with wives		Single women and married women not living with husbands	
	Number of returns	Net income	Number of returns	Net income	Number of returns	Net income	Number of returns	Net income
(1)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Alabama.....	731	7,658	805	3,146	2,020	5,613	959	2,146
Arizona.....	894	3,106	915	2,975	1,044	2,377	404	1,088
Arkansas.....	361	3,687	406	1,790	1,294	4,213	522	1,245
California.....	16,970	69,197	17,332	67,482	26,344	66,019	18,670	44,115
Colorado.....	950	11,181	928	4,962	3,237	8,739	1,162	2,729
Connecticut.....	3,419	45,839	3,646	21,238	10,028	24,009	5,075	12,370
Delaware.....	654	23,370	715	6,955	814	2,961	601	1,710
District of Columbia.....	2,329	19,944	2,675	9,579	4,210	13,687	6,281	13,777
Florida.....	2,125	26,436	2,142	14,316	3,256	10,587	1,885	5,763
Georgia.....	1,415	16,469	1,334	7,099	3,468	10,239	1,963	4,628
Hawaii.....	491	6,699	526	2,319	1,280	3,064	409	1,372
Idaho.....	645	1,935	657	1,900	586	1,225	2,230	3,372
Illinois.....	10,575	151,472	9,971	49,747	37,076	101,734	18,039	39,212
Indiana.....	1,989	24,400	1,975	9,279	8,763	23,009	2,952	5,979
Iowa.....	1,292	10,552	1,154	4,247	4,747	10,853	1,790	3,310
Kansas.....	1,024	8,715	983	3,401	2,735	6,271	1,264	2,479
Kentucky.....	1,320	13,287	1,375	4,861	4,670	11,620	2,469	5,516
Louisiana.....	3,308	10,960	3,315	11,054	4,010	9,815	2,537	5,217
Maine.....	674	23,712	657	2,865	1,938	4,771	751	2,092
Maryland.....	3,111	33,326	3,240	14,782	7,262	22,501	4,355	10,701
Massachusetts.....	8,503	83,693	8,680	31,998	21,749	54,557	11,735	23,820
Michigan.....	4,708	62,880	4,535	21,958	15,628	41,487	6,053	13,150
Minnesota.....	2,177	26,331	1,889	8,591	7,262	18,598	3,014	6,228
Mississippi.....	434	3,714	491	1,760	1,345	3,671	572	1,209
Missouri.....	3,187	45,096	2,880	15,350	10,913	27,635	6,059	12,194
Montana.....	278	2,391	273	934	2,187	4,761	878	1,553
Nebraska.....	661	6,338	670	2,275	2,040	5,414	1,071	2,116
Nevada.....	287	2,359	292	1,252	298	773	149	456
New Hampshire.....	536	5,053	557	2,206	1,386	3,314	623	1,409
New Jersey.....	6,434	77,527	7,047	33,879	25,019	63,500	12,443	26,964
New Mexico.....	659	2,046	633	1,801	632	1,588	331	816
New York.....	26,645	372,490	27,310	147,357	72,105	198,861	43,191	102,708
North Carolina.....	1,466	18,920	1,527	7,082	2,971	9,445	1,335	3,486
North Dakota.....	148	899	164	432	711	1,792	272	523
Ohio.....	6,413	85,785	6,162	31,873	22,130	56,818	10,022	21,164
Oklahoma.....	1,599	15,741	1,761	7,344	2,988	8,345	1,957	4,171
Oregon.....	828	7,112	781	2,779	3,185	7,244	1,607	2,845
Pennsylvania.....	9,788	125,999	9,248	48,070	32,658	85,736	13,872	33,200
Rhode Island.....	877	10,297	867	4,954	3,676	8,843	1,733	3,853
South Carolina.....	528	4,088	550	1,353	1,790	4,817	732	1,591
South Dakota.....	162	1,125	137	379	781	1,697	251	447
Tennessee.....	1,092	14,568	1,102	4,951	3,755	10,798	1,720	3,775
Texas.....	10,389	31,736	10,770	32,631	7,701	20,818	5,623	14,533
Utah.....	378	3,429	344	1,350	1,534	3,776	525	1,234
Vermont.....	225	1,919	237	1,123	1,145	2,470	608	1,157
Virginia.....	1,440	16,083	1,315	7,342	5,046	13,095	2,702	5,855
Washington.....	4,276	15,328	4,272	14,385	4,291	9,399	2,557	5,070
West Virginia.....	905	9,334	855	3,310	4,138	9,237	1,247	2,705
Wisconsin.....	3,170	28,327	2,881	9,089	6,514	15,691	2,789	5,396
Wyoming.....	184	1,384	172	623	733	1,985	184	529
Total, individual returns with net income.....	152,654	1,593,939	153,143	693,027	395,073	1,040,372	210,143	472,994

For footnotes, see p. 110.

TABLE 4.—Individual returns¹ with net income (excluding fiduciary returns), 1938, by States and Territories and by sex and family relationship: number of returns and net income—Continued

[Money figures in thousands of dollars]						
States and Territories	Not heads of families				Community property returns ¹	
	Single men and married men not living with wives		Single women and married women not living with husbands			
	Number of returns	Net income	Number of returns	Net income	Number of returns	Net income
(1)	(14)	(15)	(16)	(17)	(18)	(19)
Alabama.....	8,337	14,105	5,085	8,517		
Arizona.....	4,740	8,432	1,888	3,314	713	6,832
Arkansas.....	2,699	5,934	1,977	3,826		
California.....	130,192	244,799	78,320	149,443	22,859	274,429
Colorado.....	9,180	16,480	5,185	12,010		
Connecticut.....	35,867	64,445	24,172	50,325		
Delaware.....	3,457	8,207	2,834	6,592		
District of Columbia.....	22,626	44,745	34,134	61,484		
Florida.....	8,886	20,030	6,811	22,031		
Georgia.....	10,315	21,668	7,561	14,781		
Hawaii.....	5,377	9,599	2,047	5,676		
Idaho.....	2,168	3,739	639	1,156	411	3,489
Illinois.....	118,689	237,274	70,892	133,319		
Indiana.....	32,313	52,005	14,212	23,983		
Iowa.....	16,596	25,753	9,601	14,638		
Kansas.....	9,849	15,995	6,425	9,990		
Kentucky.....	11,869	22,238	7,221	13,442		
Louisiana.....	10,557	20,986	6,462	11,911	3,776	43,137
Maine.....	5,902	11,137	4,703	10,221		
Maryland.....	33,118	60,612	19,244	37,994		
Massachusetts.....	68,218	126,752	62,857	119,940		
Michigan.....	74,031	134,074	35,743	60,488		
Minnesota.....	26,754	43,323	15,859	25,010		
Mississippi.....	3,255	5,693	2,232	3,710		
Missouri.....	31,277	58,238	20,342	37,674		
Montana.....	8,374	14,172	2,951	4,556		
Nebraska.....	7,393	13,508	5,847	9,150		
Nevada.....	3,071	5,825	655	1,388	339	3,712
Nw Hampshire.....	4,969	8,328	3,883	7,855		
New Jersey.....	66,264	116,531	44,648	80,976		
New Mexico.....	2,643	5,055	1,361	2,588	608	5,472
New York.....	220,424	426,063	177,643	352,306		
North Carolina.....	8,906	15,637	7,292	12,113		
North Dakota.....	2,292	3,489	1,258	1,753		
Ohio.....	88,982	146,151	49,772	85,204		
Oklahoma.....	8,385	16,207	6,530	10,545		
Oregon.....	15,570	24,051	6,682	10,421		
Pennsylvania.....	110,034	216,539	62,563	133,269		
Rhode Island.....	10,048	17,439	7,139	14,587		
South Carolina.....	4,501	7,395	3,009	4,583		
South Dakota.....	2,565	3,923	1,459	2,145		
Tennessee.....	12,478	24,554	7,956	13,542		
Texas.....	37,436	77,806	20,712	42,015	13,375	162,973
Utah.....	3,983	6,160	1,711	2,900		
Vermont.....	3,330	5,518	2,375	4,334		
Virginia.....	16,080	32,825	8,903	17,013		
Washington ⁴	32,225	52,068	12,090	19,596	3,336	30,775
West Virginia.....	15,858	26,940	5,084	9,503		
Wisconsin.....	41,770	62,955	21,250	32,171		
Wyoming.....	3,632	5,800	716	1,208		
Total, individual returns with net income.....	1,418,385	2,611,197	909,935	1,717,196	45,417	530,819

¹ Unlike basic table 4 in Statistics of Income for 1937, Part 1 (pp. 122-124), excludes taxable fiduciary returns with net income, Form 1041, and taxable and nontaxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041. Data for individual returns with no net income are not classified by sex and family relationship.

² An unequal number of separate returns for husbands and wives results from (1) the use of the sample method on returns with net income under \$5,000 as the net income of one spouse may be \$5,000 or over and that of the other spouse under \$5,000 (see description of sample, pp. 14-15) and (2) certain cases in which incomplete or inaccurate answers to questions 4 and 5 on p. 4, Form 1040 and on the back of Form 1040A, make it impossible to identify the returns as separate returns.

³ See text, p. 20.

⁴ Includes Alaska.

TABLE 5.—Individual returns¹ with net income (excluding fiduciary returns), 1938, by net income² classes and by sex and family relationship: number of returns, net income, personal exemption, and credit for dependents

[Net income classes and money figures in thousands of dollars]								
[For text defining certain items and describing methods of tabulating and estimating data, see pp. 1-6 and 14-15]								
Net income classes	Total				Joint returns of husbands, wives, and dependent children and returns of either husband or wife when no other return is filed			
	Number of returns	Net income	Personal exemption	Credit for dependents	Number of returns	Net income	Personal exemption	Credit for dependents
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Under 1 (est.)	339,369	236,843	510,499	33,986	95,417	57,445	233,864	24,210
Under 1 (est.)	27,222	13,896	986	160	125	75	42	11
1 under 2 (est.)	1,241,979	1,686,273	2,209,848	241,953	337,227	526,194	810,732	80,191
1 under 2 (est.)	1,181,299	1,728,604	1,168,192	15,199	7,106	11,940	9,155	111
2 under 2.5 (est.)	466,146	1,060,877	1,153,779	121,464	366,947	840,293	911,900	93,647
2 under 2.5 (est.)	205,450	454,901	208,367	10,594	6,918	15,660	11,428	196
2.5 under 3 (est.)	732,327	1,986,297	1,829,237	310,587	676,904	1,836,229	1,691,808	286,626
2.5 under 3 (est.)	205,960	576,993	366,302	7,015	103,937	298,308	255,328	577
3 under 4 (est.)	356,083	1,172,918	890,340	309,026	333,608	1,099,248	834,790	290,836
3 under 4 (est.)	495,613	1,723,661	1,084,897	82,520	363,870	1,267,514	905,838	66,826
4 under 5 (est.)	18,542	79,075	46,322	30,160	17,300	73,742	43,359	28,393
4 under 5 (est.)	297,241	1,322,947	659,492	107,173	217,645	967,752	542,692	91,358
5 under 6	666	3,554	1,553	1,559	571	3,040	1,437	1,407
5 under 6	162,978	889,764	358,339	73,398	113,534	619,392	283,016	61,987
6 under 7	101,823	657,877	226,026	45,160	67,287	434,409	170,766	36,831
7 under 8	65,960	492,288	142,485	29,974	40,556	302,494	101,119	23,458
8 under 9	45,575	336,389	97,523	20,300	26,307	222,954	65,551	15,232
9 under 10	33,929	321,551	72,013	14,781	18,755	177,636	46,707	10,729
10 under 11	25,458	266,762	53,932	10,888	13,604	142,490	33,892	7,687
11 under 12	20,251	232,507	42,393	8,666	10,215	117,220	25,443	5,872
12 under 13	16,266	202,986	34,109	7,031	7,852	97,936	19,542	4,592
13 under 14	13,235	178,535	27,749	5,672	6,326	85,324	15,769	3,702
14 under 15	11,095	160,702	23,232	4,763	5,111	74,026	12,727	2,964
15 under 20	34,247	588,056	71,267	14,625	14,286	244,461	35,000	8,419
20 under 25	17,388	386,936	35,771	7,158	6,228	138,228	15,525	3,581
25 under 30	9,868	269,468	20,130	4,101	3,087	84,162	7,683	1,861
30 under 40	10,457	358,599	21,208	4,211	2,742	93,426	6,810	1,613
40 under 50	5,105	227,371	10,266	2,018	1,159	51,423	2,877	663
50 under 60	2,809	153,282	5,648	1,113	551	29,978	1,366	349
60 under 70	1,697	109,588	3,400	692	276	17,783	682	146
70 under 80	1,112	83,032	2,233	431	195	14,605	481	114
80 under 90	800	67,747	1,597	307	111	9,416	271	65
90 under 100	526	49,853	1,012	186	59	5,573	146	24
100 under 150	1,249	149,052	2,460	423	141	16,588	345	84
150 under 200	395	68,056	782	123	24	4,143	60	12
200 under 250	219	48,536	424	68	19	4,211	48	11
250 under 300	103	27,862	212	38	7	1,938	17	8
300 under 400	124	42,958	242	28	8	2,880	18	2
400 under 500	58	26,074	114	16	1	431	2	
500 under 750	71	43,412	149	19	6	3,790	15	2
750 under 1,000	31	27,178	56	4	1	758	3	(5)
1,000 under 1,500	27	33,592	57	8				
1,500 under 2,000	14	24,190	32	3	2	3,439	5	1
2,000 under 3,000	4	10,285	10	(5)	1	2,820	3	
3,000 under 4,000	1	3,525	1					
4,000 under 5,000	1	4,273	1					
5,000 and over	3	21,804	6	1				
Nontaxable returns	3,155,112	6,225,837	6,641,677	1,048,735	1,827,974	4,436,192	4,527,889	805,310
Taxable returns	2,995,664	12,435,092	4,743,112	478,858	1,039,052	5,565,193	2,570,969	349,088
Total, individual returns with net income	6,150,776	18,660,929	11,384,789	1,527,594	2,866,026	10,001,384	7,098,858	1,154,398

For footnotes, see p. 115.

TABLE 5.—Individual returns ¹ with net income (excluding fiduciary returns), 1938, by net income classes and by sex and family relationship: number of returns, net income, personal exemption, and credit for dependents—Continued

[Net income classes and money figures in thousands of dollars]

Net income classes	Separate returns of husbands and wives							
	Men ²				Women ²			
	Number of returns	Net income	Personal exemption	Credit for dependents	Number of returns	Net income	Personal exemption	Credit for dependents
(1)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Under 1 (est.) ⁴	5,832	3,357	6,647	736	8,728	5,021	8,477	475
Under 1 (est.) ⁴	2,308	1,271	142	35	24,200	12,136	8,637	108
1 under 2 (est.) ⁴	9,471	13,595	14,162	1,868	10,852	14,637	14,942	1,395
1 under 2 (est.) ⁴	8,704	14,162	7,468	552	25,085	37,810	10,147	554
2 under 2.5 (est.) ⁴	2,520	5,620	5,238	847	1,207	2,659	2,468	253
2 under 2.5 (est.) ⁴	7,371	16,629	8,077	1,045	11,223	25,132	7,178	524
2.5 under 3 (est.) ⁴	1,449	3,030	3,379	592	660	1,784	1,517	211
2.5 under 3 (est.) ⁴	7,621	21,014	9,015	1,654	9,975	27,395	7,695	622
3 under 4 (est.) ⁴	804	2,660	1,916	664	273	913	636	214
3 under 4 (est.) ⁴	18,649	65,590	25,852	4,361	19,170	67,202	18,442	1,442
4 under 5 (est.) ⁴	96	416	219	140	37	157	86	26
4 under 5 (est.) ⁴	17,431	78,097	25,956	5,491	15,508	69,231	17,534	1,669
5 under 6 ⁴	13	71	27	20	10	55	23	6
5 under 6 ⁴	7,786	42,755	15,611	2,383	4,735	25,877	4,564	506
6 under 7 ⁴	7,213	46,817	15,684	2,471	3,384	21,897	3,580	449
6 under 7 ⁴	6,222	46,635	13,879	2,292	2,663	19,908	2,850	394
7 under 8 ⁴	5,220	44,305	11,802	2,067	2,082	17,657	2,394	317
8 under 9 ⁴	4,401	41,758	9,972	1,844	1,657	15,702	1,913	251
9 under 10 ⁴	3,694	38,749	8,474	1,524	1,302	13,658	1,516	224
10 under 11 ⁴	3,203	36,793	7,359	1,340	1,143	13,138	1,370	173
11 under 12 ⁴	2,923	36,484	6,735	1,280	911	11,373	1,090	164
12 under 13 ⁴	2,376	32,045	5,501	1,028	843	11,388	1,108	143
13 under 14 ⁴	2,211	32,025	5,160	957	644	9,341	768	136
14 under 15 ⁴	7,906	137,464	18,659	3,664	2,311	39,726	3,077	410
15 under 20 ⁴	4,783	106,915	11,318	2,185	1,321	29,340	1,775	281
20 under 25 ⁴	3,021	82,505	7,173	1,387	798	21,886	1,146	174
25 under 30 ⁴	3,616	124,457	8,659	1,672	932	32,171	1,332	214
30 under 40 ⁴	1,887	84,304	4,512	869	478	21,223	656	100
40 under 50 ⁴	1,109	60,568	2,671	488	260	14,175	384	63
50 under 60 ⁴	699	45,080	1,671	350	175	11,356	257	42
60 under 70 ⁴	457	34,159	1,090	197	123	9,149	186	34
70 under 80 ⁴	343	29,044	825	151	89	7,532	127	22
80 under 90 ⁴	226	21,399	534	97	63	5,989	87	17
90 under 100 ⁴	546	65,190	1,312	219	150	17,907	263	31
100 under 150 ⁴	189	32,308	456	75	62	9,011	101	12
150 under 200 ⁴	96	21,186	229	33	31	6,783	49	4
200 under 250 ⁴	50	13,506	124	24	11	2,949	21	2
250 under 300 ⁴	57	19,700	129	16	19	6,524	39	3
300 under 400 ⁴	27	12,293	66	10	8	3,628	18	3
400 under 500 ⁴	27	16,499	65	10	13	7,673	30	3
500 under 750 ⁴	9	7,795	23	7	2	7,701	18	2
750 under 1,000 ⁴	18	22,644	44	7	2	2,220	3	2
1,000 under 1,500 ⁴	6	10,373	15	4	4	6,933	10	3
1,500 under 2,000 ⁴	1	2,444	3	1	2	5,021	5	3
2,000 under 3,000 ⁴	1	3,525	1	1	1			
3,000 under 4,000 ⁴								
4,000 under 5,000 ⁴								
5,000 and over ⁴	2	15,906	6	1				
Nontaxable returns ⁴	20,185	29,648	31,580	4,866	21,767	25,225	28,149	2,579
Taxable returns	132,469	1,564,292	236,276	41,768	131,376	667,802	92,247	9,087
Total, individual returns with net income	152,654	1,593,939	267,857	46,635	153,143	693,027	120,396	11,666

For footnotes, see p. 115.

TABLE 5.—Individual returns ¹ with net income (excluding fiduciary returns), 1938, by net income classes and by sex and family relationship: number of returns, net income, personal exemption, and credit for dependents—Continued

[Net income classes and money figures in thousands of dollars]

Net income classes	Hheads of families							
	Single men and married men not living with wives				Single women and married women not living with husbands			
	Number of returns	Net income	Personal exemption	Credit for dependents	Number of returns	Net income	Personal exemption	Credit for dependents
(1)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
Under 1 (est.) ⁴	13,415	8,816	32,967	3,011	8,815	5,949	21,477	2,143
Under 1 (est.) ⁴	3	2	1	1	24	20	11	1
1 under 2 (est.) ⁴	186,874	283,005	461,874	41,921	138,058	201,979	341,459	29,521
1 under 2 (est.) ⁴	627	1,039	792	54	2,288	3,401	2,354	46
2 under 2.5 (est.) ⁴	67,667	150,817	168,465	18,084	24,430	54,084	60,878	6,101
2 under 2.5 (est.) ⁴	799	1,787	1,217	102	326	732	513	41
2.5 under 3 (est.) ⁴	42,203	114,231	105,882	18,526	10,451	28,311	26,099	4,137
2.5 under 3 (est.) ⁴	5,010	14,320	12,052	132	1,168	3,347	2,787	25
3 under 4 (est.) ⁴	17,079	55,942	42,060	14,270	3,947	12,874	9,860	2,829
3 under 4 (est.) ⁴	20,680	72,490	51,212	4,734	6,184	21,792	15,275	1,524
4 under 5 (est.) ⁴	864	3,691	2,149	1,396	182	793	456	202
4 under 5 (est.) ⁴	13,305	59,316	33,063	5,610	4,240	18,943	10,582	1,507
5 under 6 ⁴	41	220	103	104	21	114	52	19
5 under 6 ⁴	7,650	41,766	19,004	3,689	2,436	13,301	6,005	1,000
6 under 7 ⁴	4,872	31,486	12,113	2,314	1,650	10,666	4,070	640
6 under 7 ⁴	3,137	23,394	7,701	1,559	1,160	8,665	2,873	464
8 under 9 ⁴	2,184	18,534	5,435	1,046	303	7,077	2,057	336
9 under 10 ⁴	1,587	15,040	3,947	768	618	5,864	1,533	228
10 under 11 ⁴	1,178	12,339	2,932	525	467	4,884	1,159	198
11 under 12 ⁴	869	9,982	2,154	429	388	4,453	962	175
12 under 13 ⁴	745	9,303	1,852	363	328	4,090	812	130
13 under 14 ⁴	573	7,720	1,429	282	244	3,298	609	99
14 under 15 ⁴	493	7,133	1,221	247	227	3,284	563	105
15 under 20 ⁴	1,390	23,736	3,443	660	660	11,288	1,028	291
20 under 25 ⁴	637	14,190	1,585	324	335	7,431	829	142
25 under 30 ⁴	339	9,251	843	178	194	5,290	483	97
30 under 40 ⁴	365	12,505	908	196	196	6,700	488	83
40 under 50 ⁴	173	7,756	430	90	97	4,319	242	47
50 under 60 ⁴	96	5,276	239	48	55	2,998	134	27
60 under 70 ⁴	69	4,425	172	38	33	2,133	83	28
70 under 80 ⁴	37	2,770	92	15	15	1,111	37	8
80 under 90 ⁴	35	2,945	88	17	14	1,200	35	6
90 under 100 ⁴	13	1,225	33	6	12	1,145	30	10
100 under 150 ⁴	30	3,575	75	17	25	3,010	63	11
150 under 200 ⁴	10	1,691	25	6	8	1,458	20	3
200 under 250 ⁴	8	1,717	20	4	4	888	10	4
250 under 300 ⁴	5	1,383	13	1	2	512	5	(⁵)
300 under 400 ⁴	6	2,018	15	2	1	363	3	(⁵)
400 under 500 ⁴	1	465	3	(⁵)	1	470	3	
500 under 750 ⁴	3	1,864	8	2	4	2,612	10	1
750 under 1,000 ⁴					1	975	3	1
1,000 under 1,500 ⁴	1	1,153	3		1	1,171	3	
1,500 under 2,000 ⁴								
2,000 under 3,000 ⁴								
3,000 under 4,000 ⁴								
4,000 under 5,000 ⁴								
5,000 and over ⁴								
Nontaxable returns ⁴	328,143	616,723	813,599	97,311	185,904	304,104	460,281	44,953
Taxable returns	66,930	423,648	164,211	23,368	24,239	168,890	56,272	7,276
Total, individual returns with net income	395,073	1,040,372	977,810	120,679	210,143	472,994	516,553	52,229

For footnotes, see p. 115.

TABLE 5.—Individual returns ¹ with net income (excluding fiduciary returns), 1938, by net income classes and by sex and family relationship: number of returns, net income, personal exemption, and credit for dependents—Continued

[Net income classes and money figures in thousands of dollars]

Net income classes (1)	Not heads of families							
	Single men and married men not living with wives				Single women and married women not living with husbands			
	Number of returns (26)	Net income (27)	Personal exemption (28)	Credit for dependents (29)	Number of returns (30)	Net income (31)	Personal exemption (32)	Credit for dependents (33)
Under 1 (est.) ⁴	115,072	85,428	115,101	2,001	92,090	70,827	91,965	1,411
Under 1 (est.)	200	152	110	1	362	240	143	4
1 under 2 (est.) ⁴	311,395	363,429	316,282	51,921	248,102	283,432	250,397	35,136
1 under 2 (est.)	716,489	1,052,681	717,232	9,279	421,000	607,521	421,045	4,603
2 under 2.5 (est.) ⁴	2,674	5,855	3,827	2,172	701	1,548	1,003	361
2 under 2.5 (est.)	123,611	272,748	124,677	6,099	55,202	122,213	55,376	1,987
2.5 under 3 (est.) ⁴	436	1,191	735	349	224	621	316	146
2.5 under 3 (est.)	51,968	141,059	52,960	3,165	26,281	71,550	26,465	839
3 under 4 (est.) ⁴	188	649	286	187	184	632	192	25
3 under 4 (est.)	42,857	146,168	43,895	2,861	24,203	82,935	24,383	773
4 under 5 (est.) ⁴	29	131	30	2	34	146	33	1
4 under 5 (est.)	17,666	78,595	18,085	1,203	11,446	51,012	11,581	425
5 under 6 ⁴	3	17	3	(⁵)	6	31	6	3
5 under 6	9,002	49,161	9,215	671	6,519	35,674	6,573	312
6 under 7	5,678	36,694	5,798	382	4,346	28,126	4,391	169
7 under 8	3,882	28,993	3,982	264	3,037	22,704	3,074	119
8 under 9	2,753	23,311	2,810	202	2,444	20,732	2,465	111
9 under 10	2,243	21,305	2,302	189	1,890	17,990	1,920	82
10 under 11	1,689	17,705	1,719	131	1,403	15,640	1,508	52
11 under 12	1,354	15,557	1,384	109	1,244	14,289	1,256	50
12 under 13	1,098	13,707	1,126	79	987	12,335	995	53
13 under 14	865	11,671	882	57	851	11,476	860	44
14 under 15	779	11,278	796	50	691	10,009	693	35
15 under 20	2,424	41,709	2,466	184	2,375	40,834	2,399	160
20 under 25	1,245	27,715	1,276	96	1,293	28,724	1,312	71
25 under 30	766	20,973	781	78	766	20,886	770	58
30 under 40	796	27,258	807	69	867	29,752	871	79
40 under 50	395	17,601	403	38	425	18,942	426	33
50 under 60	240	13,196	241	20	261	14,239	263	22
60 under 70	140	9,062	145	20	135	8,736	136	6
70 under 80	85	6,382	86	13	91	6,758	93	7
80 under 90	61	5,139	61	12	78	6,603	77	3
90 under 100	55	5,233	57	7	47	4,435	48	2
100 under 150	126	15,106	133	13	133	15,926	133	11
150 under 200	52	9,023	54	8	48	8,378	48	3
200 under 250	24	5,433	24	2	24	5,339	24	5
250 under 300	12	3,246	12	10	10	2,719	10	1
300 under 400	12	4,167	12	14	14	4,870	15	(⁹)
400 under 500	7	1,373	7	6	6	2,622	6	(⁹)
500 under 750	3	4,334	3	9	9	5,356	9	
750 under 1,000	6	5,518	6	1	5	4,431	5	
1,000 under 1,500	3	3,591	3					
1,500 under 2,000	1	1,758	1		1	1,686	1	
2,000 under 3,000								
3,000 under 4,000					1	4,273	1	
4,000 under 5,000								
5,000 and over	1	5,898	1					
Nontaxable returns ⁴	429,797	456,701	436,264	56,633	341,341	357,238	343,913	37,084
Taxable returns	988,588	2,154,496	993,451	25,861	568,594	1,359,959	569,374	10,118
Total, individual returns with net income	1,418,385	2,611,197	1,429,716	82,494	909,935	1,717,196	913,288	47,202

For footnotes, see p. 115.

TABLE 5.—Individual returns ¹ with net income (excluding fiduciary returns), 1938, by net income classes and by sex and family relationship: number of returns, net income, personal exemption, and credit for dependents—Continued.

[Net income classes and money figures in thousands of dollars]

Net income classes (1)	Community property returns ²			
	Number of returns (34)	Net income (35)	Personal exemption (36)	Credit for dependents (37)
Under 1 (est.) ⁴				
Under 1 (est.)				
1 under 2 (est.) ⁴				
1 under 2 (est.)				
2 under 2.5 (est.) ⁴				
2 under 2.5 (est.)				
2.5 under 3 (est.) ⁴				
2.5 under 3 (est.)				
3 under 4 (est.) ⁴				
3 under 4 (est.)				
4 under 5 (est.) ⁴				
4 under 5 (est.)				
5 under 6 ⁴				
5 under 6	1	6	2	
6 under 7	11,316	61,808	14,349	2,851
7 under 8	7,393	47,782	9,645	1,905
8 under 9	5,303	39,596	6,918	1,424
9 under 10	3,752	31,819	5,005	990
10 under 11	2,769	26,256	3,720	741
11 under 12	2,031	21,296	2,733	547
12 under 13	1,835	21,066	2,464	509
13 under 14	1,422	17,758	1,956	380
14 under 15	1,157	15,613	1,592	317
15 under 20	939	13,606	1,304	260
20 under 25	2,835	48,840	3,994	847
25 under 30	1,546	34,394	2,150	477
30 under 40	897	24,516	1,251	267
40 under 50	943	32,329	1,335	284
50 under 60	491	21,801	720	179
60 under 70	237	12,852	350	97
70 under 80	170	11,013	254	61
80 under 90	109	8,098	159	44
90 under 100	69	5,868	114	32
100 under 150	51	4,854	79	23
150 under 200	98	11,692	136	36
200 under 250	12	2,043	19	4
250 under 300	13	2,979	20	6
300 under 400	6	1,608	10	2
400 under 500	7	2,437	13	3
500 under 750	11	4,791	15	5
750 under 1,000	2	1,283	5	
1,000 under 1,500	2	2,815	3	
1,500 under 2,000				
2,000 under 3,000				
3,000 under 4,000				
4,000 under 5,000				
5,000 and over				
Nontaxable returns ⁴	1	6	2	
Taxable returns	45,416	530,813	60,313	12,292
Total, individual returns with net income	45,417	530,819	60,313	12,292

¹ Unlike basic table 5 in Statistics of Income for 1937, Part 1 (pp. 125-129), this table excludes taxable fiduciary returns with net income, Form 1041, and taxable and nontaxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041. Data for individual returns with no net income are not classified by sex and family relationship.

² An unequal number of separate returns for husbands and wives results from (1) the use of the sample method on returns with net income under \$5,000, as the net income of one spouse may be \$5,000 or over and that of the other spouse under \$5,000 (see discussion of sample, pp. 14-15) and (2) certain cases in which incomplete or inaccurate answers to questions 4 and 5 on p. 4, Form 1040 and on the back of Form 1040A, make it impossible to identify the returns as separate returns.

³ See text, p. 20.

⁴ Nontaxable returns. Exemptions from normal tax and surtax exceed net income. A negligible number of nontaxable returns in net income classes of \$6,000 and over is not tabulated separately.

⁵ Less than \$500.

TABLE 6.—Individual returns ¹ with net income and with no net income (excluding fiduciary returns), 1938, by States and Territories: amount for each specific source of income and deductions, and net income

[Thousands of dollars]

[For text defining certain items and describing methods of tabulating and estimating data, see pp. 1-6 and 14-15]

States and Territories	Sources of income							
	Salaries, wages, commissions, etc.		Dividends from domestic and foreign corporations ²		Taxable interest			
					Bank deposits, mortgages, corporation bonds ³		Partially tax-exempt Government bonds ⁴	
	Returns with net income	Returns with no net income	Returns with net income	Returns with no net income	Returns with net income	Returns with no net income	Returns with net income	Returns with no net income
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Alabama.....	82,467	371	7,711	177	3,630	130	173	56
Arizona.....	35,780	222	3,514	193	1,680	88	75	6
Arkansas.....	38,718	203	4,714	160	1,777	101	196	9
California.....	984,878	6,288	191,328	7,275	63,172	2,687	2,545	159
Colorado.....	70,817	323	19,064	560	6,643	222	541	35
Connecticut.....	274,390	1,497	75,769	3,800	18,334	703	791	50
Delaware.....	44,349	171	21,810	1,238	2,866	56	78	1
District of Columbia.....	256,675	391	21,445	409	12,166	166	598	17
Florida.....	111,293	994	40,300	1,505	11,487	540	800	42
Georgia.....	141,792	743	24,043	513	4,079	190	311	13
Hawaii.....	40,950	49	9,257	121	933	13	60	(15)
Idaho.....	21,466	139	1,891	30	976	34	13	3
Illinois.....	1,198,293	4,963	144,127	4,644	43,651	2,074	3,113	205
Indiana.....	251,720	987	30,143	544	8,190	182	1,128	39
Iowa.....	117,494	676	15,034	371	8,024	207	224	22
Kansas.....	82,640	557	9,779	304	4,625	176	285	21
Kentucky.....	110,409	449	18,968	610	4,651	113	636	14
Louisiana.....	125,246	669	19,767	394	6,372	330	570	17
Maine.....	47,728	347	12,850	426	7,292	152	307	17
Maryland.....	301,145	1,026	47,311	1,310	19,805	484	1,302	92
Massachusetts.....	611,978	3,116	117,943	7,695	47,660	2,028	1,748	127
Michigan.....	634,217	2,253	67,088	2,480	17,994	1,132	1,116	58
Minnesota.....	213,506	746	29,122	602	10,816	198	741	20
Mississippi.....	38,598	250	4,677	125	1,664	95	46	7
Missouri.....	319,326	1,632	55,157	1,409	16,832	555	1,352	75
Montana.....	53,685	144	3,890	52	1,559	44	80	6
Nebraska.....	76,239	372	8,821	213	3,937	106	163	17
Nevada.....	16,503	59	4,141	138	967	84	81	3
New Hampshire.....	35,386	212	10,443	479	3,610	117	138	6
New Jersey.....	699,468	2,863	96,372	3,712	46,694	1,715	1,418	54
New Mexico.....	22,892	132	2,209	147	1,243	54	35	19
New York.....	2,454,178	15,942	459,444	29,025	190,590	11,072	8,403	595
North Carolina.....	114,084	489	27,982	203	2,444	55	202	1
North Dakota.....	19,894	126	1,239	15	890	45	31	7
Ohio.....	754,243	2,947	104,405	2,957	23,599	553	3,936	115
Oklahoma.....	116,692	714	15,685	660	4,670	240	778	35
Oregon.....	94,532	676	8,000	360	4,754	238	158	16
Pennsylvania.....	1,113,619	4,352	172,279	6,961	62,172	2,435	3,931	205
Rhode Island.....	84,400	660	10,519	1,091	7,461	350	305	22
South Carolina.....	50,087	188	5,176	263	1,781	57	91	1
South Dakota.....	19,588	112	1,960	41	795	51	23	4
Tennessee.....	135,099	480	18,030	426	3,708	164	244	12
Texas.....	398,255	2,934	62,432	2,326	19,060	817	1,480	49
Utah.....	41,068	190	4,940	78	1,475	30	56	2
Vermont.....	25,375	99	4,399	184	1,928	88	67	3
Virginia.....	169,645	607	27,051	607	6,341	187	486	22
Washington ¹⁴	196,084	757	19,596	563	8,134	298	244	23
West Virginia.....	109,496	301	14,512	222	2,029	39	360	6
Wisconsin.....	258,715	1,219	34,838	954	20,336	501	567	41
Wyoming.....	19,897	123	1,926	814	1,010	36	74	3
Total, individual returns.....	13,240,991	65,825	2,122,076	89,424	746,504	32,034	42,099	2,373

For footnotes, see p. 122.

TABLE 6.—Individual returns ¹ with net income and with no net income (excluding fiduciary returns), 1938, by States and Territories: amount for each specific source of income and deductions, and net income—Continued

[Thousands of dollars]

States and Territories	Sources of income—Continued							
	Partnership profit ⁵		Income from fiduciaries ⁶		Rents and royalties		Business profit	
	Returns with net income	Returns with no net income	Returns with net income	Returns with no net income	Returns with net income	Returns with no net income	Returns with net income	Returns with no net income
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Alabama.....	11,355	77	2,295	18	5,790	340	15,628	221
Arizona.....	4,701	56	1,340	53	3,412	159	11,016	135
Arkansas.....	7,835	54	1,001	13	4,977	277	12,286	240
California.....	108,028	1,451	44,027	1,193	101,143	5,782	240,667	2,742
Colorado.....	9,711	70	2,969	47	6,273	207	21,988	237
Connecticut.....	13,505	127	24,491	965	10,758	894	40,693	534
Delaware.....	2,036	31	8,213	18	1,768	49	5,590	88
District of Columbia.....	9,730	119	7,584	126	13,425	374	26,423	163
Florida.....	12,874	179	14,924	495	12,288	787	32,885	322
Georgia.....	13,096	213	4,160	43	8,117	551	22,980	445
Hawaii.....	1,795	19	2,708	5	3,025	21	8,421	20
Idaho.....	3,021	27	283	(15)	1,430	70	8,961	111
Illinois.....	88,153	544	37,552	1,519	55,148	3,084	172,035	1,188
Indiana.....	17,989	126	6,058	62	13,211	566	48,277	688
Iowa.....	17,355	156	2,363	25	10,706	466	45,632	372
Kansas.....	11,632	149	1,679	29	12,674	618	27,541	382
Kentucky.....	10,469	70	4,303	80	7,094	385	22,133	150
Louisiana.....	18,073	155	2,131	42	15,246	770	26,703	331
Maine.....	2,997	33	5,235	111	2,947	155	13,066	99
Maryland.....	18,028	154	19,996	380	14,506	501	41,431	191
Massachusetts.....	33,762	439	50,112	1,902	17,480	1,248	102,065	879
Michigan.....	30,966	465	13,151	401	27,013	1,806	84,580	861
Minnesota.....	19,394	127	6,025	107	8,157	441	45,671	431
Mississippi.....	6,350	81	475	21	3,512	235	12,222	442
Missouri.....	24,330	149	10,826	279	18,960	1,132	48,391	337
Montana.....	3,718	21	483	21	2,396	124	11,596	180
Nebraska.....	8,368	115	812	65	6,046	332	20,363	480
Nevada.....	2,237	51	945	90	987	59	4,096	71
New Hampshire.....	2,401	25	2,970	94	2,107	134	9,753	102
New Jersey.....	28,640	340	35,072	416	20,178	1,415	95,656	993
New Mexico.....	4,234	27	619	180	2,383	110	9,527	402
New York.....	198,527	3,994	168,713	6,517	68,571	6,046	344,300	3,701
North Carolina.....	11,440	76	3,500	68	9,680	465	22,447	310
North Dakota.....	2,018	27	171	4	1,080	80	6,053	33
Ohio.....	42,502	325	27,918	456	34,971	1,414	112,857	787
Oklahoma.....	14,000	433	2,026	65	16,432	1,050	28,045	1,169
Oregon.....	11,024	94	1,622	43	5,441	397	24,394	232
Pennsylvania.....	77,148	1,050	72,893	1,753	45,188	2,531	186,334	1,465
Rhode Island.....	4,588	42	7,487	820	3,703	270	12,788	207
South Carolina.....	4,412	61	1,283	16	3,595	159	10,745	83
South Dakota.....	1,884	17	178	6	1,463	144	6,332	50
Tennessee.....	12,762	111	3,223	48	7,878	421	23,285	230
Texas.....	68,554	1,219	13,377	271	76,996	3,472	121,484	2,661
Utah.....	2,917	29	754	12	1,568	72	6,856	112
Vermont.....	1,537	16	1,299	7	892	63	4,719	12
Virginia.....	10,668	133	6,532	176	8,728	500	25,964	227
Washington ¹⁴	14,032	96	3,111	27	9,727	460	44,436	423
West Virginia.....	6,020	47	2,376	27	6,648	337	17,147	176
Wisconsin.....	14,372	80	5,223	84	11,597	570	48,646	289
Wyoming.....	2,340	35	464	90	1,514	51	6,780	43
Total individual returns.....	1,047,526	13,533	637,041	19,291	728,834	41,601	2,342,443	25,954

For footnotes, see p. 122.

TABLE 6.—Individual returns ¹ with net income and with no net income (excluding fiduciary returns), 1938, by States and Territories: amount for each specific source of income and deductions, and net income—Continued

[Thousands of dollars]

States and Territories (1)	Sources of income—Continued							
	Net capital gain ²				Net gain from sale of property other than capital assets ¹⁰		Other income	
	Short-term ⁸		Long-term ⁹		Returns with net income	Returns with no net income	Returns with net income	Returns with no net income
	Returns with net income	Returns with no net income	Returns with net income	Returns with no net income				
(1)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
Alabama	666	13	662	34	121	16	1,191	66
Arizona	370	42	456	12	192	4	1,140	143
Arkansas	621	11	914	17	133	1	1,305	509
California	11,439	606	32,474	653	3,711	230	25,024	896
Colorado	848	31	2,942	47	305	2	1,723	76
Connecticut	2,691	201	6,378	121	301	22	3,458	94
Delaware	872	22	5,407	3	32	(¹¹)	855	544
District of Columbia	1,288	42	1,730	16	322	8	4,297	48
Florida	2,446	132	9,805	137	540	18	3,660	189
Georgia	1,029	47	1,243	58	161	17	1,956	166
Hawaii	255	1	318	3	105		791	19
Idaho	172	5	148	8	106	13	594	44
Illinois	10,420	570	22,589	468	1,120	60	15,347	593
Indiana	1,468	26	1,637	44	439	38	5,214	111
Iowa	790	10	1,293	11	265	30	2,521	21
Kansas	1,183	66	1,744	79	271	69	3,612	223
Kentucky	1,026	27	2,015	353	211	9	2,342	46
Louisiana	1,523	97	2,115	217	383	14	3,531	186
Maine	663	14	16,016	3	86	1	1,223	53
Maryland	2,791	66	3,955	34	372	20	5,422	106
Massachusetts	5,548	264	5,947	208	429	51	7,921	303
Michigan	4,382	197	10,557	223	861	86	8,243	253
Minnesota	1,540	41	2,736	32	432	33	3,675	328
Mississippi	231	6	400	32	82	1	1,108	196
Missouri	2,823	75	6,527	100	590	27	4,327	145
Montana	223	3	298	9	115	4	1,008	71
Nebraska	405	17	556	13	119	13	1,483	53
Nevada	219	11	561	2	55		510	20
New Hampshire	264	15	769	16	75	2	875	27
New Jersey	6,150	189	9,773	102	782	53	10,665	191
New Mexico	173	17	290	13	111	6	598	28
New York	34,522	2,799	54,795	1,523	1,962	228	34,281	3,668
North Carolina	884	20	928	28	187	14	2,706	125
North Dakota	62	1	72	(¹²)	27	4	527	11
Ohio	6,269	196	12,588	196	824	34	9,061	506
Oklahoma	1,829	160	2,261	214	513	101	4,569	346
Oregon	666	34	714	55	293	15	1,724	97
Pennsylvania	8,787	434	9,799	369	976	55	14,312	497
Rhode Island	734	32	777	25	99	6	1,271	38
South Carolina	353	3	346	19	143	3	974	44
South Dakota	92	4	106	7	55	1	335	17
Tennessee	945	25	1,242	22	189	19	1,892	25
Texas	6,518	998	16,526	698	1,799	132	17,114	1,384
Utah	174	(¹³)	665	3	35	1	838	40
Vermont	166	3	173	8	53	1	488	8
Virginia	1,400	85	1,715	27	312	12	2,209	155
Washington ¹⁴	1,361	41	1,624	51	461	21	2,829	92
West Virginia	744	29	1,551	23	138	12	1,638	52
Wisconsin	1,406	46	2,893	99	578	13	4,418	126
Wyoming	153	6	238	9	91	5	440	4
Total, individual returns	131,659	7,781	261,269	6,443	21,561	1,526	227,245	12,983

For footnotes, see p. 122.

TABLE 6.—Individual returns ¹ with net income and with no net income (excluding fiduciary returns), 1938, by States and Territories: amount for each specific source of income and deductions, and net income—Continued

[Thousands of dollars]

States and Territories (1)	Sources of income—Continued		Deductions					
	Total income		Partnership loss ⁵		Business loss		Net long-term capital loss ^{7 11}	
	Returns with net income	Returns with no net income	Returns with net income	Returns with no net income	Returns with net income	Returns with no net income	Returns with net income	Returns with no net income
	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
Alabama	131,690	1,521	157	352	485	1,295	985	387
Arizona	64,276	1,113	99	151	658	1,210	546	532
Arkansas	74,476	1,655	117	167	545	998	419	135
California	1,808,436	29,961	3,301	3,692	12,342	18,866	29,034	19,342
Colorado	149,824	1,857	520	213	906	1,526	2,553	973
Connecticut	471,559	9,008	302	477	1,444	1,944	15,003	5,797
Delaware	93,978	2,222	71	19	612	220	1,746	2,558
District of Columbia	355,682	1,880	231	61	1,457	621	3,310	1,373
Florida	253,251	5,340	509	339	1,534	2,605	5,117	3,274
Georgia	223,972	2,999	309	186	1,312	1,964	2,028	837
Hawaii	68,617	271	41	15	283	338	387	125
Idaho	39,060	499	73	70	290	766	212	75
Illinois	1,791,547	19,913	[2,201	2,839	7,820	7,942	28,215	13,972
Indiana	385,474	3,412	338	220	2,177	2,809	3,077	1,259
Iowa	221,701	2,367	290	291	1,021	2,078	1,739	956
Kansas	157,664	2,674	455	540	1,654	3,210	1,051	731
Kentucky	184,348	2,312	202	192	1,263	1,166	2,125	632
Louisiana	221,660	3,221	757	633	1,334	2,040	2,445	754
Maine	110,408	1,412	79	68	627	845	2,438	841
Maryland	476,065	4,365	377	458	2,073	2,056	8,259	3,889
Massachusetts	1,002,593	18,260	574	2,665	2,386	4,340	29,987	12,915
Michigan	900,147	10,214	898	716	3,990	6,883	11,110	5,201
Minnesota	341,812	3,106	363	198	1,000	1,474	4,648	1,747
Mississippi	69,366	1,491	235	136	581	1,219	474	271
Missouri	509,440	5,915	557	656	2,722	2,878	7,254	3,105
Montana	79,050	679	100	63	449	747	326	53
Nebraska	126,313	1,798	201	333	794	1,253	1,242	617
Nevada	31,300	587	84	52	280	379	320	171
New Hampshire	68,792	1,230	44	64	339	553	1,483	253
New Jersey	1,050,867	12,043	589	772	2,398	3,596	21,979	607
New Mexico	44,314	1,134	102	83	367	690	257	171
New York	4,018,286	85,112	6,731	10,165	13,051	19,323	116,266	64,617
North Carolina	196,489	1,855	150	120	970	1,338	2,294	552
North Dakota	32,063	353	37	44	282	521	158	51
Ohio	1,133,172	10,485	761	1,687	4,111	5,442	17,195	5,807
Oklahoma	207,501	5,188	509	1,070	1,816	3,081	1,287	445
Oregon	153,320	2,259	247	299	829	1,634	1,590	1,037
Pennsylvania	1,767,437	22,106	1,713	2,775	7,170	11,577	36,055	14,641
Rhode Island	143,131	3,562	90	122	660	963	3,778	1,368
South Carolina	78,985	898	82	72	585	877	498	69
South Dakota	32,810	454	44	61	278	500	229	171
Tennessee	208,500	1,982	205	348	981	875	1,629	810
Texas	803,595	16,860	4,737	3,251	[7,090	9,362	5,000	3,207
Utah	61,348	570	52	270	393	421	225	225
Vermont	41,094	492	22	66	239	264	791	315
Virginia	261,049	2,737	201	161	1,594	1,475	2,923	1,233
Washington ¹⁴	301,639	2,852	250	240	1,158	2,780	3,292	1,076
West Virginia	162,658	1,303	166	200	543	1,072	1,159	436
Wisconsin	403,588	4,021	193	250	1,434	2,114	5,885	2,774
Wyoming	34,930	1,219	72	69	389	606	295	741
Total, individual returns	21,549,277	318,769	30,441	37,800	98,684	142,717	390,514	192,220

For footnotes, see p. 122.

TABLE 6.—Individual returns¹ with net income and with no net income (excluding fiduciary returns), 1938, by States and Territories: amount for each specific source of income and deductions, and net income—Continued

[Thousands of dollars]

States and Territories	Deductions—Continued							
	Net loss from sale of property other than capital assets ¹⁰		Contributions ¹²		Interest paid ¹³		Taxes paid ¹³	
	Returns with net income	Returns with no net income	Returns with net income	Returns with no net income	Returns with net income	Returns with no net income	Returns with net income	Returns with no net income
(1)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)
Alabama.....	126	65	2,540	69	3,541	305	4,209	241
Arizona.....	97	96	1,651	8	1,295	98	1,757	131
Arkansas.....	93	30	1,540	44	1,859	167	2,143	107
California.....	1,995	2,046	21,321	447	41,883	4,702	65,794	4,196
Colorado.....	144	139	2,310	22	2,826	161	5,633	238
Connecticut.....	476	458	9,460	128	13,054	1,388	14,921	1,063
Delaware.....	61	29	2,788	102	3,033	732	2,548	77
District of Columbia.....	226	245	6,252	32	9,238	318	9,407	263
Florida.....	456	543	4,019	161	6,559	534	8,702	1,048
Georgia.....	213	125	4,614	131	6,218	477	8,367	469
Hawaii.....	47	7	762	3	1,940	32	2,214	29
Idaho.....	44	25	590	9	672	33	1,127	54
Illinois.....	1,635	2,059	31,605	324	34,135	2,675	39,237	2,629
Indiana.....	302	160	6,615	89	6,762	297	12,372	430
Iowa.....	152	114	4,041	35	4,846	292	10,182	392
Kansas.....	184	131	2,689	55	3,496	308	6,889	391
Kentucky.....	194	106	4,043	55	4,922	323	7,693	358
Louisiana.....	223	154	3,412	48	5,177	571	7,706	471
Maine.....	93	31	1,909	38	2,153	177	3,631	218
Maryland.....	408	336	7,945	80	10,606	833	13,831	440
Massachusetts.....	717	774	19,949	304	20,167	1,824	49,538	3,131
Michigan.....	734	780	14,500	219	21,028	1,444	24,293	2,142
Minnesota.....	478	233	6,314	63	6,438	391	15,988	539
Mississippi.....	42	62	1,637	24	1,731	136	2,598	177
Missouri.....	623	668	10,200	119	13,365	1,016	19,441	868
Montana.....	60	88	813	15	1,065	42	1,874	83
Nebraska.....	117	160	2,081	35	2,803	246	3,532	247
Nevada.....	30	34	358	4	469	29	592	68
New Hampshire.....	51	34	1,232	21	1,305	132	3,075	196
New Jersey.....	1,131	1,397	21,475	212	24,623	1,651	37,432	1,787
New Mexico.....	55	193	445	9	806	42	901	80
New York.....	3,722	4,502	94,204	1,513	92,395	11,343	208,566	12,487
North Carolina.....	228	54	6,248	49	6,946	316	8,912	310
North Dakota.....	24	36	528	9	591	26	1,179	42
Ohio.....	964	669	21,626	394	26,538	1,853	38,920	1,284
Oklahoma.....	157	139	3,584	131	5,795	631	9,189	657
Oregon.....	363	200	1,649	28	3,091	265	5,938	325
Pennsylvania.....	1,442	1,709	37,371	800	45,524	4,032	56,120	3,043
Rhode Island.....	155	98	3,082	70	3,008	350	5,485	428
South Carolina.....	61	55	2,252	31	2,154	151	3,089	132
South Dakota.....	24	45	508	14	698	40	1,451	106
Tennessee.....	237	157	4,276	46	5,554	335	5,982	359
Texas.....	1,484	690	12,867	263	10,087	5,449	22,171	1,515
Utah.....	55	20	1,233	14	1,367	58	2,201	65
Vermont.....	43	6	799	16	825	64	1,342	59
Virginia.....	287	260	6,099	55	8,102	397	8,538	399
Washington ¹¹	277	256	2,808	95	5,331	281	5,415	283
West Virginia.....	95	110	2,464	35	4,278	300	4,300	146
Wisconsin.....	479	437	7,417	77	10,087	713	15,903	543
Wyoming.....	21	71	394	10	576	67	624	31
Total, individual re- turns.....	21,325	21,427	407,419	6,560	500,564	48,049	792,951	44,779

For footnote, see p. 122.

TABLE 6.—Individual returns¹ with net income and with no net income (excluding fiduciary returns), 1938, by States and Territories: amount for each specific source of income and deductions, and net income—Continued

States and Territories (1)	Deductions—Continued				Net income on returns with net income (46)	Deficit on returns with no net income (47)
	Other deductions		Total deductions			
	Returns with net income	Returns with no net income	Returns with net income	Returns with no net income		
	(42)	(43)	(44)	(45)		
Alabama.....	4,505	1,020	16,548	3,734	115,142	2,214
Arizona.....	2,814	848	7,916	3,074	56,359	1,961
Arkansas.....	4,743	1,314	11,458	2,963	63,019	1,308
California.....	62,792	16,519	238,462	70,411	1,569,974	40,449
Colorado.....	6,370	1,081	21,261	4,353	128,563	2,496
Connecticut.....	13,492	4,699	68,151	15,953	403,409	6,945
Delaware.....	2,081	640	12,940	4,377	81,038	2,155
District of Columbia.....	6,092	796	36,212	3,709	319,469	1,829
Florida.....	11,123	3,677	38,019	12,182	215,232	6,843
Georgia.....	7,716	1,800	30,678	5,989	193,294	2,990
Hawaii.....	966	89	6,639	639	61,978	368
Idaho.....	1,871	288	4,880	1,320	34,180	821
Illinois.....	44,884	10,669	189,733	43,139	1,601,814	23,226
Indiana.....	11,532	2,661	43,176	7,926	342,298	4,514
Iowa.....	10,372	1,688	32,644	5,845	189,057	3,478
Kansas.....	8,254	1,582	24,672	6,959	132,992	4,285
Kentucky.....	5,181	2,785	25,623	5,618	158,724	3,306
Louisiana.....	9,065	1,658	30,119	6,329	191,541	3,108
Maine.....	2,289	1,406	13,219	3,615	97,189	2,203
Maryland.....	11,983	2,305	55,482	10,398	420,583	6,032
Massachusetts.....	25,562	8,209	148,881	34,163	853,712	15,903
Michigan.....	25,391	6,218	101,944	23,602	798,203	13,388
Minnesota.....	11,073	1,798	46,394	6,442	295,410	3,336
Mississippi.....	4,516	1,172	11,814	3,196	57,552	1,705
Missouri.....	12,754	3,261	66,915	12,571	442,525	6,655
Montana.....	2,733	527	7,420	1,555	71,630	876
Nebraska.....	4,863	1,199	15,634	4,089	110,679	2,291
Nevada.....	1,177	323	3,311	1,197	27,989	610
New Hampshire.....	2,160	689	9,690	2,295	59,102	1,066
New Jersey.....	24,306	5,696	133,932	24,376	916,935	12,332
New Mexico.....	2,170	729	5,103	1,997	39,211	863
New York.....	110,733	46,847	645,668	170,797	3,372,618	85,685
North Carolina.....	8,618	1,319	34,367	4,058	162,122	2,204
North Dakota.....	1,932	261	4,733	990	27,331	636
Ohio.....	22,473	6,464	132,588	23,600	1,000,585	13,115
Oklahoma.....	16,777	3,911	39,320	10,066	168,181	4,878
Oregon.....	5,008	1,184	18,510	4,972	134,810	2,713
Pennsylvania.....	37,306	9,628	222,701	48,204	1,544,736	26,097
Rhode Island.....	6,809	2,918	23,068	6,317	120,063	2,754
South Carolina.....	3,671	579	12,392	1,967	66,594	1,069
South Dakota.....	1,628	267	4,859	1,204	27,951	750
Tennessee.....	5,848	1,088	24,712	4,018	183,788	2,035
Texas.....	47,462	10,053	120,499	33,790	683,096	16,930
Utah.....	3,033	584	8,631	1,439	52,717	869
Vermont.....	776	152	4,836	942	36,268	450
Virginia.....	6,161	1,194	33,905	5,174	227,144	2,437
Washington ¹¹	8,045	2,571	26,578	7,500	275,061	4,738
West Virginia.....	3,732	692	16,736	2,991	145,922	1,688
Wisconsin.....	10,450	1,956	51,849	8,864	351,739	4,842
Wyoming.....	1,159	332	3,529	1,026	31,400	707
Total, individual returns.....	646,451	179,374	2,888,348	672,925	18,660,929	354,156

For footnotes, see p. 122.

Footnotes for table 6.

¹ Unlike basic table 6 in Statistics of Income for 1937, Part 1 (pp. 130-132), this table excludes taxable fiduciary returns with net income, Form 1041, and taxable and nontaxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041. Data for individual returns with no net income are included in this table for the first time.

² Excludes dividends received through partnerships and fiduciaries and dividends received on share accounts in Federal savings and loan associations.

³ Includes taxable interest on partially tax-exempt Government obligations reported on returns with net income under \$5,000.

⁴ Interest received on United States savings bonds and Treasury bonds, owned in excess of \$5,000, and on obligations of instrumentalities of the United States other than those issued under the Federal Farm Loan Act or such act as amended (see item 5 on p. 1, Form 1040, facsimile on p. 200) reported on returns with net income of \$5,000 and over.

⁵ For 1938, partnership profit or loss includes dividends received, and excludes (1) taxable interest on obligations of the United States, and (2) net gain or loss from the sale or exchange of capital assets. The item "Charitable contributions" is not an allowable deduction in the computation of partnership profit or loss. For 1937, partnership profit or loss included (1) dividends received and (2) net gain or loss from sale or exchange of capital assets (as defined by sec. 117(b) of the Revenue Act of 1936) and excluded taxable interest on obligations of the United States. The item "Charitable contributions" (limited to 15 percent of partnership net income before deduction of contributions or gifts) was an allowable deduction in the computation of partnership profit or loss. Each item which is excluded from partnership profit or loss for 1938 and 1937 is reported under its appropriate classification.

⁶ For 1938, income from fiduciaries includes (1) dividends received, and (2) net gain or loss from sale or exchange of capital assets, and excludes (1) taxable interest on obligations of the United States and (2) net gain or loss from sale or exchange of capital assets received from "Common trust funds." For 1937, income from fiduciaries included (1) dividends received, and (2) net gain or loss (including that received from "Common trust funds") from sale or exchange of capital assets as defined by sec. 117(b) of the Revenue Act of 1936, and excluded taxable interest on obligations of the United States. Each item which is excluded from income from fiduciaries for 1938 and 1937 is reported under its appropriate classification.

⁷ Unlike 1937, (1) capital assets exclude property used in trade or business of a character which is subject to the allowance for depreciation and (2) "Net capital gain" and "Net long-term capital loss" include each partner's share of net capital gain or loss to be taken into account from partnerships and "Common trust funds." Net long-term capital gain and loss include losses from worthless stocks and bonds, which for 1937 were tabulated in "Other deductions."

⁸ Consists of net short-term capital gain on capital assets held 18 months or less. Includes net capital gain of \$346,495 on sale of capital assets (regardless of period capital assets were held) as defined in sec. 117(b) of the Revenue Act of 1936, reported on 129 fiscal year returns with year ended in period July through November 1938.

⁹ Consists of net gain or loss from property used in trade or business of a character which is subject to the allowance for depreciation, which under the Revenue Act of 1938 is excluded from capital assets. For 1937, net gain or loss from the sale of depreciable property was included in "Net capital gain or loss."

¹⁰ Consists of net long-term capital loss on capital assets held over 18 months. Includes net capital loss of \$139,727 on sale of capital assets (regardless of period capital assets were held) as defined in sec. 117(b) of the Revenue Act of 1936, reported on 121 fiscal year returns with year ended in period July through November 1938.

¹¹ Includes each partner's share of charitable contributions of partnerships. For 1937, such contributions were allowed as a deduction in the computation of partnership profit or loss (see footnote 5).

¹² Excludes amounts reported in Schedules C and D as business deductions.

¹³ Includes Alaska.

¹⁴ Less than \$500.

TABLE 7.—Individual returns and taxable fiduciary returns with net income,¹ by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938: total number of returns, number of returns and amount of each specific source of income and deductions, and net income

[Net income classes and money figures in thousands of dollars]

[For text defining certain items and describing methods of tabulating and estimating data, see pp. 1-6 and 14-15]

Net income ² classes	Total number of returns	Sources of income			
		Salaries, wages, commissions, etc. (individual returns)		Dividends from domestic and foreign corporations ⁴	
		Number of returns ³	Amount	Number of returns ³	Amount
(1)	(2)	(3)	(4)	(5)	(6)
Individual returns and taxable fiduciary returns ² with net income:					
Under 1 (est.) ¹⁵	339,369		179,395		39,406
Under 1 (est.)	50,502		3,384		52,761
1 under 2 (est.) ¹⁶	1,241,979		1,416,223		53,691
1 under 2 (est.)	1,191,970		1,578,399		115,401
2 under 2.5 (est.) ¹⁸	466,146		831,514		32,170
2 under 2.5 (est.)	208,450		362,148		50,900
2.5 under 3 (est.) ¹⁸	732,327		1,776,583		36,155
2.5 under 3 (est.)	208,059		448,944		55,183
3 under 4 (est.) ¹⁸	356,083		1,007,991		21,844
3 under 4 (est.)	498,524		1,325,997		132,425
4 under 5 (est.) ¹⁹	18,542		62,113		2,070
4 under 5 (est.)	209,260		939,913		117,942
5 under 6 ¹⁹	666	385	1,979	229	277
5 under 6	164,502	113,751	587,153	83,342	92,319
6 under 7	102,956	68,977	410,205	56,614	78,618
7 under 8	66,758	43,890	297,215	39,137	68,394
8 under 9	46,226	29,897	224,713	28,975	60,564
9 under 10	34,488	22,035	182,479	22,183	53,954
10 under 11	25,922	16,490	146,752	17,709	49,599
11 under 12	20,577	13,080	126,092	14,380	45,625
12 under 13	16,566	10,401	106,179	11,972	42,518
13 under 14	13,479	8,641	95,900	9,938	38,449
14 under 15	11,346	7,182	82,765	8,478	35,753
15 under 20	35,032	21,991	288,124	27,332	149,208
20 under 25	17,859	11,115	176,616	14,591	112,993
25 under 30	10,207	6,369	117,080	8,687	90,114
30 under 40	10,814	6,682	145,142	9,360	127,410
40 under 50	5,315	3,280	84,912	4,731	92,607
50 under 60	2,943	1,821	54,218	2,683	70,599
60 under 70	1,775	1,136	36,505	1,634	53,314
70 under 80	1,144	733	27,580	1,040	37,796
80 under 90	841	510	20,349	784	35,125
90 under 100	556	319	14,276	517	24,692
100 under 150	1,326	810	41,125	1,241	83,599
150 under 200	420	270	16,393	403	38,105
200 under 250	229	139	9,397	221	30,359
250 under 300	117	73	5,086	116	20,625
300 under 400	142	82	5,069	140	34,814
400 under 500	65	39	2,907	64	19,767
500 under 750	81	35	1,577	75	21,390
750 under 1,000	16	10	340	37	15,121
1,000 under 1,500	30	17	814	30	12,920
1,500 under 2,000	16	7	183	16	11,170
2,000 under 3,000	6	4	27	6	7,770
3,000 under 4,000	1	1	9	1	6,062
4,000 under 5,000	1	1	93	1	188
5,000 and over	3	2	1	3	780
Nontaxable returns ¹³	3,155,112				
Taxable returns	3,048,545	³ 385	5,274,899	³ 229	185,612
		³ 389,796	7,966,092	³ 366,441	2,186,847
Total, individual returns and taxable fiduciary returns with net income	6,203,657	³ 390,181	13,240,991	³ 366,670	2,372,459
Individual returns with no net income:					
Nontaxable ¹⁹	100,207	20,500	65,192	33,903	85,573
Taxable ²⁰	26	21	633	26	3,852
Total, individual returns with no net income	100,233	20,521	65,825	33,929	89,424
Grand total	6,303,890	³ 410,702	13,306,816	³ 400,599	2,461,884

For footnotes, see p. 130.

TABLE 7.—Individual returns and taxable fiduciary returns with net income,¹ by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938: total number of returns, number of returns and amount of each specific source of income and deductions, and net income—Con.

[Net income classes and money figures in thousands of dollars]

Net income ² classes	Sources of income—Continued					
	Taxable interest				Partnership profit ⁴	
	Bank deposits, notes, mortgages, corporation bonds		Partially tax-exempt Government obligations ⁵		Number of returns ³	Amount
	Number of returns ³	Amount	Number of returns ³	Amount		
(1)	(7)	(8)	(9)	(10)	(11)	(12)
Individual returns and taxable fiduciary returns ² with net income:						
Under 1 (est.) ¹⁸		21 30,662		(22)		11,308
Under 1 (est.) ¹⁸		21 46,737		(22)		778
1 under 2 (est.) ¹⁸		21 44,536		(22)		32,348
1 under 2 (est.) ¹⁸		21 84,680		(22)		18,730
2 under 2.5 (est.) ¹⁸		21 25,939		(22)		30,720
2 under 2.5 (est.) ¹⁸		21 36,013		(22)		11,667
2 under 2.5 (est.) ¹⁸		21 25,426		(22)		36,799
2.5 under 3 (est.) ¹⁸		21 37,087		(22)		18,381
2.5 under 3 (est.) ¹⁸		21 14,063		(22)		32,258
3 under 4 (est.) ¹⁸		21 82,075		(22)		73,552
3 under 4 (est.) ¹⁸		21 2,139		(22)		3,488
4 under 5 (est.) ¹⁸		21 65,054		(22)		81,326
4 under 5 (est.) ¹⁸		179	104	334	59	197
5 under 6 ¹⁸	64,839	41,371	7,728	3,424	18,528	73,871
5 under 6 ¹⁸	43,614	32,931	6,150	3,352	13,056	61,426
6 under 7	29,853	26,104	4,642	2,779	9,003	48,771
7 under 8	21,867	21,884	3,672	2,472	6,639	40,630
8 under 9	16,702	18,348	3,041	2,313	5,112	34,848
9 under 10	13,260	15,920	2,086	1,408	3,733	30,733
10 under 11	10,710	14,741	1,794	1,298	2,639	26,395
11 under 12	8,923	12,371	1,626	1,108	2,577	25,077
12 under 13	7,490	11,205	1,481	1,044	2,099	20,099
13 under 14	6,470	10,129	1,401	1,044	1,966	19,466
14 under 15	20,820	37,327	4,955	5,467	73,415	30,733
15 under 20	11,237	23,682	3,697	3,430	51,129	36,940
20 under 25	6,740	16,409	2,865	2,778	36,940	47,159
25 under 30	7,412	20,725	2,080	3,819	30,377	19,575
30 under 40	3,723	11,476	1,080	1,863	1,106	14,853
40 under 50	2,189	7,029	624	1,327	577	9,255
50 under 60	1,356	5,525	395	875	395	7,603
60 under 70	863	3,354	286	517	216	5,455
70 under 80	659	2,772	198	410	155	12,676
80 under 90	447	2,335	128	247	110	5,002
90 under 100	1,069	4,863	296	884	200	2,094
100 under 150	349	2,259	101	482	54	1,275
150 under 200	188	1,973	73	310	24	2,651
200 under 250	101	1,248	30	125	8	136
250 under 300	124	1,341	22	195	20	30
300 under 400	56	306	14	21	6	61
400 under 500	65	545	22	58	4	1,118
500 under 750	32	675	9	43	3	
750 under 1,000	29	598	3	1		
1,000 under 1,500	13	199	3	2		
1,500 under 2,000	5	196	5			
2,000 under 3,000	1	73				
3,000 under 4,000	1	1				
4,000 under 5,000	3		1	5		
5,000 and over						
Nontaxable returns ¹⁸	21 179	142,896	21 104	334	59	147,120
Taxable returns	281,210	701,546	49,807	45,731	83,621	906,553
Total, individual returns and taxable fiduciary returns with net income	281,389	844,443	49,911	46,065	83,580	1,053,673
Individual returns with no net income:						
Nontaxable ¹⁹	29,339	31,607	3,329	2,365	4,898	13,046
Taxable ²⁰	25	427	3	8	6	487
Total, individual returns with no net income	29,364	32,034	3,332	2,373	4,904	13,533
Grand total	310,753	876,476	53,243	48,438	88,484	1,067,206

For footnotes, see p. 130.

TABLE 7.—Individual returns and taxable fiduciary returns with net income,¹ by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938: total number of returns, number of returns and amount of each specific source of income and deductions, and net income—Con.

[Net income classes and money figures in thousands of dollars]

Net income ² classes	Sources of income—Continued					
	Income from fiduciaries ⁷		Rents and royalties		Business profit	
	Number of returns ²	Amount	Number of returns ²	Amount	Number of businesses ⁸	Amount
(1)	(13)	(14)	(15)	(16)	(17)	(18)
Individual returns and taxable fiduciary returns ² with net income:						
Under 1 (est.) ¹⁸		7,442		48,265		80,361
Under 1 (est.) ¹⁸		2,154		8,592		1,312
1 under 2 (est.) ¹⁸		10,899		72,135		258,443
1 under 2 (est.) ¹⁸		17,848		42,906		47,091
2 under 2.5 (est.) ¹⁸		6,929		51,280		219,855
2 under 2.5 (est.) ¹⁸		11,054		19,313		21,485
2.5 under 3 (est.) ¹⁸		7,416		42,639		201,542
2.5 under 3 (est.) ¹⁸		12,251		26,054		53,208
3 under 4 (est.) ¹⁸		6,124		23,943		160,157
3 under 4 (est.) ¹⁸		30,169		74,021		222,590
4 under 5 (est.) ¹⁸		988		2,570		14,859
4 under 5 (est.) ¹⁸		29,079		59,418		211,700
5 under 6 ¹⁸	45	174	171	171	233	1,110
5 under 6 ¹⁸	10,929	28,810	34,864	41,776	33,641	168,011
6 under 7	7,887	24,999	22,978	32,034	21,395	117,689
7 under 8	5,889	21,878	15,122	23,943	13,622	85,220
8 under 9	4,567	20,050	11,073	19,418	9,078	64,321
9 under 10	3,687	17,069	8,207	15,802	6,550	51,764
10 under 11	2,975	15,009	6,364	13,502	4,821	41,399
11 under 12	2,502	14,445	5,218	11,591	3,672	34,375
12 under 13	2,232	13,827	4,234	9,581	2,920	28,864
13 under 14	1,853	12,705	3,365	8,486	2,201	23,274
14 under 15	1,625	11,631	2,978	8,076	1,901	21,514
15 under 20	5,534	48,378	9,141	27,586	5,561	72,838
20 under 25	3,156	34,559	4,848	17,664	2,551	42,316
25 under 30	1,985	26,423	2,783	11,941	1,316	25,555
30 under 40	2,320	37,789	3,047	16,909	1,276	30,693
40 under 50	1,191	26,218	1,543	9,705	584	16,946
50 under 60	703	18,803	819	5,479	275	10,061
60 under 70	431	11,842	534	3,675	160	6,410
70 under 80	310	9,599	345	2,702	99	5,130
80 under 90	225	7,553	280	2,080	74	4,053
90 under 100	166	7,238	156	2,216	46	2,649
100 under 150	396	23,111	390	5,819	86	6,164
150 under 200	140	12,360	111	1,730	22	1,335
200 under 250	87	9,047	73	673	18	1,358
250 under 300	48	4,980	33	471	3	147
300 under 400	52	6,583	31	1,167	4	43
400 under 500	16	3,753	33	239	3	343
500 under 750	37	16,582	25	3,177	2	370
750 under 1,000	18	6,389	14	71	4	2,032
1,000 under 1,500	11	5,611	3	48	3	682
1,500 under 2,000	8	4,620	6			
2,000 under 3,000	1	70	5			
3,000 under 4,000						
4,000 under 5,000						
5,000 and over	1	688	1	4		
Nontaxable returns ¹⁸	45	39,972	171	241,004	233	936,328
Taxable returns	60,982	606,285	138,584	528,683	111,889	1,413,016
Total, individual returns and taxable fiduciary returns with net income	61,027	646,258	138,755	769,687	112,122	2,349,344
Individual returns with no net income:						
Nontaxable ¹⁹	5,174	18,205	27,622	41,480	9,794	25,865
Taxable ²⁰	15	1,086	13	121	2	90
Total, individual returns with no net income	5,189	19,291	27,635	41,601	9,796	25,954
Grand total	66,216	665,549	166,390	811,288	121,918	2,375,298

For footnotes, see p. 130.

TABLE 7.—Individual returns and taxable fiduciary returns with net income,¹ by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938: total number of returns, number of returns and amount of each specific source of income and deductions, and net income—Con.

[Net income classes and money figures in thousands of dollars]

Net income ² classes	Sources of income—Continued					
	Net capital gain ⁹				Net gain from sale of property other than capital assets ¹²	
	Short-term ¹⁰		Long-term ¹¹			
	Number of returns ³	Amount	Number of returns ³	Amount	Number of returns ³	Amount
(1)	(19)	(20)	(21)	(22)	(23)	(24)
Individual returns and taxable fiduciary returns ² with net income:						
Under 1 (est.) ¹⁸		2,724		1,925		861
Under 1 (est.)		1,461		3,917		132
1 under 2 (est.) ¹⁸		3,764		2,848		1,579
1 under 2 (est.)		4,675		5,335		845
2 under 2.5 (est.) ¹⁸		2,971		2,323		1,305
2 under 2.5 (est.)		3,397		2,865		455
2.5 under 3 (est.) ¹⁸		3,064		2,102		1,229
2.5 under 3 (est.)		3,110		3,343		633
3 under 4 (est.) ¹⁸		2,832		1,304		1,055
3 under 4 (est.)		10,640		8,086		2,084
4 under 5 (est.) ¹⁸		252		143		60
4 under 5 (est.)		11,396		7,892		2,416
5 under 6 (est.) ¹⁸		25	19	24	10	6
5 under 6	12,092	8,812	9,116	7,032	1,674	1,637
6 under 7	9,076	7,821	6,804	6,311	1,158	1,409
6 under 7	6,586	6,312	4,876	5,204	723	893
7 under 8	5,068	5,119	3,969	4,832	540	764
8 under 9	4,012	4,767	3,167	4,464	409	668
9 under 10	3,370	4,089	2,610	3,639	321	492
10 under 11	2,712	3,569	2,186	3,764	236	420
11 under 12	2,368	3,263	1,958	3,407	220	332
12 under 13	1,994	3,032	1,600	3,182	165	286
13 under 14	1,767	2,692	1,364	2,799	136	260
14 under 15	5,722	10,309	4,831	12,632	442	859
15 under 20	3,302	7,344	2,865	9,713	215	583
20 under 25	2,059	4,884	1,831	8,229	120	256
25 under 30	2,387	7,592	2,119	12,208	129	334
30 under 40	1,123	4,234	1,137	8,520	72	209
40 under 50	676	2,961	715	7,694	44	49
50 under 60	396	1,873	465	5,761	33	176
60 under 70	252	1,434	322	5,022	19	61
70 under 80	194	1,202	261	4,732	12	8
80 under 90	110	1,007	173	3,762	8	113
90 under 100	319	2,646	481	15,006	15	23
100 under 150	103	696	195	10,034	3	9
150 under 200	69	256	105	8,428	4	4
200 under 250	35	1,192	57	5,078		
250 under 300	41	663	69	12,650	1	(25)
300 under 400	16	884	44	8,131	1	91
400 under 500	28	1,382	45	15,800	1	(25)
500 under 750	19	1,562	26	12,609		
750 under 1,000	10	150	26	21,575		
1,000 under 1,500	7	29	14	14,211		
1,500 under 2,000	1	1	4	10,397		
2,000 under 3,000			1	162		
3,000 under 4,000			1	3,393		
4,000 under 5,000	1	(25)	3	21,315		
5,000 and over						
Nontaxable returns ¹³	3 25	15,653	3 19	10,669	3 10	6,095
Taxable returns	3 65,915	136,455	3 53,440	314,126	3 6,701	16,512
Total, individual returns and taxable fiduciary returns with net income	3 65,940	152,108	3 53,459	324,795	3 6,711	22,607
Individual returns with no net income:						
Nontaxable ¹⁹	5,405	7,769	3,010	6,443	1,210	1,526
Taxable ²⁰	6	12				
Total, individual returns with no net income	5,411	7,781	3,010	6,443	1,210	1,526
Grand total	3 71,351	159,890	3 56,469	331,238	3 7,921	24,134

For footnotes, see p. 130.

TABLE 7.—Individual returns and taxable fiduciary returns with net income,¹ by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938: total number of returns, number of returns and amount of each specific source of income and deductions, and net income—Con.

[Net income classes and money figures in thousands of dollars]

Net income ² classes	Sources of income—Continued		Deductions			
	Other income ¹⁵	Total income	Partnership loss ⁶		Business loss	
			Number of returns ³	Amount	Number of businesses ⁸	Amount
(1)	(25)	(26)	(27)	(28)	(29)	(30)
Individual returns and taxable fiduciary returns ² with net income:						
Under 1 (est.) ¹⁸	12,249	414,600		2,888		13,265
Under 1 (est.)	1,303	122,530		136		511
1 under 2 (est.) ¹⁸	21,311	1,917,777		2,525		10,390
1 under 2 (est.)	18,472	1,934,381		688		2,506
2 under 2.5 (est.) ¹⁸	15,662	1,220,670		1,115		4,505
2 under 2.5 (est.)	7,845	527,142		377		1,229
2.5 under 3 (est.) ¹⁸	16,331	2,149,289		810		3,417
2.5 under 3 (est.)	9,013	667,206		615		1,666
3 under 4 (est.) ¹⁸	10,244	1,280,915		642		2,380
3 under 4 (est.)	21,756	1,983,396		1,747		5,703
4 under 5 (est.) ¹⁸	1,145	89,827		98		329
4 under 5 (est.)	17,261	1,543,596		3,645		5,178
5 under 6 (est.) ¹⁸	31	4,479		9		43
5 under 6	8,133	1,052,348		1,429		4,171
6 under 7	7,202	783,997		1,002		3,315
7 under 8	5,309	592,052		785		1,597
8 under 9	4,406	469,174		609		1,254
9 under 10	4,260	391,275		423		1,015
10 under 11	3,018	326,838		368		827
11 under 12	2,550	285,361		315		627
12 under 13	2,569	249,612		286		563
13 under 14	2,195	220,293		244		460
14 under 15	2,146	198,511		187		387
15 under 20	6,639	732,782		718		1,343
20 under 25	5,032	485,269		409		840
30 under 40	3,674	344,314		275		535
40 under 50	5,257	455,125		289		807
50 under 60	4,038	291,105		196		341
60 under 70	2,490	200,195		113		227
70 under 80	2,033	142,845		76		153
80 under 90	2,559	105,009		48		108
90 under 100	1,639	88,124		37		55
100 under 150	1,177	65,167		24		41
150 under 200	1,782	197,697		67		182
200 under 250		89,053		30		49
250 under 300		64,192		15		36
300 under 400		41,393		6		21
400 under 500		65,854		9		12
500 under 750		36,715		8		11
750 under 1,000		60,957		2		17
1,000 under 1,500		39,017		4		6
1,500 under 2,000		43,592		2		7
2,000 under 3,000		30,436		2		6
3,000 under 4,000		18,555				2
4,000 under 5,000		6,305				
5,000 and over		4,364				
		22,112		1		17
Nontaxable returns ¹⁸	76,973	7,077,557		8,087		34,327
Taxable returns	156,046	14,977,892		22,575		64,935
Total, individual returns and taxable fiduciary returns with net income	233,019	22,055,449		30,662		99,263
Individual returns with no net income:						
Nontaxable ¹⁹	12,828	311,899		7,477		142,604
Taxable ²⁰	155	6,870		20		52
Total, individual returns with no net income	12,983	318,769		7,497		142,717
Grand total	246,002	22,374,219		68,462		241,979

For footnotes, see p. 130.

TABLE 7.—Individual returns and taxable fiduciary returns with net income,¹ by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938: total number of returns, number of returns and amount of each specific source of income and deductions, and net income—Con.

[Net income classes and money figures in thousands of dollars]

Net income ¹ classes (1)	Deductions—Continued					
	Net long-term capital loss ¹⁴		Net loss from sale of property other than capital assets ¹⁵		Contributions ¹⁶ (individual returns)	
	Number of returns ³	Amount	Number of returns ³	Amount	Number of returns ³	Amount
(31)	(32)	(33)	(34)	(35)	(36)	
Individual returns and taxable fiduciary returns ² with net income:						
Under 1 (est.) ¹⁸		25,306		2,737		10,345
Under 1 (est.)		4,208		145		656
1 under 2 (est.) ¹⁸		19,513		2,244		28,285
1 under 2 (est.)		12,645		714		46,241
2 under 2.5 (est.) ¹⁸		8,716		1,115		17,799
2 under 2.5 (est.)		8,103		330		10,052
2.5 under 3 (est.) ¹⁸		7,426		903		23,709
2.5 under 3 (est.)		8,590		440		12,219
3 under 4 (est.) ¹⁸		5,404		613		15,922
3 under 4 (est.)		23,530		1,472		35,310
4 under 5 (est.) ¹⁸		1,143		167		28,157
4 under 5 (est.)		24,559		1,425		92
5 under 6 ¹⁸		65		12		478
5 under 6		20,152	1,312	1,079	131,827	19,243
6 under 7	14,337	17,669	991	83,369	14,530	8,864
7 under 8	10,971	15,263	643	54,878	11,051	7,333
8 under 9	8,369	13,653	461	38,416	6,157	5,382
9 under 10	6,857	11,565	377	28,494	4,737	5,822
10 under 11	5,353	10,517	308	21,595	3,737	4,222
11 under 12	4,499	9,434	268	17,269	3,737	4,222
12 under 13	3,833	8,744	200	13,848	3,737	4,222
13 under 14	3,281	8,181	172	11,326	3,737	4,222
14 under 15	2,806	6,765	160	9,530	3,737	4,222
15 under 20	2,437	6,765	474	29,781	14,332	10,345
20 under 25	8,544	28,530	599	15,238	10,345	10,345
25 under 30	4,855	19,203	408	8,739	7,247	10,244
30 under 40	3,012	14,067	185	5,324	6,995	5,059
40 under 50	3,478	17,697	130	4,615	3,780	2,677
50 under 60	1,836	10,656	49	2,585	2,858	1,966
60 under 70	1,028	7,630	31	1,566	2,677	1,966
70 under 80	653	5,408	25	1,019	2,677	1,966
80 under 90	395	3,144	17	98	2,677	1,966
90 under 100	314	2,729	10	52	2,677	1,966
100 under 150	213	1,748	37	131	1,882	3,190
150 under 200	456	4,954	10	25	382	2,306
200 under 250	132	1,479	9	74	207	1,489
250 under 300	88	2,146	4	7	98	1,966
300 under 400	40	1,020	4	22	119	2,367
400 under 500	46	69	2	86	57	1,966
500 under 750	29	1,624	4	54	67	2,775
750 under 1,000	6	50	5	215	30	2,137
1,000 under 1,500	1	451	5	314	26	1,738
1,500 under 2,000	1		2	24	12	934
2,000 under 3,000	2	52	1	11	4	438
3,000 under 4,000					1	622
4,000 under 5,000					3	59
5,000 and over					1	192
Nontaxable returns ¹⁹	³ 65	67,800	³ 8	7,790	³ 478	97,669
Taxable returns	³ 87,883	327,979	³ 6,282	14,016	³ 486,873	309,750
Total, individual returns and taxable fiduciary returns with net income	³ 87,948	395,779	³ 6,290	21,805	³ 487,351	407,419
Individual returns with no net income:						
Nontaxable ¹⁹	21,320	185,452	3,826	21,427	30,835	6,438
Taxable ²⁰	26	6,768	1	(²⁵)	14	122
Total, individual returns with no net income	21,346	192,220	3,827	21,427	30,849	6,560
Grand total	³ 109,294	587,999	³ 10,117	43,232	³ 518,200	413,979

For footnotes, see p. 130.

TABLE 7.—Individual returns and taxable fiduciary returns with net income,¹ by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938: total number of returns, number of returns and amount of each specific source of income and deductions, and net income—Con.

[Net income classes and money figures in thousands of dollars]

Net income ² classes (1)	Deductions—Continued						Amount distributable to beneficiaries (fiduciary returns) (43)	Net income ¹ (44)
	Interest paid ¹⁶		Taxes paid ¹⁶		Other deductions ^{13 17}	Total deductions ¹⁷		
	Number of returns ³ (37)	Amount (38)	Number of returns ³ (39)	Amount (40)				
Individual returns and taxable fiduciary returns ² with net income:								
Under 1 (est.) ¹⁸		24,195		34,783	64,238	177,757		236,843
Under 1 (est.)		2,079		6,899	8,876	23,570	75,971	22,988
1 under 2 (est.) ¹⁸		37,993		53,121	77,432	231,505		1,686,277
1 under 2 (est.)		18,285		51,158	32,770	165,006	25,504	1,743,877
2 under 2.5 (est.) ¹⁸		36,038		41,110	49,394	159,793		1,060,877
2 under 2.5 (est.)		6,779		16,959	12,521	56,348	9,201	461,599
2.5 under 3 (est.) ¹⁸		39,743		47,053	39,931	162,992		1,986,299
2.5 under 3 (est.)		12,794		24,349	17,853	78,526	5,946	582,733
3 under 4 (est.) ¹⁸		27,968		28,455	26,553	107,997		1,172,911
3 under 4 (est.)		48,320		71,297	53,300	240,978	8,661	1,733,757
4 under 5 (est.) ¹⁸		2,531		2,555	2,412	10,752		79,077
4 under 5 (est.)		42,384		57,237	41,974	204,559	7,078	1,331,955
5 under 6 ¹⁸	302	135	468	190	215	926		3,555
5 under 6	85,444	31,188	142,965	41,562	30,307	149,156	5,107	898,088
6 under 7	53,992	22,844	88,936	32,277	22,680	115,412	3,362	665,222
7 under 8	35,618	18,160	58,327	25,058	15,408	89,594	4,206	498,252
8 under 9	24,989	13,498	45,981	20,915	13,409	73,994	3,266	391,922
9 under 10	18,728	11,150	30,768	17,581	11,128	62,238	2,182	326,856
10 under 11	14,377	9,129	23,696	15,078	9,729	53,674	1,533	271,631
11 under 12	11,391	8,081	18,651	13,399	8,724	47,174	1,931	236,256
12 under 13	9,112	6,709	15,031	11,884	6,882	41,187	1,701	206,724
13 under 14	7,516	6,016	12,308	10,605	6,474	37,066	1,401	181,826
14 under 15	6,350	5,066	10,324	9,461	6,156	32,762	1,406	164,344
15 under 20	19,630	18,198	32,176	35,683	22,152	126,831	4,399	601,552
20 under 25	10,304	11,428	16,443	23,928	15,343	84,269	3,554	397,446
25 under 30	6,387	7,811	9,482	17,373	11,002	61,271	4,343	278,700
30 under 40	3,387	10,335	10,134	23,197	14,583	80,320	3,827	370,978
40 under 50	3,245	6,275	4,973	15,401	8,953	51,549	2,836	236,720
50 under 60	1,844	3,859	2,776	10,649	7,035	36,622	2,880	160,693
60 under 70	1,136	3,273	1,679	7,392	4,722	26,179	1,962	114,704
70 under 80	721	2,350	1,085	5,397	3,303	18,540	1,053	85,417
80 under 90	549	1,935	801	4,873	2,589	15,659	1,211	71,255
90 under 100	353	1,248	520	3,610	2,753	11,815	654	62,695
100 under 150	891	4,048	1,278	10,286	6,940	35,350	3,935	158,413
150 under 200	290	1,371	408	4,630	3,011	15,213	1,295	72,545
200 under 250	175	1,531	222	4,140	2,128	13,047	400	50,745
250 under 300	82	746	112	2,147	1,802	7,877	1,810	31,706
300 under 400	101	818	140	5,291	2,495	12,873	3,631	49,350
400 under 500	50	756	63	1,768	1,207	6,103	1,520	29,091
500 under 750	57	624	74	2,462	1,817	9,702	2,159	49,096
750 under 1,000	25	262	34	1,433	1,285	6,613	1,104	32,300
1,000 under 1,500	22	621	27	1,308	929	5,594	415	37,583
1,500 under 2,000	12	369	16	1,074	288	2,811		27,625
2,000 under 3,000	3	22	4	661	401	1,585	1,677	15,293
3,000 under 4,000	1	112	1	592	1,443	2,780		4,273
4,000 under 5,000	1	8	1	10	11	91		21,804
5,000 and over	2	8	3	88	3	309		
Nontaxable returns ¹⁹	³ 302	168,603	³ 468	207,268	260,176	851,720		6,225,837
Taxable returns	³ 319,394	340,491	³ 529,439	609,113	414,386	2,103,244	203,112	12,671,537
Total, individual returns and taxable fiduciary returns with net income	³ 319,696	509,093	³ 529,907	816,381	674,562	2,954,964	203,112	18,897,374
Individual returns with no net income:								
Nontaxable ¹⁹	31,771	47,869	46,566	44,093	178,928	664,652		²³ 352,752
Taxable ²⁰	21	180	25	685	445	8,273		²³ 1,404
Total, individual returns with no net income	31,792	48,049	46,591	44,779	179,374	672,925		²³ 354,156
Grand total	³ 351,488	557,142	³ 576,498	861,160	853,936	3,627,889	203,112	²⁴ 18,543,218

For footnotes, see p. 130.

Footnotes for table 7

¹ This table contains data for individual returns with net income and with no net income shown in basic table 7-A and data for taxable fiduciary returns with net income shown in basic table 11. Unlike basic table 7 in Statistics of Income for 1937, Part 1 (pp. 133-137), excludes nontaxable returns with net income for estates and trusts filed incorrectly on Form 1040 instead of Form 1041. For 1937, these incorrectly filed nontaxable returns with net income, which numbered 3,784, were tabulated as individual returns; but for 1938 these returns, which number only 276, are tabulated in basic table 11 in this report as fiduciary returns.

² For taxable fiduciary returns the net income used for classification and tabulation is the net income taxable to the fiduciary (item 17 on p. 1, Form 1041, facsimile on p. 298).

³ The number of returns with net income under \$5,000, which is not available, is excluded from the totals in this column.

⁴ Excludes dividends received through partnerships and fiduciaries and dividends received on share accounts in Federal savings and loan associations.

⁵ Interest received on United States savings bonds and Treasury bonds, owned in excess of \$5,000, and on obligations of instrumentalities of the United States other than those issued under the Federal Farm Loan Act, or such net as amended (see item 5 on p. 1, Form 1040, facsimile on p. 290, and item 4 on p. 1, Form 1041, facsimile on p. 298).

⁶ For 1938, partnership profit or loss includes dividends received, and excludes (1) taxable interest on obligations of the United States, and (2) net gain or loss from the sale or exchange of capital assets. The item "Charitable contributions" is not an allowable deduction in the computation of partnership profit or loss. For 1937, partnership profit or loss included (1) dividends received and (2) net gain or loss from the sale or exchange of capital assets (as defined by sec. 117(b) of the Revenue Act of 1930) and excluded taxable interest on obligations of the United States. The item "Charitable contributions" (limited to 15 percent of partnership net income before deduction of contributions or gifts) was an allowable deduction in the computation of partnership profit or loss. Each item which is excluded from partnership profit or loss for 1938 and 1937 is reported under its appropriate classification.

⁷ For 1938, income from fiduciaries includes (1) dividends received, and (2) net gain or loss from sale or exchange of capital assets, and excludes (1) taxable interest on obligations of the United States, and (2) net gain or loss from sale or exchange of capital assets received from "Common trust funds." For 1937, income from fiduciaries included (1) dividends received, and (2) net gain or loss (including that received from "Common trust funds") from sale or exchange of capital assets as defined by sec. 117(b) of the Revenue Act of 1930, and excluded taxable interest on obligations of the United States. Each item which is excluded from income from fiduciaries for 1938 and 1937 is reported under its appropriate classification.

⁸ If two or more businesses in different industrial groups are reported on one return, each business is counted separately. Consequently, the number of businesses exceeds the number of returns showing business profit or loss. The number of businesses with net income under \$5,000 which is not available, is excluded from the totals in this column.

⁹ Unlike 1937, (1) capital assets exclude property used in trade or business of a character which is subject to the allowance for depreciation and (2) "Net capital gain" and "Net long-term capital loss" include the participant's share of net capital gain or loss to be taken into account from partnerships and "Common trust funds." Net long-term capital gain and loss include losses from worthless stocks and bonds, which for 1937 were tabulated in "Other deductions."

¹⁰ Consists of net short-term capital gain on capital assets held 18 months or less.

¹¹ Consists of net long-term capital gain on capital assets held over 18 months. Includes net capital loss of \$605,760 on sale of capital assets (regardless of period capital assets were held) as defined in sec. 117(b) of the Revenue Act of 1930, reported on 168 fiscal year returns with year ended in period July through November 1938.

¹² Consists of net gain or loss from property used in trade or business of a character which is subject to the allowance for depreciation, which under the Revenue Act of 1938 is excluded from capital assets. For 1937, net gain or loss from the sale of depreciable property was included in "Net capital gain or loss."

¹³ The number of returns with "Other income" and "Other deductions" is not available, since the amount of "Other income" is secured by deducting the sum of the specific sources of income from total income and the amount of "Other deductions" is determined by subtracting the sum of the specific deductions from total deductions.

¹⁴ Consists of net long-term capital loss on capital assets held over 18 months. Includes net capital loss of \$204,378, on sale of capital assets (regardless of period capital assets were held), as defined in sec. 117(b) of the Revenue Act of 1930, reported on 166 fiscal year returns with year ended in period July through November 1938.

¹⁵ Reported on individual returns. Includes charitable contributions of partnerships. For 1937, such contributions were allowed as a deduction in the computation of partnership profit or loss. (See footnote 6.)

¹⁶ Excludes amounts reported in Schedule C and in schedules for business deductions, Forms 1040 and 1041.

¹⁷ Includes "Amount distributable to beneficiaries" (if any) for a small number of taxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041, for which adjustment was not made to remove this amount from "Other deductions" and "Total deductions." (See text, p. 50).

¹⁸ Nontaxable individual returns. Exemptions from normal tax and surtax exceed net income. A negligible number of nontaxable individual returns in net income classes of \$6,000 and over is not tabulated separately.

¹⁹ Includes returns with zero net income (total income equals total deductions).

²⁰ Returns with net long-term capital loss on which the tax, computed on net income before the deduction of net long-term capital loss, exceeds 30 percent of the net long-term capital loss.

²¹ Includes taxable interest received on partially tax-exempt Government obligations.

²² Tabulated with "Taxable interest received on bank deposits, notes, mortgages, corporation bonds."

²³ Deficit.

²⁴ Net income less deficit.

²⁵ Less than \$500.

TABLE 7-A.—Individual returns¹ with net income (excluding fiduciary returns), by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938: total number of returns, number of returns and amount for each specific source of income and deductions, and net income

[Net income classes and money figures in thousands of dollars]

[For text defining certain items and describing methods of tabulating and estimating data see pages 1-6 and 14-15]

Net income classes	Total number of returns	Sources of income			
		Salaries, wages, commissions, etc.		Dividends from domestic and foreign corporations ²	
		Number of returns ³	Amount	Number of returns ³	Amount
(1)	(2)	(3)	(4)	(5)	(6)
Returns with net income:					
Under 1 (est.) ¹⁰	339,369		179,395		39,406
Under 1 (est.)	27,222		3,384		10,641
1 under 2 (est.) ¹⁰	1,241,979		1,416,223		53,691
1 under 2 (est.)	1,181,299		1,578,399		94,351
2 under 2.5 (est.) ¹⁰	466,146		831,514		32,170
2 under 2.5 (est.)	205,450		362,148		42,751
2.5 under 3 (est.) ¹⁰	732,327		1,776,583		36,155
2.5 under 3 (est.)	205,960		448,944		48,776
3 under 4 (est.) ¹⁰	356,083		1,007,091		21,844
3 under 4 (est.)	495,613		1,325,997		121,061
4 under 5 (est.) ¹⁰	18,542		62,113		2,070
4 under 5 (est.)	297,241		939,913		108,153
5 under 6 ¹⁰	666	385	1,979	229	277
5 under 6	162,978	113,751	587,153	82,136	83,896
6 under 7	101,823	68,977	410,205	55,678	72,344
7 under 8	65,960	43,890	297,245	38,498	62,004
8 under 9	45,575	29,897	224,713	28,432	55,091
9 under 10	33,929	22,035	182,470	21,733	49,390
10 under 11	25,458	16,490	146,752	17,312	45,483
11 under 12	20,251	13,080	126,092	14,093	41,896
12 under 13	16,266	10,401	106,179	11,703	38,893
13 under 14	13,235	8,641	95,000	9,731	35,746
14 under 15	11,065	7,182	82,765	8,259	32,676
15 under 20	34,247	21,991	288,124	26,661	137,795
20 under 25	17,388	11,115	176,616	14,174	103,957
25 under 30	9,868	6,369	117,080	8,398	80,605
30 under 40	10,457	6,682	145,142	9,054	117,718
40 under 50	5,105	3,280	84,912	4,552	84,039
50 under 60	2,809	1,821	54,218	2,576	63,765
60 under 70	1,697	1,136	36,505	1,561	47,187
70 under 80	1,112	733	27,581	1,014	35,900
80 under 90	800	510	20,349	744	32,184
90 under 100	526	319	14,276	487	22,742
100 under 150	1,249	810	41,125	1,169	75,138
150 under 200	395	270	16,393	378	34,214
200 under 250	219	139	9,397	211	28,477
250 under 300	103	73	5,086	102	16,811
300 under 400	124	82	5,069	122	28,300
400 under 500	58	39	2,907	57	15,959
500 under 750	71	35	1,977	65	19,442
750 under 1,000	31	16	340	31	13,744
1,000 under 1,500	27	17	814	27	12,507
1,500 under 2,000	14	7	183	14	11,032
2,000 under 3,000	4	4	27	4	3,966
3,000 under 4,000	1	1	9	1	6,062
4,000 under 5,000	1	1	93	1	188
5,000 and over	3	2	1	3	780
Nontaxable returns ¹⁶	3,155,112	2,385	5,274,899	2,229	185,612
Taxable returns	2,995,664	2,380,796	7,966,092	2,358,081	1,936,464
Total, individual returns with net income	6,150,776	2,390,181	13,240,991	2,359,210	2,122,076
Returns with no net income:					
Nontaxable ¹⁷	100,207	20,500	65,192	33,903	85,573
Taxable ¹⁸	26	21	633	26	3,852
Total, individual returns with no net income	100,233	20,521	65,825	33,929	89,424
Grand total	6,251,009	2,410,702	13,306,816	2,393,139	2,211,501

For footnotes, see p. 138.

TABLE 7-A.—Individual returns¹ with net income (excluding fiduciary returns) by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938: total number of returns, number of returns and amount for each specific source of income and deductions, and net income—Con.
[Net income classes and money figures in thousands of dollars]

Net income classes	Sources of income—Continued					
	Taxable interest				Partnership profit ²	
	Bank deposits, notes, mortgages, corporation bonds		Partially tax-exempt Government obligations ⁴		Number of returns ²	Amount
	Number of returns ²	Amount	Number of returns ²	Amount		
(1)	(7)	(8)	(9)	(10)	(11)	(12)
Returns with net income:						
Under 1 (est.) ¹⁶		19 30,662		(20)		11,308
Under 1 (est.) ¹⁶		19 4,696		(20)		545
1 under 2 (est.) ¹⁶		19 44,536		(22)		32,348
1 under 2 (est.) ¹⁶		19 70,366		(20)		18,368
2 under 2.5 (est.) ¹⁶		19 25,939		(20)		30,720
2 under 2.5 (est.) ¹⁶		19 31,341		(20)		11,451
2 under 2.5 (est.) ¹⁶		19 25,426		(20)		36,799
2.5 under 3 (est.) ¹⁶		19 33,574		(20)		18,204
2.5 under 3 (est.) ¹⁶		19 14,063		(20)		32,258
3 under 4 (est.) ¹⁶		19 76,360		(20)		73,190
3 under 4 (est.) ¹⁶		19 2,139		(20)		3,488
4 under 5 (est.) ¹⁶		19 61,148		(20)		81,190
4 under 5 (est.) ¹⁶		179				197
5 under 6 ¹⁶		63,768	38,569	7,380	3,089	18,470
5 under 6 ¹⁶		42,832	30,808	5,918	3,098	13,017
6 under 7		29,283	24,365	4,445	2,534	8,968
7 under 8		21,417	20,375	3,504	2,230	6,610
8 under 9		16,309	17,034	2,922	2,164	5,083
9 under 10		12,960	15,062	2,441	1,993	4,084
10 under 11		10,493	13,742	2,105	1,667	3,288
11 under 12		8,699	11,507	1,791	1,505	2,824
12 under 13		7,324	10,607	1,529	1,409	2,156
13 under 14		6,286	9,380	1,337	1,206	1,932
14 under 15		20,260	34,815	4,773	4,983	6,262
15 under 20		10,892	22,191	2,742	3,371	3,402
20 under 25		6,500	15,196	1,750	2,381	2,037
25 under 30		7,192	19,497	2,013	3,429	2,153
30 under 40		3,593	10,707	1,043	1,651	1,095
40 under 50		2,112	6,532	596	1,042	569
50 under 60		1,303	5,053	378	833	388
60 under 70		844	2,940	262	507	215
70 under 80		630	2,537	189	384	153
80 under 90		423	2,166	121	233	110
90 under 100		1,018	4,399	285	873	198
100 under 150		331	2,093	92	443	54
150 under 200		182	1,897	71	308	24
200 under 250		92	1,181	27	113	19
250 under 300		112	939	20	195	5
300 under 400		49	276	12	12	7
400 under 500		61	542	22	58	30
500 under 750		28	665	9	43	61
750 under 1,000		27	574	2	1	3
1,000 under 1,500		12	199	3	2	
1,500 under 2,000		4	193	4	1	
2,000 under 3,000		1	73			
3,000 under 4,000		1	1			
4,000 under 5,000		3	7	1	5	
5,000 and over						
Nontaxable returns ¹⁶		2 179	142,896	2 104	334	2 59
Taxable returns		2 275,041	603,607	2 47,787	41,764	2 83,137
Total, individual returns with net income		2 275,220	746,504	2 47,891	42,099	2 83,196
Returns with no net income:						
Nontaxable ¹⁷		29,339	31,007	3,329	2,365	4,898
Taxable ¹⁸		25	427	3	8	6
Total, individual returns with no net income		29,364	32,034	3,332	2,373	4,904
Grand total		2 304,584	778,537	2 51,223	44,471	2 88,100

For footnotes, see p. 138.

TABLE 7-A.—Individual returns¹ with net income (excluding fiduciary returns), by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938: total number of returns, number of returns and amount for each specific source of income and deductions, and net income—Con.

[Net income classes and money figures in thousands of dollars]

Net income classes	Sources of income—Continued					
	Income from fiduciaries ⁶		Rents and royalties		Business profit	
	Number of returns ²	Amount	Number of returns ²	Amount	Number of businesses ⁷	Amount
(1)	(13)	(14)	(15)	(16)	(17)	(18)
Returns with net income:						
Under 1 (est.) ¹⁶		7,442		48,265		80,361
Under 1 (est.) ¹⁶		1,053		1,902		1,059
1 under 2 (est.) ¹⁶		10,899		72,135		258,443
1 under 2 (est.) ¹⁶		17,190		36,198		46,057
2 under 2.5 (est.) ¹⁶		6,929		6,280		219,855
2 under 2.5 (est.) ¹⁶		10,628		16,690		21,203
2.5 under 3 (est.) ¹⁶		7,416		42,639		201,542
2.5 under 3 (est.) ¹⁶		12,019		24,606		52,905
3 under 4 (est.) ¹⁶		6,124		23,943		160,157
3 under 4 (est.) ¹⁶		29,637		71,383		221,965
4 under 5 (est.) ¹⁶		988		2,570		14,859
4 under 5 (est.) ¹⁶		28,666		57,747		211,204
5 under 6 ¹⁶		45		171		233
5 under 6 ¹⁶	10,851	28,666	34,457	40,099	33,580	157,689
6 under 7	7,822	24,691	22,670	30,662	21,360	117,487
7 under 8	5,845	21,673	14,897	22,621	13,590	84,989
8 under 9	4,526	19,829	10,902	18,551	9,052	64,121
9 under 10	3,658	17,451	8,098	14,729	6,535	51,602
10 under 11	2,952	15,471	6,253	12,780	4,808	41,263
11 under 12	2,482	14,288	5,140	11,076	3,655	34,176
12 under 13	2,212	13,730	4,164	9,259	2,912	28,784
13 under 14	1,837	12,366	3,806	7,820	2,197	23,077
14 under 15	1,610	11,362	2,915	7,594	1,897	21,439
15 under 20	5,490	47,914	8,954	25,842	5,530	72,459
20 under 25	3,116	33,918	4,742	10,533	2,536	41,958
25 under 30	1,956	25,809	2,718	11,552	1,309	25,420
30 under 40	2,294	37,024	2,974	15,909	1,271	30,638
40 under 50	1,172	25,609	1,508	9,164	579	16,856
50 under 60	699	18,638	798	5,247	274	10,036
60 under 70	426	11,766	520	3,494	157	6,334
70 under 80	304	9,524	320	2,540	97	4,962
80 under 90	225	7,553	241	2,198	72	3,876
90 under 100	166	7,238	147	1,978	46	2,649
100 under 150	391	22,835	370	4,401	83	6,155
150 under 200	138	12,360	107	1,633	21	1,156
200 under 250	87	9,047	72	628	17	1,286
250 under 300	44	4,832	29	465	3	147
300 under 400	52	6,583	28	1,140	4	43
400 under 500	16	3,753	29	200	3	343
500 under 750	37	16,582	23	1,057	2	376
750 under 1,000	17	6,389	13	62	3	1,749
1,000 under 1,500	11	5,611	6	48	3	682
1,500 under 2,000	8	4,620	2			
2,000 under 3,000	1	70	4	19	1	68
3,000 under 4,000						
4,000 under 5,000						
5,000 and over						
Nontaxable returns ¹⁶	2 45	39,972	2 171	241,004	2 233	936,328
Taxable returns	2 60,446	597,069	2 136,422	487,830	2 111,697	1,406,115
Total, individual returns with net income	2 60,491	637,041	2 136,593	728,834	2 111,830	2,342,443
Returns with no net income:						
Nontaxable ¹⁷	5,174	18,205	27,622	41,480	9,794	25,865
Taxable ¹⁸	15	1,086	13	121	2	90
Total, individual returns with no net income	5,189	19,291	27,635	41,601	9,796	25,954
Grand total	2 65,680	656,332	2 164,228	770,435	2 121,626	2,368,398

For footnotes, see p. 138.

TABLE 7-A.—Individual returns¹ with net income (excluding fiduciary returns), by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938: total number of returns, number of returns and amount for each specific source of income and deductions, and net income—Con.

[Net income classes and money figures in thousands of dollars]

Net income classes	Sources of income—Continued					
	Net capital gain ⁸				Net gain from sale of property other than capital assets ¹¹	
	Short-term ⁹		Long-term ¹⁰			
	Number of returns ²	Amount	Number of returns ²	Amount	Number of returns ²	Amount
(1)	(19)	(20)	(21)	(22)	(23)	(24)
Returns with net income:						
Under 1 (est.) ¹⁶		2,724		1,925		861
Under 1 (est.) ¹⁶		606		307		22
1 under 2 (est.) ¹⁶		3,764		2,848		1,579
1 under 2 (est.) ¹⁶		3,651		2,478		716
2 under 2.5 (est.) ¹⁶		2,971		2,323		1,305
2 under 2.5 (est.) ¹⁶		2,383		1,689		395
2.5 under 3 (est.) ¹⁶		3,064		2,102		1,229
2.5 under 3 (est.) ¹⁶		2,760		2,278		593
3 under 4 (est.) ¹⁶		2,832		1,304		1,055
3 under 4 (est.) ¹⁶		9,885		6,575		2,025
4 under 5 (est.) ¹⁶		252		143		60
4 under 5 (est.) ¹⁶		10,622		6,660		2,318
5 under 6 ¹⁶		25		19	10	6
5 under 6 ¹⁶		46		24		1,593
6 under 7	11,785	8,261	8,712	5,937	1,647	1,378
6 under 7	8,835	7,244	6,513	5,241	1,143	871
7 under 8	6,400	5,825	4,665	4,388	716	679
7 under 8	4,920	4,664	3,798	4,064	528	648
8 under 9	3,907	4,451	2,996	3,724	401	473
9 under 10	3,268	3,806	2,487	3,067	316	406
10 under 11	2,650	3,351	2,086	3,121	230	304
12 under 13	2,290	2,983	1,861	2,828	214	247
13 under 14	1,945	2,765	1,528	2,665	156	254
14 under 15	1,703	2,466	1,281	2,270	132	828
15 under 20	5,518	9,284	4,604	10,640	428	487
20 under 25	3,182	6,295	2,730	8,181	210	280
25 under 30	1,954	4,163	1,702	6,395	114	308
30 under 40	2,281	6,428	1,983	9,394	126	205
40 under 50	1,061	3,501	1,052	6,914	68	42
50 under 60	643	2,370	656	5,430	40	176
60 under 70	373	1,619	434	4,641	33	60
70 under 80	242	1,046	311	4,510	18	8
80 under 90	183	1,080	244	3,747	12	113
90 under 100	102	566	158	2,662	8	22
100 under 150	301	2,152	448	12,072	14	9
150 under 200	97	474	181	8,177	3	4
200 under 250	65	254	99	7,224	4	
250 under 300	27	426	52	4,941		
300 under 400	29	107	57	8,133	1	(23)
400 under 500	14	124	41	7,568		
500 under 750	25	160	38	12,709	1	(23)
750 under 1,000	13	87	22	9,190		
1,000 under 1,500	9	145	23	17,589		
1,500 under 2,000	6	29	12	10,884		
2,000 under 3,000	1	1	3	7,433		
3,000 under 4,000			1	162		
4,000 under 5,000			3	3,393		
5,000 and over	1	(23)	1	21,315		
Nontaxable returns ¹⁶	25	15,653	19	10,669	10	6,095
Taxable returns	63,830	116,036	50,782	250,600	6,563	15,466
Total, individual returns with net income	63,855	131,689	50,801	261,269	6,573	21,561
Returns with no net income:						
Nontaxable ¹⁷	5,405	7,769	3,010	6,443	1,210	1,526
Taxable ¹⁸	6	12				
Total, individual returns with no net income	5,411	7,781	3,010	6,443	1,210	1,526
Grand total	69,266	139,471	53,811	267,712	7,783	23,087

For footnotes, see p. 138.

TABLE 7-A.—Individual returns¹ with net income (excluding fiduciary returns), by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938: total number of returns, number of returns and amount of each specific source of income and deductions, and net income—Con.

[Net income classes and money figures in thousands of dollars]

Net income classes	Sources of income—Continued		Deductions			
	Other income ¹²	Total income	Partnership loss ⁴		Business loss	
			Number of returns ²	Amount	Number of businesses ⁷	Amount
(1)	(25)	(26)	(27)	(28)	(29)	(30)
Returns with net income:						
Under 1 (est.) ¹⁶	12,249	414,600		2,888		13,265
Under 1 (est.) ¹⁶	584	24,800		117		457
1 under 2 (est.) ¹⁶	21,311	1,917,777		2,525		10,390
1 under 2 (est.) ¹⁶	17,483	1,885,257		657		2,422
2 under 2.5 (est.) ¹⁶	15,662	1,220,670		1,115		4,505
2 under 2.5 (est.) ¹⁶	7,554	508,233		370		1,182
2.5 under 3 (est.) ¹⁶	16,331	2,149,289		810		3,417
2.5 under 3 (est.) ¹⁶	8,743	653,402		605		1,654
3 under 4 (est.) ¹⁶	10,244	1,280,915		642		2,380
3 under 4 (est.) ¹⁶	21,421	1,960,400		1,728		5,664
4 under 5 (est.) ¹⁶	1,145	89,827		98		32
4 under 5 (est.) ¹⁶	16,844	1,524,464		3,638		5,162
5 under 6 ¹⁶	31	4,479	9	10	22	43
5 under 6	7,919	1,036,406	1,422	1,446	3,203	4,134
6 under 7	6,980	771,398		1,092	2,300	3,271
7 under 8	5,211	580,307	780	879	1,597	2,909
8 under 9	4,295	459,066	606	645	1,248	2,448
9 under 10	4,150	382,456	418	535	1,006	2,178
10 under 11	2,905	319,613	366	518	826	2,094
11 under 12	2,454	278,574	313	369	625	1,413
12 under 13	2,459	243,380	285	544	562	1,384
13 under 14	2,133	214,824	242	296	447	1,061
14 under 15	2,035	192,658	186	296	383	1,026
15 under 20	6,314	711,995	711	2,487	1,335	4,306
20 under 25	4,832	469,035	399	1,103	830	2,952
25 under 30	3,493	329,047	272	808	534	2,549
30 under 40	5,102	437,378	278	806	645	2,904
40 under 50	3,928	277,433	195	826	340	2,115
50 under 60	2,307	188,691	113	589	226	1,690
60 under 70	1,949	134,190	76	347	153	1,149
70 under 80	2,442	101,265	47	303	108	1,125
80 under 90	1,607	82,885	36	174	54	564
90 under 100	1,156	61,235	23	76	38	335
100 under 150	1,765	183,554	66	282	179	1,843
150 under 200	643	82,596	29	403	48	1,104
200 under 250	293	60,969	15	108	35	546
250 under 300	259	35,535	6	16	21	882
300 under 400	649	53,636	9	94	12	765
400 under 500	123	31,395	8	24	10	219
500 under 750	26	52,560	2	31	17	314
750 under 1,000	110	32,441	4	69	6	161
1,000 under 1,500	96	39,185	2	4	7	230
1,500 under 2,000	7	20,956	2	6	6	115
2,000 under 3,000		11,780			2	11
3,000 under 4,000		6,305				
4,000 under 5,000		4,364				
5,000 and over		22,112				
Nontaxable returns ¹⁶	76,973	7,077,557	29	8,087	22	34,327
Taxable returns	150,271	14,471,720	7,911	22,353	16,804	64,356
Total, individual returns with net income	227,245	21,549,277	7,920	30,441	16,826	98,684
Returns with no net income:						
Nontaxable ¹⁷	12,828	311,899	7,477	37,780	54,018	142,664
Taxable ¹⁸	155	6,870	2	20	3	52
Total, individual returns with no net income	12,983	318,769	7,479	37,800	54,021	142,717
Grand total	240,227	21,868,046	15,399	68,240	70,847	241,400

For footnotes, see p. 138.

TABLE 7-A—Individual returns¹ with net income (excluding fiduciary returns), by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938: total number of returns, number of returns and amount for each specific source of income and deductions, and net income—Con.

[Net income classes and money figures in thousands of dollars]

Net income classes (1)	Deductions—Continued					
	Net long-term capital loss ¹³		Net loss from sale of property other than capital assets ¹¹		Contributions ¹⁴	
	Number of returns ² (31)	Amount (32)	Number of returns ² (33)	Amount (34)	Number of returns ² (35)	Amount (36)
Returns with net income:						
Under 1 (est.) ¹⁵		25,306		2,737		10,345
Under 1 (est.) ¹⁶		3,697		100		656
Under 1 (est.) ¹⁷		19,515		2,244		28,285
1 under 2 (est.) ¹⁸		12,159		652		46,241
1 under 2 (est.) ¹⁹		8,716		1,115		17,799
2 under 2.5 (est.) ²⁰		7,881		321		10,052
2 under 2.5 (est.) ²¹		7,426		903		23,709
2.5 under 3 (est.) ²²		8,429		430		12,219
2.5 under 3 (est.) ²³		5,464		613		15,922
3 under 4 (est.) ²⁴		23,451		1,449		35,310
3 under 4 (est.) ²⁵		1,143		167		1,518
4 under 5 (est.) ²⁶		24,234		1,416		28,157
4 under 5 (est.) ²⁷		65		8		478
5 under 6 ²⁸		14,165		1,306		131,827
5 under 6 ²⁹		10,867		983		83,369
6 under 7		8,284		857		54,878
7 under 8		6,777		546		38,416
8 under 9		5,308		420		28,494
9 under 10		4,454		302		21,595
10 under 11		3,799		242		17,269
11 under 12		3,240		197		13,848
12 under 13		2,780		167		11,326
13 under 14		2,410		156		9,530
14 under 15		8,442		473		29,781
15 under 20		4,782		276		15,238
20 under 25		2,955		142		8,739
25 under 30		3,424		184		9,361
30 under 40		1,808		130		4,615
40 under 50		1,012		49		2,585
50 under 60		641		29		1,556
60 under 70		390		24		1,019
70 under 80		307		17		760
80 under 90		210		10		478
90 under 100		445		36		1,182
100 under 150		130		9		3,190
150 under 200		85		7		2,306
200 under 250		34		3		1,489
250 under 300		42		4		2,367
300 under 400		8		2		1,966
400 under 500		28		3		2,775
500 under 750		6		5		2,137
750 under 1,000		2		3		1,738
1,000 under 1,500		1		1		314
1,500 under 2,000		1		1		12
2,000 under 3,000		1		1		4
3,000 under 4,000		1		1		438
4,000 under 5,000		1		1		622
5,000 and over		1		1		59
Nontaxable returns ¹⁶	2 65	67,800	2 8	7,790	2 478	97,669
Taxable returns	2 86,837	322,714	2 6,209	13,535	2 486,873	309,750
Total, individual returns with net income	2 86,902	390,514	2 6,217	21,325	2 487,351	407,419
Returns with no net income:						
Nontaxable ¹⁷	21,320	185,452	3,826	21,427	30,835	6,438
Taxable ¹⁸	26	6,708	1	(23)	14	122
Total, individual returns with no net income	21,346	192,220	3,827	21,427	30,849	6,560
Grand total	2 108,248	582,734	2 10,044	42,752	2 518,200	413,979

For footnotes, see p. 138.

TABLE 7-A.—Individual returns with net income (excluding fiduciary returns), by net income classes, also aggregate for individual returns with no net income (excluding fiduciary returns), 1938: total number of returns, number of returns and amount for each specific source of income and deductions, and net income—Con.

[Net income classes and money figures in thousands of dollars]

Net income classes	Deductions—Continued						Net income
	Interest paid ¹⁵		Taxes paid ¹⁵		Other deductions ¹²	Total deductions	
	Number of returns ²	Amount	Number of returns ²	Amount			
(1)	(37)	(38)	(39)	(40)	(41)	(42)	(43)
Returns with net income:							
Under 1 (est.) ¹⁶		24,195		34,783	64,238	177,757	236,843
Under 1 (est.)		1,259		2,572	2,045	10,903	13,896
1 under 2 (est.) ¹⁶		37,993		53,121	77,432	231,505	1,686,273
1 under 2 (est.)		17,261		48,199	29,062	156,653	1,728,604
2 under 2.5 (est.) ¹⁶		36,038		41,110	49,394	159,793	1,060,877
2 under 2.5 (est.)		6,397		15,818	11,313	53,332	454,901
2.5 under 3 (est.) ¹⁶		39,743		47,053	39,931	162,992	1,986,297
2.5 under 3 (est.)		12,566		23,500	17,006	76,409	576,993
3 under 4 (est.) ¹⁶		27,968		28,455	26,553	107,997	1,172,918
3 under 4 (est.)		47,712		69,863	51,561	236,739	1,723,661
4 under 5 (est.) ¹⁶		2,531		2,555	2,412	10,752	79,075
4 under 5 (est.)		41,818		56,260	40,831	201,517	1,322,947
5 under 6 ¹⁶		302		190	215	926	3,554
5 under 6		85,025		141,977	40,542	29,416	146,642
6 under 7		53,659		88,206	31,660	21,988	113,520
6 under 7		35,380		57,826	24,535	14,711	88,020
7 under 8		24,791		45,537	20,388	12,937	72,678
8 under 9		18,553		30,417	17,047	10,642	60,905
9 under 10		14,228		23,397	14,816	9,359	52,852
10 under 11		11,283		18,418	13,034	8,345	46,066
11 under 12		9,020		14,824	11,643	6,550	40,394
12 under 13		7,432		12,155	10,331	6,198	36,285
13 under 14		6,269		10,160	9,124	5,861	31,955
14 under 15		19,354		31,641	34,736	21,152	123,939
15 under 20		10,126		16,118	23,302	14,590	82,099
20 under 25		5,880		9,228	16,899	10,182	59,379
25 under 30		6,267		9,890	22,697	13,901	78,779
30 under 40		3,164		4,827	14,712	8,410	35,858
40 under 50		1,795		2,691	10,288	6,540	50,062
50 under 60		1,107		1,619	7,082	3,946	35,409
60 under 70		708		1,064	5,328	3,218	18,232
70 under 80		532		771	4,658	2,379	15,138
80 under 90		342		495	3,502	2,492	11,381
90 under 100		872		3,079	9,995	6,527	24,602
100 under 150		277		391	4,458	2,582	14,540
150 under 200		168		213	3,958	2,064	12,373
200 under 250		77		103	2,064	1,748	7,673
250 under 300		94		123	3,618	2,062	10,678
300 under 400		43		58	1,576	1,003	5,322
400 under 500		54		69	2,362	1,476	9,148
500 under 750		23		30	1,387	1,232	5,264
750 under 1,000		22		26	1,308	928	5,592
1,000 under 1,500		11		14	1,069	247	2,766
1,500 under 2,000		3		4	661	312	1,495
2,000 under 3,000		1		1	592	1,443	2,780
3,000 under 4,000		1		1	10	11	91
4,000 under 5,000		2		3	88	309	21,804
5,000 and over		2		3	88	309	21,804
Nontaxable returns ¹⁶	2 302	168,603	2 468	207,268	260,176	851,720	6,225,837
Taxable returns	2 316,563	331,962	2 523,518	585,683	386,275	2,036,628	12,435,092
Total, individual returns with net income	2 316,865	500,564	2 523,986	792,951	646,451	2,888,348	18,660,929
Returns with no net income:							
Nontaxable ¹⁷	31,771	47,869	46,566	44,003	178,928	664,652	21 352,752
Taxable ¹⁸	21	180	25	685	445	8,273	21 1,404
Total, individual returns with no net income	31,792	48,049	46,591	44,779	179,374	672,925	21 354,156
Grand total	2 348,657	548,613	2 570,577	837,730	825,825	3,561,273	22 18,306,773

For footnotes, see p. 138.

Footnotes for table 7-A

¹ Unlike basic table 7, Statistics of Income for 1937, Part 1 (pp. 133-137), excludes taxable fiduciary returns with net income, Form 1041, and taxable and nontaxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041 (see table 11, pp. 180-186). Data for individual returns with no net income are included in this table for the first time.

² The number of returns with net income under \$5,000, which is not available, is excluded from the totals in this column.

³ Excludes dividends received through partnerships and fiduciaries and dividends received on share accounts in Federal savings and loan associations.

⁴ Interest received on United States savings bonds and Treasury bonds, owned in excess of \$5,000, and on obligations of instrumentalities of the United States other than those issued under the Federal Farm Loan Act or such act as amended (see item 5 on p. 1, Form 1040, facsimile on p. 290) reported on returns with net income of \$5,000 and over.

⁵ For 1938, partnership profit or loss includes dividends received, and excludes (1) taxable interest on obligations of the United States, and (2) net gain or loss from the sale or exchange of capital assets. The item "Charitable contributions" is not an allowable deduction in the computation of partnership profit or loss. For 1937, partnership profit or loss included (1) dividends received and (2) net gain or loss from sale or exchange of capital assets (as defined by sec. 117(b) of the Revenue Act of 1936) and excluded taxable interest on obligations of the United States. The item "Charitable contributions" (limited to 15 percent of partnership net income before deduction of contributions or gifts) was an allowable deduction in the computation of partnership profit or loss. Each item which is excluded from partnership profit or loss for 1938 and 1937 is reported under its appropriate classification.

⁶ For 1938, income from fiduciaries includes (1) dividends received, and (2) net gain or loss from sale or exchange of capital assets, and excludes (1) taxable interest on obligations of the United States and (2) net gain or loss from sale or exchange of capital assets received from "Common trust funds." For 1937, income from fiduciaries, included (1) dividends received, and (2) net gain or loss (including that received from "Common trust funds") from sale or exchange of capital assets as defined by sec. 117(b) of the Revenue Act of 1936, and excluded taxable interest on obligations of the United States. Each item which is excluded from income from fiduciaries for 1938 and 1937 is reported under its appropriate classification.

⁷ If two or more businesses in different industrial groups are reported on one return, each business is counted separately. Consequently, the number of businesses exceeds the number of returns showing business profit or loss. The number of businesses for returns with net income under \$5,000, which is not available, is excluded from the totals in this column.

⁸ Unlike 1937, (1) capital assets exclude property used in trade or business of a character which is subject to the allowance for depreciation and (2) "Net capital gain" and "Net long-term capital loss" include each partner's share of net capital gain or loss to be taken into account from partnerships and "Common trust funds." Net long-term capital gain and loss include losses from worthless stocks and bonds, which for 1937 were tabulated in "Other deductions."

⁹ Consists of net short-term capital gain on capital assets held 18 months or less.

¹⁰ Consists of net long-term capital gain on capital assets held over 18 months. Includes net capital gain of \$346,495 on sale of capital assets (regardless of period capital assets were held) as defined in sec. 117(b) of the Revenue Act of 1936, reported on 120 fiscal year returns with year ended in period July through November 1938.

¹¹ Consists of net gain or loss from property used in trade or business of a character which is subject to the allowance for depreciation, which under the Revenue Act of 1938 is excluded from capital assets. For 1937, net gain or loss from the sale of depreciable property was included in "Net capital gain or loss."

¹² The number of returns with "Other income" and "Other deductions" is not available, since the amount of "Other income" is secured by deducting the sum of the specific sources of income from total income and the amount of "Other deductions" is determined by subtracting the sum of the specific deductions from the total deductions.

¹³ Consists of net long-term capital loss on capital assets held over 18 months. Includes net capital loss of \$139,727 on sale of capital assets (regardless of period capital assets were held) as defined in sec. 117(b) of the Revenue Act of 1936, reported on 121 fiscal year returns with year ended in period July through November 1938.

¹⁴ Includes each partner's share of charitable contributions of partnership.s For 1937, such contributions were allowed as a deduction in the computation of partnership profit or loss. (See footnote 5.)

¹⁵ Excludes amounts reported in Schedules C and D as business deductions.

¹⁶ Nontaxable returns. Exemptions from normal tax and surtax exceed net income. A negligible number of nontaxable returns in net income classes of \$6,000 and over is not tabulated separately.

¹⁷ Includes returns with zero net income (total income equals total deductions).

¹⁸ Returns with net long-term capital loss on which the tax, computed on net income before the deduction of net long-term capital loss, exceeds 30 percent of the net long-term capital loss.

¹⁹ Includes taxable interest received on partially tax-exempt Government obligations.

²⁰ Tabulated with "Taxable interest received on bank deposits, notes, mortgages, corporation bonds."

²¹ Deficit.

²² Net income less deficit.

²³ Less than \$500.

TABLE 8.—Individual returns with net income of \$5,000 and over with business (sole proprietorship), 1938: for returns with receipts and deductions in Schedule D, by industrial groups and by businesses with net profit or loss, number of businesses, total receipts and net profit or loss; for all businesses with and without receipts and deductions in Schedule D, number of returns and net profit or loss; also grand totals for certain items for prior years

[Money figures in thousands of dollars]

[For text defining certain items and describing methods of tabulating data, see pp. 48-49]

Industrial groups ¹	Businesses with receipts and deductions in Schedule D					
	Net profit			Net loss		
	Number ²	Total receipts	Net profit ³	Number ²	Total receipts	Net loss ³
Mining and quarrying.....	1, 187	54, 477	14, 692	284	7, 244	2, 397
Manufacturing.....	5, 584	539, 161	52, 742	332	9, 426	1, 012
Food and kindred products.....	982	128, 321	8, 931	31	890	36
Beverages.....	317	32, 790	3, 675	16	729	60
Tobacco manufactures.....	53	6, 214	473			
Textile-mill products.....	242	28, 075	2, 399	17	835	72
Apparel and products made from fabrics.....	493	73, 202	4, 506	9	240	16
Leather and products.....	98	13, 315	1, 066	6	274	18
Rubber products.....	32	3, 608	408			
Lumber and timber basic products.....	268	23, 642	2, 100	22	1, 347	88
Furniture and finished lumber products.....	215	18, 160	1, 986	7	63	22
Paper and allied products.....	77	7, 611	785	7	72	12
Printing and publishing industries.....	795	39, 775	6, 349	58	1, 078	289
Chemicals and allied products.....	219	18, 793	2, 092	21	650	48
Petroleum and coal products.....	40	5, 336	419	7	188	9
Stone, clay, and glass products.....	172	12, 655	1, 853	16	420	40
Iron, steel, and products.....	376	30, 670	3, 872	19	848	73
Nonferrous metals and their products.....	162	11, 586	1, 467	5	28	6
Electrical machinery and equipment.....	70	5, 581	818	6	119	7
Machinery, except transportation equipment and electrical.....	99	7, 943	1, 065	10	198	31
Automobiles and equipment, except electrical.....	34	2, 906	352	6	75	14
Transportation equipment, except automobiles.....	27	2, 825	286	2	30	5
Other manufacturing.....	319	25, 857	3, 102	26	236	55
Manufacturing not allocable.....	474	40, 297	4, 738	41	1, 125	110
Public utilities.....	1, 478	69, 514	11, 073	109	2, 485	187
Transportation.....	1, 363	65, 410	10, 198	98	1, 647	142
Communication.....	46	1, 963	504	6	64	37
Other public utilities.....	69	2, 140	371	5	773	8
Trade.....	26, 185	2, 599, 786	188, 524	1, 586	63, 586	3, 848
Wholesale ⁴	6, 551	965, 023	55, 352	393	18, 880	1, 076
Retail ⁴	18, 175	1, 471, 056	122, 623	1, 096	41, 473	2, 587
Department, general merchandise, dry goods.....	1, 490	133, 354	10, 154	82	10, 835	690
Food stores.....	2, 547	276, 970	16, 463	126	4, 773	183
Package liquor stores.....	609	39, 244	4, 276	21	288	18
Drug stores.....	1, 259	67, 879	7, 099	33	632	47
Apparel.....	1, 746	129, 558	11, 671	118	2, 849	201
Furniture and house furnishings.....	1, 000	66, 591	7, 898	46	759	74
Eating and drinking places.....	1, 584	91, 121	9, 964	112	2, 360	186
Dealers in automobiles, accessories, tires, and batteries.....	1, 595	242, 933	11, 724	95	8, 228	347
Filling stations.....	808	54, 818	4, 397	80	1, 293	119
Hardware.....	505	36, 081	3, 280	34	1, 076	55
Lumber and coal yards.....	1, 251	110, 622	9, 434	57	2, 611	115
Other retail trade.....	2, 946	160, 659	20, 830	205	4, 192	359
Retail trade not allocable.....	835	61, 226	5, 434	87	1, 575	152
Wholesale and retail trade combined.....	665	97, 336	5, 093	18	947	23
Trade not allocable.....	834	66, 371	5, 456	81	2, 486	162

For footnotes, see p. 141.

TABLE 8.—Individual returns with net income of \$5,000 and over with business (sole proprietorship), 1938: for returns with receipts and deductions in Schedule D, by industrial groups and by businesses with net profit or loss, number of businesses, total receipts and net profit or loss; for all businesses with and without receipts and deductions in Schedule D, number of returns and net profit or loss; also grand totals for certain items for prior years—Continued

[Money figures in thousands of dollars]

Industrial groups ¹	Businesses with receipts and deductions in Schedule D					
	Net profit			Net loss		
	Number ²	Total receipts	Net profit ³	Number ²	Total receipts	Net loss ³
Service.....	48,141	903,270	403,121	2,243	12,623	3,810
Personal service.....	3,326	120,954	23,735	330	4,904	876
Hotels and other lodging places.....	869	30,738	4,951	197	3,712	553
Laundries, cleaning and dyeing.....	560	29,291	4,236	25	328	71
Photographic studios.....	201	6,890	1,525	19	28	22
Other personal service.....	1,633	51,079	12,553	67	662	190
Personal service not allocable.....	54	2,957	470	22	174	41
Business service.....	1,356	47,037	10,754	97	434	124
Advertising.....	477	22,163	4,197	30	61	22
Adjustment and credit bureaus and collecting agencies.....	86	2,626	538	2	4	2
Private employment agencies.....	20	306	146	3	14	8
Duplicating and mailing service.....	125	5,001	902	7	138	5
Other business service.....	195	6,964	1,462	20	155	43
Business service not allocable.....	453	9,976	3,508	35	62	44
Automobile repair services.....	448	24,584	2,475	43	785	66
Amusement.....	1,851	82,697	15,723	232	2,895	694
Motion-picture production.....	55	2,447	812	2	2	2
Motion-picture theaters.....	542	24,897	4,542	49	1,228	119
Other amusement.....	980	52,781	9,653	159	1,452	479
Amusement not allocable.....	73	2,572	716	22	213	94
Professional and social service.....	41,930	616,827	347,325	1,507	3,447	1,971
Accountants, auditors, and book-keeping service.....	1,358	18,370	9,494	26	112	31
Medical and health service.....	26,084	367,699	208,738	490	1,640	568
Legal.....	11,189	156,207	98,758	538	602	612
Engineering.....	1,780	44,011	16,562	218	736	488
Educational institutions and agencies.....	310	7,653	2,018	31	110	32
Other professional and social service.....	922	17,566	9,504	175	200	210
Professional and social service not allocable.....	278	5,321	2,251	29	46	30
Other service.....	168	6,044	1,057	8	68	15
Service not allocable.....	262	5,127	2,052	26	92	64
Finance, insurance, real estate, and lessors of real property.....	6,782	215,822	50,055	893	17,889	2,326
Security and commodity exchange brokers and dealers.....	1,067	97,701	9,781	197	14,632	1,040
Other finance companies.....	442	17,925	4,086	28	220	95
Insurance.....	2,904	57,911	20,816	101	800	161
Real estate, including lessors of buildings.....	1,457	29,431	9,916	280	1,881	857
Lessors of real property, except buildings.....	17	175	75	1	-----	5
Finance, insurance, real estate, and lessors of real property not allocable.....	895	12,679	5,381	86	357	169

For footnotes, see p. 141.

TABLE 8.—Individual returns with net income of \$5,000 and over with business (sole proprietorship), 1938: for returns with receipts and deductions in Schedule D, by industrial groups and by businesses with net profit or loss, number of businesses, total receipts and net profit or loss; for all businesses with and without receipts and deductions in Schedule D, number of returns and net profit or loss; also grand totals for certain items for prior years—Continued

[Money figures in thousands of dollars]

Industrial groups ¹	Businesses with receipts and deductions in Schedule D					
	Net profit			Net loss		
	Number ²	Total receipts	Net profit ³	Number ²	Total receipts	Net loss ³
Construction.....	3,925	303,912	32,704	135	4,117	320
General contractors.....	2,236	207,353	20,271	89	3,284	254
Special trade contractors.....	1,575	89,073	11,417	41	641	55
Construction not allocable.....	114	7,485	1,016	5	191	11
Agriculture, forestry, and fishery ⁴	7,877	201,609	38,581	9,382	42,222	26,287
Farming.....	7,387	180,261	35,254	9,039	39,452	26,124
Other agriculture, forestry, and fishery.....	469	20,370	3,495	306	2,581	2,128
Agriculture, forestry, and fishery not allocable.....	21	978	133	17	190	36
Nature of business not allocable, except trade.....	3,565	234,322	27,119	415	6,914	1,590
Total, businesses with receipts and deductions in business schedule:						
1938.....	105,664	5,121,874	818,910	15,150	166,506	43,779
1937.....	123,184	6,547,599	1,095,221	15,414	189,126	49,266
1936.....	115,114	6,107,169	916,930	12,879	156,087	38,784
1935.....	75,511	3,813,750	583,203	8,726	95,745	22,098
1934.....	64,603	3,222,239	499,700	7,944	90,985	20,927
1933.....	43,127	2,414,325	347,615	6,374	111,480	22,248

ALL BUSINESSES, WITH AND WITHOUT RECEIPTS AND DEDUCTIONS IN BUSINESS SCHEDULE

1938.....	111,830	-----	852,832	16,826	-----	47,858
1937.....	135,808	-----	1,062,875	18,520	-----	54,681
1936.....	132,519	-----	1,021,608	15,760	-----	45,125
1935.....	89,714	-----	687,467	11,323	-----	33,713
1934.....	73,889	-----	568,689	9,969	-----	29,753
1933.....	49,740	-----	393,815	7,970	-----	26,791
1932.....	45,547	-----	354,488	-----	-----	-----
1931.....	97,779	-----	766,730	-----	-----	-----
1930.....	154,640	-----	1,215,452	-----	-----	-----
1929.....	228,475	-----	1,836,329	-----	-----	-----

¹ For comparison of these 1938 industrial groups with those for 1937 published on pp. 28-29 and 138-143 in "Statistics of Income for 1937, Part 1," see pp. 205-211.

² If two or more businesses in different industrial groups are reported on one return, each business is counted separately. Consequently, the number of businesses exceeds the number of returns showing business profit or loss.

³ The compensation of the proprietor is not allowed as a deduction in computing business profit or loss. (See instruction 9, Form 1040, facsimile on p. 295.)

⁴ Consists of wholesale or retail trade reported separately in Schedule D, Form 1040. Excludes combined "Wholesale and retail" when reported as such.

⁵ Data are tabulated from Form 1040F (schedule of farm income and expenses), if submitted with the individual income tax return.

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax

[For text defining certain items and describing methods of tabulating and estimating data, see pp. 1-6 and 14-15]

Net income classes (Thousands of dollars)	Alabama			Arizona		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	2,111	\$1,494,388		1,252	\$807,158	
Under 1 (est.) ³	212	107,649	\$3,397	14	7,492	\$247
1 under 2 (est.) ³	6,780	9,045,050		3,389	4,881,850	
1 under 2 (est.) ³	7,168	10,074,117	78,934	3,912	5,986,620	54,558
2 under 2.5 (est.) ³	3,063	6,984,631		1,760	4,004,879	
2 under 2.5 (est.) ³	907	2,012,451	33,127	792	1,761,756	25,922
2.5 under 3 (est.) ³	5,249	14,252,183		2,594	7,027,971	
2.5 under 3 (est.) ³	1,415	4,008,517	27,317	837	2,338,843	23,827
3 under 4 (est.) ³	2,714	8,927,990		1,176	3,891,481	
3 under 4 (est.) ³	3,559	12,514,023	89,723	2,020	7,010,076	75,493
4 under 5 (est.) ³	115	474,810		73	311,860	
4 under 5 (est.) ³	2,013	8,965,184	109,941	1,181	5,264,245	81,571
5 under 6 ³	4	21,250		5	25,624	
5 under 6 ³	1,091	5,944,890	100,029	505	2,752,215	55,447
6 under 7	645	4,158,341	85,394	275	1,762,275	45,673
7 under 8	450	3,807,089	88,096	150	1,185,846	41,751
8 under 9	310	2,028,344	82,445	105	893,436	39,157
9 under 10	189	1,798,253	70,089	91	860,147	42,448
10 under 11	161	1,689,306	73,815	56	585,288	30,290
11 under 12	123	1,412,177	67,680	38	434,454	24,176
12 under 13	118	1,470,511	75,907	39	491,075	29,142
13 under 14	83	1,123,559	61,063	29	388,754	25,127
14 under 15	73	1,060,745	63,836	16	232,256	15,397
15 under 20	214	3,686,174	259,123	50	861,243	63,044
20 under 25	97	2,172,766	192,041	23	507,084	47,655
25 under 30	52	1,404,313	147,727	18	495,548	60,125
30 under 40	47	1,612,500	214,086	19	661,044	88,554
40 under 50	22	992,520	163,115	14	635,263	108,145
50 under 60	6	332,413	63,930	4	222,100	43,160
60 under 70	7	458,635	101,724			
70 under 80	4	306,871	83,676	1	71,604	19,112
80 under 90	5	428,809	121,533			
90 under 100	1	91,088	26,646			
100 under 150	1	118,104	43,043			
150 under 200						
200 under 250						
250 under 300						
300 under 400						
400 under 500						
500 under 750						
750 under 1,000						
1,000 under 1,500						
1,500 under 2,000						
2,000 under 3,000						
3,000 under 4,000						
4,000 under 5,000						
5,000 and over						
Total, individual returns with net income	39,010	115,142,172	2,628,418	20,447	56,359,487	1,040,021
Individual returns with no net income	624	\$ 2,213,530		559	\$ 1,961,380	
Grand total	39,634	117,355,702	2,628,418	21,006	58,320,867	1,040,021
Taxable fiduciary returns with net income ⁴	251	1,021,186	80,693	85	204,387	8,155
Total, individual returns with net income and taxable fiduciary returns with net income	39,261	118,376,888	2,715,111	20,532	58,525,254	1,048,176
Summary of returns with net income for prior years: ⁵						
1937	39,959	130,127,271	4,155,993	20,809	62,432,053	1,542,167
1936	31,712	106,647,588	3,434,836	16,842	51,444,492	1,429,247
1935	26,141	80,443,944	1,701,528	13,941	38,298,031	647,859
1934	23,072	69,229,199	1,407,104	11,378	29,802,959	391,723

For footnotes, see p. 167.]

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	Arkansas			California		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	1,050	\$675,604		28,641	\$18,771,586	
Under 1 (est.) ³	103	53,090	\$1,810	656	377,165	\$9,907
1 under 2 (est.) ³	3,176	4,570,521		91,122	127,150,238	
2 under 2.5 (est.) ³	2,462	3,575,098	29,112	120,612	176,517,280	1,465,842
2 under 2.5 (est.) ³	1,980	4,504,754		36,023	81,906,774	
2.5 under 3 (est.) ³	453	1,006,660	15,775	20,760	45,909,979	732,741
2.5 under 3 (est.) ³	2,903	8,059,783		49,777	135,298,370	
3 under 4 (est.) ³	828	2,338,144	18,980	22,229	62,357,042	589,038
3 under 4 (est.) ³	1,393	4,559,883		23,250	76,399,788	
4 under 5 (est.) ³	1,901	6,596,471	47,203	50,538	175,546,595	1,785,588
4 under 5 (est.) ³	67	287,919		1,005	4,649,781	
5 under 6 ³	990	4,406,910	54,742	28,390	126,516,345	1,999,018
5 under 6 ³	2	11,018		34	183,462	
6 under 7	653	3,570,708	60,496	17,023	92,913,559	1,920,840
7 under 8	396	2,562,027	55,200	9,818	63,307,014	1,639,671
8 under 9	268	2,000,593	52,906	5,537	41,261,002	1,386,344
9 under 10	204	1,738,539	57,080	3,317	28,113,416	1,150,704
10 under 11	139	1,320,006	50,110	2,399	22,767,029	1,068,772
11 under 12	101	1,058,538	47,346	1,732	18,143,148	935,348
12 under 13	74	837,158	39,849	1,433	16,445,965	918,988
13 under 14	59	735,376	37,985	1,176	14,684,469	877,238
14 under 15	49	661,480	37,083	928	12,540,370	793,196
15 under 20	47	682,536	40,897	757	10,959,643	726,664
20 under 25	105	1,817,686	128,355	2,426	41,729,590	3,176,032
25 under 30	62	1,372,018	109,173	1,276	28,415,490	2,698,854
30 under 40	38	1,032,574	111,993	765	20,897,511	2,403,382
40 under 50	32	1,093,582	145,064	802	27,633,022	3,841,821
50 under 60	14	619,673	98,868	417	18,516,750	3,150,400
60 under 70	6	323,447	61,287	222	12,058,840	2,355,826
70 under 80	1	385,740	82,673	149	9,682,484	2,173,638
80 under 90	1	70,141	15,866	99	7,374,660	1,880,942
90 under 100	1	86,815	24,599	76	6,440,610	1,798,409
100 under 150	3	286,910	85,684	53	5,020,040	1,548,829
150 under 200	1	108,966	37,266	102	11,915,222	4,321,519
200 under 250				25	4,212,508	1,752,956
250 under 300				10	2,161,038	1,026,676
300 under 400				6	1,690,630	672,453
400 under 500				9	3,026,014	1,293,768
500 under 750				5	2,168,240	1,094,243
750 under 1,000				2	1,086,450	326,856
1,000 under 1,500				2	2,406,526	793,921
1,500 under 2,000				2	5,020,654	1,561,011
2,000 under 3,000						
3,000 under 4,000						
4,000 under 5,000						
5,000 and over				1	5,897,657	1,778,703
Total, individual returns with net income	19,627	63,018,868	1,557,402	523,696	1,569,973,956	57,650,138
Individual returns with no net income	506	\$ 1,308,050		11,593	\$ 40,449,183	\$ 12,112
Grand total	20,133	64,326,918	1,557,402	535,289	1,610,423,139	57,662,250
Taxable fiduciary returns with net income ⁴	93	358,476	19,532	2,897	15,745,844	2,477,052
Total, individual returns with net income and taxable fiduciary returns with net income	19,720	64,685,394	1,576,934	526,593	1,585,719,800	60,127,190
Summary of returns with net income for prior years: ⁵						
1937	18,502	64,054,308	1,934,035	510,224	1,677,450,067	74,835,666
1936	16,587	61,156,625	2,073,666	436,128	1,494,509,201	76,428,350
1935	14,085	43,351,163	796,832	367,757	1,172,303,199	42,033,332
1934	13,818	38,885,585	677,515	315,766	968,067,116	33,380,393

For footnotes, see p. 167.

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	Colorado			Connecticut		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	2,760	\$1,756,475		6,675	\$4,700,580	
Under 1 (est.) ²	219	109,344	\$3,321	772	374,928	\$12,691
1 under 2 (est.) ²	8,426	11,734,482		32,137	41,686,248	
1 under 2 (est.) ²	6,981	10,037,909	80,149	28,776	41,516,097	351,171
2 under 2.5 (est.) ²	3,701	8,451,967		7,169	16,215,687	
2 under 2.5 (est.) ²	1,137	2,511,084	42,416	4,748	10,537,427	185,826
2.5 under 3 (est.) ²	4,871	13,199,786		12,532	33,945,695	
2.5 under 3 (est.) ²	1,492	4,206,361	54,337	3,843	10,719,105	134,317
3 under 4 (est.) ²	2,234	7,334,124		6,101	20,131,738	
3 under 4 (est.) ²	3,491	12,086,376	99,509	8,633	30,095,912	299,982
4 under 5 (est.) ²	113	478,320		347	1,485,646	
4 under 5 (est.) ²	1,935	8,627,024	114,119	5,947	26,591,026	355,324
5 under 6 ²				17	90,907	
5 under 6 ²	1,267	6,913,443	123,540	3,116	16,979,587	317,265
6 under 7	807	5,218,440	114,321	2,228	14,403,574	323,212
6 under 7	538	4,015,589	107,764	1,473	10,977,653	306,834
7 under 8	318	2,693,376	89,558	1,060	8,985,634	304,896
8 under 9	233	2,205,819	85,357	846	8,016,518	316,770
9 under 10	184	1,928,158	87,985	605	6,344,032	284,559
10 under 11	157	1,802,599	82,090	498	5,693,672	282,529
11 under 12	126	1,571,010	82,948	326	4,962,125	267,061
12 under 13	109	1,468,945	83,948	283	4,398,521	252,543
13 under 14	76	1,069,933	66,489	283	4,103,505	246,821
14 under 15	213	3,663,875	255,567	863	14,877,330	1,053,418
15 under 20	100	2,235,838	201,202	471	10,523,033	947,215
20 under 25	61	2,679,256	185,079	279	7,626,557	843,067
25 under 30	58	1,954,922	257,474	275	9,504,626	1,282,430
30 under 40	32	1,421,779	232,250	167	7,429,489	1,241,203
40 under 50	15	821,667	159,661	88	4,842,092	974,182
50 under 60	10	649,041	145,321	52	3,362,272	774,566
60 under 70	10	755,273	193,922	36	2,630,252	675,586
70 under 80	5	427,651	126,400	28	2,392,903	731,443
80 under 90	1	99,068	30,043	14	1,329,908	410,844
90 under 100	1	1,150,795	397,982	40	4,904,660	1,871,632
100 under 150	4	660,438	245,013	15	2,545,941	1,078,057
150 under 200	1	215,054	106,246	11	2,477,337	1,156,191
200 under 250	1	549,233	285,415	4	1,096,726	451,324
250 under 300	2	395,657	264,821	5	1,757,986	776,945
300 under 400	2	916,212	546,051			
400 under 500				5	3,151,559	1,612,240
500 under 750						
750 under 1,000	2	1,515,510	463,454			
1,000 under 1,500						
1,500 under 2,000						
2,000 under 3,000						
3,000 under 4,000						
4,000 under 5,000						
5,000 and over						
Total, individual returns with net income	41,701	128,562,793	5,416,548	130,880	403,408,548	20,122,144
Individual returns with no net income	999	\$ 2,495,890		2,021	\$ 6,945,395	\$ 3,555
Grand total	42,700	126,066,903	5,416,548	132,901	396,463,153	20,125,699
Taxable fiduciary returns with net income ⁴	431	2,079,209	366,760	1,515	6,220,478	781,486
Total, individual returns with net income and taxable fiduciary returns with net income	42,132	130,642,002	5,783,308	132,395	409,629,026	20,903,630
Summary of returns with net income for prior years: ⁵						
1937	45,371	156,162,264	9,010,069	145,363	484,984,394	34,890,703
1936	40,332	140,498,541	8,934,634	121,805	439,105,955	35,982,854
1935	33,475	108,379,317	4,057,259	100,898	340,303,213	17,227,337
1934	31,232	94,502,319	3,281,526	91,352	288,693,183	12,325,678

For footnotes, see p. 167.

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	Delaware			District of Columbia		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	897	\$623,501		2,843	\$2,070,272	
Under 1 (est.) ²	209	94,195	\$2,886	525	272,940	\$7,397
1 under 2 (est.) ²	2,655	3,748,888		17,133	24,476,117	
1 under 2 (est.) ²	3,589	5,171,171	44,007	35,468	53,264,322	472,115
2 under 2.5 (est.) ²	1,076	2,439,865		5,753	13,051,371	
2 under 2.5 (est.) ²	533	1,184,555	19,878	5,826	12,934,656	
2.5 under 3 (est.) ²	1,468	3,990,001		8,210	22,253,427	212,456
2.5 under 3 (est.) ²	772	2,169,164	19,329	6,108	17,103,048	168,689
3 under 4 (est.) ²	803	2,642,143		4,750	15,692,334	
3 under 4 (est.) ²	1,490	5,159,906	45,255	12,171	42,058,381	360,291
4 under 5 (est.) ²	45	189,282		303	1,282,600	
4 under 5 (est.) ²	781	3,485,831	48,039	5,510	24,455,668	309,636
5 under 6 ²	1	5,010		12	63,402	
5 under 6 ²	492	2,692,904	49,584	3,036	16,555,070	292,809
6 under 7	306	1,983,343	44,736	1,612	10,384,423	225,904
7 under 8	207	1,549,233	42,038	872	6,498,498	176,905
8 under 9	153	1,293,970	65,833	620	5,258,556	177,084
9 under 10	141	1,337,188	52,095	472	4,479,752	176,285
10 under 11	108	1,133,963	48,815	341	3,505,685	157,985
11 under 12	82	944,877	46,801	283	3,250,235	155,255
12 under 13	82	1,026,147	53,630	190	2,371,741	121,963
13 under 14	72	966,494	54,623	145	1,956,047	109,628
14 under 15	52	753,599	47,039	148	2,140,855	127,554
15 under 20	160	2,723,728	213,773	439	7,628,513	529,341
20 under 25	83	1,854,995	170,319	229	5,093,259	454,021
25 under 30	47	1,294,209	143,782	128	3,491,294	377,840
30 under 40	60	2,077,857	282,488	120	4,151,622	563,582
40 under 50	42	1,892,846	315,765	67	2,551,701	425,849
50 under 60	22	1,229,040	241,420	39	2,094,236	398,636
60 under 70	27	1,732,070	381,607	21	1,352,721	319,414
70 under 80	11	826,358	208,322	13	833,555	236,451
80 under 90	9	776,163	234,145	10	840,585	245,377
90 under 100	3	288,193	91,499	13	1,223,567	373,326
100 under 150	31	3,812,024	1,432,975	12	1,436,714	372,309
150 under 200	17	2,877,334	1,208,930	1	1,777,997	773,451
200 under 250	7	1,470,435	684,430	10	2,221,310	109,189
250 under 300	3	814,153	421,369			
300 under 400	9	3,022,541	1,423,338			
400 under 500	3	1,417,223	799,881			
500 under 750	4	2,639,436	1,487,905			
750 under 1,000	2	1,833,942	891,876			
1,000 under 1,500	3	3,870,066	2,029,013	1	921,951	610,167
1,500 under 2,000						
2,000 under 3,000						
3,000 under 4,000						
4,000 under 5,000						
5,000 and over						
Total, individual returns with net income	16,557	81,037,843	13,347,465	113,425	319,469,261	9,433,868
Individual returns with no net income	185	\$ 2,155,191		576	\$ 1,829,419	
Grand total	16,742	78,882,652	13,347,465	114,001	317,639,842	9,433,868
Taxable fiduciary returns with net income ⁴	504	4,356,947	991,195	444	1,658,388	262,190
Total, individual returns with net income and taxable fiduciary returns with net income	17,061	85,394,790	14,338,660	113,869	321,127,649	9,696,058
Summary of returns with net income for prior years: ⁵						
1937	16,836	104,341,692	25,218,817	110,658	329,915,913	11,629,939
1936	13,739	96,694,780	25,538,755	106,863	327,467,666	13,290,899
1935	11,371	64,759,925	11,401,715	95,271	268,667,106	7,175,849
1934	10,620	55,073,452	9,312,466	82,871	234,925,250	5,653,864

For footnotes, see p. 167.

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	Florida			Georgia		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	4,082	\$2,593,502		2,607	\$1,821,804	
Under 1 (est.) ³	457	239,871	\$6,477	260	142,068	\$4,516
1 under 2 (est.) ³	9,164	13,037,089		10,110	13,953,231	
1 under 2 (est.) ³	7,425	10,742,926	91,996	7,425	11,654,606	123,281
2 under 2.5 (est.) ³	4,409	10,002,281		4,366	9,971,867	
2 under 2.5 (est.) ³	1,365	3,057,431	52,611	2,177	4,815,270	80,608
2.5 under 3 (est.) ³	6,374	17,335,092		8,558	23,267,928	
2.5 under 3 (est.) ³	2,151	6,072,725	51,481	1,692	4,410,140	62,332
3 under 4 (est.) ³	3,764	12,421,080		4,323	14,234,178	
3 under 4 (est.) ³	5,656	19,591,377	160,025	5,706	20,151,435	184,796
4 under 5 (est.) ³	252	1,090,236		179	756,125	
4 under 5 (est.) ³	3,049	13,630,701	178,392	4,363	19,389,558	231,307
5 under 6 ³	4	20,675		4	21,524	
5 under 6	1,896	10,372,075	187,185	1,747	9,532,111	160,074
5 under 6	1,276	8,245,567	182,916	1,067	6,894,271	145,871
6 under 7	903	6,743,155	187,460	742	5,520,991	142,561
7 under 8	638	5,413,600	179,470	547	4,644,367	152,948
8 under 9	482	4,574,275	177,223	388	3,668,673	139,747
9 under 10	364	3,814,422	170,840	317	3,327,299	143,334
10 under 11	280	3,225,976	159,313	200	2,298,445	111,084
11 under 12	229	2,857,798	152,603	188	2,341,435	122,242
12 under 13	207	2,793,702	160,293	141	1,899,219	106,906
13 under 14	170	2,466,125	150,113	110	1,595,090	94,895
14 under 15	518	8,843,688	620,168	382	6,607,974	467,979
15 under 20	250	5,549,262	498,646	174	3,859,955	344,729
20 under 25	157	4,275,559	465,029	101	2,772,494	306,370
25 under 30	170	5,822,028	781,645	107	3,689,056	493,566
30 under 40	87	3,847,255	630,114	33	1,480,652	240,608
40 under 50	48	2,646,677	516,652	26	1,412,975	268,234
50 under 60	32	2,040,702	456,358	17	1,078,572	231,800
60 under 70	25	1,880,065	477,918	13	987,680	251,298
70 under 80	9	757,751	207,607	3	247,099	67,995
80 under 90	8	757,766	264,694	3	284,479	85,452
90 under 100	36	4,341,336	1,554,513	17	2,142,136	803,243
100 under 150	15	2,655,208	1,105,918	4	715,340	323,051
150 under 200	8	1,835,114	901,636	3	657,579	324,327
200 under 300						
300 under 400	3	1,024,422	573,839	2	635,216	361,652
400 under 500	1	419,663	245,239	1	402,191	233,192
500 under 750	4	2,528,517	1,555,139			
750 under 1,000						
1,000 under 1,500	1	1,302,309	459,454			
1,500 under 2,000						
2,000 under 3,000						
3,000 under 4,000						
4,000 under 5,000	1	4,273,201	1,606,967			
5,000 and over						
Total individual returns with net income	55,940	215,232,204	15,169,934	58,003	193,294,033	6,809,998
Individual returns with no net income	1,864	* 6,842,573		986	* 2,989,640	
Grand total	57,804	7 208,389,631	15,169,934	58,989	7 190,304,393	6,809,998
Taxable fiduciary returns with net income ⁴	461	3,706,138	834,954	306	1,249,351	93,766
Total, individual returns with net income and taxable fiduciary returns with net income	56,401	218,938,342	16,004,888	58,309	194,543,384	6,903,764
Summary of returns with net income for prior years ⁵ :						
1937	52,417	234,630,523	21,286,514	56,768	205,053,443	8,370,285
1936	44,048	197,705,207	18,608,221	49,512	181,626,423	8,478,922
1935	38,021	144,693,408	8,933,457	46,702	150,963,172	4,149,454
1934	32,550	112,102,614	5,597,287	38,137	122,612,284	3,104,301

For footnotes, see p. 167.

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	Hawaii			Idaho		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	935	\$570,420		430	\$240,597	
Under 1 (est.) ³	108	60,454	\$2,081	5	3,255	\$84
1 under 2 (est.) ³	3,588	4,822,649		2,397	3,276,897	
1 under 2 (est.) ³	3,770	5,515,009	48,399	3,226	4,720,053	37,948
2 under 2.5 (est.) ³	1,146	2,603,707		570	1,279,029	
2 under 2.5 (est.) ³	801	1,771,387	29,677	491	1,087,235	15,883
2.5 under 3 (est.) ³	1,809	4,912,682		1,669	4,519,269	
2.5 under 3 (est.) ³	626	1,740,338	22,917	622	1,742,084	17,155
3 under 4 (est.) ³	1,021	3,412,389		711	2,335,300	
3 under 4 (est.) ³	1,629	5,714,557	55,732	1,409	4,912,693	50,143
4 under 5 (est.) ³	108	466,364		40	172,992	
4 under 5 (est.) ³	1,117	5,007,684	62,064	807	3,569,046	52,952
5 under 6 ³	12	64,305		3	16,833	
5 under 6	629	3,440,387	56,388	404	2,207,039	41,995
6 under 7	416	2,690,580	54,967	177	1,142,922	29,667
7 under 8	244	1,819,970	47,823	81	601,377	20,532
8 under 9	173	1,466,973	47,322	41	344,412	15,204
9 under 10	115	1,085,982	43,083	32	301,717	14,117
10 under 11	73	765,749	34,093	17	176,191	9,581
11 under 12	76	872,065	43,091	15	170,882	9,870
12 under 13	63	785,340	42,155	15	188,193	11,853
13 under 14	34	461,061	25,703	13	172,932	11,472
14 under 15	37	537,201	31,229	9	128,455	8,618
15 under 20	136	2,324,705	162,027	17	201,078	22,674
20 under 25	75	1,665,553	147,178	9	197,254	18,868
25 under 30	40	1,064,552	113,978	11	317,678	39,054
30 under 40	36	1,225,791	163,701	2	64,904	8,961
40 under 50	30	1,329,437	215,021			
50 under 60	7	381,319	72,579			
60 under 70	15	963,904	214,335			
70 under 80	5	365,727	88,045			
80 under 90	5	416,925	116,110			
90 under 100	4	373,533	115,692			
100 under 150	9	1,025,037	367,498			
150 under 200						
200 under 250						
250 under 300	1	254,196	131,626			
300 under 400						
400 under 500						
500 under 750						
750 under 1,000						
1,000 under 1,500						
1,500 under 2,000						
2,000 under 3,000						
3,000 under 4,000						
4,000 under 5,000						
5,000 and over						
Total, individual returns with net income	18,893	61,977,932	2,554,514	13,223	34,180,317	436,631
Individual returns with no net income	222	* 367,921		356	* 820,791	
Grand total	19,115	7 61,610,011	2,554,514	13,579	7 33,369,526	436,631
Taxable fiduciary returns with net income ⁴	155	705,858	77,358	22	90,999	5,448
Total, individual returns with net income and taxable fiduciary returns with net income	19,048	62,683,790	2,631,872	13,245	34,271,316	442,079
Summary of returns with net income for prior years ⁵ :						
1937	17,394	64,824,869	3,709,136	15,683	43,335,468	693,336
1936	15,214	58,737,567	4,408,203	14,201	41,692,504	762,433
1935	13,262	46,901,822	2,396,253	11,005	29,803,013	361,103
1934	11,252	37,515,719	1,563,069	8,932	23,636,891	281,770

For footnotes, see p. 167.

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	Illinois			Indiana		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	19,461	\$13,223,654		5,573	\$3,708,421	
Under 1 (est.) ³	2,097	1,129,685	\$37,798	442	233,890	\$7,553
1 under 2 (est.) ⁴	92,357	125,085,911		26,430	35,337,218	
1 under 2 (est.) ⁵	93,448	141,667,821	1,373,462	24,632	34,685,103	253,268
2 under 2.5 (est.) ⁶	32,144	73,237,614		9,370	21,371,409	
2 under 2.5 (est.) ⁷	22,299	49,254,186		3,225	7,106,441	113,913
2.5 under 3 (est.) ⁸	59,954	162,862,797		17,367	46,979,364	
2.5 under 3 (est.) ⁹	17,104	47,571,967	582,973	4,100	11,593,854	75,086
3 under 4 (est.) ¹⁰	29,076	95,443,753		6,752	22,115,913	
3 under 4 (est.) ¹¹	42,322	147,482,835	1,338,066	9,228	31,788,904	230,447
4 under 5 (est.) ¹²	1,337	5,716,579		352	1,501,385	
4 under 5 (est.) ¹³	29,233	130,058,246	1,658,615	4,367	19,406,991	240,321
5 under 6 ¹⁴	44	232,472		8	42,272	
5 under 6 ¹⁵	13,889	75,745,065	1,283,455	2,555	13,954,508	237,006
6 under 7	8,748	56,604,549	1,186,099	1,652	10,698,404	222,012
7 under 8	6,069	45,311,453	1,182,675	1,106	8,235,698	214,853
8 under 9	4,160	35,254,214	1,145,403	796	6,736,569	222,957
9 under 10	3,157	29,903,577	1,130,623	570	5,411,021	203,463
10 under 11	2,496	26,146,884	1,119,735	460	4,823,561	202,763
11 under 12	1,925	22,108,686	1,046,246	371	4,257,977	199,513
12 under 13	1,458	18,186,709	928,268	300	3,736,651	192,094
13 under 14	1,254	16,916,042	929,668	236	3,179,284	177,798
14 under 15	1,117	16,189,576	958,286	209	3,021,443	177,704
15 under 20	3,300	56,694,350	3,921,767	623	10,636,398	731,205
20 under 25	1,712	38,052,117	3,352,641	276	6,136,953	542,814
25 under 30	966	26,400,381	2,856,200	160	4,360,813	466,394
30 under 40	1,034	35,390,215	4,758,014	173	5,558,201	777,129
40 under 50	482	21,363,200	3,494,657	73	3,221,389	518,279
50 under 60	236	12,896,742	2,460,194	42	2,312,101	441,455
60 under 70	160	10,250,487	2,260,765	20	1,292,088	288,008
70 under 80	100	7,516,413	1,927,958	23	1,724,572	450,710
80 under 90	77	6,465,683	1,815,611	10	846,043	232,162
90 under 100	50	4,742,116	1,487,200	8	754,488	232,157
100 under 150	117	13,875,524	5,048,988	20	2,227,616	767,785
150 under 200	42	7,052,278	2,931,840	6	1,022,954	423,897
200 under 250	20	4,570,268	2,122,344	1	215,658	110,402
250 under 300	8	2,101,850	1,027,801			
300 under 400	8	2,853,496	1,454,281			
400 under 500	1	469,120	281,788	1	463,907	262,877
500 under 750	11	6,960,499	3,625,568	2	1,295,583	821,419
750 under 1,000	7	6,089,846	2,877,316			
1,000 under 1,500	2	2,734,740	821,125			
1,500 under 2,000						
2,000 under 3,000						
3,000 under 4,000						
4,000 under 5,000						
5,000 and over						
Total, individual returns with net income	493,482	1,601,813,600	65,267,918	121,539	342,298,045	10,037,444
Individual returns with no net income	5,915	* 23,225,950		1,684	* 4,514,024	
Grand total	499,397	* 1,578,587,650	65,267,918	123,223	* 337,784,021	10,037,444
Taxable fiduciary returns with net income ¹	5,132	24,946,818	4,468,615	479	2,132,505	205,064
Total, individual returns with net income and taxable fiduciary returns with net income	498,614	1,626,760,418	69,736,533	122,018	344,430,550	10,242,508
Summary of returns with net income for prior years: ⁶						
1937	505,050	1,804,785,237	103,228,427	132,218	401,914,365	15,705,078
1936	418,303	1,599,035,105	102,035,920	103,303	332,021,225	15,048,048
1935	345,857	1,171,833,651	51,134,158	82,436	245,979,617	8,487,466
1934	310,456	1,006,927,934	40,398,845	69,623	198,442,985	6,881,939

For footnotes, see p. 167.

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	Iowa			Kansas		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	7,094	\$4,812,770		5,569	\$3,507,399	
Under 1 (est.) ³	279	130,950	\$4,049	202	102,668	\$3,446
1 under 2 (est.) ⁴	17,807	24,747,486		11,914	16,892,880	
1 under 2 (est.) ⁵	12,873	18,355,903	143,519	8,267	11,940,589	99,606
2 under 2.5 (est.) ⁶	7,410	16,812,605		5,276	11,970,261	
2 under 2.5 (est.) ⁷	1,637	3,619,534	59,229	1,181	2,609,975	45,006
2.5 under 3 (est.) ⁸	9,284	25,075,856		5,667	15,313,808	
2.5 under 3 (est.) ⁹	2,175	6,131,377	46,958	1,591	4,492,830	38,097
3 under 4 (est.) ¹⁰	3,558	11,694,005		2,250	7,407,322	
3 under 4 (est.) ¹¹	4,958	17,099,320	127,630	3,984	13,820,129	107,533
4 under 5 (est.) ¹²	154	660,112		124	534,920	
4 under 5 (est.) ¹³	2,509	11,111,902	139,669	1,999	8,921,593	110,070
5 under 6 ¹⁴	9	46,914		4	22,481	
5 under 6 ¹⁵	1,534	8,363,257	140,137	1,085	5,030,835	103,329
6 under 7	967	6,236,840	134,997	744	4,806,977	104,848
7 under 8	599	4,459,497	117,366	440	3,274,574	92,893
8 under 9	421	3,571,046	115,004	296	2,514,302	83,952
9 under 10	325	3,083,791	119,951	227	2,142,182	84,994
10 under 11	247	2,582,361	113,394	176	1,840,246	79,673
11 under 12	188	2,155,828	100,998	128	1,467,752	70,585
12 under 13	121	1,505,710	77,709	90	1,124,722	58,738
13 under 14	95	1,278,781	71,578	63	850,153	49,839
14 under 15	75	1,088,812	64,667	58	841,008	51,634
15 under 20	268	4,568,337	311,808	173	2,981,849	208,790
20 under 25	129	2,865,531	255,622	94	2,085,101	183,075
25 under 30	77	2,092,219	228,168	33	905,094	97,699
30 under 40	60	2,014,298	265,616	50	1,714,717	226,324
40 under 50	31	1,393,859	230,635	18	789,549	126,802
50 under 60	8	428,372	80,921	11	593,614	113,224
60 under 70	1	69,180	16,745	4	261,618	57,141
70 under 80	1	75,347	18,590	4	313,711	80,512
80 under 90	3	247,784	69,386	2	169,718	49,134
90 under 100				1	94,190	29,026
100 under 150	1	112,803	40,332	4	490,096	165,162
150 under 200						
200 under 250	1	248,087	69,061			
250 under 300						
300 under 400	1	316,173	89,930	1	263,251	91,636
400 under 500						
500 under 750						
750 under 1,000						
1,000 under 1,500						
1,500 under 2,000						
2,000 under 3,000						
3,000 under 4,000						
4,000 under 5,000						
5,000 and over						
Total, individual returns with net income	74,900	189,056,647	3,253,719	51,730	132,902,114	2,612,768
Individual returns with no net income	1,752	* 3,478,108		1,838	* 4,284,687	
Grand total	76,652	* 185,578,539	3,253,719	53,568	* 128,707,427	2,612,768
Taxable fiduciary returns with net income ¹	614	1,960,117	244,020	297	814,165	44,882
Total, individual returns with net income and taxable fiduciary returns with net income	75,514	191,016,764	3,497,739	52,027	133,806,279	2,657,650
Summary of returns with net income for prior years: ⁶						
1937	72,359	196,770,959	4,886,074	53,182	154,317,290	4,051,195
1936	67,345	184,118,458	4,840,561	47,374	145,617,405	3,944,602
1935	57,788	148,525,910	2,790,513	39,492	111,404,165	2,041,689
1934	47,871	119,454,155	2,005,786	35,600	91,867,863	1,499,250

For footnotes, see p. 167.

TABLE 9—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	Kentucky			Louisiana		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	2,845	\$2,034,798		2,739	\$1,900,768	
Under 1 (est.) ³	290	135,893	\$4,645	9	7,215	\$150
1 under 2 (est.) ³	12,162	16,430,841		10,569	14,585,778	
1 under 2 (est.) ³	8,309	12,569,362	125,002	9,031	12,911,612	93,943
2 under 2.5 (est.) ³	4,216	9,603,741		3,934	8,942,443	
2 under 2.5 (est.) ³	1,842	4,087,014	68,301	1,699	3,796,244	54,360
2.5 under 3 (est.) ³	7,015	18,946,040		6,856	18,698,455	
2.5 under 3 (est.) ³	1,553	4,309,307	55,139	2,366	6,599,580	64,153
3 under 4 (est.) ³	2,687	8,836,337		3,834	12,671,453	
3 under 4 (est.) ³	4,218	14,780,771	142,500	6,446	22,516,117	249,283
4 under 5 (est.) ³	203	881,733		233	1,004,210	
4 under 5 (est.) ³	3,085	13,747,371	175,461	4,474	19,880,628	313,344
5 under 6 ³	12	62,724		13	67,846	
5 under 6 ³	1,384	7,569,854	131,753	2,359	12,857,974	260,173
6 under 7	911	5,893,169	125,542	1,329	8,573,442	227,002
7 under 8	563	4,197,179	114,541	702	5,235,755	186,610
8 under 9	404	3,412,318	112,836	452	3,836,278	161,901
9 under 10	323	3,060,713	117,371	321	3,035,819	145,656
10 under 11	232	2,431,025	103,274	241	2,520,918	132,910
11 under 12	176	2,015,931	97,340	219	2,509,514	142,825
12 under 13	142	1,767,457	91,536	155	1,945,213	120,504
13 under 14	112	1,508,054	85,574	113	1,525,628	99,792
14 under 15	93	1,347,583	80,957	103	1,495,593	103,154
15 under 20	280	4,780,010	336,738	304	5,217,896	403,338
20 under 25	158	3,488,064	307,040	165	3,672,669	357,985
25 under 30	78	2,119,960	230,750	123	3,332,066	390,128
30 under 40	78	2,611,364	343,769	102	3,461,020	487,444
40 under 50	29	1,298,555	212,525	66	2,946,602	502,322
50 under 60	15	806,447	153,418	18	983,961	192,424
60 under 70	8	529,029	118,630	11	703,946	157,040
70 under 80	11	816,859	197,159	12	870,416	217,846
80 under 90	7	507,172	164,973	5	441,004	138,096
90 under 100	2	196,383	61,668	3	282,286	107,479
100 under 150	8	983,466	352,967	9	1,151,670	442,034
150 under 200	1	170,115	77,177	2	348,644	148,410
200 under 250						
250 under 300				1	383,772	227,623
300 under 400						
400 under 500				1	626,417	278,760
500 under 750	1	703,725	211,526			
750 under 1,000						
1,000 under 1,500						
1,500 under 2,000						
2,000 under 3,000						
3,000 under 4,000						
4,000 under 5,000						
5,000 and over						
Total, individual returns with net income	53,453	158,724,364	4,400,142	59,019	191,540,852	6,406,689
Individual returns with no net income	730	2,305,852		1,041	3,107,987	
Grand total	54,183	155,418,512	4,400,142	60,060	188,432,865	6,406,689
Taxable fiduciary returns with net income ⁴	248	911,192	129,810	108	716,856	106,235
Total, individual returns with net income and taxable fiduciary returns with net income	53,701	159,635,556	4,529,952	59,127	192,257,708	6,512,924
Summary of returns with net income for prior years: ⁵						
1937	51,192	168,058,619	5,723,251	54,519	191,658,737	8,172,372
1936	45,189	157,007,367	6,581,929	43,728	160,054,669	8,394,930
1935	39,763	125,101,178	3,742,279	40,123	122,582,017	3,065,551
1934	35,333	107,389,715	2,726,762	36,871	106,168,279	2,296,812

For footnotes, see p. 167.

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	Maine			Maryland		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	1,724	\$1,174,764		5,938	\$4,358,120	
Under 1 (est.) ³	165	89,276	\$2,623	765	405,059	\$12,776
1 under 2 (est.) ³	5,228	7,049,648		22,732	30,990,407	
1 under 2 (est.) ³	5,199	7,468,031	61,077	29,053	41,382,545	322,339
2 under 2.5 (est.) ³	1,883	4,261,030		8,829	20,169,232	
2 under 2.5 (est.) ³	846	1,884,711	32,132	4,098	9,039,445	147,097
2.5 under 3 (est.) ³	2,925	7,946,957		14,498	39,459,629	
2.5 under 3 (est.) ³	914	2,576,495	22,844	5,064	14,248,218	118,946
3 under 4 (est.) ³	1,508	4,991,907		8,394	27,942,876	
3 under 4 (est.) ³	2,218	7,694,270	65,750	12,946	45,159,905	352,478
4 under 5 (est.) ³	82	363,545		580	2,451,326	
4 under 5 (est.) ³	1,177	5,257,313	74,339	7,307	32,519,576	393,267
5 under 6 ³	6	32,135		24	130,432	
5 under 6 ³	795	4,352,726	81,066	4,605	25,164,079	433,787
6 under 7	489	3,158,937	71,175	2,639	17,030,124	369,282
7 under 8	307	2,287,069	67,649	1,574	11,768,029	327,988
8 under 9	247	2,090,778	69,144	1,061	8,996,830	300,658
9 under 10	150	1,422,425	57,245	747	7,068,500	279,719
10 under 11	108	1,130,422	49,584	570	5,969,028	264,710
11 under 12	108	1,236,332	62,767	421	4,833,298	233,657
12 under 13	71	879,713	46,129	383	4,777,250	250,384
13 under 14	62	839,290	47,540	256	3,458,848	192,532
14 under 15	47	670,477	39,990	224	3,244,923	196,388
15 under 20	183	3,173,650	226,433	782	13,449,570	940,860
20 under 25	85	1,913,510	173,919	377	8,403,063	751,189
25 under 30	48	1,318,148	146,214	233	6,395,226	703,899
30 under 40	42	1,410,806	186,938	234	7,973,726	1,069,643
40 under 50	19	846,515	143,488	105	4,732,380	788,187
50 under 60	12	652,657	126,341	73	3,095,606	775,596
60 under 70	7	452,612	103,185	39	2,512,375	553,147
70 under 80	6	439,992	116,622	20	1,600,320	374,774
80 under 90	2	169,101	49,665	12	1,023,335	284,812
90 under 100	3	280,191	92,003	8	749,784	232,982
100 under 150	6	696,007	258,014	21	2,432,920	867,703
150 under 200				10	1,718,660	757,337
200 under 250				6	1,881,820	634,354
250 under 300				2	590,014	314,653
300 under 400				2	651,497	361,294
400 under 500	1	469,450	282,192	4	1,886,662	851,418
500 under 750	1	593,327	375,576	1	618,258	390,723
750 under 1,000						
1,000 under 1,500						
1,500 under 2,000						
2,000 under 3,000						
3,000 under 4,000						
4,000 under 5,000						
5,000 and over	2	15,905,925	4,885,365			
Total, individual returns with net income	26,676	97,189,142	8,017,009	134,637	420,582,895	14,848,57
Individual returns with no net income	588	2,202,927		1,304	6,032,488	
Grand total	27,264	99,392,069	8,017,009	135,941	426,615,383	14,848,579
Taxable fiduciary returns with net income ⁴	325	722,819	41,570	1,163	3,305,029	376,487
Total, individual returns with net income and taxable fiduciary returns with net income	27,001	97,911,961	8,058,579	135,800	423,887,924	15,225,066
Summary of returns with net income for prior years: ⁵						
1937	28,123	95,105,166	5,222,014	133,183	457,051,802	21,500,438
1936	25,057	88,859,221	5,181,283	105,673	391,588,573	21,594,419
1935	21,826	69,455,451	2,567,514	92,550	316,888,322	12,013,217
1934	20,584	63,204,584	2,207,930	84,395	282,624,171	11,040,490

For footnotes, see p. 167.

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	Massachusetts			Michigan		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	19,892	\$14,297,916		16,679	\$11,769,599	
Under 1 (est.) ²	2,344	1,120,465	\$36,711	610	362,177	\$12,141
1 under 2 (est.) ²	72,320	96,498,790		58,242	77,752,487	
1 under 2 (est.) ²	55,499	81,781,514	748,981	49,502	77,523,684	818,420
2 under 2.5 (est.) ²	21,670	49,050,290		21,739	49,518,896	
2 under 2.5 (est.) ²	12,193	27,039,697	475,168	11,863	26,156,184	441,683
2.5 under 3 (est.) ²	26,974	73,214,389		34,538	93,680,548	
2.5 under 3 (est.) ²	9,756	27,179,012	356,019	6,482	17,866,774	266,899
3 under 4 (est.) ²	13,765	45,576,208		17,551	58,053,969	
3 under 4 (est.) ²	21,726	75,322,928	809,279	19,242	67,583,933	609,665
4 under 5 (est.) ²	795	3,382,483		1,062	4,520,901	
4 under 5 (est.) ²	13,582	60,566,542	852,963	14,827	66,063,876	804,151
5 under 6 ²	33	176,633		23	121,334	
5 under 6 ²	6,912	37,734,563	676,727	5,859	31,992,616	521,375
6 under 7	4,533	29,321,342	652,326	3,641	23,534,536	478,982
6 under 7	3,098	23,159,940	645,151	2,437	18,205,374	471,360
7 under 8	2,267	19,255,705	649,251	1,739	14,757,213	494,347
8 under 9	1,659	15,739,274	629,457	1,249	11,841,983	442,388
9 under 10	1,268	13,292,319	583,860	940	9,843,106	419,844
10 under 11	998	11,467,467	557,394	708	8,134,399	378,720
11 under 12	851	10,613,307	562,427	657	8,206,350	422,768
12 under 13	682	9,189,593	520,485	456	6,154,094	337,998
13 under 14	629	9,105,263	543,178	367	5,314,792	315,281
14 under 15	1,764	30,237,401	2,149,122	1,271	21,757,395	1,488,351
15 under 20	867	19,240,879	1,733,216	618	13,704,846	1,201,866
20 under 25	480	13,095,540	1,430,597	374	10,211,707	1,094,511
25 under 30	525	17,968,393	2,415,300	399	13,649,102	1,804,940
30 under 40	276	12,281,624	2,058,611	206	9,155,533	1,495,467
40 under 50	127	6,902,539	1,339,079	114	6,137,006	1,180,016
50 under 60	57	3,680,171	843,868	47	4,514,621	1,011,704
60 under 70	41	3,097,057	870,881	70	3,513,240	897,663
70 under 80	28	2,390,509	686,380	40	3,377,877	1,010,181
80 under 90	16	1,527,720	502,580	20	1,908,263	602,175
90 under 100	31	3,712,642	1,365,008	59	7,048,798	2,590,603
100 under 150	10	1,679,665	741,784	15	2,655,087	1,137,706
150 under 200	3	659,524	326,504	8	1,827,660	833,933
200 under 250	4	1,063,452	509,597	8	2,187,380	1,014,632
250 under 300	4	1,416,785	828,663	12	4,032,768	2,043,670
300 under 400				1	411,457	118,484
400 under 500				1	516,620	509,062
500 under 750	1	672,722	236,529			
750 under 1,000				2	2,634,660	782,210
1,000 under 1,500						
1,500 under 2,000						
2,000 under 3,000						
3,000 under 4,000						
4,000 under 5,000						
5,000 and over						
Total, individual returns with net income	297,680	853,712,263	27,337,096	273,678	798,203,445	28,103,196
Individual returns with no net income	4,813	6,159,903,479	95,829	3,650	6,133,887,856	11,102
Grand total	302,493	7,837,808,784	27,432,925	277,328	7,784,815,589	28,114,298
Taxable fiduciary returns with net income ⁴	4,910	15,245,807	1,409,133	1,747	8,926,076	1,408,453
Total, individual returns with net income and taxable fiduciary returns with net income	302,590	868,958,070	28,746,229	275,425	807,129,521	29,511,649
Summary of returns with net income for prior years: ⁵						
1937	314,390	1,053,822,664	52,381,623	308,486	984,735,767	51,434,533
1936	284,320	988,903,808	58,876,192	239,363	862,577,726	60,302,647
1935	257,495	825,327,457	31,804,163	173,799	568,269,799	28,319,046
1934	242,728	737,044,841	24,624,216	139,329	418,569,373	14,866,008

For footnotes, see p. 167.

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	Minnesota			Mississippi		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	5,469	\$3,713,980		1,641	\$1,087,932	
Under 1 (est.) ²	450	229,543	\$7,604	105	55,969	\$1,810
1 under 2 (est.) ²	22,413	30,815,345		3,564	5,058,104	
1 under 2 (est.) ²	25,657	36,232,951	278,521	2,795	4,023,276	32,212
2 under 2.5 (est.) ²	9,912	22,537,463		2,243	5,116,602	
2 under 2.5 (est.) ²	2,497	5,480,077	92,009	410	914,401	16,264
2.5 under 3 (est.) ²	13,093	35,330,178		2,654	7,210,945	
2.5 under 3 (est.) ²	2,934	8,264,020	67,496	566	1,596,437	11,497
3 under 4 (est.) ²	5,286	17,459,142		1,274	4,206,234	
3 under 4 (est.) ²	6,614	22,927,263	173,923	1,650	5,722,914	42,395
4 under 5 (est.) ²	181	773,930		60	252,455	
4 under 5 (est.) ²	3,849	17,174,951	209,168	993	4,414,753	53,404
5 under 6 ²	14	75,856		5	25,629	
5 under 6 ²	2,522	13,768,392	228,223	519	2,837,435	48,461
6 under 7	1,488	9,618,598	199,000	328	2,119,382	47,032
6 under 7	982	7,324,988	185,386	280	1,716,306	44,398
7 under 8	733	6,212,781	201,641	162	1,375,719	44,269
8 under 9	539	5,112,539	193,061	143	1,360,144	50,002
9 under 10	408	4,284,174	180,216	79	820,651	36,055
10 under 11	353	4,045,428	189,899	63	722,998	35,422
11 under 12	240	2,987,402	152,061	33	414,546	22,126
12 under 13	102	2,585,397	142,901	32	431,201	24,613
13 under 14	163	2,360,784	137,580	35	505,809	29,291
14 under 15	509	8,789,054	606,502	117	1,985,831	136,540
15 under 20	297	6,610,816	583,815	54	1,217,160	108,066
20 under 25	136	3,680,883	393,024	30	824,060	93,306
25 under 30	122	4,148,958	549,751	22	757,885	103,253
30 under 40	72	3,253,909	530,124	11	490,745	79,217
40 under 50	47	2,570,137	507,102	3	162,847	31,053
50 under 60	17	1,111,351	252,071	2	123,489	25,446
60 under 70	14	1,037,608	253,883			
70 under 80	5	428,965	127,471			
80 under 90	8	759,392	216,554			
90 under 100	13	1,525,222	539,591			
100 under 150	2	338,918	92,914			
150 under 200	5	1,091,359	456,127			
200 under 250						
250 under 300						
300 under 400	1	323,841	91,501			
400 under 500	1	427,045	254,486			
500 under 750						
750 under 1,000						
1,000 under 1,500						
1,500 under 2,000						
2,000 under 3,000						
3,000 under 4,000						
4,000 under 5,000						
5,000 and over						
Total, individual returns with net income	107,238	295,418,646	8,093,575	19,823	57,551,919	1,116,742
Individual returns with no net income	1,335	6,335,902		761	6,170,510	
Grand total	108,573	7,292,082,744	8,093,575	20,584	7,558,846,709	1,116,742
Taxable fiduciary returns with net income ⁴	1,268	4,573,084	776,823	58	320,151	21,397
Total, individual returns with net income and taxable fiduciary returns with net income	108,506	299,991,730	8,870,398	19,881	57,872,070	1,138,139
Summary of returns with net income for prior years: ⁵						
1937	107,560	321,717,314	11,908,597	17,823	55,867,577	1,542,247
1936	86,294	296,978,853	13,676,938	16,296	54,516,977	1,740,121
1935	72,258	222,817,905	6,672,968	13,570	36,878,747	870,027
1934	67,297	196,345,286	5,257,595	12,507	32,578,332	479,717

For footnotes, see p. 167.

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	Missouri			Montana		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	7,183	\$5,145,044		710	\$415,964	
Under 1 (est.) ³	549	277,249	\$8,770	50	28,466	\$946
1 under 2 (est.) ³	30,897	42,240,959		6,069	8,153,092	
1 under 2 (est.) ³	26,922	38,931,234	323,725	0,080	9,220,119	88,424
2 under 2.5 (est.) ³	13,029	29,550,457		1,408	3,165,964	
2 under 2.5 (est.) ³	4,198	9,301,228	155,341	1,225	2,707,524	44,912
2.5 under 3 (est.) ³	16,900	45,767,552		4,766	12,855,570	
2.5 under 3 (est.) ³	4,849	13,667,561	106,261	931	2,693,548	27,141
3 under 4 (est.) ³	6,708	21,962,887		1,863	6,129,034	
3 under 4 (est.) ³	11,504	39,836,127	326,609	2,139	7,391,989	61,057
4 under 5 (est.) ³	329	1,411,935		89	370,228	
4 under 5 (est.) ³	5,963	26,548,133	336,492	1,181	5,237,768	61,004
5 under 6 ³	17	93,174		1	5,191	
5 under 6 ³	3,750	20,516,651	356,487	493	2,693,709	43,232
6 under 7	2,424	15,676,104	334,642	292	1,833,744	38,430
7 under 8	1,611	12,033,606	324,231	206	1,335,337	40,612
8 under 9	1,210	10,253,791	337,528	130	1,102,806	35,662
9 under 10	956	9,079,768	355,230	94	887,948	34,678
10 under 11	651	6,820,885	297,180	56	586,455	25,583
11 under 12	527	6,050,403	290,943	45	517,349	24,533
12 under 13	436	5,444,572	281,524	30	374,786	18,930
13 under 14	345	4,652,111	260,205	37	501,796	26,930
14 under 15	307	4,447,268	267,558	23	331,066	19,699
15 under 20	960	16,508,280	1,159,645	52	894,347	62,332
20 under 25	452	9,996,823	888,709	23	511,987	44,419
25 under 30	258	7,079,569	782,499	6	159,294	17,195
30 under 40	311	10,711,843	1,441,198	13	455,386	62,489
40 under 50	130	5,750,116	935,042	6	279,649	46,996
50 under 60	62	3,374,737	644,740	4	222,600	43,636
60 under 70	40	2,593,926	574,057			
70 under 80	39	2,000,711	733,330			
80 under 90	21	1,770,654	484,860	2	174,332	49,405
90 under 100	11	1,043,349	332,859			
100 under 150	35	4,139,864	1,527,902	2	243,218	91,913
150 under 200	7	1,142,694	421,507			
200 under 250	5	1,048,925	429,449			
250 under 300	1	289,970	155,340			
300 under 400	1	357,264	202,659			
400 under 500	1	416,944	119,500			
500 under 750	1	683,345	198,733			
750 under 1,000						
1,000 under 1,500	1	1,268,365	428,714			
1,500 under 2,000	1	1,739,385	812,516			
2,000 under 3,000						
3,000 under 4,000						
4,000 under 5,000						
5,000 and over						
Total, individual returns with net income	143,662	442,525,472	16,636,955	27,976	71,630,266	1,010,158
Individual returns with no net income	2,154	\$ 6,655,430	\$ 5,654	416	\$ 875,878	
Grand total	145,816	449,180,902	16,642,609	28,392	72,506,144	1,010,158
Taxable fiduciary returns with net income ⁴	1,334	10,290,930	2,120,221	61	196,483	9,770
Total, individual returns with net income and taxable fiduciary returns with net income	144,996	459,471,832	18,762,830	28,037	72,702,627	1,019,928
Summary of returns with net income for prior years:						
1937	145,457	491,815,453	23,083,037	30,468	79,583,027	1,228,334
1936	130,521	462,884,942	24,210,538	23,916	68,787,896	1,410,820
1935	110,370	358,068,146	12,426,233	19,924	50,719,731	981,165
1934	98,125	306,041,392	9,353,651	16,825	46,594,430	636,102

For footnotes, see p. 167.

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	Nebraska			Nevada		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	2,759	\$1,831,277		384	\$241,659	
Under 1 (est.) ³	158	75,766	\$2,302	11	7,897	\$237
1 under 2 (est.) ³	7,605	10,440,579		1,117	1,561,795	
1 under 2 (est.) ³	6,221	9,124,442	79,628	2,414	3,587,687	30,807
2 under 2.5 (est.) ³	3,527	8,027,820		543	1,234,350	
2 under 2.5 (est.) ³	1,253	2,768,121	45,827	381	852,623	13,222
2.5 under 3 (est.) ³	5,591	15,156,568		1,060	2,877,883	
2.5 under 3 (est.) ³	1,263	3,545,044	33,937	437	1,218,010	10,400
3 under 4 (est.) ³	2,360	7,799,122		462	1,521,130	
3 under 4 (est.) ³	3,092	10,781,497	85,863	949	3,273,681	30,632
4 under 5 (est.) ³	156	666,963		21	90,765	
4 under 5 (est.) ³	2,029	9,039,471	111,695	450	2,013,586	32,297
5 under 6 ³	5	25,272		2	10,089	
5 under 6 ³	929	5,053,617	82,043	244	1,324,101	27,468
6 under 7	569	3,684,537	77,937	129	830,675	22,817
7 under 8	388	2,899,893	77,500	109	817,263	29,123
8 under 9	246	2,087,208	67,239	46	389,085	17,033
9 under 10	204	1,932,662	72,665	27	255,979	12,701
10 under 11	122	1,283,488	54,451	13	137,421	7,394
11 under 12	108	1,238,380	58,816	15	172,945	10,014
12 under 13	104	1,297,360	67,359	14	177,128	10,632
13 under 14	77	1,036,853	59,178	17	228,266	13,945
14 under 15	63	915,507	53,921	17	247,096	17,663
15 under 20	159	2,710,407	184,550	39	686,220	53,173
20 under 25	92	2,041,744	178,553	18	404,707	39,417
25 under 30	43	1,176,100	127,552	9	252,503	30,320
30 under 40	42	1,445,391	194,694	12	434,656	61,898
40 under 50	17	772,800	129,174	4	173,878	28,738
50 under 60	9	482,475	99,157	8	425,934	80,578
60 under 70	3	567,635	122,285	5	324,092	71,608
70 under 80	3	212,202	50,868	3	224,946	57,150
80 under 90	4	339,460	93,990			
90 under 100	1	91,814	34,100	2	188,190	56,932
100 under 150	1	127,593	51,467	4	490,258	145,227
150 under 200						
200 under 250						
250 under 300				1	209,842	101,556
300 under 400				1	293,837	156,877
400 under 500						
500 under 750						
750 under 1,000				1	809,033	536,201
1,000 under 1,500						
1,500 under 2,000						
2,000 under 3,000						
3,000 under 4,000						
4,000 under 5,000						
5,000 and over						
Total, individual returns with net income	39,209	110,679,068	2,296,751	8,969	27,989,210	1,706,060
Individual returns with no net income	979	\$ 2,290,732		176	\$ 610,458	
Grand total	40,188	112,969,800	2,296,751	9,145	28,600,668	1,706,060
Taxable fiduciary returns with net income ⁴	184	564,249	31,329	18	140,109	12,659
Total, individual returns with net income and taxable fiduciary returns with net income	39,393	113,534,049	2,328,080	8,987	28,820,777	1,718,719
Summary of returns with net income for prior years:						
1937	40,629	120,277,461	2,951,028	8,944	31,635,125	2,439,872
1936	36,887	115,137,721	3,222,455	7,554	27,045,172	2,226,219
1935	31,253	93,113,326	1,795,640	6,441	20,681,384	1,363,651
1934	26,781	77,236,225	1,438,974	5,321	15,236,981	828,009

For footnotes, see p. 167.

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TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	New Hampshire			New Jersey		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	1,423	\$991,943		13,769	\$9,857,328	
Under 1 (est.) ³	144	62,064	\$1,602	2,015	1,017,576	\$33,419
1 under 2 (est.) ³	4,507	5,955,687		63,454	86,725,084	
1 under 2 (est.) ³	4,210	5,934,451	47,029	56,690	81,092,537	631,006
2 under 2.5 (est.) ³	1,564	3,547,029		21,637	49,129,034	
2 under 2.5 (est.) ³	709	1,562,696	26,411	8,143	18,076,993	294,905
2.5 under 3 (est.) ³	2,170	5,878,683		34,231	92,892,267	
2.5 under 3 (est.) ³	740	2,076,135	19,354	10,634	29,959,683	242,229
3 under 4 (est.) ³	1,007	3,335,369		20,029	66,179,159	
3 under 4 (est.) ³	1,659	5,762,065	56,712	26,091	90,705,712	689,081
4 under 5 (est.) ³	73	311,971		1,055	4,491,783	
4 under 5 (est.) ³	864	3,849,066	53,592	13,287	58,845,468	703,619
5 under 6 ⁴	4	21,598		25	133,856	
5 under 6 ⁴	520	2,845,257	51,062	8,211	44,815,248	746,605
6 under 7.....	314	2,032,871	46,266	5,392	34,848,856	724,321
7 under 8.....	228	1,704,167	48,829	3,709	27,687,350	711,519
8 under 9.....	169	1,439,422	56,358	2,506	21,255,619	686,557
9 under 10.....	121	1,151,281	46,830	1,812	17,177,040	647,769
10 under 11.....	76	793,395	36,411	1,376	14,418,614	618,726
11 under 12.....	58	663,992	33,603	1,017	11,676,849	550,064
12 under 13.....	47	585,631	31,886	827	10,314,982	527,608
13 under 14.....	51	690,411	39,365	647	8,730,210	500,518
14 under 15.....	26	376,112	23,671	563	8,156,639	481,921
15 under 20.....	103	1,763,904	121,502	1,697	29,059,797	2,012,119
20 under 25.....	57	1,259,297	114,614	848	18,835,276	1,660,347
25 under 30.....	22	593,853	66,948	440	12,002,236	1,295,406
30 under 40.....	27	918,137	122,079	494	16,876,188	2,271,327
40 under 50.....	14	646,348	114,583	205	9,146,513	1,517,810
50 under 60.....	7	384,967	71,393	116	6,366,163	1,246,898
60 under 70.....	5	316,058	72,750	76	4,926,223	1,216,705
70 under 80.....	5	366,977	89,882	45	3,338,253	860,291
80 under 90.....	3	250,338	58,264	39	3,301,572	965,556
90 under 100.....	3	288,208	85,356	22	2,082,912	670,395
100 under 150.....	5	559,650	207,394	42	4,970,878	1,780,052
150 under 200.....	1	182,615	49,072	14	2,439,765	1,103,156
200 under 250.....				8	1,709,177	747,778
250 under 300.....				4	1,071,403	606,702
300 under 400.....				3	1,096,397	475,859
400 under 500.....				3	1,448,915	890,031
500 under 750.....				5	3,153,422	2,040,508
750 under 1,000.....				1	778,906	229,246
1,000 under 1,500.....				1	1,024,253	313,435
1,500 under 2,000.....				3	5,119,172	2,925,866
2,000 under 3,000.....						
3,000 under 4,000.....						
4,000 under 5,000.....						
5,000 and over.....						
Total, individual returns with net income.....	20,936	59,101,648	1,792,818	301,186	916,935,308	33,619,354
Individual returns with no net income.....	445	\$ 1,065,688		3,411	\$ 12,332,445	\$ 46,889
Grand total.....	21,381	\$ 58,035,960	1,792,818	304,597	\$ 904,602,863	33,666,243
Taxable fiduciary returns with net income ⁴	182	602,529	62,394	1,771	11,835,434	3,186,166
Total, individual returns with net income and taxable fiduciary returns with net income.....	21,118	59,704,177	1,855,212	302,957	928,770,742	36,805,520
Summary of returns with net income for prior years: ⁵						
1937.....	21,641	68,046,171	3,230,495	297,053	1,001,637,297	51,563,673
1936.....	19,664	62,819,698	3,059,299	260,328	928,153,400	54,395,019
1935.....	17,687	51,553,939	1,435,182	223,489	737,154,952	34,603,809
1934.....	16,785	48,267,423	1,348,492	210,683	686,065,373	29,121,247

For footnotes, see p. 167.

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	New Mexico			New York		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	850	\$523,545		64,328	\$47,388,696	
Under 1 (est.) ³	10	5,288	\$58	6,393	3,275,455	\$104,462
1 under 2 (est.) ³	2,273	3,290,623		218,648	294,058,150	
1 under 2 (est.) ³	2,211	3,390,745	30,467	195,466	280,602,891	2,286,846
2 under 2.5 (est.) ³	1,164	2,656,197		82,652	188,512,802	
2 under 2.5 (est.) ³	578	1,283,478	18,776	29,800	66,127,608	1,127,319
2.5 under 3 (est.) ³	1,072	4,546,105		123,487	335,554,308	
2.5 under 3 (est.) ³	597	1,669,117	15,731	33,611	94,384,143	915,096
3 under 4 (est.) ³	838	2,761,467		65,229	214,707,218	
3 under 4 (est.) ³	1,422	4,950,969	47,486	77,155	267,680,900	2,498,260
4 under 5 (est.) ³	42	179,524		3,029	12,907,742	
4 under 5 (est.) ³	828	3,686,764	56,256	42,677	189,948,477	2,449,452
5 under 6 ⁴	4	20,408		128	682,983	
5 under 6 ⁴	459	2,509,370	52,306	27,138	148,328,896	2,549,815
6 under 7.....	234	1,513,154	41,005	18,161	117,393,014	2,498,205
7 under 8.....	132	985,664	36,260	12,338	92,107,876	2,449,575
8 under 9.....	90	769,660	32,922	8,926	75,692,451	2,483,218
9 under 10.....	59	561,534	26,887	6,687	63,304,402	2,428,185
10 under 11.....	51	534,911	27,724	5,057	53,000,166	2,303,370
11 under 12.....	43	497,033	27,322	4,134	47,447,179	2,276,046
12 under 13.....	31	386,888	23,966	3,295	41,155,794	2,146,908
13 under 14.....	10	134,035	8,565	2,816	37,974,547	2,171,784
14 under 15.....	18	200,143	17,823	2,243	32,453,683	1,944,640
15 under 20.....	34	570,232	44,196	7,261	124,694,184	8,829,276
20 under 25.....	7	153,453	15,057	3,728	83,064,494	7,409,808
25 under 30.....	6	162,700	17,809	2,143	58,517,906	6,467,197
30 under 40.....	14	476,555	65,301	2,358	81,242,550	11,030,712
40 under 50.....	4	180,377	30,562	1,138	50,867,049	8,551,251
50 under 60.....	5	266,168	52,506	703	38,387,609	7,651,625
60 under 70.....	3	201,730	47,598	423	27,435,492	6,431,868
70 under 80.....				267	19,913,899	5,144,357
80 under 90.....	1	83,460	23,803	225	19,038,684	5,498,729
90 under 100.....				140	13,227,273	4,174,884
100 under 150.....				307	36,697,129	13,735,312
150 under 200.....				105	18,223,091	8,139,268
200 under 250.....				71	15,635,999	7,662,612
250 under 300.....				36	9,738,403	4,639,788
300 under 400.....				38	13,332,641	6,930,370
400 under 500.....				12	5,454,901	2,625,677
500 under 750.....				19	11,567,642	6,119,289
750 under 1,000.....				10	9,133,029	4,820,489
1,000 under 1,500.....				11	12,846,074	7,763,108
1,500 under 2,000.....				6	10,121,646	4,771,538
2,000 under 3,000.....				2	5,263,893	2,670,409
3,000 under 4,000.....				1	3,524,972	2,561,584
4,000 under 5,000.....						
5,000 and over.....						
Total, individual returns with net income.....	13,690	39,211,297	760,386	1,052,402	3,372,618,061	176,262,332
Individual returns with no net income.....	392	\$ 862,643		17,863	\$ 85,084,977	\$ 418,289
Grand total.....	14,082	\$ 38,348,654	760,386	1,070,265	\$ 3,286,933,084	176,680,621
Taxable fiduciary returns with net income ⁴	36	274,529	68,860	12,701	53,495,249	10,094,335
Total, individual returns with net income and taxable fiduciary returns with net income.....	13,726	39,485,826	829,246	1,065,103	3,426,113,310	186,356,667
Summary of returns with net income for prior years: ⁵						
1937.....	13,596	42,469,435	1,141,400	1,070,628	3,875,605,654	296,063,388
1936.....	11,222	34,952,886	799,507	976,939	3,864,452,725	348,687,140
1935.....	9,272	25,399,852	364,772	852,076	3,106,263,965	242,971,449
1934.....	7,617	20,107,880	277,567	807,818	2,811,720,784	166,789,731

For footnotes, see p. 167.

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	North Carolina			North Dakota		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	2,996	\$2,221,563		1,183	\$763,367	
Under 1 (est.)	419	198,844	\$6,716	34	21,763	\$629
1 under 2 (est.) ³	9,510	13,062,953		2,539	3,048,860	
1 under 2 (est.)	7,945	11,443,756	98,055	1,855	2,677,321	22,111
2 under 2.5 (est.) ⁴	4,547	10,366,156		1,265	2,865,089	
2 under 2.5 (est.)	1,098	2,412,414	40,452	249	552,235	9,119
2.5 under 3 (est.) ⁵	6,774	18,420,836		1,471	3,982,622	
2.5 under 3 (est.)	1,463	4,138,532	33,236	313	877,986	8,227
3 under 4 (est.) ⁶	3,737	12,336,595		682	2,258,658	
3 under 4 (est.)	3,837	13,356,983	104,306	753	2,614,751	18,315
4 under 5 (est.) ⁷	192	817,920		36	151,520	
4 under 5 (est.)	2,262	10,054,496	116,535	393	1,737,151	20,044
5 under 6 ⁸	9	49,729		1	5,677	
5 under 6	1,433	7,823,300	128,530	233	1,273,244	21,134
6 under 7	886	5,714,448	117,079	129	834,326	17,088
7 under 8	594	4,430,526	113,098	67	494,575	12,149
8 under 9	442	3,740,319	119,130	67	563,825	17,327
9 under 10	348	3,309,985	123,243	32	306,577	10,652
10 under 11	292	3,062,229	133,678	30	314,926	13,344
11 under 12	201	2,311,641	109,127	19	218,606	10,370
12 under 13	167	2,084,975	105,210	12	148,167	7,939
13 under 14	135	1,821,717	100,067	16	214,822	11,301
14 under 15	119	1,726,011	102,839	9	130,410	7,777
15 under 20	337	5,821,725	405,157	16	274,231	19,157
20 under 25	170	3,798,399	335,686	8	181,731	15,271
25 under 30	86	2,334,239	252,189	3	77,896	7,972
30 under 40	84	2,883,584	384,061	2	70,259	9,464
40 under 50	39	1,741,079				
50 under 60	36	1,964,266	668,505			
60 under 70	16	1,030,226	231,363			
70 under 80	9	665,851	163,466	1	70,122	16,502
80 under 90	9	754,092	203,786			
90 under 100	4	376,842	119,585			
100 under 150	13	1,602,106	618,652			
150 under 200	7	1,243,984	564,566			
200 under 250	2	438,161	214,239			
250 under 300	1	282,315	150,772			
300 under 400						
400 under 500	4	1,767,250	1,045,866			
500 under 750	1	512,176	330,298			
750 under 1,000						
1,000 under 1,500						
1,500 under 2,000						
2,000 under 3,000						
3,000 under 4,000						
4,000 under 5,000						
5,000 and over						
Total, individual returns with net income	50,224	162,122,223	7,523,113	11,418	27,330,717	275,892
Individual returns with no net income	843	* 2,203,957		392	* 636,413	
Grand total	51,067	* 159,918,266	7,523,113	11,810	* 26,694,304	275,892
Taxable fiduciary returns with net income ⁴	257	1,436,191	250,473	39	115,943	4,293
Total, individual returns with net income and taxable fiduciary returns with net income	50,481	163,558,414	7,773,586	11,457	27,446,660	280,185
Summary of returns with net income for prior years: ⁵						
1937	48,645	175,495,057	10,582,369	11,408	28,351,977	358,874
1936	42,075	156,362,462	10,499,380	10,809	26,705,284	352,260
1935	35,813	124,880,237	6,419,410	10,039	23,077,405	191,412
1934	32,305	112,913,710	6,281,451	9,733	22,351,926	183,955

For footnotes, see p. 167.

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	Ohio			Oklahoma		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	15,036	\$10,768,437		4,553	\$3,135,598	
Under 1 (est.)	1,558	706,090	\$23,536	350	190,632	\$6,103
1 under 2 (est.) ³	77,184	100,656,314		12,923	18,768,948	
1 under 2 (est.)	71,158	99,688,236	721,715	6,412	9,730,753	95,992
2 under 2.5 (est.) ⁴	23,316	53,275,921		6,306	14,318,211	
2 under 2.5 (est.)	7,641	16,701,216	269,370	1,495	3,305,126	55,049
2.5 under 3 (est.) ⁵	46,618	126,131,263		6,266	17,032,326	
2.5 under 3 (est.)	11,369	32,222,843	204,805	1,451	4,063,791	41,184
3 under 4 (est.) ⁶	21,268	69,957,677		3,355	11,098,373	
3 under 4 (est.)	24,851	85,976,192	627,711	4,253	14,898,783	121,322
4 under 5 (est.) ⁷	1,065	4,550,307		214	914,031	
4 under 5 (est.)	11,872	52,746,985	637,964	2,764	12,273,051	147,401
5 under 6 ⁸	54	289,607		9	49,311	
5 under 6	8,107	44,289,642	746,314	1,408	7,680,030	126,595
6 under 7	5,246	33,906,684	708,933	956	6,164,483	127,258
7 under 8	3,492	26,053,848	678,939	611	4,570,787	118,913
8 under 9	2,371	20,082,909	648,959	483	4,087,613	130,205
9 under 10	1,873	17,763,221	678,255	333	3,152,395	119,692
10 under 11	1,887	14,533,551	625,813	277	2,899,661	121,989
11 under 12	1,165	13,367,054	635,115	199	2,280,264	108,110
12 under 13	945	11,788,831	602,275	158	1,967,924	99,707
13 under 14	720	9,709,806	530,692	120	1,621,389	92,788
14 under 15	630	9,121,773	540,037	103	1,492,099	90,150
15 under 20	1,924	32,999,565	2,276,824	297	5,041,925	351,135
20 under 25	957	21,341,263	1,896,691	173	3,891,046	333,214
25 under 30	538	14,688,253	1,591,249	87	2,378,856	258,306
30 under 40	566	10,359,180	2,605,854	85	2,905,932	384,752
40 under 50	264	11,720,173	1,905,497	44	1,950,624	319,983
50 under 60	146	7,931,617	1,536,915	24	1,311,886	247,650
60 under 70	81	5,208,279	1,192,207	12	763,266	164,607
70 under 80	68	5,100,218	1,320,609	11	830,193	212,932
80 under 90	29	2,451,171	681,124	7	594,394	165,799
90 under 100	33	3,135,277	951,420	7	667,749	206,021
100 under 150	52	6,231,524	2,344,132	13	1,688,576	599,103
150 under 200	21	3,739,572	1,068,322	3	501,138	190,571
200 under 250	10	2,221,807	654,725			
250 under 300	6	1,662,843	874,045			
300 under 400	2	650,485	241,090			
400 under 500	1	408,718	238,325			
500 under 750	5	2,620,270	1,106,143			
750 under 1,000						
1,000 under 1,500	1	1,273,936	782,597			
1,500 under 2,000	2	3,550,663	1,309,615			
2,000 under 3,000						
3,000 under 4,000						
4,000 under 5,000						
5,000 and over						
Total, individual returns with net income	343,532	1,000,584,821	34,357,725	55,762	168,181,163	5,036,591
Individual returns with no net income	3,977	* 13,114,829	* 4,523	1,516	* 4,878,327	
Grand total	347,509	* 987,469,992	34,362,248	57,278	* 163,302,836	5,036,591
Taxable fiduciary returns with net income ⁴	2,371	13,128,331	2,017,131	321	2,222,233	230,595
Total, individual returns with net income and taxable fiduciary returns with net income	345,903	1,013,713,152	36,374,856	56,083	170,403,396	5,267,186
Summary of returns with net income for prior years: ⁵						
1937	384,077	1,228,084,956	59,702,803	55,323	190,524,308	8,265,541
1936	308,789	1,078,986,270	58,476,868	51,277	170,786,455	6,632,281
1935	246,888	766,528,630	28,981,842	44,909	139,147,683	3,433,003
1934	209,589	631,348,370	19,761,006	39,279	120,030,049	3,416,992

For footnotes, see p. 167.

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	Oregon			Pennsylvania		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	2,771	\$1,886,321		25,123	\$17,443,941	
Under 1 (est.) ²	155	74,265	\$2,027	1,921	1,019,655	\$33,313
1 under 2 (est.) ²	12,416	17,070,137		91,884	125,529,511	
1 under 2 (est.) ²	13,646	19,361,177	146,570	84,062	128,007,816	1,268,522
2 under 2.5 (est.) ²	4,144	9,394,740		43,040	98,286,858	
2 under 2.5 (est.) ²	1,437	3,176,139	51,587	19,180	42,428,954	733,377
2.5 under 3 (est.) ²	6,103	16,496,666		76,206	206,329,387	
2.5 under 3 (est.) ²	1,658	4,702,403	34,475	13,906	58,605,048	522,606
3 under 4 (est.) ²	2,269	7,406,051		34,978	115,143,279	
3 under 4 (est.) ²	3,438	11,880,603	92,055	36,822	128,884,521	1,260,201
4 under 5 (est.) ²	96	401,251		1,745	7,451,641	
4 under 5 (est.) ²	1,755	7,807,965	99,277	26,103	116,335,700	1,457,242
5 under 6 ²				67	356,951	
5 under 6 ²	1,125	6,116,818	103,679	12,068	65,858,807	1,149,794
6 under 7	663	4,286,576	81,416	7,612	49,235,701	1,076,697
7 under 8	415	3,097,096	80,365	5,152	38,461,078	1,040,937
8 under 9	286	2,411,775	76,666	3,574	30,292,528	1,000,901
9 under 10	220	2,039,891	79,835	2,709	25,665,246	692,385
10 under 11	147	1,545,270	66,787	2,015	21,105,222	629,323
11 under 12	141	1,625,822	77,095	1,284	17,531,653	850,720
12 under 13	103	1,282,098	65,707	1,284	16,027,565	849,575
13 under 14	95	1,285,788	70,412	1,063	14,348,617	817,067
14 under 15	92	1,042,637	62,636	880	12,746,729	768,939
15 under 16	102	3,300,827	231,778	2,737	47,119,365	3,325,208
20 under 25	93	2,050,063	183,214	1,404	31,251,579	2,798,808
25 under 30	39	1,060,646	113,922	792	21,640,974	2,373,293
30 under 40	55	1,861,457	245,627	852	29,205,078	3,922,535
40 under 50	28	1,221,964	197,288	411	18,296,248	3,020,061
50 under 60	4	219,162	40,939	247	13,493,773	2,676,131
60 under 70	4	256,242	56,737	143	9,238,739	2,108,879
70 under 80	1	72,210	16,841	71	5,329,859	1,376,927
80 under 90				74	6,287,652	1,831,217
90 under 100	1	94,102	23,441	44	4,167,872	1,333,194
100 under 150	2	222,831	81,406	109	13,098,452	4,944,438
150 under 200				27	4,559,582	1,901,968
200 under 250				15	3,376,684	1,603,275
250 under 300				7	1,849,451	954,277
300 under 400				14	4,880,851	2,686,469
400 under 500				7	3,182,991	1,759,919
500 under 750				3	1,586,437	1,106,460
750 under 1,000				5	4,298,709	2,724,233
1,000 under 1,500				1	1,326,571	923,879
1,500 under 2,000				2	3,659,051	2,586,133
2,000 under 3,000						
3,000 under 4,000						
4,000 under 5,000						
5,000 and over						
Total ¹ individual returns with net income	53,584	134,810,060	2,391,782	499,885	1,544,736,356	60,705,903
Individual returns with no net income	1,117	\$ 2,712,631		7,683	\$ 26,097,370	\$ 17,298
Grand total	54,701	132,097,429	2,391,782	507,568	1,518,638,936	60,723,201
Taxable fiduciary returns with net income ⁴	223	566,325	31,920	5,164	17,423,567	2,547,908
Total, individual returns with net income and taxable fiduciary returns with net income	53,807	135,376,385	2,423,702	505,049	1,562,159,923	63,253,811
Summary of returns with net income for prior years: ⁵						
1937	51,802	144,034,458	3,251,763	576,291	1,892,696,555	97,339,290
1936	37,778	118,060,934	3,213,027	470,511	1,604,324,714	104,979,166
1935	33,273	91,305,901	1,625,697	389,994	1,273,383,247	57,052,818
1934	27,253	71,076,619	1,084,638	342,308	1,067,788,870	44,423,725

For footnotes, see p. 167.

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	Rhode Island			South Carolina		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	2,091	\$1,478,036		1,559	\$1,084,146	
Under 1 (est.) ²	186	90,677	\$3,030	202	99,788	\$3,375
1 under 2 (est.) ²	10,235	13,371,830		4,918	6,982,411	
1 under 2 (est.) ²	8,194	11,806,735	98,481	3,951	5,611,423	43,018
2 under 2.5 (est.) ²	2,651	6,010,060		2,391	5,395,761	
2 under 2.5 (est.) ²	1,241	2,754,509	47,307	510	1,116,704	18,715
2.5 under 3 (est.) ²	4,700	12,765,617		3,204	8,667,615	
2.5 under 3 (est.) ²	1,125	3,155,941	31,443	679	1,916,088	15,589
3 under 4 (est.) ²	2,280	7,525,881		1,651	5,459,879	
3 under 4 (est.) ²	2,731	9,432,002	53,499	1,706	5,951,871	41,758
4 under 5 (est.) ²	152	647,408		104	447,597	
4 under 5 (est.) ²	1,357	6,030,779	75,421	1,117	4,967,287	53,972
5 under 6 ²	3	15,951		4	21,323	
5 under 6 ²	952	5,214,471	93,896	619	3,377,711	53,809
6 under 7	601	3,901,082	80,125	370	2,396,303	48,239
7 under 8	442	3,309,757	91,075	251	1,873,370	47,652
8 under 9	314	2,691,154	89,787	158	1,336,054	40,888
9 under 10	217	2,055,289	80,595	126	1,192,820	43,502
10 under 11	187	1,956,893	87,011	93	969,001	40,367
11 under 12	145	1,659,390	81,102	48	549,958	24,729
12 under 13	131	1,641,858	85,055	56	699,925	34,627
13 under 14	107	1,447,499	81,755	46	618,612	32,853
14 under 15	84	1,220,555	75,160	31	449,705	26,535
15 under 20	256	4,435,875	319,293	99	1,691,809	111,676
20 under 25	99	2,221,773	199,203	39	858,865	73,805
25 under 30	83	2,261,192	247,598	17	458,774	48,824
30 under 40	96	3,304,136	446,082	27	906,293	115,977
40 under 50	32	1,420,140	232,707	11	493,572	81,433
50 under 60	16	870,954	169,824	6	323,475	59,849
60 under 70	10	640,071	150,825	2	133,366	31,225
70 under 80	12	877,372	221,345	2	151,876	39,990
80 under 90	3	260,473	73,979			
90 under 100	2	181,635	65,415	1	95,941	22,293
100 under 150	15	1,827,480	714,820	1	134,821	53,599
150 under 200	5	868,019	382,929	1	159,136	68,476
200 under 250	2	420,783	209,456			
250 under 300						
300 under 400	1	320,121	177,294			
400 under 500						
500 under 750						
750 under 1,000						
1,000 under 1,500						
1,500 under 2,000						
2,000 under 3,000						
3,000 under 4,000						
4,000 under 5,000						
5,000 and over						
Total, individual returns with net income	40,758	120,062,898	4,802,742	24,000	66,593,880	1,276,775
Individual returns with no net income	718	\$ 2,754,108		470	\$ 1,069,427	
Grand total	41,476	117,308,790	4,802,742	24,470	65,524,453	1,276,775
Taxable fiduciary returns with net income ⁴	832	2,071,609	209,677	97	463,003	38,567
Total, individual returns with net income and taxable fiduciary returns with net income	41,590	122,134,507	5,012,419	24,097	67,056,883	1,315,342
Summary of returns with net income for prior years: ⁵						
1937	43,273	151,295,024	10,066,754	23,316	70,917,003	2,001,311
1936	38,424	141,967,609	10,755,927	19,975	61,786,752	1,653,997
1935	33,009	113,640,801	6,002,036	16,826	47,010,243	802,720
1934	31,235	104,193,731	5,232,124	14,937	41,023,968	735,471

For footnotes, see p. 167.

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	South Dakota			Tennessee		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	1,166	\$744,135		2,201	\$1,579,376	
Under 1 (est.) ²	43	22,250	\$744	231	118,262	\$3,876
Under 2 (est.) ²	2,803	3,958,957		11,519	15,317,063	
Under 2 (est.) ²	2,113	3,048,751	24,055	8,538	13,185,590	134,149
Under 2.5 (est.) ²	1,267	2,887,659		3,724	8,527,983	
Under 2.5 (est.) ²	299	602,287	10,603	2,040	4,538,421	77,362
Under 3 (est.) ²	1,422	3,835,820		5,877	24,035,081	
Under 3 (est.) ²	263	741,053	6,076	1,810	5,027,862	58,411
Under 4 (est.) ²	597	1,967,423		3,937	12,914,504	
Under 4 (est.) ²	664	2,321,719	17,195	5,097	17,843,018	159,233
Under 5 (est.) ²	33	140,583		192	822,422	
Under 5 (est.) ²	402	1,783,866	20,304	3,684	16,442,242	197,218
Under 6 ²				5	26,421	
Under 6 ²	223	1,215,367	19,539	1,668	9,105,275	152,735
Under 7.....	140	935,585	19,017	1,140	7,356,554	154,923
Under 8.....	79	689,929	15,768	705	5,262,883	136,115
Under 9.....	46	389,220	13,167	452	3,835,504	125,955
Under 10.....	42	397,111	15,457	356	3,376,884	127,231
Under 11.....	31	324,278	13,386	260	2,721,274	118,500
Under 12.....	16	185,292	8,942	213	2,448,333	113,328
Under 13.....	15	186,445	9,449	146	1,816,316	94,798
Under 14.....	16	215,702	11,716	143	1,928,403	106,120
Under 15.....	15	217,296	12,994	115	1,666,351	97,643
Under 20.....	35	601,531	41,078	298	5,060,138	344,597
Under 25.....	10	221,319	20,011	177	3,939,678	348,305
Under 30.....	6	158,685	16,559	108	2,955,025	323,439
Under 40.....	2	69,142	9,678	96	3,291,963	438,555
Under 50.....	3	129,636	20,254	67	2,957,247	473,532
Under 60.....				26	1,428,522	269,454
Under 70.....				13	827,539	178,500
Under 80.....				5	373,043	93,935
Under 90.....				4	349,622	92,870
Under 100.....				2	194,017	62,927
Under 150.....				6	641,679	212,683
Under 200.....				1	173,347	78,393
Under 250.....				1	231,641	116,228
Under 300.....				2	570,100	305,302
Under 400.....				1	305,989	167,637
Under 500.....						
Under 750.....				1	592,538	370,713
Under 1,000.....						
Under 1,500.....						
Under 2,000.....						
Under 3,000.....						
Under 4,000.....						
Under 5,000.....						
5,000 and over.....						
Total, individual returns with net income.....	11,757	27,951,041	325,992	57,861	183,788,110	5,734,667
Individual returns with no net income.....	394	6,749,867		656	6,203,325	
Grand total.....	12,151	27,201,174	325,992	58,517	181,752,785	5,734,667
Taxable fiduciary returns with net income ⁴	44	122,516	5,784	271	2,608,083	902,467
Total, individual returns with net income and taxable fiduciary returns with net income.....	11,801	28,073,557	331,776	58,132	186,396,193	6,637,134
Summary of returns with net income for prior years: ⁵						
1937.....	11,328	27,870,379	377,107	58,598	195,529,330	7,567,645
1936.....	10,724	27,755,966	431,114	48,048	173,317,393	7,342,668
1935.....	9,582	24,693,550	345,333	42,341	135,557,076	3,937,433
1934.....	8,302	20,105,511	225,380	37,938	115,788,720	3,596,105

For footnotes, see p. 167.

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	Texas			Utah		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	10,190	\$6,734,283		1,276	\$855,552	
Under 1 (est.) ²	145	87,867	\$2,084	85	43,475	\$1,484
Under 2 (est.) ²	33,978	47,763,174		4,120	5,730,594	
Under 2 (est.) ²	29,641	44,533,594	372,996	2,999	4,231,795	32,805
Under 2.5 (est.) ²	15,443	35,146,991		1,822	4,150,168	
Under 2.5 (est.) ²	7,215	16,042,069	233,127	363	800,371	13,202
Under 3 (est.) ²	24,700	67,165,565		2,936	7,966,095	
Under 3 (est.) ²	8,937	25,019,893	235,591	537	1,518,554	10,987
Under 4 (est.) ²	13,475	44,409,772		1,437	4,752,587	
Under 4 (est.) ²	23,106	80,539,067	821,870	1,315	4,526,625	31,847
Under 5 (est.) ²	764	3,253,107		77	326,793	
Under 5 (est.) ²	14,452	64,271,210	1,001,738	769	3,429,449	37,211
Under 6 ²	14	75,537		1	5,304	
Under 6 ²	7,850	42,813,672	878,592	421	2,297,815	35,436
Under 7.....	4,467	28,775,800	777,747	232	1,499,310	29,640
Under 8.....	2,393	17,832,761	637,579	179	1,339,871	33,840
Under 9.....	1,519	12,880,518	566,615	121	1,030,307	31,369
Under 10.....	1,038	9,846,492	481,770	86	814,222	29,249
Under 11.....	800	8,402,382	448,149	69	723,492	31,012
Under 12.....	743	8,545,461	498,392	49	564,133	26,774
Under 13.....	511	6,370,014	391,704	38	475,475	24,314
Under 14.....	453	6,101,556	396,042	34	456,881	25,187
Under 15.....	381	5,520,217	386,793	25	362,383	20,771
Under 20.....	1,113	19,154,040	1,500,732	84	1,437,483	100,083
Under 25.....	634	14,098,984	1,371,090	42	943,148	85,421
Under 30.....	367	10,029,023	1,175,621	19	521,348	55,673
Under 40.....	387	13,286,323	1,864,015	23	778,342	103,286
Under 50.....	197	8,672,327	1,445,506	10	452,432	74,003
Under 60.....	101	5,531,743	1,091,178	3	176,066	35,118
Under 70.....	68	4,386,947	1,009,682	2	133,959	30,543
Under 80.....	45	3,353,087	835,732	1	75,141	16,304
Under 90.....	23	1,937,303	552,058	1	81,098	21,465
Under 100.....	21	2,017,897	632,790			
Under 150.....	51	6,048,033	2,149,827			
Under 200.....	5	912,703	351,613			
Under 250.....	10	2,299,058	1,001,999	1	215,798	60,159
Under 300.....	4	1,070,453	406,926			
Under 400.....	3	1,141,454	555,561			
Under 500.....	6	2,622,836	827,288			
Under 750.....	1	657,060	417,580			
Under 1,000.....	1	930,588	627,428			
Under 1,500.....	2	2,814,838	860,710			
Under 2,000.....						
Under 3,000.....						
Under 4,000.....						
Under 5,000.....						
5,000 and over.....						
Total, individual returns with net income.....	205,254	683,095,699	26,808,125	9,177	52,716,666	997,183
Individual returns with no net income.....	4,333	6,929,993		313	6,869,377	
Grand total.....	209,587	690,025,692	26,808,125	19,490	59,586,043	997,183
Taxable fiduciary returns with net income ⁴	956	8,151,748	1,335,979	101	502,404	61,854
Total, individual returns with net income and taxable fiduciary returns with net income.....	206,210	698,177,440	28,144,104	19,591	60,088,447	1,059,037
Summary of returns with net income for prior years: ⁵						
1937.....	196,415	725,591,822	33,918,378	19,892	59,614,157	1,619,567
1936.....	156,855	569,444,419	27,265,553	16,262	50,926,789	1,458,140
1935.....	131,447	439,162,958	19,498,410	14,088	39,902,816	686,084
1934.....	118,930	366,713,839	11,312,971	11,458	32,016,329	468,653

For footnotes, see p. 167.

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	Vermont			Virginia		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	166	\$111,290		3,499	\$2,447,836	
Under 1 (est.) ³	59	29,491	\$964	182	98,706	\$3,162
1 under 2 (est.) ³	3,430	4,424,443		13,617	19,022,529	
1 under 2 (est.) ³	2,979	4,190,481	31,151	11,058	17,635,540	191,469
2 under 2.5 (est.) ³	610	1,369,303		5,961	13,553,944	
2 under 2.5 (est.) ³	343	759,140	12,880	3,120	6,907,722	117,125
2.5 under 3 (est.) ³	2,232	6,010,013		9,094	24,703,201	
2.5 under 3 (est.) ³	436	1,230,953	10,506	2,011	5,533,217	84,826
3 under 4 (est.) ³	772	2,535,167		4,266	13,971,475	
3 under 4 (est.) ³	913	3,157,741	28,154	6,771	23,777,439	239,008
4 under 5 (est.) ³	49	210,771		175	752,749	
4 under 5 (est.) ³	538	2,404,103	32,092	5,537	24,604,742	299,650
5 under 6 ³	2	10,187		3	15,599	
5 under 6 ³	310	1,691,793	31,036	2,050	11,175,762	186,493
6 under 7 ³	181	1,178,612	27,202	1,190	7,692,887	161,587
7 under 8 ³	126	941,637	26,975	791	5,908,266	153,423
8 under 9 ³	84	706,973	23,149	564	4,781,453	156,515
9 under 10 ³	68	641,238	20,006	419	3,073,354	151,173
10 under 11 ³	52	545,250	20,263	289	3,024,586	128,602
11 under 12 ³	28	322,634	15,907	252	2,895,497	138,129
12 under 13 ³	28	350,232	18,413	168	2,068,102	108,256
13 under 14 ³	35	472,228	20,586	172	2,320,727	129,557
14 under 15 ³	22	317,108	18,791	122	1,773,926	105,506
15 under 20 ³	40	839,695	60,628	373	6,428,672	451,872
20 under 25 ³	19	415,769	37,877	198	4,411,533	391,450
25 under 30 ³	11	308,309	35,015	106	2,899,679	318,506
30 under 40 ³	8	265,549	34,579	84	2,834,259	375,546
40 under 50 ³	5	226,592	38,235	53	2,373,540	388,635
50 under 60 ³	5	278,903	55,788	27	1,469,311	284,046
60 under 70 ³				18	1,153,844	255,685
70 under 80 ³	1	70,811	17,348	8	597,925	149,386
80 under 90 ³				4	329,406	89,393
90 under 100 ³				4	375,893	112,393
100 under 150 ³	2	241,412	91,718	19	2,183,118	782,609
150 under 200 ³				3	525,027	206,706
200 under 250 ³				6	1,276,382	587,142
250 under 300 ³				1	310,659	170,699
300 under 400 ³				1	439,437	259,531
400 under 500 ³						
500 under 750 ³				1	866,168	562,482
750 under 1,000 ³						
1,000 under 1,500 ³						
1,500 under 2,000 ³						
2,000 under 3,000 ³						
3,000 under 4,000 ³						
4,000 under 5,000 ³						
5,000 and over ³						
Total, individual returns with net income	13,563	36,257,828	727,263	72,217	227,144,112	7,740,652
Individual returns with no net income	139	6,450,191		897	6,436,648	
Grand total	13,702	42,708,019	727,263	73,114	233,580,760	7,740,652
Taxable fiduciary returns with net income ⁴	120	402,799	50,049	408	1,284,322	87,919
Total, individual returns with net income and taxable fiduciary returns with net income	13,683	36,660,627	777,312	72,625	228,428,434	7,828,571
Summary of returns with net income for prior years: ⁵						
1937	13,874	40,647,118	1,231,377	71,645	245,434,150	12,378,744
1936	12,193	37,146,202	1,195,886	62,449	218,974,309	11,790,832
1935	10,903	30,293,579	503,958	54,835	171,203,811	5,268,764
1934	9,824	26,565,697	435,666	47,814	139,932,355	3,665,810

For footnotes, see p. 167.

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	Washington ²			West Virginia		
	Number of returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	4,477	\$3,092,131		3,322	\$2,304,373	
Under 1 (est.) ³	73	48,361	\$1,401	203	90,215	\$2,813
1 under 2 (est.) ³	20,581	27,442,813		13,082	17,804,627	
1 under 2 (est.) ³	26,193	37,270,246	282,263	9,462	14,168,824	130,442
2 under 2.5 (est.) ³	6,447	14,651,282		3,586	8,007,008	
2 under 2.5 (est.) ³	3,655	8,130,922	127,857	1,922	4,221,447	71,244
2.5 under 3 (est.) ³	12,777	34,622,928		7,096	19,223,525	
2.5 under 3 (est.) ³	4,339	12,161,518	115,684	1,454	4,049,069	47,113
3 under 4 (est.) ³	5,321	17,459,404		3,149	10,373,950	
3 under 4 (est.) ³	9,347	32,577,116	362,534	3,920	13,639,401	119,778
4 under 5 (est.) ³	267	1,137,381		191	809,970	
4 under 5 (est.) ³	5,985	26,575,935	448,623	2,499	11,139,348	137,749
5 under 6 ³	5	26,642		1	5,369	
5 under 6 ³	2,841	15,514,224	311,436	1,067	5,829,885	98,585
6 under 7 ³	1,508	9,715,724	257,303	662	4,277,060	92,643
7 under 8 ³	716	5,329,819	182,269	470	3,514,816	93,675
8 under 9 ³	440	3,731,824	160,348	331	2,796,843	86,222
9 under 10 ³	281	2,642,495	125,299	235	2,229,386	87,906
10 under 11 ³	197	2,068,268	105,756	180	1,888,644	81,066
11 under 12 ³	171	1,965,828	111,574	137	1,572,153	75,135
12 under 13 ³	140	1,744,489	104,464	123	1,531,037	78,242
13 under 14 ³	102	1,381,165	87,294	79	1,069,185	60,062
14 under 15 ³	76	1,100,006	73,002	74	1,070,451	62,740
15 under 20 ³	233	3,982,833	305,995	228	3,916,080	272,740
20 under 25 ³	113	2,527,032	242,121	92	2,061,214	185,734
25 under 30 ³	51	1,402,452	165,360	61	1,655,542	181,961
30 under 40 ³	61	2,053,540	282,171	56	1,921,691	259,026
40 under 50 ³	36	1,604,791	285,420	23	1,055,202	179,189
50 under 60 ³	15	817,466	159,057	11	597,005	112,364
60 under 70 ³	11	715,933	158,374	7	441,689	110,719
70 under 80 ³	3	224,849	57,199	6	445,388	111,736
80 under 90 ³	2	172,263	49,869	2	176,168	63,916
90 under 100 ³				4	383,021	121,420
100 under 150 ³	4	472,839	177,192	5	561,142	190,183
150 under 200 ³	4	696,649	297,859	2	333,732	89,570
200 under 250 ³				1	217,985	69,967
250 under 300 ³						
300 under 400 ³						
400 under 500 ³				1	449,527	131,290
500 under 750 ³						
750 under 1,000 ³						
1,000 under 1,500 ³						
1,500 under 2,000 ³						
2,000 under 3,000 ³						
3,000 under 4,000 ³						
4,000 under 5,000 ³						
5,000 and over ³						
Total, individual returns with net income	106,472	275,061,168	5,037,724	53,744	145,921,972	3,405,230
Individual returns with no net income	1,774	6,473,201		726	6,168,142	
Grand total	108,246	281,534,369	5,037,724	54,470	152,090,114	3,405,230
Taxable fiduciary returns with net income ⁴	510	1,838,932	130,130	270	1,069,506	76,539
Total, individual returns with net income and taxable fiduciary returns with net income	106,982	276,900,100	5,167,854	54,014	146,991,478	3,481,769
Summary of returns with net income for prior years: ⁵						
1937	104,386	295,685,148	8,315,210	59,323	173,671,357	5,203,949
1936	88,640	259,649,969	7,875,628	47,527	145,745,636	5,160,600
1935	69,919	197,923,584	3,868,053	37,224	106,920,022	2,276,187
1934	60,151	153,639,087	2,551,738	30,297	87,992,253	1,674,942

For footnotes, see p. 167.

TABLE 9.—Individual returns with net income, 1938, by net income classes, aggregate for individual returns with no net income, aggregate for taxable fiduciary returns with net income,¹ and summary of returns with net income for prior years, by States and Territories: number of returns, net income, and total tax—Continued

Net income classes (Thousands of dollars)	Wisconsin			Wyoming		
	Number or returns	Net income	Total tax	Number of returns	Net income	Total tax
Individual returns ¹ with net income:						
Under 1 (est.) ²	16,848	\$11,679,722		629	\$401,565	
Under 1 (est.)	723	347,557	\$11,130	25	13,361	\$410
1 under 2 (est.) ²	34,851	46,842,892		2,004	2,811,376	
1 under 2 (est.)	33,149	47,009,676	367,252	2,701	3,800,955	28,143
2 under 2.5 (est.) ²	13,545	30,670,119		915	2,077,658	
2 under 2.5 (est.)	3,384	7,487,775	128,731	291	644,291	9,387
2.5 under 3 (est.) ²	13,558	36,619,638		1,457	3,972,110	
2.5 under 3 (est.)	3,579	10,035,674	92,101	438	1,234,238	9,599
3 under 4 (est.) ²	5,453	17,988,177		785	2,582,410	
3 under 4 (est.)	7,274	25,157,668	231,994	1,049	3,625,321	27,147
4 under 5 (est.) ²	463	1,978,320		33	140,877	
4 under 5 (est.)	4,496	20,155,163	274,773	492	2,185,845	26,855
5 under 6 ²	7	36,872		2	10,013	
5 under 6	2,728	14,870,727	256,546	254	1,382,902	22,994
6 under 7	1,625	10,493,825	224,180	202	1,300,457	26,287
7 under 8	1,052	7,860,815	209,732	123	918,986	25,172
8 under 9	708	6,003,292	198,808	68	578,225	18,135
9 under 10	601	5,688,009	217,686	48	457,387	17,396
10 under 11	428	4,486,742	194,529	38	397,528	16,952
11 under 12	308	3,634,075	172,193	28	320,801	15,880
12 under 13	253	3,154,539	161,735	20	250,696	12,331
13 under 14	192	2,590,532	143,176	18	244,521	13,231
14 under 15	161	2,337,698	137,074	18	261,597	16,650
15 under 20	533	9,140,230	633,300	41	705,938	49,814
20 under 25	235	5,229,855	460,929	19	418,969	35,577
25 under 30	127	3,471,453	376,456	5	133,569	14,168
30 under 40	124	4,271,623	568,258	9	320,190	43,376
40 under 50	59	2,662,665	458,063	2	84,448	13,462
50 under 60	38	2,096,424	420,992	1	53,324	9,948
60 under 70	17	1,091,081	238,915			
70 under 80	9	658,827	169,815	1	70,738	16,803
80 under 90	5	423,187	120,280			
90 under 100	2	192,000	61,336			
100 under 150	14	1,657,723	592,624			
150 under 200	11	1,923,758	809,149			
200 under 250						
250 under 300	2	522,174	229,362			
300 under 400	2	721,814	406,600			
400 under 500						
500 under 750	1	646,279	188,046			
750 under 1,000						
1,000 under 1,500						
1,500 under 2,000						
2,000 under 3,000						
3,000 under 4,000						
4,000 under 5,000						
5,000 and over						
Total, individual returns with net income	146,565	351,738,500	8,755,765	11,716	31,400,296	469,717
Individual returns with no net income	2,275	\$ 4,842,273		272	\$ 707,031	
Grand total	148,840	346,896,227	8,755,765	11,988	32,107,327	469,717
Taxable fiduciary returns with net income ⁴	1,044	3,502,309	278,117	53	163,224	6,763
Total, individual returns with net income and taxable fiduciary returns with net income	147,609	355,240,809	9,033,882	11,769	31,563,520	476,480
Summary of returns with net income for prior years: ⁵						
1937	151,820	403,656,499	13,592,844	12,247	35,287,480	1,061,482
1936	124,202	338,951,189	13,615,062	10,702	30,326,918	1,128,801
1935	105,785	258,590,449	5,577,366	8,739	23,703,202	646,357
1934	92,826	217,350,901	5,009,731	7,182	19,035,620	553,601

For footnotes, see p. 167.

Footnotes for table 9

¹ Unlike basic table 9, Statistics of Income for 1937, Part 1 (pp. 144-168), the 1938 data for taxable fiduciary returns with net income, Form 1041, and taxable and nontaxable returns for estates and trusts incorrectly filed on Form 1040, are not distributed by net income classes. However, the aggregate for these taxable fiduciary returns with net income for 1938 follows the grand total for individual returns. The nontaxable returns for estates and trusts with net income filed incorrectly on Form 1040 instead of Form 1041, are excluded from this table. For 1937, these incorrectly filed nontaxable returns with net income, which numbered 3,784, were tabulated as individual returns, but for 1938, these returns, which numbered only 276, are correctly filed on Form 1041, and therefore are not included in this table. Data for individual returns with no net income are in this table for the first time.

² Includes Alaska.

³ Nontaxable returns. Exemptions from normal tax and surtax exceed net income. A negligible number of nontaxable returns in net income classes of \$6,000 and over is not tabulated separately.

⁴ The net income used for classification is the net income taxable to the fiduciary (item 17 on p. 1, Form 1041, facsimile on p. 298).

⁵ These historical data relate to income tax returns for individuals and for estates and trusts with net income. For 1937, return Form 1041 was required to be filed for estates and trusts, and for 1934 through 1936, return Form 1040 was filed for estates and trusts. Changes in the revenue acts affecting the comparability of statistical data from income tax returns are summarized on pp. 270-279. Historical data for 1927 through 1933 are presented in basic table 9, Statistics of Income for 1937, Part 1, pp. 144-166.

⁶ Deficit.

⁷ Net income less deficit.

⁸ Returns with net long-term capital loss on which the tax, computed on net income before the deduction of net long-term capital loss, exceeds 30 percent of the net long-term capital loss.

⁹ Revised. See Statistics of Income for 1935, Part 1, p. 31, note 6.

BASIC TABLES 10-13¹

FIDUCIARY INCOME TAX RETURNS WITH NET
INCOME AND WITH NO NET INCOME

¹ For summary of content of each table, see text page 8.

TABLE 10.—Fiduciary returns with net income,¹ by net income classes, also aggregate for fiduciary returns with no net income, 1938, by returns with no alternative tax and with alternative tax: number of returns, net income, personal exemption, tax, average tax, and effective tax rate

[For text defining certain items and describing methods of tabulating data, see pp. 1-6 and 49-54]

PART 1—ALL RETURNS

Net income ¹ classes (Thousands of dollars)	Number of returns	Net income ¹	Personal exemption ²	Tax					Average total tax (col. 5+2)	Effective tax rate, percent (returns with net income) (col. 5+3)
				Total tax (col. 6+9)	Returns with no alternative tax ³			Returns with alternative tax ⁴		
					Total (col. 7+8)	Normal	Surtax			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Returns with net income ¹ :										
Under 1 ⁵	23,132	\$5,179,138	\$11,053,545							
Under 1	23,280	9,093,199	2,353,228	\$274,329	\$274,329	\$274,329			\$12	3.02
1 under 2 ⁵	308	381,306	263,725							
1 under 2	10,671	15,265,983	5,845,160	367,506	367,506	367,506			34	2.41
2 under 2.5 ⁵	32	69,442	20,300							
2 under 2.5	3,000	6,692,623	1,655,734	195,860	195,860	195,860			65	2.93
2.5 under 3 ⁵	8	21,621	6,200							
2.5 under 3	2,099	5,740,098	1,168,605	178,117	178,117	178,117			85	3.10
3 under 4 ⁵	11	37,976	10,100							
3 under 4	2,911	10,095,947	1,537,716	333,335	333,335	333,335			115	3.30
4 under 5 ⁵	5	23,049	4,100							
4 under 5	2,019	9,012,349	1,038,916	330,035	330,035	313,905	\$16,130		163	3.66
5 under 6 ⁵	2	11,394	1,100							
5 under 6	1,524	8,321,835	836,466	344,878	344,878	288,755	56,123		226	4.14
6 under 7 ⁵	1,133	7,344,678	577,900	355,194	355,194	263,297	91,897		313	4.84
7 under 8 ⁵	798	5,964,078	443,250	315,370	315,370	214,876	100,495		395	5.29
8 under 9 ⁵	651	5,534,901	365,534	316,903	316,903	200,977	115,926		487	5.73
9 under 10 ⁵	559	5,304,763	281,833	329,868	329,868	196,173	133,695		590	6.22
10 under 11 ⁵	464	4,869,825	226,151	322,956	322,956	182,257	140,699		696	6.63
11 under 12 ⁵	326	3,748,993	165,800	261,168	261,168	140,813	120,355		801	6.97
12 under 13 ⁵	300	3,737,845	146,416	273,639	273,639	140,769	132,870		912	7.32
13 under 14 ⁵	244	3,291,428	125,800	250,339	250,339	123,065	126,374		1,026	7.61
14 under 15 ⁵	251	3,641,008	107,000	291,963	291,963	139,245	152,718		1,163	8.02
15 under 20 ⁵	785	13,495,462	391,233	1,191,203	1,191,203	512,547	678,656		1,517	8.83
20 under 25 ⁵	471	10,510,061	226,900	1,134,700	1,134,700	407,471	727,229		2,409	10.80
25 under 30 ⁵	339	9,232,106	152,700	1,162,640	1,162,640	349,797	812,843		3,430	12.59
30 under 40 ⁵	357	12,379,002	142,578	1,860,135	1,860,135	479,457	1,380,678		5,210	15.03
40 under 50 ⁵	210	9,349,142	94,800	1,655,448	1,675,647	351,401	1,224,246	\$79,801	7,883	17.71
50 under 60 ⁵	134	7,411,394	53,017	1,539,043	1,387,848	262,835	1,125,013	151,195	11,485	20.77

For footnotes, see p. 179.

TABLE 10.—Fiduciary returns with net income,¹ by net income classes, also aggregate for fiduciary returns with no net income, 1938, by returns with no alternative tax and with alternative tax: number of returns, net income, personal exemption, tax, average tax, and effective tax rate—Continued

PART I—ALL RETURNS—Continued

Net income ¹ classes (Thousands of dollars)	Number of returns	Net income ¹	Personal exemption ²	Tax					Average total tax (col. 5÷2)	Effective tax rate, percent (returns with net income) (col. 5÷3)
				Total tax (col. 6+9)	Returns with no alternative tax ³			Returns with alternative tax ⁴		
					Total (col. 7+8)	Normal	Surtax			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Returns with net income ¹ —Continued.										
60 under 70	78	\$5, 115, 630	\$40, 000	\$1, 207, 841	\$943, 461	\$157, 835	\$785, 626	\$264, 380	\$15, 485	23. 61
70 under 80	32	2, 384, 452	13, 100	631, 986	493, 898	74, 149	419, 749	138, 088	19, 750	26. 50
80 under 90	41	3, 507, 445	14, 000	1, 035, 663	571, 452	77, 203	494, 249	464, 211	25, 260	29. 63
90 under 100	30	2, 845, 719	9, 300	869, 087	463, 352	56, 791	406, 561	405, 735	28, 970	30. 54
100 under 150	77	9, 360, 988	32, 000	3, 351, 750	1, 617, 409	157, 194	1, 360, 215	1, 834, 341	43, 529	35. 81
150 under 200	25	4, 489, 329	12, 400	1, 770, 771	781, 172	66, 215	714, 957	989, 599	70, 831	39. 44
200 under 250	10	2, 209, 402	5, 500	924, 194	219, 606	17, 552	202, 054	704, 588	92, 419	41. 83
250 under 300	14	3, 844, 543	7, 700	1, 807, 405	415, 909	31, 523	384, 386	1, 391, 496	129, 100	47. 01
300 under 400	18	6, 392, 413	7, 200	3, 235, 589	1, 468, 269	102, 301	1, 365, 968	1, 767, 320	179, 755	50. 62
400 under 500	7	3, 017, 727	4, 300	1, 670, 986	779, 548	52, 307	727, 241	891, 438	238, 712	55. 37
500 under 750	10	5, 683, 818	3, 700	2, 572, 539	791, 989	49, 729	742, 260	1, 780, 550	257, 254	45. 26
750 under 1,000	6	5, 122, 262	3, 300	2, 128, 052	1, 064, 635	64, 349	1, 000, 286	1, 063, 417	354, 675	41. 55
1,000 under 1,500	3	3, 990, 636	300	1, 196, 035				1, 196, 035	398, 678	29. 97
1,500 under 2,000	2	3, 435, 352	200	1, 036, 838				1, 036, 838	518, 419	30. 18
2,000 under 3,000	2	5, 008, 011	100	2, 374, 612	1, 485, 442	81, 766	1, 403, 676	889, 170	1, 187, 306	47. 42
3,000 under 4,000										
4,000 under 5,000										
5,000 and over										
Nontaxable returns ⁵	23, 498	5, 723, 926	11, 359, 070							
Taxable returns ⁶	52, 881	236, 444, 437	18, 089, 837	39, 097, 977	24, 049, 775	6, 906, 600	17, 143, 175	15, 048, 202	739	16. 54
Total, fiduciary returns with net income	76, 379	242, 168, 363	29, 448, 907	39, 097, 977	24, 049, 775	6, 906, 600	17, 143, 175	15, 048, 202	512	16. 14
Nontaxable fiduciary returns with no net income ¹⁷	124, 447	* 66, 539, 872	(10)							
Grand total	200, 826	* 175, 628, 491	(10)	39, 097, 977	24, 049, 775	6, 906, 600	17, 143, 175	15, 048, 202	(11)	

PART II—RETURNS WITH NO ALTERNATIVE TAX¹

Net income ¹ classes (Thousands of dollars)	Number of returns	Net income ¹	Personal exemption ²	Tax				Average total tax (col. 5÷2)	Effective tax rate, percent (returns with net income) (col. 5÷3)	
				Total tax (col. 7+9)	Normal tax		Surtax			
					Number of returns	Amount	Number of returns	Amount		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Returns with net income ¹ :										
Under 1 ⁸	23, 132	\$5, 179, 138	\$11, 053, 545							
Under 1	23, 280	9, 093, 199	2, 353, 228	\$274, 329	23, 280	\$274, 329			\$12	3. 02
1 under 2 ⁹	308	381, 306	263, 725							
1 under 2	10, 671	15, 265, 983	5, 845, 160	367, 506	10, 671	367, 506			34	2. 41
2 under 2.5 ⁹	32	69, 442	20, 300							
2 under 2.5	3, 000	6, 692, 623	1, 655, 734	195, 860	3, 000	195, 860			65	2. 93
2.5 under 3 ⁹	8	21, 621	6, 200							
2.5 under 3	2, 099	5, 740, 098	1, 168, 605	178, 117	2, 099	178, 117			85	3. 10
3 under 4 ⁹	11	37, 976	10, 100							
3 under 4	2, 911	10, 095, 947	1, 537, 716	333, 335	2, 911	333, 335			115	3. 30
4 under 5 ⁹	5	23, 049	4, 100							
4 under 5	2, 019	9, 012, 349	1, 038, 916	330, 035	2, 019	313, 905	929	\$16, 130	163	3. 66
5 under 6 ⁹	2	11, 394	1, 100							
5 under 6	1, 524	8, 321, 835	836, 466	344, 878	1, 516	288, 755	1, 506	56, 123	226	4. 14
6 under 7	1, 133	7, 344, 678	577, 900	355, 194	1, 127	263, 297	1, 133	91, 897	313	4. 84
7 under 8	798	5, 964, 078	443, 250	315, 370	796	214, 875	798	100, 495	395	5. 29
8 under 9	651	5, 534, 901	365, 534	316, 903	651	200, 977	651	115, 926	487	5. 73
9 under 10	559	5, 304, 763	281, 833	329, 868	559	196, 173	559	133, 695	590	6. 22
10 under 11	464	4, 869, 825	226, 151	322, 956	464	182, 257	464	140, 699	696	6. 63
11 under 12	326	3, 748, 993	165, 800	261, 168	325	140, 813	326	120, 355	801	6. 97
12 under 13	300	3, 737, 845	146, 416	273, 639	300	140, 769	300	132, 870	912	7. 32
13 under 14	244	3, 291, 428	125, 800	250, 339	243	123, 965	244	126, 374	1, 026	7. 61
14 under 15	251	3, 641, 008	107, 000	291, 963	251	139, 245	251	152, 718	1, 163	8. 02
15 under 20	785	13, 495, 452	391, 233	1, 191, 203	780	512, 547	785	678, 656	1, 517	8. 83
20 under 25	471	10, 510, 061	226, 900	1, 134, 700	471	407, 471	471	727, 229	2, 409	10. 80
25 under 30	339	9, 232, 106	152, 700	1, 162, 640	334	349, 797	339	812, 843	3, 430	12. 59
30 under 40	357	12, 379, 002	142, 578	1, 860, 135	355	479, 457	357	1, 380, 678	5, 210	15. 03
40 under 50	201	8, 927, 815	93, 000	1, 575, 647	200	351, 401	201	1, 224, 246	7, 839	17. 65
50 under 60	121	6, 708, 089	47, 217	1, 387, 848	121	262, 835	121	1, 125, 013	11, 470	20. 69
60 under 70	61	4, 001, 918	32, 900	943, 461	61	157, 835	61	785, 626	15, 467	23. 58
70 under 80	25	1, 868, 930	9, 700	493, 898	25	74, 149	25	419, 749	19, 756	26. 43
80 under 90	23	1, 943, 642	9, 500	571, 452	23	77, 203	23	494, 249	24, 846	29. 40
90 under 100	15	1, 428, 815	7, 800	463, 362	15	56, 791	15	406, 561	30, 890	32. 43
100 under 150	33	3, 957, 804	19, 500	1, 517, 409	33	157, 194	33	1, 360, 215	45, 982	38. 33

For footnotes, see p. 179.

TABLE 10.—Fiduciary returns with net income,¹ by net income classes, also aggregate for fiduciary returns with no net income, 1938, by returns with no alternative tax and with alternative tax: number of returns, net income, personal exemption, tax, average tax, and effective tax rate—Continued

PART II—RETURNS WITH NO ALTERNATIVE TAX—Continued

Net income ¹ classes (Thousands of dollars)	Number of returns	Net income ¹	Personal exemption ²	Tax					Average total tax (col. 5+2)	Effective tax rate, percent (returns with net income) (col. 5÷3)
				Total tax (col. 7+9)	Normal tax		Surtax			
					Number of returns	Amount	Number of returns	Amount		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Returns with net income ¹ —Continued.										
150 under 200	9	\$1,664,696	\$8,100	\$781,172	9	\$66,215	9	\$714,957	\$86,797	46.93
200 under 250	2	440,796	2,000	219,606	2	17,552	2	202,054	109,803	49.82
250 under 300	3	791,073	3,000	415,909	3	31,523	3	384,386	138,636	52.58
300 under 400	7	2,560,929	3,400	1,468,269	7	102,301	7	1,365,968	209,753	57.35
400 under 500	3	1,310,702	3,000	779,548	3	52,307	3	727,241	259,849	59.48
500 under 750	2	1,245,230	2,000	791,989	2	49,729	2	742,260	395,095	63.60
750 under 1,000	2	1,610,730	2,000	1,064,635	2	64,349	2	1,000,286	532,318	66.10
1,000 under 1,500										
1,500 under 2,000										
2,000 under 3,000	1	2,044,156		1,485,442	1	81,766	1	1,403,676	1,485,442	72.67
3,000 under 4,000										
4,000 under 5,000										
5,000 and over										
Nontaxable returns ³	23,498	5,723,926	11,359,070							
Taxable returns ⁴	52,690	193,781,499	18,032,037	24,049,775	52,659	6,906,601	9,621	17,143,175	456	12.41
Total fiduciary returns with net income	76,188	199,505,425	29,391,107	24,049,775	52,659	6,906,600	9,621	17,143,175	316	12.05
Nontaxable fiduciary returns with no net income ^{1,7}	124,447	\$66,539,872	(10)							
Grand total	200,635	\$132,965,553	(10)	24,049,775	52,659	6,906,600	9,621	17,143,175	(11)	

PART III—RETURNS WITH ALTERNATIVE TAX¹

Net income ¹ classes (Thousands of dollars)	Number of returns (col. 5+ 15)	Net in- come ¹ (col. 6+16)	Alternative tax (col. 12+22)	Computation of alternative tax									
				Returns with net long-term capital gain									
				Number of returns	Net in- come ¹	Net long- term capi- tal gain (item 7 (b), p. 1, Form 1041)	Ordinary net income (col. 6-7) (item 3, Sch. E, Form 1041)	Personal exemp- tion ²	Normal tax (item 8, Sch. E, Form 1041)	Surtax (item 9, Sch. E, Form 1041)	Alternative tax (col. 10+11+30 percent of col. 7)(item 12, Sch. E, Form 1041)	Average alterna- tive tax (col. 12÷ 5)	Effective tax rate, percent (returns with net income) (col. 12÷6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Returns with net income: ¹													
Under 1 ³													
Under 1													
1 under 2 ³													
1 under 2													
2 under 2.5 ³													
2 under 2.5													
2.5 under 3 ³													
2.5 under 3													
3 under 4 ³													
3 under 4													
4 under 5 ³													
4 under 5													
5 under 6 ³													
5 under 6													
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14 under 15													
15 under 20 ³													
15 under 20													
20 under 25 ³													
20 under 25													
25 under 30 ³													
25 under 30													
30 under 40 ³													
30 under 40													
40 under 50 ³	9	\$421,327	\$79,801	4	\$192,487	\$3,630	\$188,857	\$1,300	\$7,505	\$27,468	\$36,060	\$9,015	18.73
40 under 50	13	703,305	151,195	5	272,645	12,353	260,292	3,200	10,161	40,907	54,774	10,955	20.09

For footnotes, see p. 179.

TABLE 10.—Fiduciary returns with net income,¹ by net income classes, also aggregate for fiduciary returns with no net income, 1938, by returns with no alternative tax and with alternative tax: number of returns, net income, personal exemption, tax, average tax, and effective tax rate—Continued

PART III—RETURNS WITH ALTERNATIVE TAX¹—Continued

Net income ¹ classes (Thousands of dollars)	Number of returns (col. 5+12)	Net income ¹ (col. 6+16)	Alternative tax (col. 12+22)	Computation of alternative tax—Continued									
				Returns with net long-term capital gain—Continued									
				Number of returns	Net income ¹	Net long-term capital gain (item 7 (b), p. 1, Form 1041)	Ordinary net income (col. 6-7) (item 3, Sch. E, Form 1041)	Personal exemption ²	Normal tax (item 8, Sch. E, Form 1041)	Surtax (item 9, Sch. E, Form 1041)	Alternative tax (col. 10+11+30 percent of col. 7) (item 12, Sch. E, Form 1041)	Average alternative tax (col. 12÷5)	Effective tax rate, percent (returns with net income) (col. 12÷6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Returns with net income ¹ —Continued.													
60 under 70.....	17	\$1, 113, 712	\$264, 380	7	\$464, 199	\$98, 753	\$365, 446	\$3, 400	\$14, 482	\$58, 830	\$102, 938	\$14, 705	22. 18
70 under 80.....	7	515, 522	138, 088	3	214, 825	15, 337	199, 488	2, 100	7, 896	39, 769	52, 265	17, 422	24. 33
80 under 90.....	18	1, 563, 803	464, 211	12	1, 041, 213	558, 680	482, 533	2, 100	19, 206	116, 651	303, 461	25, 288	29. 14
90 under 100.....	15	1, 416, 904	405, 735	14	1, 325, 725	1, 077, 543	248, 182	1, 400	9, 787	41, 510	374, 560	26, 754	28. 25
100 under 150.....	44	5, 403, 184	1, 834, 341	33	3, 967, 584	2, 916, 347	1, 051, 237	6, 900	41, 987	320, 259	1, 237, 150	37, 489	31. 18
150 under 200.....	16	2, 824, 633	989, 599	14	2, 492, 887	1, 856, 927	635, 960	4, 100	26, 029	255, 874	838, 981	59, 927	33. 65
200 under 250.....	8	1, 768, 606	704, 588	5	1, 070, 992	1, 032, 877	38, 115	2, 300	2, 957	16, 391	329, 211	65, 842	30. 74
250 under 300.....	11	3, 053, 470	1, 391, 496	5	1, 353, 121	1, 037, 227	315, 894	2, 300	12, 105	145, 271	468, 544	93, 709	34. 63
300 under 400.....	11	3, 831, 484	1, 767, 320	8	2, 862, 999	1, 454, 237	1, 408, 762	2, 600	56, 301	715, 097	1, 207, 669	150, 909	42. 18
400 under 500.....	4	1, 707, 025	891, 438	2	842, 653	417, 643	425, 010	1, 100	16, 960	234, 328	376, 581	188, 291	44. 69
500 under 750.....	8	4, 438, 588	1, 780, 550	7	3, 800, 884	3, 015, 880	785, 004	1, 600	31, 352	426, 435	1, 362, 551	265, 854	30. 28
750 under 1,000.....	4	3, 511, 532	1, 063, 417	4	3, 511, 532	3, 418, 370	93, 162	1, 300	4, 325	33, 581	1, 063, 417	398, 678	29. 97
1,000 under 1,500.....	3	3, 990, 636	1, 196, 035	3	3, 990, 636	3, 986, 147	4, 489	300	175	34, 169	1, 036, 838	518, 419	30. 18
1,500 under 2,000.....	2	3, 435, 352	1, 036, 838	2	3, 435, 352	3, 327, 933	107, 419	200	4, 289		889, 170	889, 170	30. 00
2,000 under 3,000.....	1	2, 963, 855	889, 170	1	2, 963, 855	2, 963, 900		100					
3,000 under 4,000.....													
4,000 under 5,000.....													
5,000 and over.....													
Nontaxable returns ³													
Taxable returns ³	191	42, 662, 938	15, 048, 202	129	33, 803, 589	27, 193, 784	6, 609, 805	36, 300	265, 517	2, 506, 554	10, 930, 206	84, 730	32. 33
Total, fiduciary returns with net income.....	191	42, 662, 938	15, 048, 202	129	33, 803, 589	27, 193, 784	6, 609, 805	36, 300	265, 517	2, 506, 554	10, 930, 206	84, 730	32. 33

STATISTICS OF INCOME

Net income ¹ classes (Thousands of dollars)	Computation of alternative tax—Continued										Average alternative tax (col. 4 ÷ 2)	Effective tax rate, percent (returns with net income) (col. 4 ÷ 3)
	Returns with net long-term capital loss											
	Number of returns	Net income ¹	Net long- term capital loss (item 7 (b), p. 1, Form 1041)	Ordinary net income (col. 16+17) (item 3, Sch. E, Form 1041)	Personal exemp- tion ²	Normal tax (item 8, Sch. E, Form 1041)	Surtax (item 9, Sch. E, Form 1041)	Alternative tax (col. 20+21—30 percent of col. 17) (item 12, Sch. E, Form 1041)	Average alternative tax (col. 22÷15)	Effective tax rate, percent (returns with net income) (col. 22÷16)		
(1)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
Returns with net income ¹												
Under 1 ²												
1 under 2 ²												
2 under 2.5 ²												
2.5 under 3 ²												
3 under 4 ²												
4 under 5 ²												
5 under 6 ²												
6 under 7												
7 under 8												
8 under 9												
9 under 10												
10 under 11												
11 under 12												
12 under 13												
13 under 14												
14 under 15												
15 under 20												

For footnotes, see 179.

STATISTICS OF INCOME

TABLE 10.—Fiduciary returns with net income,¹ by net income classes, also aggregate for fiduciary returns with no net income, 1938, by returns with no alternative tax and with alternative tax: number of returns, net income, personal exemption, tax, average tax, and effective tax rate—Continued

PART III—RETURNS WITH ALTERNATIVE TAX—Continued

PART III—RETURNS WITH ALTERNATIVE TAX												
Net income ¹ classes (Thousands of dollars)	Computation of alternative tax—Continued										Average alternative tax (col. 4+2)	Effective tax rate, percent (returns with net income) (col. 4+3)
	Returns with net long-term capital loss—Continued											
	Number of returns	Net income ¹	Net long- term capital loss (item 7 (b), p. 1, Form 1041)	Ordinary net income (col. 16+17) (item 3, Sch. E, Form 1041)	Personal exemption ²	Normal tax (item 8, Sch. E, Form 1041)	Surtax (item 9, Sch. E, Form 1041)	Alternative tax (col. 20+21—30 percent of col. 17) (item 12, Sch. E, Form 1041)	Average alternative tax (col. 22+15)	Effective tax rate, percent (returns with net income) (col. 22+16)		
(1)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
Returns with net income ¹ —Con.												
20 under 25.....												
25 under 30.....												
30 under 40.....												
40 under 50.....	5	\$228,840	\$40,180	\$269,020	\$500	\$10,723	\$45,072	\$43,741	\$8,748	19.11	\$8,867	18.94
50 under 60.....	8	430,660	73,073	503,733	2,600	19,660	98,683	96,421	12,053	22.39	11,630	21.50
60 under 70.....	10	649,513	51,033	700,546	3,700	27,818	148,934	161,442	16,144	24.86	15,552	23.74
70 under 80.....	4	300,697	26,183	326,880	1,300	13,023	80,654	85,822	21,456	28.54	19,727	26.79
80 under 90.....	6	522,590	12,620	535,210	2,400	21,119	143,417	160,750	26,792	30.76	25,790	29.68
90 under 100.....	1	91,179	8,403	99,582	100	3,979	28,717	31,175	31,175	34.19	27,049	28.64
100 under 150.....	11	1,435,600	56,517	1,492,117	5,600	59,460	554,686	597,191	54,290	41.60	41,690	33.95
150 under 200.....	2	331,746	1,930	333,676	200	13,110	138,087	150,618	75,309	45.40	61,850	35.03
200 under 250.....	3	697,614	55,603	753,217	1,200	30,081	361,977	375,377	125,126	53.81	88,074	39.84
250 under 300.....	6	1,700,349	21,993	1,722,342	2,400	68,786	860,764	922,952	163,825	54.28	126,500	45.57
300 under 400.....	3	968,485	51,377	1,019,862	1,200	40,747	534,317	559,651	186,550	57.79	160,065	46.13
400 under 500.....	2	864,372	2,383	866,755	200	34,314	481,258	514,857	257,429	59.66	222,860	52.22
500 under 750.....	1	637,704	23,120	660,824	100	26,429	398,506	417,999	417,999	65.55	222,569	40.12
750 under 1,000.....											265,854	30.28
1,000 under 1,500.....											398,678	29.97
1,500 under 2,000.....											518,419	30.18
2,000 under 3,000.....											889,170	30.00
3,000 under 4,000.....												
4,000 under 5,000.....												
5,000 and over.....												
Nontaxable returns ³												
Taxable returns ⁴	62	8,859,349	424,415	9,283,764	21,500	369,249	3,876,072	4,117,996	66,419	46.48	78,786	35.27
Total, fiduciary returns with net income.....	62	8,859,349	424,415	9,283,764	21,500	369,249	3,876,072	4,117,996	66,419	46.48	78,786	35.27

¹ The net income used for classification and tabulation is the net income taxable to the fiduciary (item 17, on p. 1, Form 1041, facsimile on p. 298). This table includes taxable and nontaxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041.

² An estate is allowed the personal exemption of \$1,000 allowed a single person and a trust is allowed, in lieu of the personal exemption, a credit of \$100 against net income.

³ Consists of (1) returns with no net long-term capital gain or loss and (2) returns with net long-term capital gain or loss which have no alternative tax.

⁴ The alternative tax is imposed on returns with net long-term capital gain if such alternative tax is less than the sum of the normal tax and surtax computed on net income including net long-term capital gain. The alternative tax is imposed on returns with net long-term capital loss if such alternative tax is greater than the sum of the normal tax and surtax computed on net income after deducting net long-term capital loss.

⁵ Nontaxable returns, Exemptions from normal tax and surtax exceed net income taxable to fiduciary (item 17 on p. 1, Form 1041, facsimile on p. 298).

⁶ Data on these returns are included in basic table 2.

⁷ Returns with (1) balance deficit before distribution to beneficiaries (total deductions exceed total income, items 14 and 10, respectively, on p. 1, Form 1041, facsimile on p. 298), (2) balance income before distribution to beneficiaries (balance income is equal to amount distributable to beneficiaries, items 15 and 16, respectively, on p. 1, Form 1041, facsimile on p. 298), and (3) zero balance income before distribution to beneficiaries (total income is equal to total deductions, items 10 and 14, respectively, on p. 1, Form 1041, facsimile on p. 298).

⁸ Deficit.

⁹ Net income less deficit.

¹⁰ Not available.

¹¹ Average total tax not computed.

TABLE 11.—Fiduciary returns with net income,¹ by net income classes, also aggregate for fiduciary returns with no net income, 1938: total number of returns, number of returns and amount for each specific source of income and deductions, balance income,² amount distributable to beneficiaries, and net income taxable to fiduciary

[Net income classes and money figures in thousands of dollars]

[For text defining certain items and describing methods of tabulating data see pp. 1-6 and 49-54]

Net income ¹ classes	Total number of returns	Sources of income											
		Dividends from domestic and foreign corporations ⁴		Taxable interest				Partnership profit ⁵		Income from fiduciaries ⁷		Rents and royalties	
		Number of returns ³	Amount	Bank deposits, notes, mortgages, corporation bonds		Partially tax-exempt Government obligations ⁵		Number of returns ³	Amount	Number of returns ³	Amount	Number of returns ³	Amount
				Number of returns ³	Amount	Number of returns ³	Amount						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Returns with net income: ¹													
Under 1 ¹⁷	23,132		28,799		¹⁰ 25,584		(¹¹)		596		1,091		9,018
Under 1	23,280		42,119		¹⁰ 42,041		(¹¹)		232		1,101		6,690
1 under 2 ¹⁷	308		312		¹⁰ 564		(¹¹)		5		14		184
1 under 2	10,671		21,050		¹⁰ 14,314		(¹¹)		362		658		6,708
2 under 2.5 ¹⁷	32		29		¹⁰ 100		(¹¹)		(¹¹)		2		2
2 under 2.5	3,000		8,150		¹⁰ 4,671		(¹¹)		215		426		2,624
2.5 under 3 ¹⁷	8		(¹¹)		¹⁰ 23		(¹¹)						3
2.5 under 3	2,099		6,407		¹⁰ 3,513		(¹¹)		178		232		1,448
3 under 4 ¹⁷	11		4		¹⁰ 38		(¹¹)						1
3 under 4	2,911		10,464		¹⁰ 5,716		(¹¹)		362		532		2,638
4 under 5 ¹⁷	5		(¹¹)		¹⁰ 29		(¹¹)						1
4 under 5	2,019		9,789		¹⁰ 3,906		(¹¹)		136		413		1,872
5 under 6 ¹⁷	2				(¹¹)	2	11						
5 under 6	1,524	1,206	8,423	1,071	2,802	348	335	58	237	78	244	407	1,677
6 under 7	1,133	936	6,274	782	2,123	232	254	39	167	65	308	308	1,371
7 under 8	798	639	6,390	570	1,739	197	245	35	191	44	205	225	1,322
8 under 9	651	543	5,473	450	1,509	168	242	29	178	41	221	171	867
9 under 10	559	450	4,664	393	1,315	119	149	29	213	29	158	109	1,072
10 under 11	464	397	4,116	300	1,857	97	93	24	175	23	139	101	722
11 under 12	326	287	3,730	217	999	74	127	10	88	20	157	78	515
12 under 13	300	269	3,625	224	864	72	120	10	127	20	97	70	322
13 under 14	244	207	2,703	166	598	47	72	5	9	16	340	59	667
14 under 15	251	219	3,178	184	749	64	72	12	157	15	270	63	482
15 under 20	785	671	11,413	560	2,512	182	484	36	418	44	465	187	1,743
20 under 25	471	417	9,037	345	1,491	123	327	28	430	40	612	106	1,121
25 under 30	339	289	9,509	240	1,214	97	396	19	358	29	524	65	389
30 under 40	357	306	9,692	220	1,227	67	390	16	270	26	765	73	1,000
40 under 50	210	179	8,569	130	770	37	212	11	431	19	609	35	540
50 under 60	134	107	6,744	77	497	28	285	8	510	4	165	21	232
60 under 70	78	73	6,127	53	472	17	42	7	219	5	77	14	182
70 under 80	32	26	1,896	19	414	4	9	1	2	6	75	11	163
80 under 90	41	40	2,941	29	234	9	26	2	242			9	482
90 under 100	30	30	1,950	24	169	7	14					9	239
100 under 150	77	72	8,461	51	464	11	11	2	60	5	276	20	1,418
150 under 200	25	25	3,891	18	166	9	39			2	(¹¹)	4	98
200 under 250	10	10	1,883	6	76	2	2					1	45
250 under 300	14	14	3,815	9	67	3	12	1	(¹¹)	4	149	4	6
300 under 400	18	18	6,514	12	402	2	(¹¹)	1	175			3	27
400 under 500	7	7	3,809	7	29	2	9	1	7			4	39
500 under 750	10	10	1,947	4	3							2	2,120
750 under 1,000	6	6	1,376	4	10							1	8
1,000 under 1,500	3	3	413	2	¹¹ 4	1	(¹¹)			1	(¹¹)	1	
1,500 under 2,000	2	2	138	1			(¹¹)						
2,000 under 3,000	2	2	3,805	1	2	1	(¹¹)					1	(¹¹)
3,000 under 4,000													4
4,000 under 5,000													
5,000 and over													
Nontaxable returns ¹⁷	23,498		29,145	¹ 1	26,337	¹ 2	11		600				
Taxable returns ¹⁸	52,881	¹ 7,460	250,383	¹ 6,169	97,939	¹ 2,020	3,967	¹ 384	6,147	¹ 536	1,105	¹ 2,162	9,208
Total, fiduciary returns with net income	76,379	¹ 7,460	279,528	¹ 6,170	124,276	¹ 2,022	3,978	¹ 384	6,748	¹ 536	10,321	¹ 2,162	50,061
Nontaxable fiduciary returns with no net income ¹⁹	124,447	77,638	346,836	88,301	174,808	22,421	12,146	1,347	3,965	4,214	11,280	35,269	119,057
Grand total	200,826	¹ 85,098	626,363	¹ 94,471	299,084	¹ 24,443	16,123	¹ 1,731	10,712	¹ 4,750	21,601	¹ 37,431	169,118

For footnotes, see p. 186.

TABLE 11.—Fiduciary returns with net income,¹ by net income classes, also aggregate for fiduciary returns with no net income, 1938: total number of returns, number of returns and amount for each specific source of income and deductions, balance income,² amount distributable to beneficiaries, and net income taxable to fiduciary—Continued

[Net income classes and money figures in thousands of dollars]

Net income ¹ classes (1)	Sources of income—Continued										Deductions					
	Business profit		Net capital gain ²				Net gain from sale of property other than capital assets ¹²		Other income ¹³	Total income	Partnership loss ⁴		Business loss			
	Number of businesses ⁸	Amount	Short-term ¹⁰		Long-term ¹¹		Number of returns ³	Amount			Number of returns ³	Amount	Number of returns ³	Amount	Number of businesses ⁸	Amount
			Number of returns ³	Amount	Number of returns ³	Amount										
(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)			
Returns with net income: ¹																
Under 1 ¹⁷		1,125		420		682		85	1,120	68,519		48	151			
Under 1		253		855		3,610		110	719	97,730		20	54			
1 under 2 ¹⁷		51		20		8		4	3	1,184		1	2			
1 under 2		1,034		1,024		2,857		129	989	49,124		31	84			
2 under 2.5 ¹⁷		2		2		4				137						
2 under 2.5		281		1,014		1,176		61	291	18,909		7	47			
2.5 under 3 ¹⁷		1		(¹⁹)		1				29						
2.5 under 3		304		349		1,065		39	270	13,804		10	12			
3 under 4 ¹⁷				1					(¹⁹)	44						
3 under 4		624		755		1,511		59	336	22,996		19	39			
4 under 5 ¹⁷				(¹⁹)		1				31						
4 under 5		496		774		1,232		97	417	19,133		7	16			
5 under 6 ¹⁷										11						
5 under 6	61	322	307	551	404	1,095	27	44	214	15,943	7	8	37			
6 under 7	35	202	241	577	291	1,069	15	31	222	12,599	3	15	44			
6 under 7	32	231	186	487	211	815	7	22	98	11,744	5	2				
7 under 8	26	200	148	455	171	768	12	84	110	10,107	3	2	12			
8 under 9	15	162	105	315	171	740	8	20	111	8,819	5	32	14			
9 under 10	13	136	102	283	123	572	6	19	113	7,225	2	1	1			
10 under 11	17	198	62	219	100	643	6	15	96	6,787	2	8	8			
11 under 12	8	80	78	280	97	579	6	28	110	6,231	1	(¹⁹)	5			
12 under 13	4	197	49	267	72	516	9	39	62	5,469	2	1	7			
13 under 14	4	75	64	226	83	529	4	5	111	5,853	1	2	7			
14 under 15	31	379	204	1,025	227	1,992	14	30	324	20,787	7	6	38			
15 under 20	15	358	120	1,049	135	1,532	5	76	200	16,234	10	31	49			
20 under 25	7	136	105	720	129	1,834	6	6	181	15,267	3	2	4			
25 under 30																
30 under 40	5	155	106	1,163	136	2,903	3	26	155	17,747	11	1	29			
40 under 50	5	90	62	733	85	1,606	4	4	110	13,673	1	(¹⁹)	2			
50 under 60	1	26	33	591	59	2,265	4	8	182	11,504		1	14			
60 under 70	3	76	23	255	31	1,121			84	8,655	1	(¹⁹)				
70 under 80	2	167	10	388	11	512	1	(¹⁹)	117	3,745	1	(¹⁹)				
80 under 90	2	176	11	121	17	985			31	5,239	1	(¹⁹)	19			
90 under 100			8	441	15	1,100			20	3,933	1	(¹⁹)	8			
100 under 150	3	8	18	494	33	2,933	1	2	17	14,144	1	(¹⁹)	12			
150 under 200	1	180	6	222	14	1,858			4	6,457			1			
200 under 250	1	72	4	1	6	1,204			(¹⁹)	3,283			8			
250 under 300			8	766	5	1,037			6	5,858						
300 under 400			12	566	12	4,517			28	12,218						
400 under 500			2	760	3	563			12	5,319						
500 under 750			3	1,222	7	3,091	1	91	15	8,398			8			
750 under 1,000	1	282	6	1,475	4	3,418			5	6,576						
1,000 under 1,500			1	(¹⁹)	3	3,986				4,407						
1,500 under 2,000			1		2	3,328			13	3,481						
2,000 under 3,000					1	2,964				6,775						
3,000 under 4,000																
4,000 under 5,000																
5,000 and over																
Nontaxable returns ¹⁷		1,179		442		696		88	1,123	69,936		48	153			
Taxable returns ¹⁸	292	6,901	2,085	20,419	2,658	63,526	138	1,046	5,775	506,172	68	222	579			
Total, fiduciary returns with net income	292	8,079	2,085	20,861	2,658	64,222	138	1,135	6,898	576,108	68	270	732			
Nontaxable fiduciary returns with no net income ¹⁹	2,042	9,252	6,049	5,428	8,197	19,347	618	865	12,399	715,380	583	1,485	5,835			
Grand total	2,334	17,331	8,134	26,289	10,855	83,569	756	1,999	19,297	1,291,488	651	1,755	6,567			

For footnotes, see p 186.

TABLE 11.—Fiduciary returns with net income,¹ by net income classes, also aggregate for fiduciary returns with no net income, 1938: total number of returns, number of returns and amount for each specific source of income and deductions, balance income,² amount distributable to beneficiaries, and net income taxable to fiduciary—Continued

[Net income classes and money figures in thousands of dollars]

Net income ¹ classes (1)	Deductions—Continued										Balance income ² (39)	Amount distributable to beneficiaries (40)	Net income taxable to fiduciary ¹ (41)
	Net long-term capital loss ^{3 14}		Net loss from sale of property other than capital assets ¹⁵		Interest paid ¹⁶		Taxes paid ¹⁷		Other deductions ^{13 18}	Total deductions ¹⁸			
	Number of returns ³ (29)	Amount (30)	Number of returns ³ (31)	Amount (32)	Number of returns ³ (33)	Amount (34)	Number of returns ³ (35)	Amount (36)					
Returns with net income ¹ :													
Under 1 ¹⁷		437		63		1,536		5,029	5,004	12,267	56,252	51,073	5,179
Under 1		571		44		819		4,327	6,831	12,666	85,064	75,971	9,093
1 under 2 ¹⁷		26		(12)		27		98	119	273	891	510	381
1 under 2		486		61		1,025		2,960	3,707	8,354	40,770	25,504	15,266
2 under 2.5 ¹⁷		7				2		17	9	35	103	33	69
2 under 2.5		221		9		382		1,141	1,208	3,016	15,894	9,201	6,693
2.5 under 3 ¹⁷		3				1		3		6	23	1	22
2.5 under 3		161		10		228		849	847	2,117	11,686	5,946	5,740
3 under 4 ¹⁷						1		3	1	6	38		38
3 under 4		379		22		608		1,433	1,738	4,239	18,757	8,661	10,096
4 under 5 ¹⁷								2	3	5	26	3	23
4 under 5		325		9		565		978	1,142	3,042	16,090	7,078	9,012
5 under 6 ¹⁷											11		11
5 under 6	172	248	6	7	419	303	988	1,020	891	2,513	13,429	5,107	8,322
6 under 7	104	268	7	8	333	248	730	617	692	1,892	10,707	3,362	7,345
7 under 8	85	134	5	6	238	211	501	523	697	1,574	10,171	4,206	5,964
8 under 9	80	116	8	3	198	186	444	527	472	1,317	8,791	3,256	5,535
9 under 10	45	110	2	2	175	154	351	534	486	1,332	7,486	2,182	5,305
10 under 11	45	70	6	7	149	112	299	262	370	822	6,403	1,533	4,870
11 under 12	34	190	6	7	108	150	233	365	379	1,107	5,680	1,931	3,749
12 under 13	41	135	3	(12)	92	81	207	241	331	793	5,438	1,701	3,738
13 under 14	26	66	5	2	84	152	153	273	276	776	4,692	1,401	3,291
14 under 15	27	57	4	4	81	104	164	337	294	806	5,047	1,406	3,641
15 under 20	102	361	1	13	276	527	535	947	1,000	2,892	17,895	4,399	13,495
20 under 25	73	402	4	5	178	303	325	626	753	2,170	14,064	3,554	10,510
25 under 30	57	211	4	20	116	161	254	473	820	1,692	13,575	4,343	9,232
30 under 40	54	106	1	2	120	131	244	500	682	1,541	16,206	3,827	12,379
40 under 50	28	120			81	133	146	688	543	1,487	12,186	2,836	9,349
50 under 60	16	112			49	231	85	361	495	1,213	10,291	2,880	7,411
60 under 70	12	55	2	2	29	434	60	310	776	1,577	7,077	1,962	5,116
70 under 80	5	32	1	(12)	13	120	21	70	85	307	3,437	1,053	2,384
80 under 90	7	13			17	64	30	214	210	521	4,718	1,211	3,507
90 under 100	3	10			11	29	25	108	260	433	3,499	654	2,846
100 under 150	11	57	1	7	19	69	57	291	412	848	13,295	3,935	9,361
150 under 200	2	2	1	6	13	63	17	173	429	673	5,784	1,295	4,489
200 under 250	3	56	2	21	5	343	9	182	64	673	2,610	400	2,209
250 under 300	6	22	1	(12)	7	35	17	84	54	204	5,654	1,810	3,845
300 under 400	4	53			6	374	5	1,073	433	2,195	10,024	3,631	6,392
400 under 500	2	2			4	91	5	192	205	782	4,538	1,520	3,018
500 under 750	1	23	1	(12)	2	48	4	100	341	555	7,843	2,159	5,684
750 under 1,000			1	202			5	47	53	350	6,226	1,104	5,122
1,000 under 1,500							1		2	45	4,406	415	3,991
1,500 under 2,000							2	(12)	4	89	3,435		3,435
2,000 under 3,000	1	1	1	(12)	1	(12)					6,685	1,677	5,008
3,000 under 4,000													
4,000 under 5,000													
5,000 and over													
Nontaxable returns ¹⁷		473		63		1,566		5,152	5,136	12,591	57,344	51,621	5,724
Taxable returns ¹⁸	1,046	5,265	73	480	2,831	8,529	5,921	23,430	28,111	66,616	439,556	203,112	236,444
Total, fiduciary returns with net income	1,046	5,738	73	544	2,831	10,095	5,921	28,582	33,247	79,207	496,900	254,732	242,168
Nontaxable fiduciary returns with no net income ^{1 12}	19,183	58,810	1,346	6,296	24,612	18,467	62,284	46,185	94,570	231,648	483,733	550,273	66,540
Grand total	20,234	64,548	1,419	6,840	27,443	28,562	68,205	74,767	127,817	310,855	980,633	805,005	178,708

For footnotes, see p. 186.

Footnotes for table 11

¹ The net income used for classification and tabulation is the net income taxable to the fiduciary (item 17 on p. 1, Form 1041, facsimile on p. 298). This table includes taxable and nontaxable returns for estates or trusts incorrectly filed on Form 1040 instead of Form 1041.

² Balance income (item 15 on p. 1, Form 1041, facsimile on p. 298) is the net income before distribution to beneficiaries and is equal to total income less total deductions (items 10 and 14, respectively, on page 1, Form 1041, facsimile on p. 298).

³ The number of returns with net income under \$5,000 which is not available, is excluded from the totals in this column.

⁴ Excludes dividends received through partnerships and fiduciaries and dividends received on share accounts in Federal savings and loan associations.

⁵ Interest received on United States savings bonds and Treasury bonds, owned in excess of \$5,000, and on obligations of instrumentalities of the United States other than those issued under the Federal Farm Loan Act or such act as amended (see item 4, p. 1, Form 1041, facsimile on p. 298).

⁶ For 1938, partnership profit or loss includes dividends received, and excludes (1) taxable interest on obligations of the United States, and (2) net gain or loss from the sale or exchange of capital assets. The item "Charitable contributions" is not an allowable deduction in the computation of partnership profit or loss. For 1937, partnership profit or loss included (1) dividends received and (2) net gain or loss from the sale or exchange of capital assets (as defined by sec. 117(b) of the Revenue Act of 1936) and excluded taxable interest on obligations of the United States. The item "Charitable contributions" (limited to 15 percent of partnership net income before deduction of contributions or gifts) was an allowable deduction in the computation of partnership profit or loss. Each item which is excluded from partnership profit or loss for 1938 and 1937 is reported under its appropriate classification.

⁷ For 1938, income from fiduciaries includes (1) dividends received, and (2) net gain or loss from sale or exchange of capital assets, and excludes (1) taxable interest on obligations of the United States and (2) net gain or loss from sale or exchange of capital assets received from "Common trust funds." For 1937, income from fiduciaries included (1) dividends received, and (2) net gain or loss (including that received from "Common trust funds") from sale or exchange of capital assets as defined by sec. 117(b) of the Revenue Act of 1936, and excluded taxable interest on obligations of the United States. Each item which is excluded from income from fiduciaries for 1938 and 1937 is reported under its appropriate classification.

⁸ If two or more businesses in different industrial groups are reported on one return, each business is counted separately. Consequently, the number of businesses exceeds the number of returns showing business profit or loss. The number of businesses for returns with net income under \$5,000, which is not available, is excluded from the totals in this column.

⁹ Unlike 1937, (1) capital assets exclude property used in trade or business of a character which is subject to the allowance for depreciation and (2) "Net capital gain" and "Net long-term capital loss" include the estate's or trust's distributive share of net capital gain

or loss to be taken into account from partnerships and "Common trust funds." Net long-term capital gain and loss includes losses from worthless stocks and bonds, which for 1937 were tabulated in "Other deductions."

¹⁰ Consists of net short-term capital gain on capital assets held 18 months or less.

¹¹ Consists of net long-term capital gain on capital assets held over 18 months. Includes net capital gain of \$259,265 on sale of capital assets (regardless of period capital assets were held) as defined in sec. 117(b) of the Revenue Act of 1936, reported on 48 fiscal year returns with year ended in period July through November 1938.

¹² Consists of net gain or loss from property used in trade or business of a character which is subject to the allowance for depreciation, which under the Revenue Act of 1938 is excluded from capital assets. For 1937, net gain or loss from the sale of depreciable property was included in "Net capital gain or loss."

¹³ The number of returns with "Other income" and "Other deductions" is not available, since the amount of "Other income" is secured by deducting the sum of the specific sources of income from total income and the amount of "Other deductions" is determined by subtracting the sum of the specific deductions from total deductions.

¹⁴ Consists of net long-term capital loss on capital assets held over 18 months. Includes net capital loss of \$64,651 on sale of capital assets (regardless of period capital assets were held) as defined in sec. 117(b) of the Revenue Act of 1936, reported on 48 fiscal year returns with year ended in period July through November 1938.

¹⁵ Excludes amounts reported in Schedule C and in business deductions. Includes "Amount distributable to beneficiaries" (if any) for a small number of returns with net income incorrectly filed on Form 1040 instead of Form 1041 for which adjustment was not made to remove this amount from "Other deductions" and "Total deductions." (See text, p. 60).

¹⁶ Nontaxable returns. Exemptions from normal tax and surtax exceed net income taxable to fiduciary (item 17 on p. 1, Form 1041, facsimile on p. 298).

¹⁷ Data for these returns are included in basic table 7.

¹⁸ Returns with (1) balance deficit before distribution to beneficiaries (total deductions exceed total income, items 14 and 10, respectively, on p. 1, Form 1041, facsimile on p. 298), (2) balance income before distribution to beneficiaries (balance income is equal to amount distributable to beneficiaries, items 15 and 16, respectively, on p. 1, Form 1041, facsimile on p. 298), and (3) zero balance income before distribution to beneficiaries (total income is equal to total deductions, items 10 and 14, respectively, on p. 1, Form 1041, facsimile on p. 298).

¹⁹ Includes taxable interest received on partially tax-exempt Government obligations.

²⁰ Tabulated with "Taxable interest received on bank deposits, notes, mortgages, corporation bonds."

²¹ Less than \$500.

²² Balance income less balance deficit. (See basic table 13, column 23.)

²³ Deficit. (See basic table 13, column 25.)

²⁴ Net income less deficit.

TABLE 12.—Fiduciary returns with net income,¹ 1938, by balance income² classes and by taxable and nontaxable returns: number of returns, sources of income and deductions, balance income,² amount distributable to beneficiaries, and net income taxable to fiduciary
(Balance income classes and money figures in thousands of dollars)

[For text defining certain items and describing methods of tabulating data see pp. 1-6 and 49-54]

9-41-13

Sources of income

Balance income ¹ classes (1)	Number of returns (2)	Dividends from domestic and foreign corporations ³ (3)	Taxable interest		Partnership profit ⁴ (6)	Income from fiduciaries ⁵ (7)	Rents and royalties (8)	Business profit (9)	Net capital gain ⁷		Net gain from sale of property other than capital assets ¹⁰ (12)	Other income (13)
			Bank deposits, notes, mortgages, corporation bonds (4)	Partially tax-exempt Government obligations ⁴ (5)					Short-term ⁸ (10)	Long-term ⁹ (11)		
Under 1 ¹⁴	11,996	2,576	2,913	325	145	329	3,538	765	165	228	51	458
Under 1	10,142	2,454	2,204	170	27	135	1,208	54	152	453	34	193
1 under 5 ¹⁴	9,071	7,064	10,679	1,232	78	301	2,315	238	158	285	29	281
1 under 5	25,515	28,099	23,651	1,876	916	1,697	10,184	2,057	2,407	5,008	306	1,526
5 under 10 ¹⁴	1,558	5,259	4,699	503	52	147	1,202	67	52	90	5	147
5 under 10	8,304	29,227	19,616	1,802	1,018	1,352	6,065	1,191	2,344	4,383	218	991
10 under 20 ¹⁴	592	4,678	2,812	367	48	106	842	76	45	56	2	132
10 under 20	4,946	38,535	18,880	1,852	980	1,364	6,251	1,080	2,634	5,870	219	1,046
20 under 25 ¹⁴	100	1,248	697	139	15	67	250	1	12	8	1	27
20 under 25	975	13,619	5,400	525	345	413	526	286	761	1,689	43	169
25 under 50 ¹⁴	123	2,411	1,063	141	23	150	519	31	7	21	1	51
25 under 50	1,917	40,032	12,232	550	1,383	2,769	5,497	916	2,956	6,679	118	900
50 under 100 ¹⁴	39	1,795	5,718	545	524	6	343	3	5	8	1	27
50 under 100	700	32,681	45	1	238	704	3,057	485	2,320	7,585	13	673
100 under 250 ¹⁴	15	1,720	3,119	690	770	727	2,928	293	1,471	7,040	2	151
100 under 250	261	24,632	3	78	177	153	(15) 1,292	255	922	(15) 3,930	4	88
250 under 500 ¹⁴	2	655	157	38	7	1	118	282	2,232	(15) 5,690	91	9
250 under 500	74	18,297	157	38	7	1	118	282	2,232	(15) 5,690	91	9
500 under 1,000 ¹⁴	2	1,139	157	38	7	1	118	282	2,232	(15) 5,690	91	9
500 under 1,000	26	9,098	157	38	7	1	118	282	2,232	(15) 5,690	91	9
1,000 and over ¹⁴	21	13,710	43	1	—	2	2,136	—	2,220	15,198	—	29
1,000 and over	21	13,710	43	1	—	2	2,136	—	2,220	15,198	—	29
Nontaxable returns ¹⁴	23,498	29,145	10 23,619	10 2,729	600	1,105	9,208	1,179	442	696	88	1,123
Taxable returns	52,881	250,383	10 92,541	10 9,365	6,147	9,216	40,853	6,901	20,419	63,526	1,046	5,775
Total, fiduciary returns with net income	76,379	279,528	10 116,160	10 12,094	6,748	10,321	50,061	8,079	20,861	64,222	1,135	6,898

For footnotes, see p. 189.

For footnotes, see p. 189.

TABLE 12.—Fiduciary returns with net income,¹ 1938, by balance income² classes and by taxable and nontaxable returns: number of returns, sources of income and deductions, balance income,² amount distributable to beneficiaries, and net income taxable to fiduciary—Continued

[Balance income classes and money figures in thousands of dollars]

Balance income ² classes (1)	Sources of income— Con.	Deductions								Balance income ² (23)	Amount distributable to beneficiaries (24)	Net income taxable to fiduciary ¹ (25)
	Total income (14)	Partnership loss ³ (15)	Business loss (16)	Net long-term capital loss ¹¹ (17)	Net loss from sale of property other than capital assets ¹⁰ (18)	Interest paid ¹² (19)	Taxes paid ¹² (20)	Other deductions ¹³ (21)	Total deductions ¹³ (22)			
Under 1 ¹⁴	11,494	32	128	283	51	1,116	2,859	1,323	5,793	5,701	1,837	3,865
Under 1	7,084	2	26	251	17	243	681	869	2,089	4,996	1,027	3,969
Under 5 ¹⁴	23,259	6	16	103	5	279	1,175	1,664	3,248	20,011	18,526	1,485
1 under 5	77,627	45	154	1,113	85	2,248	5,277	6,145	15,068	62,559	22,671	39,889
5 under 10 ¹⁴	12,224	3	8	42	1	83	483	808	1,428	10,796	10,560	235
5 under 10	68,207	82	111	852	39	1,177	3,526	3,954	9,741	58,466	26,630	31,836
10 under 20 ¹⁴	9,164	5	1	30	3	43	329	650	1,062	8,102	8,008	94
10 under 20	78,711	28	78	844	46	1,279	3,560	4,340	10,175	68,535	34,731	33,805
20 under 25 ¹⁴	2,465	13	53	328	10	398	85	129	231	2,234	2,215	19
20 under 25	25,367	2	5	5	2	8	1,256	1,485	3,543	21,825	11,497	10,328
25 under 50 ¹⁴	4,425	(15)	(15)	5	5	24	105	211	345	4,080	4,062	18
25 under 50	75,272	29	46	930	5	757	3,022	4,271	9,061	66,211	32,911	33,300
50 under 100 ¹⁴	2,752	6	54	3	3	10	90	123	226	2,527	2,520	6
50 under 100	54,304	6	54	547	28	978	1,844	3,042	6,500	47,804	24,335	23,468
100 under 250 ¹⁴	2,199	18	34	173	14	592	25	186	216	1,983	1,981	1
100 under 250	41,824	18	34	173	14	592	1,187	1,944	3,963	37,861	19,110	18,751
250 under 500 ¹⁴	659			176	34	671	1	27	28	630	630	(15)
250 under 500	26,715			176	34	671	786	1,092	2,759	23,956	12,051	11,905
500 under 1,000 ¹⁴	1,296		15	10	202	(15)	426	315	1,031	1,281	1,281	(15)
500 under 1,000	17,723		8	40	(15)	122	1,864	651	2,686	16,062	6,233	10,450
1,000 and over ¹⁴	33,338											
1,000 and over	69,936	48	153	473	63	1,566	5,152	5,136	12,591	57,344	51,621	5,724
Nontaxable returns ¹⁴	506,172	222	579	5,265	480	8,529	23,430	28,111	66,616	439,556	203,112	236,444
Taxable returns												
Total, fiduciary returns with net income	576,108	270	732	5,738	544	10,095	28,582	33,247	79,207	496,900	254,732	242,168

Footnotes for table 12

¹ Returns with net income taxable to the fiduciary (item 17 on p. 1, Form 1041, facsimile on p. 298). This table includes taxable and nontaxable returns for estates and trusts made for the majority of these incorrectly filed 1938 returns, Form 1040, whereby the "Amount distributable to beneficiaries" (if any) was removed from "Other deductions" and "Total deductions" and the "Balance income" was computed. The small number of returns on which this adjustment was not made is classified in column 1 by size of net income taxable to the fiduciary (and no "Amount distributable to beneficiaries" is tabulated in column 24) since on these returns the "Amount distributable to beneficiaries" is negligible.

² Balance income (item 15 on p. 1, Form 1041, facsimile on p. 298) is the net income before distribution to beneficiaries and is equal to total income less total deductions (items 10 and 14, respectively, on p. 1, Form 1041, facsimile on p. 298). For balance income on returns incorrectly filed on Form 1040, see note 1.

³ Excludes dividends received through partnerships and fiduciaries and dividends received on share accounts in Federal savings and loan associations.

⁴ Interest received on United States savings bonds and Treasury bonds, owned in excess of \$5,000, and on obligations of instrumentalities of the United States other than those issued under the Federal Farm Loan Act or such act as amended (see item 4, p. 1, Form 1041, p. 298).

⁵ For 1938, partnership profit or loss includes dividends received, and excludes (1) taxable interest on obligations of the United States, and (2) net gain or loss from the sale or exchange of capital assets. The item "Charitable contributions" is not an allowable deduction in the computation of partnership profit or loss. For 1937, partnership profit or loss included (1) dividends received and (2) net gain or loss from the sale or exchange of capital assets (as defined by sec. 117(b) of the Revenue Act of 1937) and excluded taxable interest on obligations of the United States. The item "Charitable contributions" (limited to 15 percent of partnership net income before deduction of contributions or gifts) was an allowable deduction in the computation of partnership profit or loss. Each item which is excluded from partnership profit or loss for 1938 and 1937 is reported under its appropriate classification.

⁶ For 1938, income from fiduciaries includes (1) dividends received, and (2) net gain or loss from sale or exchange of capital assets, and excludes (1) taxable interest on obligations of the United States and (2) net gain or loss from sale or exchange of capital assets received from "Common trust funds." For 1937, income from fiduciaries, included (1) dividends received, and (2) net gain or loss (including that received from "Common trust funds")

from sale or exchange of capital assets as defined by sec. 117(b) of the Revenue Act of 1936, and excluded taxable interest on obligations of the United States. Each item which is excluded from income from fiduciaries for 1938 and 1937 is reported under its appropriate classification.

⁷ Unlike 1937, (1) capital assets exclude property used in trade or business of a character which is subject to the allowance for depreciation and (2) "Net capital gain" and "Net long-term capital loss" include the estate's or trust's distributive share of net capital gain or loss to be taken into account from partnerships and "Common trust funds." Net long-term capital gain and loss include losses from worthless stocks and bonds, which for 1937 were tabulated in "Other deductions."

⁸ Consists of net short-term capital gain on capital assets held 18 months or less.

⁹ Consists of net long-term capital gain on capital assets held over 18 months. Includes net capital gain of \$259,265 on sale of capital assets (regardless of period capital assets were held) as defined in sec. 117(b) of the Revenue Act of 1936, reported on 48 fiscal year returns with year ended in period July through November 1938.

¹⁰ Consists of net gain or loss from property used in trade or business of a character which is subject to the allowance for depreciation, which under the Revenue Act of 1938 is excluded from capital assets. For 1937, net gain or loss from the sale of depreciable property was included in "Net capital gain or loss."

¹¹ Consists of net long-term capital loss on capital assets held over 18 months. Includes net capital loss of \$64,651, on sale of capital assets (regardless of period capital assets were held) as defined in sec. 117(b) of the Revenue Act of 1936, reported on 45 fiscal year returns with year ended in period July through November 1938.

¹² Excludes amounts reported in Schedule C and in business deductions.

¹³ Includes "Amount distributable to beneficiaries" (if any) for a small number of returns incorrectly filed on Form 1040 instead of Form 1041 for which adjustment was not made to remove this amount from "Other deductions" and "Total deductions." (See text p. 50.)

¹⁴ Nontaxable returns. Exemptions from normal tax and surtax exceed net income taxable to fiduciary (item 17 on p. 1, Form 1041, facsimile on p. 298).

¹⁵ Less than \$500.

¹⁶ Totals for columns 4 and 5 do not agree with totals in columns 6 and 8, basic table 11, due to the fact that for net income classes under \$5,000 the "Taxable interest on partially tax-exempt Government obligations" is tabulated with the "Taxable interest on bank deposits, notes, mortgages, corporation bonds" in table 11.

TABLE 13.—Fiduciary returns with no net income,¹ 1938, by balance deficit and income² classes: number of returns, sources of income and deductions, balance deficit or income,² amount distributable to beneficiaries, and deficit

[Balance deficit and income classes and money figures in thousands of dollars]

[For text defining certain items and describing methods of tabulating data, see pp. 1-6 and 49-54]

Balance deficit and income ² classes	Number of returns	Sources of income											
		Dividends from domestic and foreign corporations ³	Taxable interest		Partnership profit ⁴	Income from fiduciaries ⁵	Rents and royalties	Business profit	Net capital gain ⁷		Net gain from sale of property other than capital assets ¹⁰	Other income	Total income
			Bank deposits, notes, mortgages, corporation bonds	Partially tax-exempt Government obligations ⁶					Short-term ⁸	Long-term ⁹			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Balance deficit ¹² classes:													
Under 1.....	8,109	2,406	2,366	172	112	172	4,129	359	116	193	52	718	10,798
1 under 5.....	4,780	3,809	2,897	217	85	199	4,226	438	177	264	44	813	13,170
5 under 10.....	1,188	1,950	1,303	117	26	87	1,695	218	90	170	98	263	6,016
10 under 20.....	651	1,817	969	95	2	71	1,499	123	275	156	6	177	5,191
20 under 25.....	115	389	162	14	1	3	323	8	5	54		71	1,031
25 under 50.....	231	1,151	669	32	4	39	864	87	128	117	5	140	3,235
50 under 100.....	105	837	483	22	20	33	449	131	44	48	7	56	2,129
100 under 250.....	54	604	484	32		3	259	151	151		10	55	1,748
250 under 500.....	13	542	280	(18)	10		1,348	145	5			150	2,481
500 under 1,000.....	1	36	130	2			124					(14)	292
1,000 and over.....	2	293	1	(19)	1		2						297
Total, fiduciary returns with balance deficit.....	15,249	13,837	9,745	705	261	607	14,917	1,659	990	1,003	222	2,442	46,388
Balance income ¹⁴ classes:													
Under 1.....	32,796	7,520	10,528	774	112	497	6,256	468	148	225	55	629	27,211
1 under 5.....	53,710	58,494	59,630	3,902	890	2,350	25,900	1,875	761	1,819	196	1,863	157,681
5 under 10.....	12,251	46,510	32,449	2,338	623	1,542	15,197	1,254	558	1,082	147	1,244	102,974
10 under 20.....	6,112	49,291	26,652	1,672	694	1,806	16,310	1,383	602	1,101	91	1,265	100,867

20 under 25.....	1,103	15,105	6,356	500	164	460	5,214	262	255	371	42	327	29,055
25 under 50.....	1,954	44,546	13,061	1,033	602	1,529	12,529	795	352	1,149	51	1,192	76,841
50 under 100.....	712	33,285	7,791	525	121	1,161	7,940	1,204	630	1,176	50	631	54,570
100 under 250.....	277	29,232	4,766	330	186	788	5,735	233	1,060	600	4	1,131	44,067
250 under 500.....	48	12,111	2,559	303	303	328	497		9	551		750	17,411
500 under 1,000.....	38	21,232	1,072	37	2	108	2,925		5	9,962	(18)	608	35,950
1,000 and over.....	8	15,331	36				5,234					6	20,607
Total, fiduciary returns with balance income.....	109,009	332,687	164,901	11,412	3,697	10,568	103,737	7,474	4,380	18,037	642	9,696	667,232
Fiduciary returns with zero balance income ¹⁵	189	312	162	28	7	105	403	119	58	306		261	1,761
Grand total.....	124,447	346,836	174,808	12,146	3,965	11,280	110,057	9,252	5,428	19,347	865	12,399	715,380

For footnotes, see p. 193.

TABLE 13.—Fiduciary returns with no net income,¹ 1938, by balance deficit and income² classes: number of returns, sources of income and deductions, balance deficit or income,³ amount distributable to beneficiaries, and deficit—Continued
[Balance deficit and income classes and money figures in thousands of dollars]

Balance deficit and income ⁴ classes (1)	Deductions								Balance deficit or income ⁵ (23)	Amount distributable to beneficiaries (24)	Net income taxable to fiduciary (deficit) (25)
	Partnership loss ⁶ (15)	Business loss (16)	Net long-term capital loss ^{7 11} (17)	Net loss from sale of property other than capital assets ¹⁰ (18)	Interest paid ¹² (19)	Taxes paid ¹³ (20)	Other deductions (21)	Total deductions (22)			
Balance deficit ¹⁴ classes:											
Under 1.....	83	523	2,750	219	1,709	3,325	5,013	13,623	17 2,824		2,824
1 under 5.....	301	1,796	6,728	596	2,423	4,263	8,258	24,365	17 11,196		11,196
5 under 10.....	197	1,035	5,205	587	1,125	1,780	4,393	14,321	17 8,305		8,305
10 under 20.....	138	793	5,573	671	1,063	1,709	4,257	14,203	17 9,012		9,012
20 under 25.....	8	247	1,238	199	365	440	1,073	3,569	17 2,538		2,538
25 under 50.....	78	444	3,982	563	1,362	1,055	3,725	11,208	17 7,973		7,973
50 under 100.....		375	4,307	350	704	815	2,617	9,168	17 7,039		7,039
100 under 250.....	169	165	4,870	278	1,130	836	2,706	10,154	17 8,406		8,406
250 under 500.....	323		1,800	1,630	260	447	3,127	6,986	17 4,505		4,505
500 under 1,000.....			1,133			10	21	1,155	17 873		873
1,000 and over.....		8	2,235	746	410	142	624	4,166	17 3,869		3,869
Total, fiduciary returns with balance deficit.....	1,297	5,385	39,823	5,240	10,549	14,822	35,813	112,927	17 66,540		66,540
Balance income ¹⁴ classes:											
Under 1.....	29	58	2,540	111	1,048	3,519	4,332	11,636	15,575	15,575	
1 under 5.....	79	150	6,060	335	2,972	10,434	13,799	33,230	124,451	124,451	
5 under 10.....	23	94	3,405	242	1,171	5,414	7,331	17,680	85,294	85,294	
10 under 20.....	33	51	2,858	180	1,131	5,187	6,692	16,163	84,704	84,704	
20 under 25.....	2	6	725	24	246	1,200	2,038	4,241	24,814	24,814	
25 under 50.....	8	22	1,561	72	616	2,677	4,714	9,699	67,141	67,141	
50 under 100.....	(16)	10	807	11	482	1,691	3,088	6,089	48,481	48,481	
100 under 250.....	14	8	215	46	232	692	2,571	3,777	40,289	40,289	
250 under 500.....			95	18	32	122	792	1,059	16,352	16,352	

500 under 1,000.....		52	107	16	401	98	10,631	11,306	24,645	24,645	
1,000 and over.....			577		11	200	1,292	2,079	18,527	18,527	
Total, fiduciary returns with balance income.....	188	450	18,980	1,056	7,772	31,234	57,280	116,960	550,273	550,273	
Fiduciary returns with zero balance income ¹⁵		(16)	8		146	130	1,477	1,761			
Grand total.....	1,485	5,835	58,810	6,296	18,467	46,185	94,570	231,648	18 483,733	550,273	66,540

¹ Returns with no net income taxable to the fiduciary (item 17 on p. 1, Form 1041, facsimile on p. 298), consist of returns with (1) balance deficit before distribution to beneficiaries (total deductions exceed total income, items 14 and 10, respectively, on p. 1, Form 1041, facsimile on p. 298), (2) balance income before distribution to beneficiaries (balance income is equal to amount distributable to beneficiaries, items 15 and 16, respectively, on p. 1, Form 1041, facsimile on p. 298), and (3) zero balance income before distribution to beneficiaries (total income is equal to total deductions, items 10 and 14, respectively, on p. 1, Form 1041, facsimile on p. 298). This table includes nontaxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041. Unlike 1937, an adjustment was made for all of these incorrectly filed 1938 returns, Form 1040, whereby the "Amount distributable to beneficiaries" (if any) was removed from "Other deductions" and "Total deductions" and the "Balance income" was computed.

² Balance income (item 15 on p. 1, Form 1041, facsimile on p. 298) is the net income before distribution to beneficiaries and is equal to total income less total deductions (items 10 and 14, respectively, on p. 1, Form 1041, facsimile on p. 298). For balance income on returns incorrectly filed on Form 1040, see note 1.

³ Excludes dividends received through partnerships and fiduciaries and dividends received on share accounts in Federal savings and loan associations.

⁴ Interest received on United States savings bonds and Treasury bonds, owned in excess of \$5,000, and on obligations of instrumentalities of the United States other than those issued under the Federal Farm Loan Act or such act as amended (see item 4, p. 1, Form 1041, facsimile on p. 298).

⁵ For 1938, partnership profit or loss includes dividends received, and excludes (1) taxable interest on obligations of the United States, and (2) net gain or loss from the sale or exchange of capital assets. The item "Charitable contributions" is not an allowable deduction in the computation of partnership profit or loss. For 1937, partnership profit or loss included (1) dividends received and (2) net gain or loss from sale or exchange of capital assets (as defined by sec. 117(b) of the Revenue Act of 1936) and excluded taxable interest on obligations of the United States. The item "Charitable contributions" (limited to 15 percent of partnership net income before deduction of contributions or gifts) was an allowable deduction in the computation of partnership profit or loss. Each item which is excluded from partnership profit or loss for 1938 and 1937 is reported under its appropriate classification.

⁶ For 1938, income from fiduciaries includes (1) dividends received, and (2) net gain or loss from sale or exchange of capital assets, and excludes (1) taxable interest on obligations of the United States and (2) net gain or loss from sale or exchange of capital assets received from "Common trust funds." For 1937, income from fiduciaries, included (1) dividends received, and (2) net gain or loss (including that received from "Common trust funds") from sale or exchange of capital assets as defined by sec. 117(b) of the Revenue Act of 1936, and excluded taxable interest on obligations of the United States. Each item which is excluded from income from fiduciaries for 1938 and 1937 is reported under its appropriate classification.

⁷ Unlike 1937, (1) capital assets exclude property used in trade or business of a character which is subject to the allowance for depreciation and (2) "Net capital gain" and "Net long-term capital loss" include the estate's or trust's distributive share of net capital gain or loss to be taken into account from partnerships and "Common trust funds." Net long-term capital gain and loss include losses from worthless stocks and bonds, which for 1937 were tabulated in "Other deductions."

⁸ Consists of net short-term capital gain on capital assets held 18 months or less.

⁹ Consists of net long-term capital gain on capital assets held over 18 months.

¹⁰ Consists of net gain or loss from property used in trade or business of a character which is subject to the allowance for depreciation, which under the Revenue Act of 1938 is excluded from capital assets. For 1937, net gain or loss from the sale of depreciable property was included in "Net capital gain or loss."

¹¹ Consists of net long-term capital loss on capital assets held over 18 months.

¹² Excludes amounts reported in Schedules C and in business deductions.

¹³ Returns with balance deficit before distribution to beneficiaries (item 15 on p. 1, Form 1041, facsimile on p. 298).

¹⁴ Returns with balance income before distribution to beneficiaries (balance income is equal to amount distributable to beneficiaries, items 15 and 16, respectively, p. 1, Form 1041, facsimile on p. 298).

¹⁵ Total income is equal to total deductions (items 10 and 14, respectively, on p. 1, Form 1041, facsimile on p. 298).

¹⁶ Less than \$500.

¹⁷ Balance deficit.

¹⁸ Balance income less balance deficit.

BASIC TABLES 14-16¹

WHOLLY AND PARTIALLY
TAX-EXEMPT GOVERNMENT OBLIGATIONS
AMOUNT OWNED AND INTEREST RECEIVED
INDIVIDUAL AND FIDUCIARY INCOME
TAX RETURNS

¹For summary of content of each table, see text page 8.

TABLE 14.—Individual returns¹ with net income of \$5,000 and over and with wholly and partially tax-exempt Government obligations (excluding fiduciary returns), 1938, by net income classes and by each type of obligation: amount owned and interest received

[Net income classes and money figures in thousands of dollars]

[For text defining certain items and describing methods of tabulating data, see pp. 55-56]

Net income classes	Amount owned at end of year							
	Total	Wholly tax-exempt obligations				Partially tax-exempt obligations		
		Total	Obligations of States and Territories, or political subdivisions thereof, and United States possessions	Obligations issued under Federal Farm Loan Act	Treasury notes, Treasury bills, and Treasury certificates of indebtedness ²	Total	United States savings bonds and Treasury bonds	Obligations of certain instrumentalities of the United States ³
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
5 under 6	211, 075	102, 461	75, 992	10, 596	15, 874	108, 614	97, 859	10, 765
6 under 7	198, 690	109, 723	86, 409	10, 384	12, 930	88, 967	79, 945	9, 022
7 under 8	154, 453	81, 229	61, 309	7, 257	12, 664	73, 224	64, 858	8, 366
8 under 9	146, 960	81, 605	59, 859	7, 345	14, 401	65, 355	58, 955	6, 400
9 under 10	141, 032	81, 789	60, 634	7, 808	13, 347	59, 243	53, 466	5, 777
10 under 11	143, 974	89, 955	65, 180	8, 897	12, 878	54, 019	48, 960	5, 059
11 under 12	136, 958	92, 194	71, 761	7, 207	13, 226	44, 764	40, 209	4, 555
12 under 13	112, 728	70, 696	56, 143	4, 712	9, 842	42, 031	37, 893	4, 139
13 under 14	105, 402	67, 259	51, 160	5, 323	10, 777	38, 143	34, 205	3, 878
14 under 15	95, 629	62, 035	43, 143	6, 142	12, 750	33, 594	30, 005	3, 588
15 under 20	451, 940	311, 342	240, 995	24, 330	46, 016	140, 598	127, 232	13, 366
20 under 25	325, 669	237, 451	175, 210	24, 017	38, 224	88, 218	80, 024	8, 194
25 under 30	237, 071	170, 895	130, 217	16, 487	24, 190	66, 176	59, 927	6, 249
30 under 40	430, 653	342, 247	247, 297	23, 543	71, 407	88, 406	80, 010	8, 396
40 under 50	256, 732	210, 694	157, 492	14, 377	38, 824	46, 038	42, 369	3, 669
50 under 60	175, 719	149, 675	110, 406	12, 067	27, 201	26, 044	24, 330	1, 715
60 under 70	141, 185	119, 325	84, 848	8, 719	25, 758	21, 860	20, 840	1, 020
70 under 80	98, 408	83, 971	59, 235	6, 087	18, 649	14, 438	13, 392	1, 045
80 under 90	94, 095	83, 059	64, 557	4, 702	13, 800	11, 036	9, 784	1, 252
90 under 100	75, 540	70, 935	54, 461	4, 526	11, 948	4, 605	3, 952	653
100 under 150	254, 296	227, 849	158, 923	14, 791	54, 135	26, 447	23, 950	2, 498
150 under 200	138, 341	122, 422	70, 576	9, 781	41, 765	15, 919	12, 754	3, 165
200 under 250	143, 770	137, 881	113, 370	2, 570	21, 941	5, 888	5, 063	825
250 under 300	48, 419	46, 708	33, 095	1, 454	12, 159	1, 710	1, 696	14
300 under 400	87, 347	83, 053	62, 652	3, 938	16, 463	4, 294	3, 879	415
400 under 500	44, 686	44, 133	36, 487	1, 132	6, 514	553	418	135
500 under 750	73, 728	71, 837	41, 374	5, 027	25, 435	1, 892	1, 761	131
750 under 1,000	87, 181	85, 501	34, 956	2, 326	48, 219	1, 650	1, 644	36
1,000 under 1,500	20, 870	20, 855	17, 742	201	2, 911	15	10	6
1,500 under 2,000	15, 253	15, 206	8, 220	360	6, 627	47	47	-----
2,000 under 3,000	2, 834	2, 299	2, 057	-----	6, 242	534	253	281
3,000 under 4,000	122, 245	122, 245	27, 348	-----	94, 897	-----	-----	-----
4,000 under 5,000	-----	-----	-----	-----	-----	-----	-----	-----
5,000 and over	20, 621	19, 636	19, 636	-----	-----	985	310	675
Total	4, 793, 503	3, 618, 167	2, 586, 045	256, 106	776, 016	1, 175, 336	1, 060, 069	115, 278

For footnotes, see p. 198.

TABLE 14.—Individual returns¹ with net income of \$5,000 and over and with wholly and partially tax-exempt Government obligations (excluding fiduciary returns), 1938, by net income classes and by each type of obligation: amount owned and interest received—Continued

[Net income classes and money figures in thousands of dollars]

Net income classes	Interest received or accrued during the year ²							
	Total	Wholly tax-exempt obligations				Partially tax-exempt obligations		
		Total	Obligations of States and Territories, or political subdivisions thereof, and United States possessions	Obligations issued under Federal Farm Loan Act	Treasury notes, Treasury bills, and Treasury certificates of indebtedness ³	Total	United States savings bonds and Treasury bonds ⁴	Obligations of certain instrumentalities of the United States ⁵
(1)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
5 under 6.....	8,905	5,280	4,101	536	644	3,625	3,122	503
6 under 7.....	8,521	5,267	4,320	436	511	3,254	2,865	389
7 under 8.....	7,162	4,419	3,498	357	563	2,743	2,383	360
8 under 9.....	6,775	4,458	3,639	336	484	2,317	2,028	289
9 under 10.....	6,767	4,345	3,446	359	540	2,422	2,126	296
10 under 11.....	6,678	4,615	3,728	369	518	2,063	1,854	210
11 under 12.....	6,745	4,832	3,981	327	523	1,913	1,674	339
12 under 13.....	5,451	3,814	3,121	249	445	1,637	1,446	190
13 under 14.....	5,159	3,727	3,155	221	351	1,431	1,252	180
14 under 15.....	4,908	3,453	2,568	283	602	1,455	1,300	146
15 under 20.....	20,830	15,560	12,987	994	1,579	5,270	4,664	606
20 under 25.....	15,828	12,393	10,160	802	1,440	3,435	3,076	359
25 under 30.....	12,122	9,647	7,886	686	1,075	2,475	2,167	308
30 under 40.....	20,524	17,141	13,563	1,130	2,448	3,383	3,042	342
40 under 50.....	12,208	10,507	8,638	796	1,073	1,700	1,553	148
50 under 60.....	8,216	7,300	5,940	502	858	916	815	101
60 under 70.....	6,280	5,535	4,750	293	492	745	697	48
70 under 80.....	4,653	4,202	3,437	270	405	451	422	29
80 under 90.....	4,066	3,722	3,157	205	360	344	323	21
90 under 100.....	3,446	3,175	2,513	420	242	271	229	43
100 under 150.....	12,763	11,851	9,655	728	1,468	912	818	94
150 under 200.....	5,981	5,543	4,185	519	839	438	355	83
200 under 250.....	6,582	6,362	5,589	254	539	220	191	28
250 under 300.....	1,806	1,688	1,404	54	231	117	116	1
300 under 400.....	4,661	4,463	3,742	128	593	198	189	9
400 under 500.....	1,965	1,952	1,785	46	121	14	14	(6)
500 under 750.....	3,255	3,194	2,327	308	559	61	57	4
750 under 1,000.....	2,913	2,889	1,975	39	375	24	23	1
1,000 under 1,500.....	1,651	1,649	1,520	31	98	2	1	(6)
1,500 under 2,000.....	707	705	524	15	166	2	2	1
2,000 under 3,000.....	417	415	341	44	30	2	2	(6)
3,000 under 4,000.....	2,852	2,852	1,171	-----	1,681	-----	-----	-----
4,000 under 5,000.....	-----	-----	-----	-----	-----	-----	-----	-----
5,000 and over.....	208	203	203	-----	-----	5	4	1
Total.....	221,006	177,159	142,998	11,719	22,442	43,846	38,717	5,130

¹ Unlike basic table 14 in Statistics of Income for 1937, Part 1 (pp. 181-182), excludes the following returns with net income of \$5,000 and over taxable to the fiduciary: taxable returns, Form 1041, and taxable returns for estates and trusts incorrectly filed on Form 1040 instead of Form 1041.

² Includes other obligations of the United States issued on or before Sept. 1, 1917.

³ Obligations of instrumentalities of the United States other than obligations issued under Federal Farm Loan Act, or such act as amended.

⁴ Includes interest received on a principal amount not in excess of \$5,000 which is wholly exempt from income taxes (see line (e), column 3, Schedule B on p. 2, Form 1040, facsimile on p. 291). The amount of such interest received on a principal amount in excess of exemption of \$5,000, which is reported on p. 1 of the return for tax computation, is tabulated in "Taxable interest received on partially tax-exempt Government obligations" in the text tables on pp. 25 and 28-33 and in basic tables 7 and 7-A on pp. 123-138, respectively.

⁵ Interest received on obligations of instrumentalities of the United States other than obligations issued under the Federal Farm Loan Act, or such act as amended (see line (f), column 3, Schedule B on p. 2, Form 1040, facsimile on p. 291). The amount of such interest, which is reported on p. 1 of the return for tax computation, is tabulated in "Taxable interest received on partially tax-exempt Government obligations" in the text tables on pp. 25 and 28-33, and in basic tables 7 and 7-A on pp. 123-138, respectively.

⁶ Less than \$500.

TABLE 15.—Fiduciary returns with net income showing a balance income of \$5,000 and over¹ and with wholly and partially tax-exempt Government obligations, by balance income² classes, by taxable and nontaxable returns, and by each type of obligation: amount owned and interest received

[Balance income classes and money figures in thousands of dollars]

[For text defining certain items and describing methods of tabulating data, see pp. 55-56]

Balance income ² classes	Amount owned at end of year							
	Total	Wholly tax-exempt obligations				Partially tax-exempt obligations		
		Total	Obligations of States and Territories, or political subdivisions thereof, and United States possessions	Obligations issued under Federal Farm Loan Act	Treasury notes, Treasury bills, and Treasury certificates of indebtedness ³	Total	United States savings bonds and Treasury bonds	Obligations of certain instrumentalities of the United States ⁴
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
5 under 10 ¹	29,450	16,191	12,990	1,486	1,715	13,269	11,322	1,947
5 under 10.....	216,816	155,444	114,270	9,233	31,941	61,373	53,434	7,939
10 under 20 ¹	21,474	12,359	9,629	1,330	1,400	9,116	7,908	1,208
10 under 20.....	222,246	160,983	123,546	11,706	25,731	61,263	54,272	6,991
20 under 25 ¹	9,067	5,694	4,140	688	866	3,373	2,943	430
20 under 25.....	110,701	92,450	55,028	6,615	30,807	18,251	16,752	1,499
25 under 50 ¹	10,206	7,608	6,125	858	625	2,598	2,041	557
25 under 50.....	263,972	213,012	153,971	10,930	48,111	50,960	44,330	6,629
50 under 100 ¹	9,705	8,795	5,490	180	3,126	910	880	30
50 under 100.....	141,872	128,927	87,934	6,061	34,932	12,945	11,379	1,566
100 under 250 ¹	3,142	3,134	906	2,228	8	8	6	2
100 under 250.....	98,164	88,617	68,540	3,922	16,155	9,547	8,555	992
250 under 500 ¹	47	47	47	-----	-----	-----	-----	-----
250 under 500.....	76,677	74,367	57,901	6,681	9,784	2,311	2,269	42
500 under 1,000 ¹	-----	-----	-----	-----	-----	-----	-----	-----
500 under 1,000.....	44,175	42,910	31,688	4,092	7,130	1,265	340	925
1,000 and over ¹	-----	-----	-----	-----	-----	-----	-----	-----
1,000 and over.....	53,699	53,384	46,022	866	6,496	315	82	233
Nontaxable returns.....	83,100	53,827	39,326	6,769	7,731	29,273	25,099	4,174
Taxable returns.....	1,228,322	1,010,093	738,901	60,105	211,088	218,229	191,413	26,816
Total.....	1,311,422	1,063,920	778,227	66,875	218,819	247,502	216,512	30,990

For footnotes, see p. 200.

TABLE 15.—Fiduciary returns with net income showing a balance income of \$5,000 and over¹ and with wholly and partially tax-exempt Government obligations, by balance income² classes, by taxable and nontaxable returns, and by each type of obligation: amount owned and interest received—Continued

Balance income ³ classes	Interest received or accrued during the year							
	Total	Wholly tax-exempt obligations				Partially tax-exempt obligations		
		Total	Obligations of States and Territories, or political subdivisions thereof, and United States possessions	Obligations issued under Federal Farm Loan Act	Treasury notes, Treasury bills, and Treasury certificates of indebtedness ⁴	Total	United States savings bonds and Treasury bonds ⁵	Obligations of certain instrumentalities of the United States ⁶
(1)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
5 under 10 ⁷ -----	1, 679	1, 060	891	96	73	619	518	101
5 under 10 -----	9, 688	7, 374	5, 995	444	936	2, 314	1, 930	384
10 under 20 ⁷ -----	1, 259	767	638	67	61	492	421	71
10 under 20 -----	11, 356	9, 104	7, 703	526	875	2, 252	1, 915	337
20 under 25 ⁸ -----	512	364	231	45	88	148	133	15
20 under 25 -----	4, 732	4, 093	3, 153	283	656	639	552	87
25 under 50 ⁹ -----	561	396	337	33	26	164	141	23
25 under 50 -----	12, 692	10, 698	9, 014	449	1, 236	1, 994	1, 715	279
50 under 100 ¹⁰ -----	366	337	255	15	66	29	24	4
50 under 100 -----	6, 788	6, 215	5, 080	260	874	573	493	80
100 under 250 ¹¹ -----	136	134	64	66	4	1	(⁸)	1
100 under 250 -----	4, 994	4, 356	3, 615	227	514	638	584	53
250 under 500 ¹² -----	2	2	2	253	316	70	66	5
250 under 500 -----	3, 623	3, 553	2, 983					
500 under 1,000 ¹³ -----	1, 950	1, 912	1, 615	123	174	39	11	28
500 under 1,000 -----	2, 069	2, 069	1, 712	25	332	1	1	(⁸)
1,000 and over ¹⁴ -----								
1,000 and over -----								
Nontaxable re- turns ⁷ -----	4, 514	3, 060	2, 419	322	319	1, 453	1, 238	216
Taxable returns -----	57, 892	49, 372	40, 870	2, 590	5, 913	8, 520	7, 267	1, 252
Total -----	62, 405	52, 433	43, 289	2, 912	6, 232	9, 973	8, 505	1, 468

¹ Consists of (1) returns with net income taxable to the fiduciary (item 17 on p. 1, Form 1041, facsimile on p. 298) which show balance income of \$5,000 and over, (2) returns for estates and trusts incorrectly filed on Form 1040 instead of 1041 which show the characteristics in (1) above after an adjustment was made whereby the "Amount distributable to beneficiaries" (if any) was removed from "Other deductions" and "Total deductions," and "Balance income" was computed, and (3) a small number of returns for estates and trusts incorrectly filed on Form 1040 having net income of \$5,000 and over taxable to fiduciary, for which no adjustment was made. This latter category is classified in column 1 by size of net income taxable to fiduciary because on these returns the "Amount distributable to beneficiaries" is negligible.

² Balance income (item 15 on p. 1, Form 1041, facsimile on p. 298) is the net income before distribution to beneficiaries and is equal to total income less total deductions (items 10 and 14, respectively, on p. 1, Form 1041, facsimile on p. 298). For balance income on returns incorrectly filed on Form 1041, see note 1.

³ Includes other obligations of the United States issued on or before Sept. 1, 1917.

⁴ Obligations of instrumentalities of the United States other than obligations issued under Federal Farm Loan Act, or such act as amended.

⁵ Includes interest received on a principal amount not in excess of \$5,000 which is wholly exempt from income taxes (see line (e), column 3, Schedule B on p. 2, Form 1041, facsimile on p. 299). The amount of such interest received on a principal amount in excess of exemption of \$5,000, which is reported on p. 1 of return for tax computation, is tabulated in "Taxable interest received on partially tax-exempt Government obligations" in basic table 12 on pp. 187-189.

⁶ Interest received on obligations of instrumentalities of the United States other than obligations issued under the Federal Farm Loan Act, or such act as amended (see line (f), column 3, Schedule B on p. 2, Form 1041, facsimile on p. 299). The amount of such interest, which is reported on p. 1 of the return for tax computation, is tabulated in "Taxable interest received on partially tax-exempt Government obligations" in basic table 12 on pp. 187-189.

⁷ Nontaxable returns. Exemptions from normal tax and surtax exceed net income taxable to fiduciary (item 17 on p. 1, Form 1041, facsimile on p. 298).

⁸ Less than \$500.

TABLE 16.—Fiduciary returns with net income showing a balance income of \$5,000 and over¹ and with wholly and partially tax-exempt Government obligations, 1928, by net income² classes, by taxable and nontaxable returns, and by each type of obligation: amount owned and interest received

[Net income classes and money figures in thousands of dollars]

[For text defining certain items and describing methods of tabulating data, see pp. 55-56]

Net income ² classes	Amount owned at end of year							
	Total	Wholly tax-exempt obligations				Partially tax-exempt obligations		
		Total	Obligations of States and Territories, or political subdivisions thereof, and United States possessions	Obligations issued under Federal Farm Loan Act	Treasury notes, Treasury bills, and Treasury certificates of indebtedness ³	Total	United States savings bonds and Treasury bonds	Obligations of certain instrumentalities of the United States ⁴
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Under 5 ¹	82,623	53,827	39,326	6,769	7,731	28,796	24,623	4,174
Under 5	568,820	454,772	332,260	31,201	91,311	114,048	99,510	14,538
5 under 6 ²	477					477		
5 under 6	53,605	40,972	31,681	1,790	7,502	12,632	11,739	894
6 under 7	42,228	33,211	24,559	1,761	6,891	9,017	8,065	953
7 under 8	39,324	32,146	25,234	1,559	5,353	7,178	6,526	651
8 under 9	33,364	27,781	22,251	582	4,948	5,582	5,201	382
9 under 10	26,985	22,124	15,420	811	5,893	4,861	4,671	190
10 under 11	11,424	8,177	7,058	264	855	3,247	3,141	106
11 under 12	13,034	9,847	7,899	678	1,270	3,187	3,039	148
12 under 13	20,835	16,623	14,463	733	1,426	4,212	3,879	333
13 under 14	7,649	5,388	3,080	488	1,821	2,260	1,973	287
14 under 15	28,409	26,129	21,291	608	4,230	2,280	1,785	495
15 under 20	55,161	43,072	31,844	2,241	8,987	12,089	9,645	2,444
20 under 25	40,097	34,075	17,400	872	15,802	6,023	5,591	431
25 under 30	47,789	36,703	22,422	1,461	12,821	11,085	8,384	2,701
30 under 40	30,395	23,796	13,510	1,610	8,675	6,599	6,291	308
40 under 50	25,419	19,980	15,175	1,573	3,232	5,438	4,085	1,353
50 under 60	28,701	26,084	19,253	869	5,962	2,617	2,563	54
60 under 70	13,686	12,222	9,262	1,064	1,896	1,463	1,372	91
70 under 80	2,138	1,804	1,522	16	326	274	254	20
80 under 90	15,778	14,612	9,814	231	4,567	1,166	1,028	138
90 under 100	6,748	6,491	5,674	370	447	258	222	36
100 under 150	27,679	27,299	14,222	7,155	5,922	381	381	
150 under 200	15,347	14,771	12,043	677	2,051	576	572	4
200 under 250	1,514	1,495	205		1,290	19		
250 under 300	5,660	5,067	3,624	100	1,343	593	568	25
300 under 400	15,791	15,663	13,369	725	1,569	128	128	
400 under 500	12,594	11,894	11,230		664	700	700	
500 under 750	8,651	8,651	7,374	666	611			
750 under 1,000	25,044	25,044	24,090		954			
1,000 under 1,500	1,056	1,050	27		1,023	6	6	
1,500 under 2,000	2,528	2,528	1,082		1,446			
2,000 under 3,000	872	563	563			309	76	233
3,000 under 4,000								
4,000 under 5,000								
5,000 and over								
Nontaxable returns ¹	83,100	53,827	39,326	6,769	7,731	29,273	25,099	4,174
Taxable returns	1,228,322	1,010,093	738,901	60,105	211,088	218,229	191,413	26,816
Total	1,311,422	1,063,920	778,227	66,875	218,819	247,502	216,512	30,990

For footnotes, see p. 203.

TABLE 16.—Fiduciary returns with net income showing a balance income of \$5,000 and over¹ and with wholly and partially tax-exempt Government obligations, 1938, by net income² classes, by taxable and nontaxable returns, and by each type of obligation: amount owned and interest received—Continued

[Net income classes and money figures in thousands of dollars]

Net income ¹ classes	Interest received or accrued during the year							
	Total	Wholly tax-exempt obligations				Partially tax-exempt obligations		
		Total	Obligations of States and Territories, or political subdivisions thereof, and United States possessions	Obligations issued under Federal Farm Loan Act	Treasury notes, Treasury bills, and Treasury certificates of indebtedness ³	Total	United States savings bonds and Treasury bonds ⁴	Obligations of certain instrumentalities of the United States ⁵
(1)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Under 5 ⁶	4,503	3,060	2,419	322	319	1,443	1,227	216
Under 5 ⁶	27,871	23,544	19,641	1,368	2,535	4,328	3,540	788
5 under 6 ⁷	10					10	10	46
5 under 6 ⁷	2,450	2,000	1,733	105	162	450	404	36
6 under 7.....	1,767	1,463	1,199	89	175	304	267	25
7 under 8.....	1,835	1,559	1,331	69	158	276	251	18
8 under 9.....	1,521	1,263	1,076	58	130	258	240	7
9 under 10.....	1,046	887	755	34	98	159	152	9
10 under 11.....	578	465	406	19	41	113	104	9
11 under 12.....	874	729	637	40	52	144	136	13
12 under 13.....	913	779	721	21	38	133	120	8
13 under 14.....	343	268	196	15	56	75	66	16
14 under 15.....	1,083	1,003	863	17	123	79	64	99
15 under 20.....	2,610	2,126	1,806	89	232	484	385	15
20 under 25.....	1,621	1,349	922	44	383	272	257	91
25 under 30.....	1,869	1,457	1,139	58	260	411	320	13
30 under 40.....	1,786	1,381	1,017	38	327	405	392	48
40 under 50.....	1,530	1,342	1,103	70	169	188	140	1
50 under 60.....	1,491	1,216	1,058	62	96	275	274	2
60 under 70.....	478	426	347	36	43	52	49	(⁸)
70 under 80.....	99	92	82	(⁸)	10	7	7	4
80 under 90.....	605	576	400	11	106	29	25	2
90 under 100.....	402	396	347	23	26	6	4	
100 under 150.....	1,259	1,240	834	252	154	19	19	(⁸)
150 under 200.....	513	487	426	30	31	26	26	(⁸)
200 under 250.....	73	71	51		20	2	2	(⁸)
250 under 300.....	234	221	183	5	33	13	13	(⁸)
300 under 400.....	652	651	531	16	101	(⁸)	(⁸)	(⁸)
400 under 500.....	556	547	531		16	9	8	(⁸)
500 under 750.....	879	879	782	23	74	(⁸)	(⁸)	(⁸)
750 under 1,000.....	505	505	492		13			
1,000 under 1,500.....	16	15	3		13	(⁸)	(⁸)	
1,500 under 2,000.....	33	33	15		18			
2,000 under 3,000.....	401	401	179		222	1	(⁸)	(⁸)
3,000 under 4,000.....								
4,000 under 5,000.....								
5,000 and over.....								
Nontaxable returns ⁷	4,514	3,060	2,419	322	319	1,453	1,238	216
Taxable returns.....	57,892	49,372	40,870	2,590	5,913	8,520	7,267	1,252
Total.....	62,405	52,433	43,289	2,912	6,232	9,973	8,505	1,468

For footnotes, see p. 203.

Footnotes for table 16

¹ Consists of (1) returns with net income taxable to the fiduciary (item 17 on p. 1, Form 1041, facsimile on p. 298) which show balance income of \$5,000 and over; (2) returns for estates and trusts incorrectly filed on Form 1040 instead of on Form 1041 which show the characteristics in (1) above after an adjustment was made whereby the "Amount distributable to beneficiaries" (if any) was removed from "Other deductions" and "Total deductions," and "Balance income" was computed; and (3) a small number of returns for estates and trusts incorrectly filed on Form 1040 having net incomes of \$5,000 and over taxable to fiduciary, for which no adjustment was made. Unlike 1937, the information for taxable returns with net income of \$5,000 and over is shown separately rather than in combination with that for individual returns with net income of \$5,000 and over shown in basic table 14, pp. 197-198. To secure 1938 data comparable with those for 1937 in basic table 14, pp. 181-182, Statistics of Income for 1937, Part 1, the data in basic table 14, pp. 197-198, must be combined with those for taxable returns with net income of \$5,000 and over shown in this table.

² The net income used for classification is the net income taxable to fiduciary (item 17 on p. 1, Form 1041, facsimile on p. 298).

³ Includes other obligations of the United States issued on or before Sept. 1, 1917.

⁴ Obligations of instrumentalities of the United States other than obligations issued under Federal Farm Loan Act, or such act as amended.

⁵ Includes interest received on principal amount not in excess of \$5,000 which is wholly exempt from income taxes (see line (c), column 3, Schedule B on p. 2, Form 1041, facsimile on p. 299). The amount of such interest received on a principal amount in excess of exemption of \$5,000, which is reported on p. 1 of the return for tax computation, is tabulated in "Taxable interest received on partially tax-exempt Government obligations" in basic table 11 on pp. 180-186.

⁶ Interest received on obligations of instrumentalities of the United States other than obligations issued under the Federal Farm Loan Act, or such act as amended (see line (f), column 3, Schedule B on p. 2, Form 1041, facsimile on p. 299). The amount of such interest, which is reported on p. 1 of the return for tax computation, is tabulated in "Taxable interest received on partially tax-exempt Government obligations" in basic table 11 on pp. 180-186.

⁷ Nontaxable returns. Exemptions from normal tax and surtax exceed net income taxable to fiduciary (item 17 on p. 1, Form 1041, facsimile on p. 298).

⁸ Less than \$500.

INDUSTRIAL GROUPS FOR BUSINESSES
OF SOLE PROPRIETORS, COMPARISON
OF CLASSIFICATIONS FOR
1938 AND 1937

INDUSTRIAL GROUPS FOR BUSINESSES OF SOLE PROPRIETORS, COMPARISON OF CLASSIFICATIONS FOR 1938 WITH 1937

For use in comparing the 1938 industrial groups in basic table 8, pages 139-141, in this report with the 1937 industrial groups in the text table on pages 28-29 and in basic table 8, pages 138-143 in the Statistics of Income for 1937, Part 1. The 1938 industrial groups in the first column and the 1937 industrial groups in the second column are comparable with the exception of the industries referred to by designating numbers in the last two columns. These numbers refer to industries that were shifted by the industrial classification provided for the returns for 1938 from one industrial group to another industrial group. An example of the use of this comparison is as follows: The 1938 industrial group "Mining and quarrying" is comparable with the 1937 industrial group "Mining and quarrying" except that "Oil and gas field service operations," number 1, is included for 1938 in "Mining and quarrying" but included in "Construction" for 1937. The industrial groups in which each of the shifted industries is classified for 1938 and 1937 are shown in the list of industries on page 211.

Industrial groups for businesses of sole proprietors, comparison of classifications for 1938 with 1937

Industrial groups		Designating numbers of the industrial activities (see p. 211) which affect comparability of industrial groups	
1938 groups	1937 groups	Included in group for 1938 but excluded for 1937	Included in group for 1937 but excluded for 1938
Mining and quarrying.....	Mining and quarrying.....	1.....	
Manufacturing.....	Total manufacturing.....	2, 3, 4.....	5, 6, 7.....
Food and kindred products.....	Food and kindred products.....		
Beverages.....	Liquors and beverages (alcoholic and nonalcoholic).....		
Tobacco manufactures.....	Tobacco products.....		
Textile-mill products.....	Textiles and their products.....		
Apparel and products made from fabrics.....	Leather and its manufactures.....		
Leather and products.....	Rubber products.....		8.....
Rubber products.....	Forest products.....	2.....	
Lumber and timber basic products.....	Paper, pulp, and products.....		
Furniture and finished lumber products.....	Printing, publishing, and allied industries.....		
Paper and allied products.....	Chemicals and allied products.....	3, 8.....	
Printing and publishing industries.....	Stone, clay, and glass products.....		
Chemicals and allied products.....			
Petroleum and coal products.....			
Stone, clay, and glass products.....			

Industrial groups for businesses of sole proprietors, comparison of classifications for 1938 with 1937—Continued

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STATISTICS OF INCOME

Industrial groups—Continued		Designating numbers of the industrial activities (see p. 211) which affect comparability of industrial groups	
1938 groups	1937 groups	Included in group for 1938 but excluded for 1937	Included in group for 1937 but excluded for 1938
Manufacturing—Continued.			
Iron, steel, and products.....	Metal and its products.....	9, 10.....	5, 6, 11.....
Nonferrous metals and their products.....			
Electrical machinery and equipment.....	Manufacturing not elsewhere classified.....	4, 7, 11.....	9, 10.....
Machinery, except transportation equipment and electrical.....			
Automobiles and equipment, except electrical.....			
Transportation equipment, except automobiles.....			
Other manufacturing.....	Transportation and other public utilities.....	12.....	13, 14, 15.....
Manufacturing not allocable.....			
Public utilities:			
Transportation.....	Trade:	13.....	
Communication.....			
Other public utilities.....	Wholesale.....		
Trade:			
Wholesale.....	Retail.....	5, 6, 1.....	12, 16.....
Retail:			
Department, general merchandise, dry goods.....			
Food stores.....			
Package liquor stores.....			
Drug stores.....			
Apparel.....			
Furniture and house furnishings.....			
(Eating and drinking places—see Service.)			
Dealers in automobiles, accessories, tires, and batteries.....			
Filling stations.....			
Hardware.....			
Lumber and coal yards.....			
Other retail trade.....			
Retail trade not allocable.....	Wholesale and retail.....		
Automobile repair services (tabulated under Service)			
Other service ¹ (tabulated under Service)			
Wholesale and retail trade combined.....			
Trade not allocable.....			

Industrial groups for businesses of sole proprietors, comparison of classifications for 1938 with 1937—Continued

Industrial groups—Continued		Designating numbers of the industrial activities (see p. 211) which affect comparability of industrial groups	
1938 groups	1937 groups	Included in group for 1938 but excluded for 1937	Included in group for 1937 but excluded for 1938
Service:	Service:		
Personal service:	Domestic—Laundries, hotels, restaurants, etc.....	16, 17.....	
Hotels and other lodging places.....			
Laundries, cleaning and dyeing.....			
Other personal service.....			
Personal service not allocable.....	Amusements.....		
Eating and drinking places (tabulated under Trade).			
(Automobile repair services—see Trade.)			
Amusement:			
Motion-picture production.....	Curative (medicinal and all other).....		
Motion-picture theaters.....			
Other amusement.....			
Amusement not allocable.....			
Professional and social service:	Legal.....		
Medical and health service.....			
Legal.....			
Engineering.....			
Educational institutions and agencies.....	Educational.....		18, 19.....
Photographic studios.....			
Business service:			
Advertising.....			
Adjustment and credit bureaus and collecting agencies.....	All other.....	18, 19.....	17.....
Private employment agencies.....			
Duplicating and mailing service.....			
Other business service.....			
Business service not allocable.....			
Accountants, auditors, and bookkeeping service.....			
Other professional and social service.....			
Professional and social service not allocable.....			
Service not allocable.....			
(Other service—see Retail trade.)			

¹ Consists of blacksmith shops and miscellaneous repair services (except personal and automobile repair services).

STATISTICS OF INCOME

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Industrial groups for businesses of sole proprietors, comparison of classifications for 1938 with 1937—Continued

Industrial groups—Continued		Designating numbers of the industrial activities (see p. 211) which affect comparability of industrial groups	
1938 groups	1937 groups	Included in group for 1938 but excluded for 1937	Included in group for 1937 but excluded for 1938
Finance, insurance, real estate, and lessors of real property.....	Total finance.....		
Security and commodity exchange brokers and dealers.....	Investment brokers.....		
Real estate, including lessors of buildings.....	Real estate.....		
Other finance companies.....	All other.....		
Insurance.....			
Lessors of real property, except buildings.....			
Finance, insurance, real estate, and lessors of real property not allocable.....			
Construction:			
General contractors.....	Construction.....		1.
Special trade contractors.....			
Construction not allocable.....			
Agriculture, forestry, and fishery:			
Farming.....	Agriculture and related industries.....	15.	2, 3, 4.
Other agriculture, forestry, and fishery.....			
Agriculture, forestry, and fishery not allocable.....			
Nature of business not allocable (except trade).....	Nature of business not given.....	20.	

Industrial groups for businesses of sole proprietors, comparison of classifications for 1938 with 1937—Continued
INDUSTRIES SHIFTED FROM ONE INDUSTRIAL GROUP TO ANOTHER INDUSTRIAL GROUP BETWEEN 1938 AND 1937

(No data are available to evaluate the effect of the shifts of the industries listed below)

Designating number	Industries	1938 industrial group in which industries are classified	1937 industrial group in which industries are classified	Designating number
1	Oil and gas field service operations.....	Mining and quarrying.....	Construction.....	1
2	Logging (logging camps and contractors).....	Lumber and timber basic products.....	Agriculture and related industries.....	2
3	Naval stores manufacturing turpentine, rosin, and other products.....	Chemicals and allied products.....	do.....	3
4	Natural ice.....	Other manufacturing.....	do.....	4
5	Blacksmith shops.....	Other service.....	Metal and its products.....	5
6	Repairing of machinery, welding.....	do.....	do.....	6
7	Manufactured ice.....	Other manufacturing.....	Food and kindred products.....	7
8	Artificial rubber, bakelite, plastic materials (except cellulose, cel- lophane).....	Chemicals and allied products.....	Rubber products.....	8
9	Small boats, sleds, aircraft parts.....	Transportation equipment, except auto- mobiles.....	Manufacturing not elsewhere classified.....	9
10	Radio apparatus.....	Electrical machinery and equipment.....	do.....	10
11	Brooms and brushes (household).....	Other manufacturing.....	Metal and its products.....	11
12	Ticket agents (transportation).....	Transportation.....	Retail trade.....	12
13	Grain elevators, packers, and shippers.....	Wholesale trade.....	Transportation and other public utilities.....	13
14	Renting cars (without drivers).....	Automobile repair services.....	do.....	14
15	Cotton compressing, ginning.....	Other agriculture, forestry, and fishery.....	do.....	15
16	Renting of costumes, decorations and furniture for personal needs, personal repair service (clothing, shoe, shoeshine), interior decor- ators, fur repair and storage, funeral service (including crematorium).....	Other personal service.....	Retail trade.....	16
17	Auto camps.....	Hotels and other lodging places.....	All other services.....	17
18	Commercial artists.....	Other business service.....	Educational.....	18
19	Artists (except commercial), authors, cartoonists, lecturers, musi- cians, sculptors.....	Other professional and social service.....	do.....	19
20	Businesses with two or more industrial activities in different indus- trial divisions for which information was insufficient to determine the predominant industrial activity.....	Nature of business not allocable (except trade).....	Arbitrarily classified.....	20

ESTATE TAX RETURNS
AND
GIFT TAX RETURNS

ESTATE TAX RETURNS

The estate tax is imposed upon the transfer of the entire statutory net estate of a decedent rather than upon any particular legacy, devise, or distributive share. The relationship of the beneficiaries to the decedent has no bearing upon the tax liability. In this report are tabulated data for estate tax returns filed during the calendar year 1939, together with some historical data for returns filed in preceding years.

FILING REQUIREMENTS

Since August 31, 1935, when the Revenue Act of 1935 became effective, estate tax returns have been required to be filed within 15 months after date of death. Prior to that date, returns were required to be filed within one year after date of death. In some circumstances, further extensions of time are granted for filing. Regardless of when filed, returns are subject to the statutory provisions in effect at date of death.

As respects the size of estate for which a return must be made, the statutory provisions have varied. Since enactment of the Revenue Act of 1935 an estate tax return has been required for a citizen or resident alien if the value of the gross estate at date of death exceeds \$40,000. During the effective period of the Revenue Act of 1934 the exempt amount was \$50,000. Earlier acts required an estate tax return for a resident citizen or resident alien if gross estate exceeded the following amounts: \$50,000 under the Revenue Act of 1932, \$100,000 under the Revenue Act of 1926, and \$50,000 under prior Revenue Acts. For a nonresident alien a return has regularly been required if at date of death any part of the estate, regardless of size, was situated in the United States; and prior to enactment of the Revenue Act of 1934 this requirement applied also to nonresident citizens.

SUMMARY DATA

Of the 16,926 estate tax returns filed during 1939, 15,221 were for citizens and resident aliens and 1,705 were for nonresident aliens (including nonresident citizens who died before May 11, 1934). Of the 15,221 returns for citizens or resident aliens, 15,026 were filed under the requirements in effect since enactment of the Revenue Act of 1935. The remaining 195 include 13 returns filed under the Revenue Act of 1924 or prior Acts, 34 under the Revenue Act of 1926, 66 under the Revenue Act of 1932, and 82 under the Revenue Act of 1934. (See tables 1 and 7, pages 220-223 and 256, respectively.)

The 16,926 returns filed during 1939 show gross estate of \$2,767,887,912, net estate of \$1,558,322,205, and liability to Federal estate tax of \$278,937,730. The 15,221 returns filed for citizens or resident aliens show gross estate of \$2,746,142,652, of which \$182,070,428 was reported on nontaxable returns. The 12,720 taxable returns for citizens or resident aliens show gross estate of \$2,564,072,224, net estate of \$1,537,974,774 (sum of (a) net estate subject only to the Revenue Act of 1926 or to prior Acts, and (b) net estate subject to the additional tax under provisions of the Revenue Act of 1932 or subsequent Acts), and liability to Federal estate tax of \$276,706,865.

As compared with returns filed during the preceding calendar year, the total number of returns decreased 716, or 4.1 percent. Gross estate decreased \$301,737,350, or 9.8 percent. Net estate decreased \$186,936,599, or 10.7 percent. Total tax liability decreased \$37,864,012, or 12.0 percent.

For returns filed during 1939 under the Revenue Act of 1926 or subsequent Acts, the credit allowed for State death taxes amounted to \$53,111,257 and constituted 16.1 percent of total liability to Federal tax before allowance of credits. This amount represented a decrease of \$6,729,728, or 11.2 percent, from the preceding year, when the corresponding credit was \$59,840,985 and represented 16.0 percent of total liability to Federal tax before allowance of credits.

In connection with the above data it is to be noted that the total tax liability and other amounts tabulated in this report are taken from estate tax returns as filed, and may differ from amounts finally determined after audit by the Bureau of Internal Revenue. Moreover, the total tax liability tabulated does not correspond with the collections of taxes during 1939 for the several reasons that payment of tax liability as reported in 1939 may be deferred until a later period, deferred payments on returns filed in prior years were made during 1939, and adjustments resulting from audit may be made within the year 1939.

DEFINITIONS AND NEW CLASSIFICATIONS

Gross estate.—Since enactment of the Revenue Act of 1935, the value of gross estate may at the election of the executor be determined either as of the date of the decedent's death or as of the date one year after death. If the second alternative is elected, however, property distributed, sold, exchanged, or otherwise disposed of within the year following death must be valued as of the date of disposition. For decedents who died prior to the effective date of the Revenue Act of 1935, the value of the gross estate must be determined as of the date of death.

In this report, the items comprising gross estate are grouped for the first time under the three categories real estate, tangible personal property, and intangible personal property, with a total for each category. However, total real estate, Federal Government bonds,

State and municipal bonds, other bonds, capital stock in corporations, mortgages, notes and cash, gross insurance, tax-exempt insurance, taxable insurance, and total gross estate are comparable with the corresponding items in Statistics of Income for 1937, Part 1.

Under the principal categories of real estate, tangible personal property, and intangible personal property (appearing under the information items at the end of the table) there are tabulated separately for the first time the value of jointly owned property, property transferred during the decedent's life, property transferred under powers of appointment, property previously taxed, and all other property. The amounts shown for these items represent only that part of such property which must be reported for estate tax purposes. In the case of "Jointly owned property," it is only the value of the decedent's interest in such property which is reported in gross estate. The item "Transfers during decedent's life" consists of gifts made in contemplation of death and gifts made to take effect at or after death. The item "Transfers under powers of appointment" consists of property over which the decedent had been given general power of appointment and not property over which the decedent gave a power of appointment. "Property previously taxed" consists of property previously subjected to the Federal estate or gift taxes within the five years next preceding the date of the decedent's death (or property acquired in exchange therefor).

Net estate.—The value of the net estate is determined by subtracting from the gross estate (1) the sum of the deductions allowed under the statutory provisions in effect at the date of the decedent's death and (2) the specific exemption allowed. In tabulating returns for decedents dying after the effective date of the Revenue Act of 1932, the net estate under the 1926 Act and the net estate for additional tax under the 1932 Act, or that Act as amended, are both shown. The deductions and the specific exemption shown for such returns are those allowed under the additional tax provisions of the Revenue Act of 1932, or that Act as amended.

Tax and tax credits.—The estate of a decedent who died subsequent to the effective date of the Revenue Act of 1932 (5:00 p. m., June 6, 1932) is subject to two estate taxes—a basic tax and an additional tax. Until 1939, the basic tax was levied under the Revenue Act of 1926 or that Act as amended, and the additional tax was levied under the Revenue Act of 1932 or that Act as amended. The Internal Revenue Code, approved February 10, 1939, consolidated the provisions of these prior Acts so that the estates of decedents dying subsequent to its enactment are subject to two taxes levied under the Internal Revenue Code or under the Code as amended. No change of a general character affecting tax liability of returns filed during 1939 has been made in the estate tax law since the enactment of the Revenue Act of 1935.

The basic tax and the additional tax may both be reduced by credits for certain taxes paid on the estate. From the basic tax may be deducted the amount of any estate, inheritance, legacy, or succession tax paid to a State or Territory or the District of Columbia (or to any possession of the United States if death occurred after enactment of the Revenue Act of 1939), such credit not to exceed, however, 80 percent of the basic tax minus the gift tax credit allowed against the basic tax. The gift tax credit which may be deducted from the basic estate tax is the total gift tax imposed by the Revenue Act of 1924 on property required to be included in gross estate and that portion of the gift tax imposed by the Revenue Act of 1932 which does not exceed the proportion of the basic estate tax that the value of included gift bears to gross estate. A gift tax credit may also be deducted from the additional tax for gift taxes paid under the Revenue Act of 1932, provided both that the credit must not form a larger proportion of the total additional tax than the included gift forms of the gross estate and that it does not exceed the balance of the gift tax not already credited in connection with the basic estate tax. No credit is allowed against the additional tax for State death taxes, or for gift taxes paid under the 1924 Act. The total tax liability is the sum of the basic tax and the additional tax after deduction of tax credits.

Tax rates, tax credits, and specific exemptions under the Revenue Acts of 1916 through 1939 are summarized on pages 280-281 of this report.

CONTENT OF ESTATE TAX TABLES

Tables 1 through 6 contain data from returns of citizens and resident aliens, excluding however nonresident citizens who died prior to May 11, 1934. Tables 2 through 4 are further restricted to returns of citizens and resident aliens dying on or after the effective date of the Revenue Act of 1935. The historical summary, table 7, contains data from all the estate tax returns filed.

Table 1 is a summary of the returns filed during 1939 for citizens and resident aliens. It shows the number of returns, items of gross estate and deductions, net estate, tax liability, and certain information items, classified by the Revenue Acts under which the returns were filed and by taxable status.

For taxable returns filed during 1939 of decedents who died on or after the effective date of the Revenue Act of 1935 (August 31, 1935), table 2 shows the same data classified by size of net estate. The net estate classification is based on the amount of the net estate for purposes of the additional tax before deduction of the specific exemption.

This "Net estate before exemption" basis, adopted for returns filed during 1938, provides a classification the year-to-year comparability of which will not be affected by changes in the amount of the specific exemption.

In Statistics of Income for 1936 and prior years, estate tax returns filed under the Revenue Act of 1932 or subsequent Acts are classified by size of net estate as determined for purposes of the basic tax under the Revenue Act of 1926; i. e., after deduction of specific exemption of \$100,000. On the new basis of classification, therefore, returns filed during 1938 and 1939 are classified, in general, as \$100,000 larger than under the former method. Table 2, in order to facilitate historical comparison, shows the effect of this shift at the boundaries of classes previously employed.

Distribution by size of gross estate of returns filed during 1939 for decedents who died on or after the effective date of the Revenue Act of 1935 is shown in tables 3 and 4, which relate respectively to taxable and nontaxable returns and show the items of gross estate, deductions, etc., as do the prior tables. For purposes of this classification, gross estate is defined to include tax-exempt insurance; i. e., insurance not exceeding in the aggregate \$40,000 receivable by beneficiaries other than the estate.

Table 5 shows by States and Territories the number of returns filed during 1939 for citizens and resident aliens, subdivided as to taxable and nontaxable returns. For all taxable returns filed, it shows gross estate, net estate, total tax, and net tax; and for returns subject to the basic tax against which the 80 percent credit for State death taxes is allowed, gives selected additional items.

In table 6, the total value of real estate reported on returns filed during 1939 for citizens and resident aliens is distributed both by the State in which the return was filed and by the State in which the real estate is located.

A historical summary of selected items for all estate tax returns filed from September 9, 1916, through December 31, 1939, is given in table 7.

TABLE 1.—Estate tax returns filed during 1939 for citizens¹ and resident aliens, of gross estate and deductions, net estate and tax

(Money figures in

All returns			
	Total	Taxable	Non-taxable
1 Number of returns.....	15,221	12,720	2,501
Gross estate:			
Real estate:			
2 Real estate other than items 3-6.....	366,065	306,453	59,612
3 Jointly owned.....	36,622	30,219	6,403
4 Transfers during decedent's life.....	14,193	12,498	1,694
5 Transfers under powers of appointment.....	1,912	1,768	143
6 Previously taxed.....	14,695	14,002	694
7 Total real estate.....	433,487	364,940	68,547
Tangible personal property:			
8 Tangible personal property other than items 9-12.....	33,385	28,509	4,786
9 Jointly owned.....	294	236	57
10 Transfers during decedent's life.....	281	242	39
11 Transfers under powers of appointment.....	17	8	9
12 Previously taxed.....	660	645	16
13 Total tangible personal property.....	34,637	29,730	4,907
Intangible personal property:			
Investments in bonds and stocks:			
Federal Government bonds:			
14 Wholly tax-exempt ²	52,337	51,851	487
15 Partially tax-exempt ³	96,465	92,077	4,388
16 State and municipal bonds.....	242,537	240,804	1,733
17 All other bonds.....	164,796	156,464	8,333
18 Total bonds.....	556,135	541,195	14,940
19 Capital stock in corporations.....	1,079,231	1,030,925	48,306
20 Total bonds and stocks.....	1,635,366	1,572,120	63,246
21 Mortgages, notes, and cash ⁴	423,785	397,264	26,520
22 Taxable insurance (58 less 59).....	70,039	62,252	7,787
23 Other intangibles.....	148,830	137,765	11,065
24 Total intangible personal property.....	2,278,019	2,169,402	108,617
25 Total gross estate.....	2,746,143	2,564,072	182,070
Deductions:			
26 Funeral and administrative expenses.....	136,028	125,354	10,674
27 Debts of decedent; mortgages and liens.....	270,232	173,626	105,605
28 Net losses during administration.....	706	353	353
29 Support of dependents.....	10,775	9,562	1,213
Charitable, public, and similar bequests:			
Educational, scientific, or literary:			
30 Public.....	7,070	3,638	3,432
31 Private.....	44,233	41,449	2,784
32 Religious.....	16,104	12,300	3,804
33 Charitable and all other gifts.....	111,209	96,941	14,268
34 Total charitable, public, and similar bequests.....	178,616	154,328	24,288
35 Property previously taxed, net deduction ⁵	51,741	51,495	246
36 Specific exemption ⁶	612,490	511,380	101,110
37 Total deductions.....	1,269,587	1,026,097	243,490

For footnotes, see pp. 222-223.

classified by applicable revenue acts and by taxable status: number of returns, items, net estate and tax
thousands of dollars]

Returns filed under 1932 Act ² as amended by 1935 and subsequent Acts, or filed under the Internal Revenue Code or the Code as amended (death on or after Aug. 31, 1935)		Returns filed under 1932 Act ² as amended by 1934 Act (death in period May 11, 1934, through Aug. 30, 1935)		Returns filed under 1932 Act ² (death in period 6 p. m. June 6, 1932, through May 10, 1934)		Returns filed under 1926 Act or that Act as amended (death in period 10:25 a. m. Feb. 26, 1926, through 4:59 p. m. June 6, 1932)		Returns filed under 1924 Act or prior Acts (death before 10:25 a. m. Feb. 26, 1926)	
Taxable	Non-taxable	Taxable	Non-taxable	Taxable	Non-taxable	Taxable	Non-taxable	Taxable	Non-taxable
12,592	2,434	46	36	43	23	26	8	13	
302,043	56,491	1,108	1,868	1,007	724	1,804	529	490	
29,860	5,700	104	244	202	208	19	161	34	
11,974	1,459	156	42	89	188	165	6	113	
1,766	143			3					
13,925	636	15	58	62					
359,568	64,429	1,384	2,212	1,363	1,209	1,988	696	637	
28,492	4,643	42	66	49	35	11	42	4	
236	57								
240	36				2	2			
8	9	(⁵)							
645	16								
29,621	4,761	43	66	49	37	13	42	4	
51,752	475	24	1	2	10	22		50	
91,420	4,364	158	3	159	21	237		103	
240,731	1,719	3	12	41	2	28			
156,204	8,238	67	74	102	14	88	7	2	
540,108	14,796	253	90	304	47	375	7	155	
1,029,647	47,225	539	329	407	337	287	416	45	
1,569,756	62,021	792	419	711	384	662	422	200	
389,246	25,884	1,642	304	1,514	184	3,910	148	953	
62,093	7,436	87	60	51	271	14	20	8	
131,869	10,589	603	258	321	87	1,688	131	3,285	
2,152,963	105,930	3,124	1,041	2,596	926	6,273	721	4,445	
2,542,152	175,120	4,550	3,319	4,009	2,173	8,275	1,459	5,086	
124,871	10,286	196	191	130	122	112	74	44	
172,875	100,912	233	1,869	282	1,429	173	1,395	64	
352	353			1					
9,506	1,185	27	18	15	9	8		7	
3,638	3,432		1						
41,448	2,743		40	(⁵)	(⁵)		(⁵)		
12,294	3,795	6	3				(⁵)		
96,927	14,222	9	45	5	2		(⁵)		
154,307	24,191	15	88	6	8				
51,413	246	9		24			1		
503,680	97,360	2,300	1,800	2,150	1,150	2,600	800	650	
1,017,003	234,534	2,779	3,967	2,608	2,719	2,943	2,271	765	

TABLE 1.—Estate tax returns filed during 1939 for citizens¹ and resident aliens, of gross estate and deductions, net

[Money figures in

		All returns		
		Total	Taxable	Non-taxable
Net estate:				
38	Under 1924 Act or prior Acts.....	4,322	4,322	
39	For basic tax (under 1926 Act or Internal Revenue Code, or either as amended).....	1,104,112	1,104,112	
40	For additional tax (under 1932 Act or that Act as amended or Internal Revenue Code).....	1,528,321	1,528,321	
Basic tax, including tax under 1924 Act or prior Acts:				
41	Tax before tax credits.....	67,490	67,490	
42	Tax credit for gift taxes paid to the Federal Government.....	145	145	
43	Tax credit for inheritance taxes.....	53,111	53,111	
44	Net tax (41 less 42 and 43).....	14,234	14,234	
Additional tax:				
45	Additional tax before tax credit.....	262,737	262,737	
46	Tax credit for gift taxes paid to the Federal Government.....	264	264	
47	Net additional tax (45 less 46).....	262,473	262,473	
48	Total tax liability (44 plus 47).....	276,707	276,707	
Information items:				
Intangible personal property:				
Intangible personal property not included in items 53-56:				
49	Stocks and bonds.....	1,483,273	1,425,641	57,632
50	Mortgages, notes, and cash.....	367,006	343,200	23,806
51	Taxable insurance (58 less 59).....	70,039	62,252	7,787
52	Other miscellaneous intangibles.....	130,854	120,799	10,055
53	Jointly owned.....	48,588	46,052	2,536
54	Transfers during decedent's life.....	91,481	86,592	4,889
55	Transfers under powers of appointment.....	15,628	15,443	185
56	Previously taxed.....	71,151	69,423	1,727
57	Total intangible personal property.....	2,278,019	2,169,402	108,617
58	Gross insurance.....	161,080	138,337	22,742
59	Tax-exempt insurance ²	91,041	76,085	14,956

¹ Excluding returns filed for nonresident citizens who died prior to May 11, 1934.² Returns filed under the Revenue Act of 1932 or that Act as amended are subject also to applicable provisions of the Revenue Act of 1926. For statement respecting filing requirements and tax liability, see text.³ The interest on wholly tax-exempt Federal Government bonds is exempt from both the normal tax and surtax of the Federal income tax; the interest on partially tax-exempt Federal Government bonds is exempt only from the normal tax. United States savings bonds and Treasury bonds, of which the interest on a principal amount not in excess of \$5,000 is wholly exempt, are included in partially tax-exempt Federal Government bonds.⁴ Cash of all kinds classified as intangible property.⁵ The basis for the valuation of property previously taxed is the value as finally determined in the case of prior decedent or donor, or the value included in gross estate of present decedent, whichever is lower. Subject to certain conditions and limitations, the net deduction for property previously taxed is such value less a proportionate reduction. This reduction is the proportion of total deductions except previously taxed property, which previously taxed property bears to gross estate. The net deduction for property previously taxed tabulated for returns of decedents who died on or after 5 p. m. June 6, 1932, is the deduction computed for purposes of the additional tax and not the deduction computed for purposes of the basic tax.

classified by applicable revenue acts and by taxable status: number of returns, items estate and tax—Continued

[thousands of dollars]

Returns filed under 1932 Act as amended by 1935 and subsequent Acts, or filed under the Internal Revenue Code or the Code as amended (death on or after Aug. 31, 1935)		Returns filed under 1932 Act as amended by 1934 Act (death in period May 11, 1934, through Aug. 30, 1935)		Returns filed under 1932 Act (death in period 5 p. m. June 6, 1932, through May 10, 1934)		Returns filed under 1926 Act or that Act as amended (death in period 10:25 a. m. Feb. 26, 1926, through 4:59 p. m. June 6, 1932)		Returns filed under 1924 Act or prior Acts (death before 10:25 a. m. Feb. 26, 1926)	
Taxable	Non-taxable	Taxable	Non-taxable	Taxable	Non-taxable	Taxable	Non-taxable	Taxable	Non-taxable
1,097,591		732		456		5,332		4,322	
1,525,149		1,772		1,401					
67,017		16		7		222		228	
53,109		2		(⁶)					
13,763		14		7		222		228	
262,593		93		50					
263		1		(⁶)					
262,330		92		50					
276,093		107		57		222		228	
1,423,668	56,417	665	419	555	374	553	422	200	
335,665	23,280	1,399	272	1,328	134	3,864	140	943	
62,083	7,436	87	60	51	271	14	20	8	
115,092	9,654	548	256	297	87	1,578	58	3,285	
45,845	2,522	72	7	125			8	10	
85,962	4,853	269	27	242	10	120			
15,443	185								
69,195	1,604	84			50	144	73		
2,152,863	105,930	3,124	1,041	2,596	926	6,273	721	4,445	
137,976	21,953	173	319	158	350	23	119	8	
75,883	14,518	86	259	107	79	9	100		

⁶ Specific exemption under additional tax provisions of the Internal Revenue Code and under Revenue Act of 1932 as amended by Revenue Act of 1935 is \$40,000; under Revenue Act of 1932, or that Act as amended by Revenue Act of 1934, \$50,000; under basic tax provisions of the Internal Revenue Code and under the Revenue Act of 1926, \$100,000; under Revenue Act of 1924, or prior Acts, \$50,000.⁷ Estate, inheritance, legacy, or succession taxes paid to States, Territories, District of Columbia, or (since enactment of the Revenue Act of 1939) to United States possessions.⁸ Amount receivable by beneficiaries other than the estate, not to exceed in aggregate \$40,000.⁹ Less than \$500.

TABLE 2.—Taxable estate tax returns filed during 1939 for citizens and resident aliens dying since enactment of the Revenue Act of 1935, classified by size of net estate before specific exemption: ¹ number of returns, items of gross estate and deductions, net estate, and tax
[Net estate before specific exemption classes and money figures in thousands of dollars]

		Net estate (before specific exemption) classes ¹								
		Total	40 under 50	50 under 60	60 under 80	80 under 100	100 under 150	150 under 200	200 under 300	
1	Number of returns.....	12,592	2,724	1,864	2,307	1,327	1,691	795	742	1
2	Gross estate:									2
3	Real estate:									3
4	Real estate other than items 3-6.....	302,043	34,120	26,740	39,479	28,430	40,104	23,195	28,037	4
5	Jointly owned.....	29,860	4,684	2,823	4,498	2,705	5,150	2,705	2,689	5
6	Transfers during decedent's life.....	11,974	1,882	1,478	1,732	1,436	1,554	690	951	6
7	Transfers under powers of appointment.....	1,766	20	73	15	502	136	55	117	7
8	Previously taxed.....	13,925	3,400	1,098	1,339	1,666	1,795	1,008	1,218	8
9	Total real estate.....	359,568	44,105	32,212	47,063	34,738	48,739	27,653	33,012	9
10	Tangible personal property:									10
11	Tangible personal property other than items 9-12.....	28,492	2,637	2,043	3,363	1,793	3,053	2,057	2,349	11
12	Jointly owned.....	236	34	20	49	17	23	21	26	12
13	Transfers during decedent's life.....	240	24	80	23	5	21	10	6	13
14	Transfers under powers of appointment.....	8	57	40	(?)	33	(?)	45	29	14
15	Previously taxed.....	645								15
16	Total tangible personal property.....	29,621	2,753	2,183	3,468	1,855	3,142	2,204	2,410	16
17	Intangible personal property:									17
18	Investments in bonds and stocks:									18
19	Federal Government bonds:									19
20	Wholly tax-exempt ²	51,752	527	441	800	605	1,384	1,039	1,950	20
21	Partially tax-exempt ²	91,420	6,227	5,696	7,976	7,844	13,541	7,722	9,335	21
22	State and municipal bonds.....	240,731	2,069	2,058	3,621	3,548	7,301	6,952	9,831	22
23	All other bonds.....	156,204	8,076	7,085	14,102	11,277	20,042	12,713	20,689	23
24	Total bonds.....	540,108	16,920	15,279	26,499	23,274	42,269	28,426	41,906	24
25	Capital stock in corporations.....	1,029,647	37,106	36,142	61,292	46,684	90,459	70,253	93,804	25
26	Total bonds and stocks.....	1,569,756	54,026	51,421	87,791	69,958	132,728	98,680	135,710	26
27	Mortgages, notes and cash ³	389,246	39,144	32,101	44,409	31,201	50,162	30,586	33,263	27
28	Taxable insurance (58 less 59).....	62,093	3,704	3,208	5,799	4,060	7,997	5,300	7,177	28
29	Other intangibles.....	131,869	7,430	8,721	9,193	6,581	12,252	8,056	9,697	29
30	Total intangible personal property.....	2,152,963	104,304	95,451	147,193	111,800	203,138	142,622	185,848	30
31	Total gross estate.....	2,542,152	151,162	129,846	197,724	148,393	255,019	172,479	221,270	31
32	Deductions:									32
33	Funeral and administrative expenses.....	124,871	8,312	6,804	10,348	7,626	12,910	9,155	11,644	33
34	Debts of decedent; mortgages and liens.....	172,875	12,571	11,201	16,036	10,576	20,009	14,182	13,585	34
35	Net losses during administration.....	352	22	24	70	17	53	18	21	35
36	Support of dependents.....	9,506	814	712	983	685	1,238	888	936	36
37	Charitable, public and similar bequests:									37
38	Educational, scientific or literary:									38
39	Public.....	3,638	71	74	142	44	876	347	328	39
40	Private.....	41,448	647	424	1,028	2,544	1,353	1,938	961	40
41	Religious.....	12,204	624	383	799	1,970	1,087	452	918	41
42	Charitable and all other gifts.....	96,927	2,852	2,062	4,077	1,708	5,907	3,875	8,289	42
43	Total charitable, public and similar bequests.....	154,307	3,694	2,942	6,046	6,266	9,223	6,612	10,496	43
44	Property previously taxed, net deduction ⁴	51,413	4,188	6,943	4,637	4,662	6,932	4,518	5,127	44
45	Specific exemption ⁵	503,680	108,960	74,560	92,280	53,080	67,640	31,800	29,680	45
46	Total deductions.....	1,017,003	138,560	102,575	130,401	82,912	118,004	67,174	71,488	46
47	Net estate:									47
48	Before specific exemption (25 less 37 plus 36).....	2,028,829	121,562	101,831	159,603	118,561	204,655	137,106	179,461	48
49	For basic tax (under 1926 Act or Internal Revenue Code, or either as amended).....	1,097,591	20	128	472	1,384	37,972	58,541	106,183	49
50	For additional tax (under 1932 Act as amended by 1935 Act and subsequent Acts, or under the Internal Revenue Code).....	1,525,149	12,602	27,271	67,323	65,481	137,015	105,306	149,781	50
51	Basic tax:									51
52	Tax before tax credits.....	67,017	(?)	1	5	14	384	775	2,073	52
53	Tax credit for gift taxes paid to the Federal Government.....	145			(?)			2	9	53
54	Tax credit for inheritance taxes ⁶	53,109	(?)		4			606	1,627	54
55	Net tax (41 less 42 and 43).....	13,763	(?)	1	1	11	297	167	437	55
56	Additional tax:									56
57	Additional tax before tax credit.....	262,593	252	717	2,748	3,940	11,438	11,244	18,207	57
58	Tax credit for gift taxes paid to the Federal Government.....	263	(?)	1	4	8	8	1	38	58
59	Net additional tax (45 less 46).....	262,330	252	716	2,744	3,933	11,430	11,243	18,170	59
60	Total tax liability (44 plus 47).....	276,093	252	717	2,745	3,936	11,515	11,409	18,607	60
61	Information items:									61
62	Intangible personal property:									62
63	Intangible personal property not included in items 53-56:									63
64	Stocks and bonds.....	1,423,668	45,631	43,892	76,311	62,402	116,232	88,391	121,695	64
65	Mortgages, notes and cash ⁷	335,665	31,353	26,582	36,927	25,651	41,378	25,684	30,321	65
66	Taxable insurance (58 less 59).....	62,093	3,704	3,208	5,799	4,060	7,997	5,300	7,177	66
67	Other miscellaneous intangibles.....	115,092	5,732	4,623	8,125	5,943	10,967	7,310	8,752	67
68	Jointly owned.....	45,845	5,683	4,787	6,964	4,650	8,447	4,507	3,048	68
69	Transfers during decedent's life.....	85,962	3,104	3,094	5,315	3,113	7,116	5,141	7,385	69
70	Transfers under powers of appointment.....	15,443	161	115	593	435	2,097	860	1,755	70
71	Previously taxed.....	69,195	8,936	9,146	7,158	5,545	8,905	5,428	5,714	71
72	Total intangible personal property.....	2,152,963	104,304	95,451	147,193	111,800	203,138	142,622	185,848	72
73	Gross insurance.....	137,976	13,730	10,772	17,729	11,546	19,362	12,399	14,325	73
74	Tax-exempt insurance ⁸	75,883	10,025	7,564	11,929	7,486	11,366	7,099	7,148	74

For footnotes, see p. 236.

TABLE 2.—Taxable estate tax returns filed during 1939 for citizens and resident aliens dying since enactment of the Revenue Act of 1935, classified by size of net estate before specific exemption: ¹ number of returns, items of gross estate and deductions, net estate, and tax—Continued
[Net estate before specific exemption classes and money figures in thousands of dollars]

		Net estate (before specific exemption) classes 1—Continued									
		300 under 400	400 under 500	500 under 600	600 under 700	700 under 800	800 under 900	900 under 1,000	1,000 under 1,100		
1	Number of returns.....	356	210	122	96	62	50	42	37	1	
Gross estate:											
Real estate:											
2	Real estate other than items 3-6.....	16,167	10,650	7,005	6,084	4,584	3,431	2,780	3,206	2	
3	Jointly owned.....	1,373	633	209	331	223	473	709	165	3	
4	Transfers during decedent's life.....	427	488	32	259	500	1	6	7	4	
5	Transfers under powers of appointment.....	282	76	2	473	5		8		5	
6	Previously taxed.....	1,001	313	461	395	108	38	(7)		6	
7	Total real estate.....	18,250	12,161	7,710	7,543	5,420	3,943	3,503	3,378	7	
Tangible personal property:											
8	Tangible personal property other than items 9-12.....	1,360	992	772	597	345	430	411	576	8	
9	Jointly owned.....	4	2		1			32		9	
10	Transfers during decedent's life.....	13	47	(7)				10		10	
11	Transfers under powers of appointment.....									11	
12	Previously taxed.....	106	35	60	15	1	7	(7)		12	
13	Total tangible personal property.....	1,484	1,077	833	612	346	437	453	576	13	
Intangible personal property:											
Investments in bonds and stocks:											
Federal Government bonds:											
14	Wholly tax-exempt ²	4,451	2,532	1,091	1,619	1,525	3,087	1,729	5,325	14	
15	Partially tax-exempt ²	6,972	3,935	3,570	2,540	1,414	2,850	1,252	2,051	15	
16	State and municipal bonds.....	9,677	10,114	4,629	5,742	5,809	7,879	9,048	10,471	16	
17	All other bonds.....	12,999	9,171	6,723	5,358	4,454	2,857	2,579	2,137	17	
18	Total bonds.....	34,098	25,753	16,013	15,259	13,202	16,672	14,609	19,964	18	
19	Capital stock in corporations.....	64,488	54,091	36,525	33,739	30,905	24,152	24,707	22,450	19	
20	Total bonds and stocks.....	98,586	79,844	52,538	48,998	44,107	40,824	39,316	42,415	20	
21	Mortgages, notes and cash ³	22,599	15,968	10,719	9,502	4,600	4,805	6,563	4,089	21	
22	Taxable insurance (58 less 59).....	5,361	3,494	2,789	2,091	1,388	1,150	1,170	671	22	
23	Other intangibles.....	7,647	5,676	2,955	3,534	3,811	1,351	2,721	3,201	23	
24	Total intangible personal property.....	134,392	104,982	69,002	64,125	53,007	48,131	49,770	50,375	24	
25	Total gross estate.....	155,126	118,219	77,544	72,280	59,672	52,511	53,726	54,330	25	
Deductions:											
26	Funeral and administrative expenses.....	7,797	5,203	3,700	3,467	2,781	2,259	2,677	2,232	26	
27	Debts of decedent; mortgages and liens.....	9,047	8,062	3,913	3,429	3,667	2,039	2,747	2,818	27	
28	Net losses during administration.....	57	14	(7)		3	(7)			28	
29	Support of dependents.....	588	387	283	197	242	70	184	40	29	
Charitable, public, and similar bequests:											
Educational, scientific, or literary:											
30	Public.....	122	43	638	7	43	23	13	45	30	
31	Private.....	2,812	825	45	79	1,872	58	2,813	3,836	31	
32	Religious.....	414	272	121	193	468	113	3,397	187	32	
33	Charitable and all other gifts.....	8,749	8,146	717	1,748	3,578	3,446	1,195	6,264	33	
34	Total charitable, public, and similar bequests.....	12,097	9,285	1,521	2,027	5,961	3,641	7,419	10,332	34	
35	Property previously taxed, net deduction ⁴	3,631	2,043	1,636	1,090	588	2,079	630		35	
36	Specific exemption ¹	14,240	8,400	4,880	3,840	2,480	2,000	1,680	1,480	36	
37	Total deductions.....	47,457	33,393	15,934	14,049	15,723	12,088	15,337	16,901	37	
38	Net estate:										
39	Before specific exemption (25 less 37 plus 36).....	121,909	93,226	66,490	62,071	46,429	42,423	40,069	38,909	38	
40	For basic tax (under 1926 Act or Internal Revenue Code, or either as amended).....	86,727	72,438	54,404	52,552	40,267	37,502	35,899	35,209	39	
41	For additional tax (under 1932 Act as amended by 1935 Act and subsequent Acts, or under the Internal Revenue Code).....	107,669	84,826	61,610	58,231	43,949	40,423	38,389	37,429	40	
Basic tax:											
41	Tax before tax credits.....	2,223	2,163	1,805	1,908	1,579	1,575	1,610	1,669	41	
42	Tax credit for gift taxes paid to the Federal Government.....	26	11	3	32	2		12	3	42	
43	Tax credit for inheritance taxes ⁵	1,745	1,696	1,417	1,460	1,220	1,259	1,278	1,328	43	
44	Net tax (41 less 42 and 43).....	452	456	386	416	357	316	321	338	44	
Additional tax:											
45	Additional tax before tax credit.....	14,540	12,079	9,266	9,094	7,157	6,778	6,692	6,713	45	
46	Tax credit for gift taxes paid to the Federal Government.....	38	8	3	61			36	11	46	
47	Net additional tax (45 less 46).....	14,502	12,071	9,264	9,033	7,157	6,788	6,656	6,702	47	
48	Total tax liability (44 plus 47).....	14,955	12,527	9,649	9,448	7,514	7,105	6,977	7,040	48	
Information items:											
Intangible personal property:											
Intangible personal property not included in items 53-56:											
49	Stocks and bonds.....	86,188	73,181	48,344	44,736	42,318	37,979	37,472	36,807	49	
50	Mortgages, notes, and cash ³	20,011	14,733	9,805	8,965	4,342	4,185	6,067	3,711	50	
51	Taxable insurance (58 less 59).....	5,361	3,494	2,789	2,091	1,388	1,150	1,170	671	51	
52	Other miscellaneous intangibles.....	6,508	5,307	2,766	3,218	2,907	1,338	1,551	1,942	52	
53	Jointly owned.....	1,348	1,061	1,365	149	867	381	664	41	53	
54	Transfers during decedent's life.....	8,496	4,025	1,989	3,283	1,532	420	1,509	3,674	54	
55	Transfers under powers of appointment.....	1,120	956	540	847		59	642	3,529	55	
56	Previously taxed.....	5,360	2,194	1,404	838	553	2,619	694		56	
57	Total intangible personal property.....	134,392	104,982	69,002	64,125	53,907	48,131	49,770	50,375	57	
58	Gross insurance.....	9,022	5,697	4,456	3,250	2,181	1,846	1,726	985	58	
59	Tax-exempt insurance ⁶	3,661	2,204	1,667	1,159	793	696	556	315	59	

For footnotes, see p. 236.

TABLE 2.—Taxable estate tax returns filed during 1939 for citizens and resident aliens dying since enactment of the Revenue Act of 1935, classified by size of net estate before specific exemption: ¹ number of returns, items of gross estate and deductions, net estate, and tax—Continued
[Net estate before specific exemption classes and money figures in thousands of dollars]

		Net estate (before specific exemption) classes ¹ —Continued									
		1,100 under 1,200	1,200 under 1,300	1,300 under 1,400	1,400 under 1,500	1,500 under 1,600	1,600 under 2,000	2,000 under 2,100	2,100 under 2,500		
1	Number of returns.....	18	23	19	11	7	21	7	13	1	
Gross estate:											
2	Real estate:										
3	Real estate other than items 3-6.....	2,871	2,117	2,219	445	890	1,389	442	1,482	2	
4	Jointly owned.....	182	18	73	40	6	122		47	3	
5	Transfers during decedent's life.....	60	467	4						5	
6	Transfers under powers of appointment.....		1						3	6	
7	Previously taxed.....	18									
7	Total real estate.....	3,130	2,603	2,296	485	896	1,511	442	1,532	7	
Tangible personal property:											
8	Tangible personal property other than items 9-12.....	275	551	483	226	98	230	142	155	8	
9	Jointly owned.....		2		3				3	9	
10	Transfers during decedent's life.....									10	
11	Transfers under powers of appointment.....					1	3		12	11	
12	Previously taxed.....	32								12	
13	Total tangible personal property.....	307	553	483	229	99	232	142	169	13	
Intangible personal property:											
Investments in bonds and stocks:											
Federal Government bonds:											
14	Wholly tax-exempt ²	999	1,253	975	1,220	380	1,093	1,322	351	14	
15	Partially tax-exempt ²	520	1,536	1,211	1,161	525	259	413	606	15	
16	State and municipal bonds.....	3,797	5,841	6,017	3,156	429	4,291	1,174	3,412	16	
17	All other bonds.....	2,440	1,954	1,795	950	596	1,835	697	469	17	
18	Total bonds.....	7,756	10,085	9,999	6,487	1,930	7,479	3,607	4,838	18	
19	Capital stock in corporations.....	10,106	15,213	13,093	9,305	6,210	27,748	9,787	20,293	19	
20	Total bonds and stocks.....	17,862	25,298	23,092	15,793	8,149	35,227	13,394	25,131	20	
21	Mortgages, notes, and cash ³	3,154	3,253	3,588	1,504	2,527	5,195	2,223	2,676	21	
22	Taxable insurance (58 less 59).....	922	304	231	811	285	1,513	803	468	22	
23	Other intangibles.....	976	301	677	296	32	1,784	24	4,757	23	
24	Total intangible personal property.....	22,913	29,155	27,589	18,403	10,993	43,718	16,444	33,032	24	
25	Total gross estate.....	26,350	32,312	30,368	19,117	11,989	45,461	17,028	34,733	25	
Deductions:											
26	Funeral and administrative expenses.....	1,003	1,538	1,488	726	445	2,122	710	1,587	26	
27	Debts of decedent; mortgages and liens.....	1,372	1,836	1,441	2,035	390	3,599	1,805	1,657	27	
28	Net losses during administration.....			7	3					28	
29	Support of dependents.....	81	112	180	27	59	347		104	29	
Charitable, public, and similar bequests:											
Educational, scientific, or literary:											
30	Public.....		25	551				1		30	
31	Private.....										
32	Religious.....	772	122	56		9	88	100	1,654	31	
33	Charitable and all other gifts.....	30	104	584	1	5	23	60	2	32	
		1,528	82	510	394	57	1,693	135	218	33	
34	Total charitable, public, and similar bequests.....	2,329	333	1,701	395	71	1,804	296	1,874	34	
35	Property previously taxed, net deduction ⁴	873				171	42		257	35	
36	Specific exemption ¹	720	920	760	440	280	840	280	520	36	
37	Total deductions.....	6,379	4,739	5,577	3,626	1,417	8,755	3,091	5,999	37	
38	Net estate:										
39	Before specific exemption (25 less 37 plus 36).....	20,691	28,493	25,551	15,931	10,852	37,546	14,216	29,254	38	
40	For basic tax (under 1926 Act or Internal Revenue Code, or either as amended).....	18,924	26,193	23,651	14,831	10,158	35,448	13,516	27,960	39	
	For additional tax (under 1932 Act as amended by 1935 Act and subsequent Acts, or under the Internal Revenue Code).....	19,971	27,573	24,791	15,491	10,572	36,706	13,936	28,734	40	
Basic tax:											
41	Tax before tax credits.....	947	1,371	1,294	840	592	2,214	891	1,032	41	
42	Tax credit for gift taxes paid to the Federal Government.....					21	12			42	
43	Tax credit for inheritance taxes ⁵	758	1,048	1,035	672	457	1,762	713	1,545	43	
44	Net tax (41 less 42 and 43).....	189	323	259	163	114	440	178	386	44	
Additional tax:											
45	Additional tax before tax credit.....	3,691	5,212	4,789	3,046	2,113	7,643	2,992	6,356	45	
46	Tax credit for gift taxes paid to the Federal Government.....					31	13			46	
47	Net additional tax (45 less 46).....	3,691	5,212	4,789	3,046	2,082	7,630	2,992	6,356	47	
48	Total tax liability (44 plus 47).....	3,880	5,535	5,048	3,214	2,196	8,071	3,170	6,743	48	
Information items:											
Intangible personal property:											
Intangible personal property not included in items 53-56:											
49	Stocks and bonds.....	13,580	23,638	21,959	12,728	5,806	32,885	13,394	25,074	49	
50	Mortgages, notes, and cash ⁶	2,600	3,216	3,450	1,401	1,717	3,920	2,213	2,621	50	
51	Taxable insurance (58 less 59).....	922	304	231	811	285	1,513	803	468	51	
52	Other miscellaneous intangibles.....	483	295	677	296	31	1,747	24	4,503	52	
53	Jointly owned.....	1,346	32	116		254	77	10	42	53	
54	Transfers during decedent's life.....	2,807	1,323	1,155	3,168	1,836	3,156			54	
55	Transfers under powers of appointment.....		348			883	374		13	55	
56	Previously taxed.....	1,174				180	48		311	56	
57	Total intangible personal property.....	22,913	29,155	27,589	18,403	10,993	43,718	16,444	33,032	57	
58	Gross insurance.....	1,147	576	408	1,091	384	1,751	933	677	58	
59	Tax-exempt insurance ⁶	224	272	177	280	100	239	130	209	59	

TABLE 2.—Taxable estate tax returns filed during 1939 for citizens and resident aliens dying since enactment of the Revenue Act of 1935, classified by size of net estate before specific exemption:¹ number of returns, items of gross estate and deductions, net estate, and tax—Continued
[Net estate before specific exemption classes and money figures in thousands of dollars]

		Net estate (before specific exemption) classes 1—Continued								
		2,500 under 2,600	2,600 under 3,000	3,000 under 3,100	3,100 under 3,600	3,500 under 3,600	3,600 under 4,000	4,000 under 4,100	4,100 under 5,000	
1	Number of returns.....	4	6	2	5	1	3	1	8	1
2	Gross estate:									2
3	Real estate:									3
4	Real estate other than items 3-6.....	1,583	284	444	1,440	301	298	918	988	4
5	Jointly owned.....									5
6	Transfers during decedent's life.....									6
7	Transfers under powers of appointment.....									7
8	Previously taxed.....									8
9	Total real estate.....	1,583	284	444	1,440	301	298	918	1,053	9
10	Tangible personal property:									10
11	Tangible personal property other than items 9-12.....	55	70	14	426	(7)	21	45	269	11
12	Jointly owned.....									12
13	Transfers during decedent's life.....									13
14	Transfers under powers of appointment.....									14
15	Previously taxed.....	7								15
16	Total tangible personal property.....	63	70	14	426	(7)	21	45	283	16
17	Intangible personal property:									17
18	Investments in bonds and stocks:									18
19	Federal Government bonds:									19
20	Wholly tax-exempt ¹	265	1,574		5,908		598	21	2,366	20
21	Partially tax-exempt ²	191	326		218		54	29	788	21
22	State and municipal bonds.....	1,725	3,760	1,874	7,434	351	1,057	2,920	7,910	22
23	All other bonds.....	1,249	411	219	182	496	10		948	23
24	Total bonds.....	3,430	6,071	2,092	13,741	847	1,718	2,970	11,953	24
25	Capital stock in corporations.....	4,057	8,401	3,471	30,786	1,752	7,139	131	28,332	25
26	Total bonds and stocks.....	7,487	14,472	5,563	44,528	2,599	8,857	3,100	40,284	26
27	Mortgages, notes, and cash ³	1,795	723	281	1,821	270	2,173	183	6,213	27
28	Taxable insurance (58 less 59).....	71	3		197		4		620	28
29	Other intangibles.....	44	2,678	341	888	965	3,262		1,398	29
30	Total intangible personal property.....	9,396	17,876	6,186	47,434	3,834	14,296	3,283	48,515	30
31	Total gross estate.....	11,042	18,230	6,645	49,300	4,136	14,614	4,247	49,851	31
32	Deductions:									32
33	Funeral and administrative expenses.....	643	767	224	2,835	255	838	136	2,818	33
34	Debts of decedent; mortgages and liens.....	125	479	337	13,712	309	427	19	2,633	34
35	Net losses during administration.....		1						34	35
36	Support of dependents.....	6	35						120	36
37	Charitable, public, and similar bequests:									37
38	Educational, scientific, or literary:									38
39	Public.....		25						145	39
40	Private.....		25		32				1,024	40
41	Religious.....				42		1		1	41
42	Charitable and all other gifts.....	(7)	249		15,935		1,842	10	6,462	42
43	Total charitable, public, and similar bequests.....	20	299		16,009		1,843	10	7,632	43
44	Property previously taxed, net deduction ⁴	7	142						1,692	44
45	Specific exemption ¹	160	240	80	200	40	120	40	320	45
46	Total deductions.....	961	1,963	641	32,756	604	3,229	205	15,249	46
47	Net estate:									47
48	Before specific exemption (25 less 37 plus 36).....	10,241	16,506	6,084	16,744	3,572	11,506	4,082	34,923	48
49	For basic tax (under 1926 Act or Internal Revenue Code, or either as amended).....	9,841	15,909	5,884	16,244	3,472	11,206	3,982	34,141	49
50	For additional tax (under 1932 Act as amended by 1935 Act and subsequent Acts, or under the Internal Revenue Code).....	10,081	16,266	6,004	16,544	3,532	11,386	4,042	34,603	50
51	Basic tax:									51
52	Tax before tax credits.....	718	1,201	464	1,342	295	987	361	3,208	52
53	Tax credit for gift taxes paid to the Federal Government.....		11							53
54	Tax credit for inheritance taxes ⁵	574	812	371	1,073	236	790	289	2,566	54
55	Net tax (41 less 42 and 43).....	144	378	93	268	59	197	72	642	55
56	Additional tax:									56
57	Additional tax before tax credit.....	2,305	3,804	1,443	4,101	892	2,947	1,067	9,368	57
58	Tax credit for gift taxes paid to the Federal Government.....		3							58
59	Net additional tax (45 less 46).....	2,305	3,801	1,443	4,101	892	2,947	1,067	9,368	59
60	Total tax liability (44 plus 47).....	2,449	4,179	1,536	4,369	951	3,144	1,140	10,009	60
61	Information items:									61
62	Intangible personal property:									62
63	Intangible personal property not included in items 53-56:									63
64	Stocks and bonds.....	7,114	12,886	5,563	44,527	2,599	8,857	3,100	37,835	64
65	Mortgages, notes, and cash ⁶	1,795	722	281	1,821	270	2,173	183	6,054	65
66	Taxable insurance (58 less 59).....	71	3		197		4		620	66
67	Other miscellaneous intangibles.....	44	2,553	341	888	965	3,262		1,296	67
68	Jointly owned.....		1							68
69	Transfers during decedent's life.....	373	1,585		1				20	69
70	Transfers under powers of appointment.....									70
71	Previously taxed.....		156							71
72	Total intangible personal property.....	9,396	17,876	6,186	47,434	3,834	14,296	3,283	48,515	72
73	Gross insurance.....	71	114	8	302		84		736	73
74	Tax-exempt insurance ⁷		111	8	105		80		116	74

For footnotes, see p. 236.

TABLE 2.—Taxable estate tax returns filed during 1939 for citizens and resident aliens dying since enactment of the Revenue Act of 1935, classified by size of net estate before specific exemption:¹ number of returns, items of gross estate and deductions, net estate, and tax—Continued
[Net estate before specific exemption classes and money figures in thousands of dollars]

		Net estate (before specific exemption) classes ¹ —Continued						
		5,000 under 5,100	5,100 under 6,000	6,000 under 6,100	6,100 under 7,000	7,000 under 7,100	7,100 under 8,000	
		1	3		3		1	1
1	Number of returns.....							
Gross estate:								
Real estate:								
2	Real estate other than items 3-6.....	199	457		747		170	2
3	Jointly owned.....							3
4	Transfers during decedent's life.....							4
5	Transfers under powers of appointment.....							5
6	Previously taxed.....							6
7	Total real estate.....	199	457		747		170	7
Tangible personal property:								
8	Tangible personal property other than items 9-12.....	70	201		134		299	8
9	Jointly owned.....							9
10	Transfers during decedent's life.....							10
11	Transfers under powers of appointment.....							11
12	Previously taxed.....							12
13	Total tangible personal property.....	70	201		134		299	13
Intangible personal property:								
Investments in bonds and stocks:								
Federal Government bonds:								
14	Wholly tax-exempt ²		52		1,512		176	14
15	Partially tax-exempt ²		92				59	15
16	State and municipal bonds.....	143	370		11,109		5,826	16
17	All other bonds.....	44	259		264		2	17
18	Total bonds.....	187	743		12,885		6,062	18
19	Capital stock in corporations.....	4,693	12,187		14,036		1,713	19
20	Total bonds and stocks.....	4,880	12,929		26,921		7,776	20
21	Mortgages, notes and cash ³	209	271		3,099		57	21
22	Taxable insurance (58 less 59).....	44	5,719		67		8	22
23	Other intangibles.....							23
24	Total intangible personal property.....	5,133	18,980		30,087		7,841	24
25	Total gross estate.....	5,402	19,637		30,969		8,310	25
Deductions:								
26	Funeral and administrative expenses.....	40	745		1,606		583	26
27	Debts of decedent; mortgages and liens.....	192	2,533		642		285	27
28	Net losses during administration.....		9					28
29	Support of dependents.....							29
Charitable, public, and similar bequests:								
Educational, scientific, or literary:								
30	Public.....		45					30
31	Private.....		15		6,353		50	31
32	Religious.....							32
33	Charitable and all other gifts.....		80		3,425			33
34	Total charitable, public, and similar bequests.....		140		9,778		50	34
35	Property previously taxed, net deduction ⁴	135						35
36	Specific exemption ⁵	40	120		120		40	36
37	Total deductions.....	406	3,548		12,146		957	37
Net estate:								
38	Before specific exemption (25 less 37 plus 36).....	5,036	16,209		18,943		7,393	38
39	For basic tax (under 1926 Act of Internal Revenue Code, or either as amended).....	4,937	15,909		18,643		7,293	39
40	For additional tax (under 1932 Act as amended by 1935 Act and subsequent Acts, or under the Internal Revenue Code).....	4,996	16,089		18,823		7,353	40
Basic tax:								
41	Tax before tax credits.....							
42	Tax credit for gift taxes paid to the Federal Government.....	495	1,647		2,063		863	41
43	Tax credit for inheritance taxes ⁶	396	1,318		1,651		691	42
44	Net tax (41 less 42 and 43).....	99	329		413		173	43
Additional tax:								
45	Additional tax before tax credit.....							
46	Tax credit for gift taxes paid to the Federal Government.....	1,426	4,731		5,870		2,425	45
47	Net additional tax (45 less 46).....	1,426	4,731		5,870		2,425	46
48	Total tax liability (44 plus 47).....	1,524	5,060		6,283		2,597	47
Information items:								
Intangible personal property:								
Intangible personal property not included in items 53-56:								
49	Stocks and bonds.....	4,797	12,929		25,495		7,776	49
50	Mortgages, notes and cash ³	150	266		3,055		57	50
51	Taxable insurance (58 less 59).....		60					51
52	Other miscellaneous intangibles.....	44	5,719		67		8	52
53	Jointly owned.....							53
54	Transfers during decedent's life.....				1,470			54
55	Transfers under powers of appointment.....							55
56	Previously taxed.....	143						56
57	Total intangible personal property.....	5,133	18,980		30,087		7,841	57
58	Gross insurance.....							
59	Tax-exempt insurance ⁷		100		40			58
			40		40			59

TABLE 2.—Taxable estate tax returns filed during 1939 for citizens and resident aliens dying since enactment of the Revenue Act of 1935, classified by size of net estate before specific exemption: 1 number of returns, items of gross estate and deductions, net estate, and tax—Continued

[Net estate before specific exemption classes and money figures in thousands of dollars]

		Net estate (before specific exemption) classes 1—Continued						
		8,000 under 8,100	8,100 under 9,000	9,000 under 9,100	9,100 under 10,000	10,000 under 10,100	10,100 and over	
1	Number of returns.....		1		3		6	1
Gross estate:								
Real estate:								
2	Real estate other than items 3-6.....		57		2,315		5,976	2
3	Jointly owned.....							3
4	Transfers during decedent's life.....							4
5	Transfers under powers of appointment.....							5
6	Previously taxed.....							6
7	Total real estate.....		57		2,315		5,976	7
Tangible personal property:								
8	Tangible personal property other than items 9-12.....		10		610		1,329	8
9	Jointly owned.....							9
10	Transfers during decedent's life.....							10
11	Transfers under powers of appointment.....							11
12	Previously taxed.....							12
13	Total tangible personal property.....		10		610		1,329	13
Intangible personal property:								
Investments in bonds and stocks:								
Federal Government bonds:								
14	Wholly tax-exempt 1.....		39		196		3,410	14
15	Partially tax-exempt 1.....				178		378	15
16	State and municipal bonds.....	7,419			7,338		55,007	16
17	All other bonds.....	14			335		771	17
18	Total bonds.....	7,472			8,047		59,566	18
19	Capital stock in corporations.....	733			15,571		58,081	19
20	Total bonds and stocks.....	8,205			23,618		117,647	20
21	Mortgages, notes and cash 2.....	909			743		6,367	21
22	Taxable insurance (58 less 59).....				73		368	22
23	Other intangibles.....		1		4,278		10,603	23
24	Total intangible personal property.....		9,115		28,713		134,985	24
25	Total gross estate.....		9,182		31,638		142,290	25
Deductions:								
26	Funeral and administrative expenses.....		178		1,411		5,255	26
27	Debts of decedent: mortgages and liens.....		24		950		2,190	27
28	Net losses during administration.....							28
29	Support of dependents.....				7		180	29
Charitable, public, and similar bequests:								
Educational, scientific, or literary:								
30	Public.....				33			30
31	Private.....				18		9,895	31
32	Religious.....		5				20	32
33	Charitable and all other gifts.....		5				2,188	33
34	Total charitable, public, and similar bequests.....		10		51		12,103	34
35	Property previously taxed, net deduction 3.....							35
36	Specific exemption 4.....		40		120		240	36
37	Total deductions.....		253		2,538		19,968	37
Net estate:								
38	Before specific exemption (25 less 37 plus 36).....		8,969		29,220		122,562	38
39	For basic tax (under 1926 Act or Internal Revenue Code, or either as amended).....		8,869		28,920		121,962	39
40	For additional tax (under 1932 Act as amended by 1935 Act and subsequent Acts, or under the Internal Revenue Code).....		8,929		29,100		122,322	40
Basic tax:								
41	Tax before tax credits.....							
42	Tax credit for gift taxes paid to the Federal Government.....		1,140		3,855		20,513	41
43	Tax credit for inheritance taxes 5.....		912		3,084		16,411	42
44	Net tax (41 less 42 and 43).....		228		771		4,103	43
Additional tax:								
45	Additional tax before tax credit.....		3,128		10,448		51,922	45
46	Tax credit for gift taxes paid to the Federal Government.....							46
47	Net additional tax (45 less 46).....		3,128		10,448		51,922	47
48	Total tax liability (44 plus 47).....		3,356		11,219		56,025	48

For footnotes, see p. 236.

TABLE 2.—Taxable estate tax returns filed during 1939 for citizens and resident aliens dying since the enactment Revenue Act of 1935, classified by size of net estate before specific exemption:¹ number of returns, items of gross estate and deductions, net estate, and tax—Continued

[Net estate before specific exemption classes and money figures in thousands of dollars]

		Net estate (before specific exemption) classes ¹ —Continued						
		8,000 under 8,100	8,100 under 9,000	9,000 under 9,100	9,100 under 10,000	10,000 under 10,100	10,100 and over	
49	Information items:							
50	Intangible personal property:							
51	Intangible personal property not included in items 53-56:							
52	Stocks and bonds		8,205		23,606		107,735	49
53	Mortgages, notes and cash ²		909		743		6,334	50
54	Taxable insurance (68 less 59)				73		303	51
55	Other miscellaneous intangibles		1		4,278		10,603	52
56	Jointly owned				13		9,858	53
57	Transfers during decedent's life						88	54
58	Transfers under powers of appointment							55
59	Previously taxed							56
	Total intangible personal property		9,115		28,713		134,985	57
	Gross insurance				118		408	58
	Tax-exempt insurance ³				45		40	59

¹ Net estate and specific exemption as provided under the Revenue Act of 1932 as amended by the Revenue Act of 1935 and subsequent acts, or under the additional tax provisions of the Internal Revenue Code. The specific exemption thus allowed is \$40,000.

² The interest on wholly tax-exempt Federal Government bonds is exempt from both the normal tax and surtax of the Federal income tax; the interest on partially tax-exempt Federal Government bonds is exempt only from the normal tax. United States savings and Treasury bonds of which the interest on a principal amount not in excess of \$5,000 is wholly exempt, are included in partially tax-exempt Federal Government bonds.

³ Cash of all kinds classified as intangible property.

⁴ The basis for the valuation of property previously taxed is the value as finally determined in the case of prior decedent or donor, or the value included in gross estate of pre-

sent decedent, whichever is lower. Subject to certain conditions and limitations, the net deduction for property previously taxed is such value less a proportionate reduction. This reduction is the proportion of total deductions, except previously taxed property, which previously taxed property bears to gross estate. The net deduction for property previously taxed is that computed for purposes of the additional tax, not that computed for purposes of the basic tax.

⁵ Estate, inheritance, legacy, or succession taxes paid to States, Territories, District of Columbia, or (since enactment of the Revenue Act of 1939) to United States possessions.

⁶ Amount receivable by beneficiaries other than the estate, not to exceed in aggregate \$40,000.

⁷ Less than \$500.

TABLE 3.—Taxable estate tax returns filed during 1939 for citizens and resident aliens dying since enactment of the Revenue Act of 1935, classified by size of gross estate:¹ number of returns, items of gross estate and deductions, net estate, and tax

[Gross estate classes and money figures in thousands of dollars]

		Gross estate classes ¹									
		Total	40 under 50	50 under 60	60 under 70	70 under 80	80 under 90	90 under 100	100 under 120	120 under 150	
1	Number of returns	12,592	1,116	1,632	1,207	1,038	875	765	1,189	1,112	1
2	Gross estate:										
3	Real estate:										
4	Real estate other than items 3-6	302,043	11,826	18,898	16,608	14,873	14,941	12,639	21,394	24,203	2
5	Jointly owned	29,860	1,213	2,098	1,498	1,632	1,685	1,685	3,118	2,549	4
6	Transfers during decedent's life	11,974	624	1,456	889	513	932	911	1,184	957	3
7	Transfers under powers of appointment	1,766	6	45		3	5	5	42	81	5
8	Previously taxed	13,925	206	611	656	591	518	464	764	1,037	6
9	Total real estate	359,568	13,875	23,107	19,652	17,662	18,060	15,754	26,503	28,847	7
10	Tangible personal property:										
11	Tangible personal property other than items 9-12	28,492	709	1,399	1,178	1,205	1,045	992	1,596	1,942	8
12	Jointly owned	236	16	9	8	16	33	9	24	10	9
13	Transfers during decedent's life	240	10	4	17	6	19	3	16	15	10
14	Transfers under powers of appointment	8				(⁵)				(⁵)	11
15	Previously taxed	645	2	25	13	17	12	5	23	34	12
16	Total tangible personal property	29,621	742	1,437	1,216	1,214	1,109	1,009	1,659	2,002	13
17	Intangible personal property:										
18	Investments in bonds and stocks:										
19	Federal Government bonds:										
20	Wholly tax-exempt ²	51,752	213	324	280	259	219	377	337	600	14
21	Partially tax-exempt ²	91,420	2,648	4,690	3,478	3,728	3,278	3,390	6,146	6,587	15
22	State and municipal bonds	210,731	813	1,389	1,359	1,330	1,215	1,465	2,222	2,814	16
23	All other bonds	156,204	3,161	5,400	5,440	5,477	5,229	4,659	8,801	10,064	17
24	Total bonds	540,108	6,834	11,502	10,557	10,794	9,940	9,890	17,536	20,661	18
25	Capital stock in corporations	1,029,647	11,350	21,215	20,504	21,539	20,670	20,335	39,716	47,773	19
26	Total bonds and stocks	1,569,756	18,185	33,017	31,061	32,333	30,611	30,275	57,251	68,438	20
27	Mortgages, notes and cash ³	389,216	16,745	26,594	20,643	19,859	16,124	15,617	25,170	28,043	21

For footnotes, see p. 242.

TABLE 3.—Taxable estate tax returns filed during 1939 for citizens and resident aliens dying since enactment of the Revenue Act of 1935, classified by size of gross estate: ¹ number of returns, items of gross estate and deductions, net estate, and tax—Continued

[Gross estate classes and money figures in thousands of dollars]

		Gross estate classes ¹ —Continued									
		Total	40 under 50	50 under 60	60 under 70	70 under 80	80 under 90	90 under 100	100 under 120	120 under 150	
Gross estate—Continued.											
22	Intangible personal property—Continued.										22
23	Taxable insurance (58 less 59)	62,093	356	982	768	811	1,316	1,795	3,451	5,158	23
	Other intangibles	131,869	1,716	3,048	2,992	3,131	3,184	3,040	6,066	6,696	
24	Total intangible personal property	2,152,963	37,001	63,642	55,463	56,134	51,226	50,727	91,908	108,335	24
25	Total gross estate	2,542,152	51,617	88,185	76,331	75,041	70,394	67,490	120,070	139,183	25
Deductions:											
26	Funeral and administrative expenses	124,871	2,506	4,767	3,981	4,064	3,739	3,582	6,241	7,117	26
27	Debts of decedent; mortgages and liens	172,876	686	2,516	2,721	3,748	3,910	3,852	8,527	10,692	27
28	Net losses during administration	352	3	7	21	10	9	16	41	40	28
29	Support of dependents	9,506	115	314	370	296	311	462	787	775	29
Charitable, public, and similar bequests:											
Educational, scientific, or literary:											
30	Public	3,638	(²)	10	35	13	20	7	19	80	30
31	Private	41,448	4	26	16	38	51	49	237	371	31
32	Religious	12,294	37	172	161	155	197	186	441	328	32
33	Charitable and all other gifts	96,927	49	169	346	375	310	413	1,200	978	33
34	Total charitable, public, and similar bequests	154,307	91	376	556	581	577	685	1,898	1,756	34
35	Property previously taxed, net deduction ³	51,413	72	322	705	1,017	1,155	996	1,765	3,345	35
36	Specific exemption ⁴	503,680	44,640	65,280	48,280	41,620	35,000	30,600	47,560	44,480	36
37	Total deductions	1,017,003	48,114	73,582	56,635	51,236	44,702	40,194	66,819	68,204	37
Net estate:											
38	Before specific exemption (25 less 37 plus 36)	2,028,829	48,144	79,883	67,976	65,325	60,692	57,896	100,811	115,459	38
39	For basic tax (under 1926 Act or Internal Revenue Code, or either as amended)	1,097,591					13		1,907	14,724	39
40	For additional tax (under 1932 Act as amended by 1935 Act and subsequent Acts, or under the Internal Revenue Code)	1,525,149	3,504	14,603	19,696	23,805	25,692	27,296	53,251	70,979	40

41	Basic tax:										
42	Tax before tax credits	67,017									41
43	Tax credit for gift taxes paid to the Federal Government	145					(⁵)		(⁶) 19	147	42
44	Tax credit for inheritance taxes ⁶	53,109					(⁵)		14	114	43
	Net tax (41 less 42 and 43)	13,763					(⁵)		5	33	44
45	Additional tax:										
46	Additional tax before tax credit	262,593	70	332	591	890	1,165	1,434	3,334	5,437	45
47	Tax credit for gift taxes paid to the Federal Government	263		(⁷)	1	1	3	2	7	3	46
48	Net additional tax (45 less 46)	262,330	70	331	590	889	1,162	1,433	3,327	5,435	47
	Total tax liability (44 plus 47)	276,093	70	331	590	889	1,162	1,433	3,331	5,468	48
Information items:											
Intangible personal property:											
Intangible personal property not included in items 53-56:											
49	Stocks and bonds	1,423,668	16,272	29,703	26,892	28,394	27,383	27,332	51,576	50,544	49
50	Mortgages, notes, and cash ⁸	335,665	13,974	22,451	17,286	16,593	13,501	12,612	21,076	22,816	50
51	Taxable insurance (58 less 59)	62,093	356	982	768	811	1,316	1,795	3,451	5,158	51
52	Other miscellaneous intangibles	115,092	1,423	2,785	2,621	2,695	2,670	2,816	5,305	5,606	52
53	Jointly owned	45,845	2,714	4,157	3,494	3,172	2,214	2,651	4,003	4,984	53
54	Transfers during decedent's life	85,962	1,508	2,285	2,363	1,943	1,552	1,806	3,035	4,466	54
55	Transfers under powers of appointment	15,443	119	42	162	293	75	30	577	1,040	55
56	Previously taxed	69,195	636	1,235	1,878	2,312	2,216	1,686	2,835	4,719	56
57	Total intangible personal property	2,152,963	37,001	63,642	55,463	56,134	51,226	50,727	91,908	108,335	57
58	Gross insurance	137,876	555	2,402	2,733	3,524	5,177	6,845	13,406	14,865	58
59	Tax-exempt insurance ⁷	75,883	199	1,419	1,966	2,713	3,861	5,050	9,955	9,707	59

For footnotes, see p. 242.

TABLE 3.—Taxable estate tax returns filed during 1939 for citizens and resident aliens dying since enactment of the Revenue Act of 1935, classified by size of gross estate: ¹ number of returns, items of gross estate and deductions, net estate, and tax—Continued

[Gross estate classes and money figures in thousands of dollars]

		Gross estate classes ¹ —Continued									
		150 under 200	200 under 300	300 under 500	500 under 1,000	1,000 under 2,000	2,000 under 3,000	3,000 under 5,000	5,000 under 10,000	10,000 and over	
1	Number of returns.....	1,070	1,026	757	500	204	44	31	15	11	1
Gross estate:											
2	Real estate:										2
3	Real estate other than items 3-6.....	28,978	33,067	34,743	28,691	18,833	5,827	4,311	2,458	9,703	3
4	Jointly owned.....	3,595	3,722	3,472	2,175	1,140	249				4
5	Transfers during decedent's life.....	981	900	759	1,277	590		8			5
6	Transfers under powers of appointment.....	12	214	209	1,107	31		46	40		6
7	Previously taxed.....	1,941	1,572	2,270	2,335	852					7
8	Total real estate.....	35,507	39,475	41,453	35,585	21,446	6,076	4,365	2,498	9,703	8
Tangible personal property:											
9	Tangible personal property other than items 9-12.....	2,397	2,642	3,050	2,852	2,976	647	644	906	2,313	9
10	Jointly owned.....	22	25	25	1	37	3				10
11	Transfers during decedent's life.....	61	6	49	17	10					11
12	Transfers under powers of appointment.....	32	55	151	142	88	22	10	15		12
13	Previously taxed.....										13
14	Total tangible personal property.....	2,513	2,727	3,275	3,019	3,110	671	654	921	2,313	14
Intangible personal property:											
15	Investments in bonds and stocks:										15
16	Federal Government bonds:										16
17	Wholly tax-exempt ²	921	1,754	2,496	6,479	8,519	3,581	13,725	3,924	7,746	17
18	Partially tax-exempt ²	6,978	10,526	12,292	12,740	9,441	1,840	1,005	2,096	557	18
19	State and municipal bonds.....	5,051	8,669	13,863	25,471	41,207	11,685	21,465	27,220	73,494	19
20	All other bonds.....	12,578	19,341	24,793	25,885	14,302	5,220	3,228	836	1,192	20
21	Total bonds.....	25,529	40,290	53,443	70,576	73,469	22,326	39,424	34,075	82,989	21
22	Capital stock in corporations.....	64,745	95,653	116,713	161,122	124,781	55,298	64,821	49,762	103,612	22
23	Total bonds and stocks.....	90,273	135,943	170,156	231,698	198,249	77,624	94,245	83,837	186,601	23
24	Mortgages, notes and cash ³	30,789	38,247	42,899	38,876	29,225	12,696	7,359	9,753	10,607	24
25	Taxable insurance (58 less 59).....	6,502	9,013	9,501	11,880	6,747	1,500	1,641	231	441	25
26	Other intangibles.....	8,830	11,823	12,454	16,021	12,105	8,734	9,933	6,499	15,597	26
27	Total intangible personal property.....	136,394	195,025	235,009	298,476	246,326	100,554	113,179	100,320	213,247	27
28	Total gross estate.....	174,414	237,226	279,738	337,079	270,882	107,301	118,198	103,739	225,263	28
Deductions:											
29	Funeral and administrative expenses.....	8,783	12,425	14,373	15,955	12,667	4,820	4,849	5,456	9,546	29
30	Debts of decedent, mortgages and liens.....	15,404	18,294	21,797	22,377	17,264	11,821	7,528	5,613	16,424	30
31	Net losses during administration.....	23	34	26	58	20	1	43			31
32	Support of dependents.....	857	1,254	1,127	1,067	935	242	408		187	32
Charitable, public, and similar bequests:											
33	Educational, scientific, or literary:										33
34	Public.....	128	115	856	788	788	526	121	98	33	34
35	Private.....	506	1,753	1,405	4,702	1,741	2,492	10,533	1,261	16,266	35
36	Religious.....	694	1,062	845	1,277	1,244	1,600	612	3,362	20	36
37	Charitable and all other gifts.....	1,606	3,480	6,181	11,366	17,483	4,942	14,642	12,052	21,406	37
38	Total charitable, public, and similar bequests.....	2,934	6,409	9,287	18,134	21,256	9,560	25,708	16,773	37,724	38
39	Property previously taxed, net deduction ⁴	4,906	6,729	7,333	11,191	6,725	3,105	284	1,762		39
40	Specific exemption ⁵	42,800	41,040	30,280	20,000	8,160	1,760	1,240	600	440	40
41	Total deductions.....	75,707	86,185	84,223	88,782	67,026	31,008	40,018	30,248	64,322	41
Net estate:											
42	Before specific exemption (25 less 37 plus 36).....	141,507	192,081	225,795	268,297	212,016	78,053	79,420	74,091	161,381	42
43	For basic tax (under 1926 Act or Internal Revenue Code, or either as amended).....	40,664	93,484	152,115	219,710	191,992	73,755	76,335	72,610	160,281	43
44	For additional tax (under 1932 Act as amended by 1935 Act and subsequent Acts, or under the Internal Revenue Code).....	98,707	151,041	195,515	248,297	203,856	76,293	78,180	73,491	160,941	44
Basic tax:											
45	Tax before tax credits.....	464	1,547	3,742	7,643	9,553	4,896	6,073	7,618	25,315	45
46	Tax credit for gift taxes paid to the Federal Government.....	2	5	40	26	49	12	11			46
47	Tax credit for inheritance taxes ⁶	361	1,212	2,940	5,958	7,547	3,908	4,709	6,094	20,252	47
48	Net tax (41 less 42 and 43).....	102	330	761	1,659	1,957	977	1,352	1,524	5,063	48

For footnotes, see p. 242.

TABLE 3.—Taxable estate tax returns filed during 1939 for citizens and resident aliens dying since enactment of the Revenue Act of 1935, classified by size of gross estate.¹ number of returns, items of gross estate and deductions, net estate, and tax—Continued

[Gross estate classes and money figures in thousands of dollars]

	Gross estate classes ¹ —Continued									
	150 under 200	200 under 300	300 under 500	500 under 1,000	1,000 under 2,000	2,000 under 3,000	3,000 under 5,000	5,000 under 10,000	10,000 and over	
Additional tax:										
Additional tax before tax credit.....	9,228	16,938	25,664	37,895	37,340	16,432	18,882	21,840	65,121	45
Tax credit for gift taxes paid to the Federal Government.....	5	13	69	6	128	13	14			46
Net additional tax (45 less 46).....	9,223	16,925	25,595	37,889	37,212	16,419	18,868	21,840	65,121	47
Total tax liability (44 plus 47).....	9,325	17,255	26,356	39,549	39,169	17,396	20,220	23,364	70,184	48
Information items:										
Intangible personal property:										
Intangible personal property not included in items 53-56:										
Stocks and bonds.....	79,789	121,554	151,109	209,575	177,320	69,767	90,875	79,898	176,675	49
Mortgages, notes, and cash ²	28,668	32,262	37,979	35,362	24,961	11,943	7,094	9,513	10,573	50
Taxable insurance (58 less 59).....	6,502	9,013	9,501	11,880	6,747	1,500	1,641	231	441	51
Other miscellaneous intangibles.....	7,855	10,405	11,602	12,875	9,537	5,505	9,466	6,397	15,597	52
Jointly owned.....	4,758	4,669	3,502	2,990	1,127	1,395	9	5		53
Transfers during decedent's life.....	4,605	7,269	10,552	10,913	14,596	6,931	477	1,490	9,872	54
Transfers under powers of appointment.....	701	1,489	2,779	1,958	3,444	13	2,644		88	55
Previously taxed.....	6,507	8,364	7,985	12,923	8,595	3,500	972	2,785		56
Total intangible personal property.....	136,394	195,025	235,009	298,476	246,326	100,554	113,179	100,320	213,247	57
Gross insurance.....	17,001	20,559	18,141	18,366	9,440	2,062	1,990	335	526	58
Tax-exempt insurance.....	10,499	11,546	8,640	6,486	2,693	563	349	153	85	59

¹ Gross estate classes are based on total gross estate plus tax-exempt insurance.

² The interest on wholly tax-exempt Federal Government bonds is exempt from both the normal tax and surtax of the Federal income tax; the interest on partially tax-exempt Federal Government bonds is exempt only from the normal tax. United States savings and Treasury bonds, of which the interest on a principal amount not in excess of \$5,000 is wholly exempt, are included in partially tax-exempt Federal Government bonds.

³ Cash of all kinds classified as intangible property.

⁴ The basis for the valuation of property previously taxed is the value as finally determined in the case of prior decedent or donor, or the value included in the gross estate of present decedent, whichever is lower. Subject to certain conditions and limitations, the net deduction for property previously taxed is such value less a proportionate reduction. This reduction is the proportion of total deductions, except previously taxed

property, which previously taxed property bears to gross estate. The net deduction for property previously taxed is that computed for purposes of the additional tax, not that computed for purposes of the basic tax.

⁵ Specific exemption of \$40,000 as allowed under the Revenue Act of 1932 as amended by Revenue Act of 1935 or under the additional tax provisions of the Internal Revenue Code.

⁶ Estate, inheritance, legacy, or succession taxes paid to States, Territories, District of Columbia, or (since enactment of the Revenue Act of 1939) to United States possessions.

⁷ Amount receivable by beneficiaries other than the estate, not to exceed in aggregate \$40,000.

⁸ Less than \$500.

TABLE 4.—Nontaxable estate tax returns filed during 1939 for citizens and resident aliens dying since enactment of the Revenue Act of 1935 classified by size of gross estate.¹ number of returns, items of gross estate and deductions, and net or no net estate before specific exemption

[Gross estate classes and money figures in thousands of dollars]

	Gross estate classes ¹							
	Total	40 under 50	50 under 60	60 under 70	70 under 80	80 under 90	90 under 100	
Number of returns.....	2,434	1,020	413	251	144	146	106	1
Gross estate:								
Real estate:								
Real estate other than items 3-6.....								
Jointly owned.....	56,491	13,449	8,345	5,567	3,346	3,283	2,626	2
Transfers during decedent's life.....	5,700	887	817	912	240	596	307	3
Transfers under powers of appointment.....	1,459	434	236	54	177	9	22	4
Previously taxed.....	143	34	2	3	76			5
Total real estate.....	64,429	15,142	9,452	6,638	3,912	3,888	2,979	6
Tangible personal property:								
Tangible personal property other than items 9-12.....								
Jointly owned.....	4,643	1,026	664	435	204	241	157	8
Transfers during decedent's life.....	57	7	15	20	10	2	4	9
Transfers under powers of appointment.....	36	6	1	3		1	1	10
Previously taxed.....	9	9						11
Total tangible personal property.....	4,761	1,052	684	458	216	243	161	12
Intangible personal property:								
Investments in bonds and stocks:								
Federal Government bonds:								
Wholly tax-exempt ²	475	117	34	30	32	13	10	14
Partially tax-exempt ³	4,364	1,747	454	247	83	120	187	15
State and municipal bonds.....	1,719	522	97	116	42	39	59	16
All other bonds.....	8,238	2,380	903	457	294	292	362	17
Total bonds.....	14,796	4,766	1,489	850	451	464	618	18
Capital stock in corporations.....	47,225	9,864	4,938	3,315	2,372	2,509	2,117	19
Total bonds and stocks.....	62,021	14,630	6,427	4,166	2,822	2,974	2,735	20
Mortgages, notes, and cash ⁴	25,884	11,100	3,038	2,260	1,266	1,125	880	21
Taxable insurance (48 less 49).....	7,436	680	456	282	95	850	813	22
Other intangibles.....	10,589	1,826	1,260	931	825	674	480	23
Total intangible personal property.....	105,930	28,236	11,182	7,639	5,008	5,622	4,908	24
Total gross estate.....	175,120	44,430	21,318	14,735	9,136	9,753	8,048	25

For footnotes, see p. 247.

TABLE 4.—Nontaxable estate tax returns filed during 1939 for citizens and resident aliens dying since enactment of the Revenue Act of 1935 classified by size of gross estate:¹ number of returns, items of gross estate and deductions, and net or no net estate before specific exemption—Continued

[Gross estate classes and money figures in thousands of dollars]

		Gross estate classes¹—Continued							
		Total	40 under 50	50 under 60	60 under 70	70 under 80	80 under 90	90 under 100	
26	Deductions:								26
27	Funeral and administrative expenses.....	10,286	3,064	1,356	943	580	551	428	27
27	Debts of decedent; mortgages and liens.....	100,912	6,150	6,993	5,961	4,730	5,487	4,374	28
28	Net losses during administration.....	353	26	37	27	4	7	103	29
29	Support of dependents.....	1,185	212	176	125	79	126		
Charitable, public, and similar bequests:									
Educational, scientific, or literary:									
30	Public.....	3,432	112	139	86		103	83	30
31	Private.....	2,743	198	374	162	208	283	39	31
32	Religious.....	3,795	569	282	522	281	417	374	32
33	Charitable and all other gifts.....	14,222	831	936	931	449	556	409	33
34	Total charitable, public, and similar bequests.....	24,191	1,710	1,730	1,701	938	1,359	906	34
35	Property previously taxed, net deduction ⁴.....	246	12	22	88	26		9	35
36	Specific exemption ⁵.....	97,360	40,800	16,520	10,040	5,760	5,840	4,240	36
37	Total deductions.....	234,534	51,973	26,534	18,884	12,117	13,369	10,060	37
38	Net or no net estate before specific exemption (25 less 37 plus 36).....	37,946	33,257	11,004	5,891	2,780	2,224	2,228	38
Information items:									
Intangible personal property:									
Intangible personal property not included in items 43-46:									
39	Stocks and bonds.....	56,417	13,857	5,710	3,807	2,611	2,838	2,520	39
40	Mortgages, notes, and cash ⁶.....	23,260	9,977	2,607	1,989	1,151	1,076	755	40
41	Taxable insurance (48 less 49).....	7,436	680	456	282	95	850	813	41
42	Other miscellaneous intangibles.....	9,654	1,705	1,240	895	776	631	471	42
43	Jointly owned.....	2,522	1,008	505	250	82	176	241	43
44	Transfers during decedent's life.....	4,853	531	478	189	151	62	102	44
45	Transfers under power of appointment.....	185	87		40				45
46	Previously taxed.....	1,604	392	185	186	142	(?)	5	46
47	Total intangible personal property.....	105,930	28,236	11,182	7,639	5,008	5,622	4,908	47
48	Gross insurance.....	21,953	1,106	1,704	1,788	1,677	3,396	2,805	48
49	Tax-exempt insurance ⁶.....	14,518	426	1,248	1,506	1,582	2,546	1,992	49

STATISTICS OF INCOME

		Gross estate classes¹—Continued							
		100 under 120	120 under 150	150 under 200	200 under 300	300 under 500	500 under 1,000	1,000 under 2,000	
1	Number of returns.....	104	89	61	46	37	10	7	1
Gross estate:									
Real estate:									
2	Real estate other than items 3-6.....	2,768	2,659	3,909	3,378	4,215	1,580	1,368	2
3	Jointly owned.....	522	523	232	165	193	268	36	3
4	Transfers during decedent's life.....	118	25	71	180	113	20		4
5	Transfers under powers of appointment.....	28							5
6	Previously taxed.....		7	2		35	3		6
7	Total real estate.....	3,436	3,214	4,214	3,723	4,556	1,871	1,404	7
Tangible personal property:									
Tangible personal property other than items 9-12:									
8	Jointly owned.....	313	329	229	163	155	77	651	8
9	Transfers during decedent's life.....	5			(?)				9
10	Transfers under powers of appointment.....					21			10
11	Previously taxed.....			2		1			11
12	Total tangible personal property.....	319	329	231	163	177	77	651	12
Intangible personal property:									
Investments in bonds and stocks:									
Federal Government bonds:									
14	Wholly tax-exempt ².....	12	110	25	39	53			14
15	Partially tax-exempt ².....	223	278	248	343	412			15
16	State and municipal bonds.....	147	170	100	188	218	22		16
17	All other bonds.....	250	417	419	711	998	726	27	17
18	Total bonds.....	632	974	792	1,279	1,681	773	27	18
19	Capital stock in corporations.....	2,634	3,422	2,430	2,706	3,202	3,231	4,484	19
20	Total bonds and stocks.....	3,266	4,396	3,222	3,985	4,883	4,004	4,511	20
21	Mortgages, notes, and cash ¹.....	1,466	1,265	784	928	1,059	301	412	21
22	Taxable insurance (48 less 49).....	729	624	808	415	1,424	41	217	22
23	Other intangibles.....	481	703	291	961	820	125	1,212	23
24	Total intangible personal property.....	5,942	6,988	5,105	6,239	8,186	4,471	6,353	24
25	Total gross estate.....	9,696	10,531	9,551	10,176	12,919	6,419	8,468	25

For footnotes, see p. 247.

STATISTICS OF INCOME

TABLE 4.—Nontaxable estate tax returns filed during 1939 for citizens and resident aliens dying since enactment of the Revenue Act of 1935 classified by size of gross estate:¹ number of returns, items of gross estate and deductions, and net or no net estate before specific exemption—Continued

[Gross estate classes and money figures in thousands of dollars]

		Gross estate classes ¹ —Continued							
		100 under 120	120 under 150	150 under 200	200 under 300	300 under 500	500 under 1,000	1,000 under 2,000	
26	Deductions:								26
27	Funeral and administrative expenses.....	523	491	464	564	577	417	330	27
28	Debts of decedent; mortgages and liens.....	7,061	10,724	11,361	8,195	13,592	4,166	12,118	28
29	Net losses during administration.....	(7)	1	(7)	1	252		11	29
	Support of dependents.....	82	57	73	23	15	104		
	Charitable, public, and similar bequests:								
	Educational, scientific, or literary:								
30	Public.....	219	40	390	200	115	27	1,917	30
31	Private.....	170	165	5	205	345	588		31
32	Religious.....	186	356	236	226	340	5	1	32
33	Charitable and all other gifts.....	1,354	1,211	1,178	2,256	2,462	1,649		33
	Total charitable, public, and similar bequests.....	1,930	1,771	1,810	2,888	3,262	2,269	1,918	34
35	Property previously taxed, net deduction ²		90						35
36	Specific exemption ³	4,160	3,560	2,440	1,840	1,480	400	280	36
	Total deductions.....	13,756	16,694	16,148	13,510	19,178	7,355	14,656	37
38	Net or no net estate before specific exemption (25 less 37 plus 36).....	101	\$ 2,602	\$ 4,157	\$ 1,494	\$ 4,779	\$ 536	\$ 5,968	38
	Information items:								
	Intangible personal property:								
	Intangible personal property not included in items 43-46:								
39	Stocks and bonds.....	3,046	4,291	2,969	3,815	4,075	3,654	3,224	39
40	Mortgages, notes, and cash ⁴	1,429	1,211	591	829	932	301	412	40
41	Taxable insurance (48 less 49).....	729	624	808	415	1,424	41	217	41
42	Other miscellaneous intangibles.....	478	537	290	843	450	125	1,212	42
43	Jointly owned.....	23	48	77	31	23	57		43
44	Transfers during decedent's life.....	169	144	192	157	1,107	293	1,287	44

STATISTICS OF INCOME

45	Transfers under power of appointment.....	48			10				45
46	Previously taxed.....	20	133	177	189	175			46
47	Total intangible personal property.....	5,942	6,988	5,105	6,289	8,186	4,471	6,353	47
48	Gross insurance.....	2,330	1,963	1,850	904	1,962	131	337	48
49	Tax-exempt insurance ⁵	1,601	1,339	1,041	489	538	89	120	49

¹ Gross estate classes are based on total gross estate plus tax-exempt insurance.

² The interest on wholly tax-exempt Federal Government bonds is exempt from both the normal tax and surtax of the Federal income tax; the interest on partially tax-exempt Federal Government bonds is exempt only from the normal tax. United States Savings and Treasury bonds, of which the interest on a principal amount not in excess of \$5,000 is wholly exempt, are included in partially tax-exempt Federal Government bonds.

³ Cash of all kinds classified as intangible property.

⁴ The basis for the valuation of property previously taxed is the value as finally determined in the case of prior decedent or donor, or the value included in gross estate of present decedent, whichever is lower. Subject to certain conditions and limitations, the net deduction for property previously taxed is such value less a proportionate reduction.

This reduction is the proportion of total deductions, except previously taxed property which previously taxed property bears to gross estate. The net deduction for property previously taxed is that computed for purposes of the additional tax, not that computed for purposes of the basic tax.

⁵ Specific exemption of \$40,000 as allowed under the Revenue Act of 1932 as amended by Revenue Act of 1935 or under the additional tax provisions of the Internal Revenue Code.

⁶ Amount receivable by beneficiaries other than the estate, not to exceed in aggregate \$40,000.

⁷ Less than \$500.

⁸ Negative amount.

STATISTICS OF INCOME

TABLE 5.—Estate tax returns filed during 1939 for citizens¹ and resident aliens, classified by States and Territories: number of returns by taxable status, selected items for all taxable returns, and additional items for returns subject to the basic tax under the Revenue Act of 1926 or under the basic tax provisions of the Internal Revenue Code

[Money figures in thousands of dollars]

		Taxable returns														
				Subject to basic tax ¹												
States and territories		Total number of returns	Number of non-taxable returns	Number of returns	Gross estate	Net estate ²	Total tax before tax credits	Total tax after tax credits	Number of returns	Net estate after \$100,000 exemption	Tax and tax credits					
											Tax before tax credits	Tax credits		Tax after tax credits		
												Gift taxes ⁴	Inheritance taxes, etc. ⁵			
1	Alabama	102	12	90	14,861	9,647	1,408	1,246	31	6,402	203		162	41	1	
2	Alaska	4		4	273	75	3	3						41	2	
3	Arizona	26	7	19	5,506	4,022	959	793	10	3,285	207		165	41	3	
4	Arkansas	45	6	39	4,242	2,022	196	186	12	818	13		10	3	4	
5	California	1,387	238	1,149	175,900	97,487	14,471	12,673	404	59,425	2,170	28	1,713	430	5	
6	Colorado	128	23	105	17,014	9,016	1,602	1,366	32	6,644	262	5	206	51	6	
7	Connecticut	424	58	366	76,076	47,224	9,415	7,988	137	34,832	1,796	5	1,423	369	7	
8	Delaware	54	9	45	14,538	10,410	2,367	1,995	19	8,887	489		372	117	8	
9	District of Columbia	175	25	150	34,155	16,618	2,483	2,194	67	10,804	362		289	73	9	
10	Florida	255	31	224	51,559	33,643	6,873	5,800	93	25,084	1,342	(⁶)	1,073	268	10	
11	Georgia	152	23	129	21,731	13,632	1,994	1,771	53	8,808	279		223	56	11	
12	Hawaii	30	4	26	6,246	4,095	671	586	14	2,970	106		85	21	12	
13	Idaho	17		13	2,545	1,077	157	138	3	696	24		19	5	13	
14	Illinois	951	174	777	121,936	66,047	9,967	8,784	251	41,660	1,515	4	1,170	341	14	
15	Indiana	279	52	227	33,629	18,507	2,811	2,457	68	11,273	442	1	352	89	15	
16	Iowa	317	90	227	18,573	7,027	602	566	26	2,248	46	(⁶)	36	10	16	
17	Kansas	223	36	187	18,843	8,310	843	779	38	3,409	79		63	17	17	
18	Kentucky	226	41	185	25,523	14,963	2,206	1,941	54	9,255	332		266	66	18	
19	Louisiana	135	20	115	25,265	13,293	2,230	1,932	38	9,194	373		298	75	19	
20	Maine	168	20	148	21,128	12,198	1,734	1,543	47	7,770	242		192	51	20	
21	Maryland	253	31	222	39,091	25,454	4,623	3,888	86	17,197	798	(⁶)	635	163	21	
22	Massachusetts	931	126	805	166,847	105,729	21,517	18,174	302	77,906	4,162	5	3,324	833	22	
23	Michigan	366	58	308	72,756	52,455	14,595	11,873	124	41,287	3,360	22	2,669	669	23	
24	Minnesota	143	18	125	19,764	12,492	1,936	1,690	45	8,398	297		238	59	24	
25	Mississippi	48	7	41	5,302	2,987	337	310	17	1,421	33	1	26	6	25	
26	Missouri	321	47	274	48,278	28,203	4,849	4,175	92	19,298	844		674	170	26	
27	Montana	38	9	29	3,851	1,997	233	216	11	1,079	22		18	4	27	
28	Nebraska	148	30	118	15,989	9,465	1,460	1,277	29	6,284	229	(⁶)	183	46	28	
29	Nevada	10	3	7	2,527	1,636	276	276	4	1,322	43			43	29	
30	New Hampshire	112	12	100	18,121	9,815	1,697	1,458	34	6,369	299		238	60	30	
31	New Jersey	765	119	646	132,798	85,319	18,294	15,343	246	62,397	3,688	4	2,947	737	31	
32	New Mexico	20	4	16	5,215	3,824	985	945	6	3,290	220	11	27	182	32	
33	New York	2,727	430	2,297	645,586	408,356	117,537	95,597	914	326,598	27,525	25	21,907	5,593	33	
34	North Carolina	128	21	107	17,263	10,283	1,813	1,553	35	6,716	324		259	65	34	
35	North Dakota	23	4	19	2,182	1,110	108	102	6	435	7		6	1	35	
36	Ohio	790	151	639	144,065	88,771	18,792	15,771	258	66,056	3,734	19	2,965	750	36	
37	Oklahoma	180	20	160	34,854	22,245	2,379	2,153	72	13,964	529		226	304	37	
38	Oregon	111	22	89	10,111	4,010	423	379	15	1,690	45	1	35	9	38	
39	Pennsylvania	1,263	215	1,048	279,746	159,684	39,519	32,609	415	122,195	8,566	14	6,834	1,719	39	
40	Rhode Island	178	22	156	32,975	19,685	3,303	2,865	66	13,947	546		436	109	40	
41	South Carolina	77	12	65	9,862	6,073	880	772	26	3,755	118		88	30	41	
42	South Dakota	12	3	9	607	208	11	11	1	22	(⁶)		(⁶)	(⁶)	42	
43	Tennessee	137	23	114	14,022	7,219	773	719	41	3,376	68		54	14	43	
44	Texas	399	76	323	46,951	21,554	2,632	2,390	93	11,388	312		240	72	44	
45	Utah	37	7	30	3,861	1,920	234	211	9	1,151	31		24	7	45	
46	Vermont	57	6	51	6,851	3,789	492	442	16	2,006	64		51	13	46	
47	Virginia	213	42	171	25,775	15,693	2,209	1,968	70	9,406	301	1	240	61	47	
48	Washington	180	36	124	17,050	9,806	1,469	1,290	32	6,217	224		179	45	48	
49	West Virginia	95	17	78	9,480	5,150	605	553	20	2,721	66		52	13	40	
50	Wisconsin	355	50	305	39,852	22,070	3,314	2,895	89	12,607	525		420	105	50	
51	Wyoming	26	7	19	1,902	753	56	55	5	151	2		1	(⁶)	51	
Total		15,221	2,501	12,720	2,564,072	1,537,975	330,227	276,707	4,576	1,104,112	67,262	145	53,111	14,006		

¹ Excluding returns filed for nonresident citizens who died prior to May 11, 1931.

² For decedents dying after June 6, 1932, net estate is that subject to the additional tax imposed by the Revenue Act of 1932, or that Act as amended, or by the Internal Revenue Code.

³ Taxable under provisions of the Revenue Act of 1926 or that Act as amended, or under

the basic tax provisions of the Internal Revenue Code or the Code as amended.

⁴ Gift taxes paid to Federal Government.

⁵ Estate, inheritance, legacy, or succession taxes paid to States, Territories, District of Columbia, or (since enactment of the Revenue Act of 1939) to United States possessions.

⁶ Less than \$500.

TABLE 6.—Estate tax returns filed during 1939 for citizens¹ and resident aliens:
and by situs
[Thousands]

	State in which return was filed (domicile of decedent at time of death)	Situs of real estate					
		Total	Alabama	Alaska	Arizona	Arkansas	California
1	Alabama	4,064	3,574		5		2
2	Alaska	24		24			
3	Arizona	692			566		28
4	Arkansas	1,640				1,517	5
5	California	49,380	3		138	1	44,823
6	Colorado	3,721			1		22
7	Connecticut	9,075					1
8	Delaware	1,521					
9	District of Columbia	7,565			2		(¹)
10	Florida	7,609	1				4
11	Georgia	6,206	105				
12	Hawaii	727					18
13	Idaho	378					18
14	Illinois	32,230	2		21	29	212
15	Indiana	8,978				(¹)	2
16	Iowa	10,380				1	5
17	Kansas	7,533				1	17
18	Kentucky	4,894					(¹)
19	Louisiana	4,059	4		4	3	11
20	Maine	2,731					16
21	Maryland	6,425					10
22	Massachusetts	16,280	7				13
23	Michigan	13,855	1			1	107
24	Minnesota	3,006			7		10
25	Mississippi	1,256	3			(¹)	
26	Missouri	7,869	(¹)			63	3
27	Montana	861					6
28	Nebraska	5,241					9
29	Nevada	475				1	6
30	New Hampshire	2,137					23
31	New Jersey	19,539			29		3
32	New Mexico	398					11
33	New York	64,465	2		16	5	143
34	North Carolina	4,326	1				(¹)
35	North Dakota	376					2
36	Ohio	25,464	16		3	5	44
37	Oklahoma	6,749	1			8	18
38	Oregon	3,943					7
39	Pennsylvania	37,675	134		36	17	53
40	Rhode Island	3,490					43
41	South Carolina	2,637	14			33	
42	South Dakota	298					
43	Tennessee	3,493	15			68	3
44	Texas	17,485			(¹)	6	45
45	Utah	927					6
46	Vermont	892					
47	Virginia	7,355	1				36
48	Washington	3,677	1				(¹)
49	West Virginia	1,971	(¹)				74
50	Wisconsin	6,991	1		5		20
51	Wyoming	522					
	Total	433,487	3,885	24	833	1,758	45,862

For footnotes, see p. 254.

total reported value of real estate² classified by State in which the return was filed
of real estate
of dollars]

Situs of real estate—Continued										
Connecticut	Delaware	District of Columbia	Florida	Georgia	Hawaii	Idaho	Illinois	Indiana	Iowa	Kansas
			60							
		10				1	40	23	1	
135			12		3	6	816	58	200	108
8,380	1,439		138				9		1	45
		5,942	(¹)					2		
59			15	64		2	26	(¹)	2	2
			73	5,818			273	66	7	12
					638					
5			165	42		360	1			
			200			70	28,547	414	416	113
			7			1	220	8,129	3	1
			6	1			4		9,709	2
			27				72	2	162	6,846
			44	5			7	9		2
45	15	78	27	1			15			1
44	53	526	7	1						
6			26			1	134	3	1	
			198			3	127	26	19	(¹)
			10					4	46	
			(¹)	2					83	161
			8				91			
						(¹)	16		58	90
							(¹)			
196		13	17	1			8		5	3
833	2	109	314	134						25
			43				72	8		
7		35	722	13			51			
			(¹)					52		
	71					4	12			13
						3				(¹)
16		80	580	100			44	34	4	21
		62	98							
			1	19						
			36	8						
12		22					40	11	1	
			8			58				
(¹)		198	61	6			8			1
			26					23		
			61				41	4	21	
9,737	1,580	7,085	9,106	6,216	641	542	30,710	8,867	10,738	5,516

TABLE 6.—Estate tax returns filed during 1939 for citizens¹ and resident aliens:
and by situs of real

[Thousands

State in which return was filed (domicile of decedent at time of death)	Situs of real estate—Continued						
	Ken- tucky	Louis- iana	Maine	Mary- land	Massa- chusetts	Michi- gan	Minne- sota
1 Alabama.....						86	1
2 Alaska.....							
3 Arizona.....							
4 Arkansas.....		(²)					
5 California.....	26	3		25	31	11	228
6 Colorado.....						547	
7 Connecticut.....			26	22	51	54	41
8 Delaware.....				35	15		
9 District of Columbia.....				215	10	58	
10 Florida.....	8		8	35	191	58	24
11 Georgia.....	60				(²)	1	
12 Hawaii.....							
13 Idaho.....							
14 Illinois.....		25	22	2	124	96	133
15 Indiana.....	11					33	10
16 Iowa.....		9	4				115
17 Kansas.....							1
18 Kentucky.....	4,585					7	
19 Louisiana.....		3,336		34	5		1
20 Maine.....			2,207		156		
21 Maryland.....			3	5,686	(²)	60	(²)
22 Massachusetts.....		2	63	159	15,269	12,794	1
23 Michigan.....					13	101	2,705
24 Minnesota.....							
25 Mississippi.....		12					
26 Missouri.....					8		15
27 Montana.....							
28 Nebraska.....						24	
29 Nevada.....						2	
30 New Hampshire.....			10		28	20	(²)
31 New Jersey.....			8	32	114	6	
32 New Mexico.....							
33 New York.....	15	31	114	94	565	100	14
34 North Carolina.....						84	
35 North Dakota.....					20	208	
36 Ohio.....	130	^c	2	9			7
37 Oklahoma.....							3
38 Oregon.....						49	8
39 Pennsylvania.....		2	254	59	33	1	9
40 Rhode Island.....			57		71		33
41 South Carolina.....							
42 South Dakota.....					3		(²)
43 Tennessee.....			2	(²)	2	6	5
44 Texas.....	1	65	9				
45 Utah.....					7		
46 Vermont.....							
47 Virginia.....	29		3	12			1
48 Washington.....			4	1			
49 West Virginia.....						80	54
50 Wisconsin.....							20
51 Wyoming.....							
Total.....	4,865	3,495	2,803	6,409	16,714	14,485	3,427

For footnotes, see p. 254.

total reported value of real estate² classified by State in which the return was filed
estate—Continued
of dollars]

State in which return was filed (domicile of decedent at time of death)	Situs of real estate—Continued										
	Missis- sippi	Mis- souri	Mon- tana	Ne- braska	Nevada	New Hamp- shire	New Jersey	New Mexico	New York	North Caro- lina	North Dakota
1 Alabama.....							2		115		
2 Alaska.....											
3 Arizona.....											
4 Arkansas.....		31									
5 California.....		106	9	169	33		20		258	1	79
6 Colorado.....		1						41			
7 Connecticut.....							(²)		255	25	
8 Delaware.....		71		205		25	12		191	6	
9 District of Columbia.....		28	38			312	(²)		(²)	350	234
10 Florida.....	8						218		(²)	3	15
11 Georgia.....	1						28				
12 Hawaii.....											
13 Idaho.....											
14 Illinois.....	80	96	31	206			6	5	65	2	26
15 Indiana.....		(²)	5								
16 Iowa.....		22		69			(²)	(²)	82		13
17 Kansas.....		51		32							
18 Kentucky.....	585	17	4					16		2	
19 Louisiana.....		1						(²)			
20 Maine.....		26							1		
21 Maryland.....				1		67			105		
22 Massachusetts.....		15	(²)				1		21	3	
23 Michigan.....	(²)	61	4	10		102	75		48		1
24 Minnesota.....			16						23		5
25 Mississippi.....	1,205										37
26 Missouri.....		7,118	(²)	8							
27 Montana.....		10	845			4	34		5		
28 Nebraska.....		22	2	4,882							
29 Nevada.....					468			(²)			1
30 New Hampshire.....						1,999			9		
31 New Jersey.....		18	(²)			31	13,746		4,332	13	(²)
32 New Mexico.....								375	(²)		
33 New York.....		124	57	16		82	459	1	58,975	4	3,904
34 North Carolina.....										68	(²)
35 North Dakota.....											
36 Ohio.....	(²)	117	(²)	1	25	(²)	6		45	10	365
37 Oklahoma.....		4		3					17		1
38 Oregon.....			4						65		37
39 Pennsylvania.....	2	51		3		6	1,646		766	18	54
40 Rhode Island.....		93				1			62	(²)	
41 South Carolina.....										66	
42 South Dakota.....				7							
43 Tennessee.....	36	9	(²)						5	8	
44 Texas.....	9	2		71	(²)			36	112		
45 Utah.....				1							
46 Vermont.....		24				1			(²)	1	
47 Virginia.....							(²)				
48 Washington.....		(²)	1	22						68	
49 West Virginia.....											2
50 Wisconsin.....	32		15	4			3		62		
51 Wyoming.....				3					6		18
Total.....	1,960	8,121	1,111	5,636	526	2,725	16,255	474	65,643	4,549	835

TABLE 6.—Estate tax returns filed during 1939 for citizens¹ and resident aliens:
and by situs of real

(Thousands

	State in which return was filed (domicile of decedent at time of death)	Situs of real estate—Continued							
		Ohio	Oklahoma	Oregon	Pennsylvania	Rhode Island	South Carolina	South Dakota	Tennessee
1	Alabama						(²)		(¹)
2	Alaska								
3	Arizona	17			4			1	3
4	Arkansas					7			
5	California	151	123	287	45			61	
6	Colorado	6	11					1	3
7	Connecticut	5	14			23			3
8	Delaware				17				
9	District of Columbia	80			62	12	28	5	
10	Florida	4			137	(²)	15	16	(¹) 6
11	Georgia		(²)		41		51		
12	Hawaii								
13	Idaho								
14	Illinois	86	111	3	31			13	7
15	Indiana	42					1	5	
16	Iowa		2	(²) 5				117	
17	Kansas		133	(²)				1	
18	Kentucky	3	30		14				24
19	Louisiana								1
20	Maine	9	6		4				
21	Maryland	1			57				17
22	Massachusetts	11	2		24	35			
23	Michigan	84	8	3				7	
24	Minnesota	32	8	3	4				20
25	Mississippi		16						58
26	Missouri	9	52	5					
27	Montana							12	
28	Nebraska	1	6						
29	Nevada					42		1	
30	New Hampshire				516	26		(²)	13
31	New Jersey	55	2		9				
32	New Mexico						196	3	166
33	New York	220	42	7	215	418	49		
34	North Carolina	32	(²)					2	
35	North Dakota							3	7
36	Ohio	23,678	1	2	39	12		9	
37	Oklahoma	6	6,430						
38	Oregon			3,608				11	
39	Pennsylvania	48			33,087	41	18		
40	Rhode Island	4	1			2,913	11		
41	South Carolina	3				64	2,286	21	
42	South Dakota							282	
43	Tennessee						6		3,125
44	Texas	(²)	144	(²)	5		45		(²)
45	Utah								
46	Vermont		1						
47	Virginia	(²)			10		3		6
48	Washington	2		96		3			
49	West Virginia	18						5	
50	Wisconsin		2						
51	Wyoming								
	Total	24,606	7,143	4,018	34,321	3,504	2,718	577	3,457

¹ Excluding returns filed for nonresident citizens who died prior to May 11, 1934.² Includes amounts reported as real estate (Schedule A, Form 706, revised September 1936) and also real estate reported as (1) jointly owned property (Schedule E), (2) transfers made in contemplation of or intended to take effect at or after death (Schedule G), (3) passing under general powers of appointment exercised by will or deed in contemplation of death (Schedule H), and (4) property from an estate or received by gift taxed within five years (Schedule I). This aggregate corresponds to the total value of real estate tabulated as item 7 in table 1.³ Less than \$500.total reported value of real estate² classified by State in which the return was filed
estate—Continued.

of dollars]

	Situs of real estate—Continued										
	Texas	Utah	Vermont	Virginia	Washington	West Virginia	Wisconsin	Wyoming	United States possessions (other than Hawaii)	Foreign countries	Situs not reported
	2			2							212
(²)	138				1	1					
28	2	272		12	173	2	48	1	19	9	13
2			4			6		2			594
6											25
1											11
6				276	323						
1			19	12		3	15			4	
5				3							
									72		1
401			7	15	234		332			(²)	31
7							2				285
44		(²)			1		11			2	181
30				80	4	1				(²)	53
21				2							18
14				1	(²)					(²)	3
				18	4	11				(²)	(²)
13			5				(²)			(²)	9
2			12		7		18			5	201
5					7		3	1			1
60						1	6				(²)
						10					49
13				(²)						1	81
1		5						5			
(²)	1	5	2	6			1			3	(²)
2			2								16
15			136	58	81	64	8	1		3	49
											157
20			3	(²)	(²)	18	131				30
71											88
136			16	47	30						168
				26	3	(²)	77			1	164
						8					14
1				71			6	1			93
16,585				(²)			10				330
1		739								20	6
8		4	831		5						
				6,803							
					3,414						105
						1,846	5	1			2
6							6,547			(²)	16
								424			14
											50
	17,644	1,026	1,037	7,433	4,288	2,074	7,143	435	91	47	3,258

TABLE 7.—Estate tax returns of resident and nonresident decedents filed Sept. 9, 1916, through Dec. 31, 1939, historical summary: number of returns, gross estate, net taxable estate, and tax ¹

[Money figures in thousands of dollars]

Filing period	Returns filed			Gross estate		
	Total	Resident decedents ²	Nonresident decedents ³	Total	Resident decedents ²	Nonresident decedents ³
Sept. 9, 1916-Jan. 15, 1922	45, 126	42, 230	2, 896	8, 893, 239	8, 785, 642	107, 597
Jan. 15-Dec. 31, 1922	13, 876	12, 563	1, 313	3, 014, 073	2, 955, 959	58, 113
Jan. 1-Dec. 31:						
1923	15, 119	13, 963	1, 156	2, 804, 327	2, 774, 741	29, 587
1924	14, 513	13, 011	1, 502	2, 566, 522	2, 540, 922	25, 600
1925	16, 019	14, 013	2, 006	3, 001, 089	2, 958, 364	42, 725
1926	14, 567	13, 142	1, 425	3, 407, 923	3, 386, 267	21, 656
1927	10, 700	9, 353	1, 347	3, 173, 235	3, 146, 290	26, 945
1928	10, 236	8, 079	2, 157	3, 554, 270	3, 503, 239	51, 032
1929	10, 343	8, 582	1, 761	3, 893, 246	3, 843, 514	49, 732
1930	10, 382	8, 798	1, 584	4, 165, 623	4, 108, 517	57, 106
1931	9, 889	8, 333	1, 556	4, 075, 575	4, 042, 381	33, 195
1932	8, 507	7, 113	1, 394	2, 830, 388	2, 795, 818	34, 570
1933	10, 275	8, 727	1, 548	2, 060, 956	2, 026, 931	34, 025
1934	11, 853	10, 353	1, 500	2, 267, 285	2, 244, 107	23, 178
1935	12, 724	11, 110	1, 614	2, 459, 892	2, 435, 282	24, 609
1936	13, 321	11, 605	1, 716	2, 312, 421	2, 296, 257	16, 163
1937	17, 032	15, 037	1, 995	2, 793, 758	2, 767, 739	26, 019
1938	17, 642	15, 932	1, 710	3, 069, 625	3, 046, 977	22, 648
1939	16, 926	15, 221	1, 705	2, 767, 888	2, 746, 143	21, 745

Filing period	Net taxable estate			Tax		
	Total	Resident decedents ²	Nonresident decedents ³	Total	Resident decedents ²	Nonresident decedents ³
Sept. 9, 1916-Jan. 15, 1922	5, 509, 522	5, 407, 674	101, 849	356, 516	351, 138	5, 378
Jan. 15-Dec. 31, 1922	1, 704, 974	1, 652, 832	52, 142	120, 562	117, 624	2, 938
Jan. 1-Dec. 31:						
1923	1, 532, 061	1, 504, 621	27, 440	89, 109	88, 384	726
1924	1, 395, 816	1, 372, 421	23, 395	71, 939	71, 451	488
1925	1, 658, 869	1, 621, 008	37, 861	87, 322	86, 223	1, 099
1926	1, 972, 537	1, 951, 969	20, 567	101, 805	101, 324	481
1927	1, 761, 617	1, 735, 840	25, 777	41, 686	40, 931	755
1928	1, 992, 503	1, 943, 429	49, 075	41, 959	40, 551	1, 398
1929	2, 313, 976	2, 268, 323	45, 653	44, 388	43, 303	1, 085
1930	2, 427, 454	2, 376, 973	50, 481	41, 617	39, 003	2, 614
1931	2, 356, 332	2, 327, 319	29, 013	45, 200	44, 540	660
1932	1, 423, 437	1, 391, 569	31, 868	23, 674	22, 364	1, 310
1933	1, 000, 924	970, 868	30, 056	61, 415	59, 429	1, 986
1934	1, 170, 566	1, 150, 533	20, 033	96, 216	95, 228	988
1935	1, 339, 776	1, 316, 888	22, 888	155, 466	153, 763	1, 703
1936	1, 260, 022	1, 245, 395	14, 627	196, 370	195, 301	1, 069
1937	1, 646, 613	1, 622, 618	23, 995	308, 450	305, 784	2, 665
1938	1, 745, 259	1, 724, 589	20, 670	316, 802	314, 620	2, 182
1939	1, 558, 322	1, 537, 975	20, 347	278, 938	276, 707	2, 231

¹ Changes in the Revenue Acts affecting the comparability of statistical data from estate tax returns are summarized on pp. 280-281.

² Includes citizens residing outside the United States who died on or after May 11, 1934.

³ Excludes citizens residing outside the United States who died on or after May 11, 1934.

⁴ The net taxable estate tabulated for decedents who died after June 6, 1932, is net estate subject to the additional tax under the Revenue Act of 1932, or that Act as amended, or the Internal Revenue Code. The tax is the net basic tax under the Revenue Act of 1926, or the Internal Revenue Code, or either as amended, plus the net additional tax under the Revenue Act of 1932, or that Act as amended, or the Internal Revenue Code.

GIFT TAX RETURNS

The gift tax, which is payable by the donor, is imposed upon the transfer of property by gift and attaches to the total taxable transfers made during a calendar year rather than to separate gifts. The relationship of the donor to the recipient has no bearing on the tax liability. In this report are tabulated data from gift tax returns

filed in 1939 for gifts made during 1938, together with some historical data respecting returns filed in earlier years.

FILING REQUIREMENTS

A gift tax return was required in 1939 of any citizen of the United States or resident alien who in 1938 transferred by gift to any one recipient more than \$5,000 in total value, or who gave a future interest in property regardless of value. A return was also required of a nonresident alien under like circumstances, but only if the gift consisted of property situated in the United States. These filing requirements applied whether or not a tax was due.

TAX LIABILITY

The amount of taxable net gifts excludes (1) the first \$5,000 given to each recipient, unless in the form of a future interest, (2) charitable, public, and similar gifts (this deduction being allowed non resident aliens only under certain specified conditions), and (3) in the case of citizens and resident aliens, the amount of specific exemptions used in the current year.

The current year tax liability is the difference between (1) a tax on the aggregate net gifts made after June 6, 1932 (the effective date of the Revenue Act of 1932), computed at the progressive rates applicable in the current year, and (2) a tax computed at the same rates on the aggregate amount of net gifts exclusive of current year gifts. As a result of this progressive tax method and the exclusions and deductions enumerated above, individuals reporting the same amount of total gifts in the current year may have different tax liabilities.

NUMBER OF RETURNS, TOTAL AND NET GIFTS, AND TAX

For the calendar year 1938, 11,042 gift tax returns were filed, of which 3,515 were taxable. The total gifts reported amounted to \$399,773,224. In arriving at net gifts subject to tax, this total was reduced by exclusions of the first \$5,000 to each recipient, aggregating \$97,140,000; by charitable, public, and similar gifts above excluded amounts, aggregating \$28,298,323; and by claims for specific exemption aggregating \$135,533,611; or in sum by \$260,971,934. The amount of net gifts subject to tax was therefore \$138,801,290. On this amount, tax liability of \$17,838,845 was reported (see table 1, pp. 260-261).

The number of returns, total gifts, net gifts, and tax were smaller than for 1937, the decrease in amounts being somewhat greater than the decrease in number of returns. Thus, the total number of returns filed for 1938 was 19.4 percent less and the number of taxable returns was 14.8 percent less than for 1937; whereas total gifts decreased between the two years 29.6 percent, net gifts decreased 23.3 percent, and tax decreased 21.6 percent.

In connection with these data, it is to be noted that the total tax liability and other amounts tabulated in this report are taken from gift tax returns as filed, and may differ from amounts finally determined after audit by the Bureau of Internal Revenue. Moreover, the tax liability tabulated from returns filed in a given year does not agree with tax collections in that year for the several reasons that (1) payment of the tax is sometimes deferred, (2) deferred payments

are received on returns filed in prior years, and (3) adjustments resulting from audit may be made within the year of filing.

KINDS OF GIFTS

The various types of property comprising total gifts have been classified into five groups: real estate, stocks and bonds, cash, insurance, and miscellaneous. The miscellaneous group includes such diverse items as jewelry, objects of art, copyrights on books, the forgiveness of debts, interest in a business, the assignment of judgments, etc.

As has been true in all years from 1933 onward, gifts of stocks and bonds bulked largest, for 1938 comprising 53.7 percent of the total reported gifts. Cash gifts formed 18.1 percent of the total; real estate 10.3 percent; insurance 5.5 percent; and miscellaneous gifts 12.4 percent.

Charitable, public, and similar gifts in 1938 amounted to \$33,838,323, or 8.5 percent of the total reported gifts before exclusions of \$5,000 per recipient. The exclusions applicable to gifts of this type amounted to \$5,540,000; the balance, \$28,298,323, was taken as a statutory deduction and comprised 9.4 percent of total gifts after exclusions.

More than one-fourth (29.4 percent) of the total gifts for 1938 were transferred in trust. The proportion thus transferred varied considerably for the five kinds of property distinguished above, ranging from 13.3 percent for gifts of real estate to 39.0 percent for gifts of stocks and bonds. (See table 3, p. 264.)

IDENTICAL DONORS, 1938 AND ONE OR MORE PRIOR YEARS

Among the individuals who filed gift tax returns for 1938 were 4,492 who had also filed returns in some prior year or years back to 1932, exclusive of individuals who in 1938 or in the prior years gave solely charitable, public, or similar gifts. Current year donors who in prior years made only charitable gifts cannot be distinguished from those who have not previously filed a return, since such gifts being deductible are not carried forward for computation of tax. Current year donors of charitable gifts only, who gave other than charitable gifts in some earlier year or years, have heretofore been included among "Identical donors" as tabulated in Statistics of Income, but are excluded this year for the first time. The tabulation now relates only to individuals who reported gifts other than charitable gifts both for the current year and for a prior period. (See table 4, p. 265.)

A large number of these individuals (1,792) were not taxable either for 1938 or for any prior year, while an additional 115 were not taxable for 1938 although they had been taxed previously. Of the number taxable for 1938, 629 showed initial tax liability aggregating \$1,380,434, while 1,956 who had been taxable in other years reported tax liability of \$13,206,908. Comparison of this figure with the total tax liability for 1938 of \$17,838,845 indicates that a large proportion of the current year tax is paid by individuals who also paid a gift tax in prior years.

The 1,956 returns taxable both for 1938 and for earlier years are classified in table 5 by size of net gifts for 1938 and by size of net gifts previously reported. This table has not heretofore been published. In connection with the size classifications, it should be borne in

mind that neither the current nor the prior year figures include the first \$5,000 given to each recipient per year, the amount given for charitable or public uses, or the amount of specific exemption (not exceeding \$40,000) taken by the donor.

DEFINITIONS OF ITEMS

Total gifts.—In the text and tables, the term "Total gifts" or "Total gifts before exclusions" represents the value of property transferred under a donative intent less any money consideration received in exchange. Unlike statutory total gifts, this amount includes the first \$5,000 given to each recipient of more than \$5,000 and also includes gifts of \$5,000 insofar as taxpayers have unnecessarily reported them. Statutory total gifts exclude such amounts, unless the gift consists of a future interest in property. The aggregate amount excluded by statute from total gifts is designated in the tables "Exclusions." The item in the tables designated "Total gifts after exclusions" corresponds with the statutory total gifts.

Net gifts.—Net gifts upon which the tax is imposed mean statutory total gifts (or "Total gifts after exclusions") less all charitable, public, and similar gifts in excess of amounts of such gifts already excluded, and less so much of the specific exemption as the taxpayer claims.

Specific exemption.—In computing the gift tax for calendar years beginning with 1936, each citizen and resident alien is allowed to deduct from statutory total gifts a specific exemption of \$40,000, this sum to be taken either in one year or spread over a period of years as the taxpayer chooses. Under the revenue acts in force for the years 1932-1935, a specific exemption of \$50,000 was allowed, this sum likewise to be taken either in one year or spread over a period of years. In cases where the exemption actually taken for 1932-1935 exceeded \$40,000, the amount of the excess is added to the net gifts carried forward for the purpose of computing the tax liability for 1936 and subsequent years.

The gift tax rates, exclusions, specific exemptions, and deductions under applicable revenue acts in effect for 1924-1926 and 1932-1938 are summarized on page 282 of this report.

CONTENT OF GIFT TAX TABLES

Tables 1, 2, and 3 relate to all gift tax returns for 1938. Table 1 shows for taxable and nontaxable returns separately the number of returns, total gifts before exclusions by type of property, exclusions, total gifts after exclusions, deductions, net gifts, and tax, classified by size of net gifts for 1938. Table 2 shows the same information, except as respects types of property, classified by size of total gifts for 1938. Table 3 discloses the extent to which each type of property transferred by gift in 1938 was transferred in trust.

Tables 4 and 5 cover only the returns of individuals who made gifts other than charitable gifts in 1938 and in one or more prior years. Table 4 exhibits for such returns, classified by taxable status in 1938 and in the earlier period, the number of returns, net gifts, and tax. Table 5 classifies the returns which were taxable both in 1938 and in a prior year or years by size of net gifts for 1938 and by size of net gifts for the prior period.

A historical summary of selected items respecting gift tax returns for 1932-1938 is given in table 6.

TABLE 1.—Gift tax returns for 1938, by net gift classes:¹ number of returns, total gifts by kind of property, exclusions, total gifts after exclusions, deductions, net gifts, and tax

[Net gift classes and money figures in thousands of dollars]

Net gift classes ¹	Number of returns	Total gifts before exclusions, by kind of property					
		Real estate	Stocks and bonds	Cash	Insurance	Miscellaneous	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Nontaxable returns: No net gifts.....	7,527	26,191	76,129	29,468	10,482	26,740	169,010
Taxable returns:							
Under 5.....	1,086	1,943	12,251	4,340	2,077	2,263	22,872
5 under 10.....	503	1,975	7,103	3,659	1,111	2,140	15,988
10 under 20.....	610	2,290	10,917	5,109	1,721	3,463	23,499
20 under 30.....	335	1,508	8,202	3,593	1,702	2,089	17,095
30 under 40.....	196	817	6,821	2,663	493	1,577	12,372
40 under 50.....	160	683	5,904	2,554	806	2,002	11,949
50 under 100.....	325	3,006	18,071	5,830	1,865	3,856	32,628
100 under 200.....	184	1,755	21,894	5,872	987	4,100	34,608
200 under 400.....	73	536	16,619	3,951	242	911	22,258
400 under 600.....	25	32	10,251	3,597	295	533	14,707
600 under 800.....	8	507	4,571	864		6	5,948
800 under 1,000.....	1		1,016				1,016
1,000 under 1,500.....	5		5,767	302		22	6,091
1,500 under 2,000.....	2		3,435	89	14		3,539
2,000 under 2,500.....	1		2,009	30		63	2,103
2,500 under 3,000.....							
3,000 under 3,500.....							
3,500 under 4,000.....							
4,000 under 4,500.....	1		3,622	468			4,090
Total taxable returns.....	3,515	15,050	138,454	42,922	11,313	23,023	230,763
Grand total.....	11,042	41,241	214,583	72,390	21,795	49,764	399,773

Net gift classes ¹	Exclusions of the first \$5,000 given each recipient ²			Total gifts after exclusions	Deductions		
	Total	Charitable, public, and similar gifts	Other gifts		Total	Charitable, public, and similar gifts after exclusions ³	Specific exemption claimed for 1938 ⁴
(1)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Nontaxable returns: No net gifts.....	57,535	3,620	53,915	111,475	111,475	18,786	92,689
Taxable returns:							
Under 5.....	10,055	390	9,665	12,817	10,714	1,209	9,505
5 under 10.....	4,910	150	4,760	11,078	7,590	813	6,777
10 under 20.....	6,455	230	6,225	17,044	8,360	1,008	7,356
20 under 30.....	4,390	220	4,170	12,705	4,516	542	3,974
30 under 40.....	2,395	100	2,295	9,977	3,288	303	2,985
40 under 50.....	1,975	120	1,855	9,974	2,895	283	2,607
50 under 100.....	4,205	195	4,010	28,423	6,298	704	5,504
100 under 200.....	2,875	290	2,585	31,733	5,678	3,214	2,464
200 under 400.....	1,140	75	1,065	21,118	1,323	299	1,024
400 under 600.....	780	95	685	13,927	1,452	1,020	412
600 under 800.....	210	20	190	5,738	155	39	115
800 under 1,000.....	5		5	1,011	40		40
1,000 under 1,500.....	60	10	50	6,031	92	12	80
1,500 under 2,000.....	55		45	3,483	28		
2,000 under 2,500.....	40	15	25	2,063	33		
2,500 under 3,000.....							
3,000 under 3,500.....							
3,500 under 4,000.....							
4,000 under 4,500.....	55		55	4,035			
Total taxable returns.....	39,605	1,920	37,685	191,158	52,357	9,512	42,845
Grand total.....	97,140	5,540	91,600	302,633	163,832	28,298	135,534

For footnotes, see p. 261.

TABLE 1.—Gift tax returns for 1938, by net gift classes:¹ number of returns, total gifts by kind of property, exclusions, total gifts after exclusions, deductions, net gifts, and tax—Continued.

[Net gift classes and money figures in thousands of dollars]

Net gift classes ¹	Net gifts				Tax	
	Total	Prior years ²	1938	Total	Prior years ²	1938
(1)	(16)	(17)	(18)	(19)	(20)	(21)
Nontaxable returns: No net gifts.....	7 126,927	7 126,927		7 25,354	7 25,354	
Taxable returns:						
Under 5.....	73,856	71,753	2,104	8,840	8,744	105
5 under 10.....	35,532	32,045	3,488	4,960	4,802	167
10 under 20.....	58,101	49,423	8,678	7,904	7,403	501
20 under 30.....	40,202	32,014	8,188	4,900	4,327	573
30 under 40.....	18,593	11,904	6,689	1,708	1,255	454
40 under 50.....	20,976	13,897	7,080	2,389	1,853	536
50 under 100.....	68,858	46,623	22,216	10,683	8,566	2,117
100 under 200.....	49,911	23,856	26,055	6,279	3,181	3,097
200 under 400.....	37,403	17,608	19,795	5,787	2,908	2,879
400 under 600.....	20,859	8,364	12,495	3,660	1,540	2,120
600 under 800.....	7,909	2,326	5,583	1,350	332	1,018
800 under 1,000.....	971		971	161		161
1,000 under 1,500.....	7,520	1,581	5,939	1,459	248	1,211
1,500 under 2,000.....	5,600	2,144	3,456	1,332	438	894
2,000 under 2,500.....	7,647	5,617	2,029	2,600	1,701	899
2,500 under 3,000.....						
3,000 under 3,500.....						
3,500 under 4,000.....						
4,000 under 4,500.....						
Total taxable returns.....	458,091	319,290	138,801	65,149	47,311	17,839
Grand total.....	585,018	446,217	138,801	90,503	72,665	17,839

¹ The classification is based on the size of net gifts for 1938.² Excepting gifts of future interest in property.³ The exclusion is shown in column 10.⁴ Specific exemption of \$40,000 is allowed each resident or citizen donor (see sec. 301(b), Revenue Act of 1935). At the option of the donor, this amount may be taken in 1 year or spread over a period of years.⁵ Prior years cover the period June 7, 1932, through Dec. 31, 1937, inclusive. The amount tabulated may have been taken for years prior to 1936 (when \$50,000 exemption was allowed), the net gifts for prior years reported on the current year returns are increased by the amount taken in excess of \$40,000.⁶ The tax tabulated in this column is not the amount of tax liability reported in prior years, but an amount calculated on cumulated net gifts plus any excess exemption taken in prior years, at rates applicable to gifts made during 1938.⁷ These amounts are probably understated since there is not always sufficient information shown on the current year return for their computation.

TABLE 2.—Gift tax returns for 1938 by total gift classes,¹ showing for taxable and nontaxable returns separately: number of returns, total gifts before exclusions, exclusions, total gifts after exclusions, deductions, net gifts, and tax

[Total gift classes and money figures in thousands of dollars]

Total gift classes ¹	Total number of returns	Taxable returns						
		Number of returns	Total gifts before ex-clusions	Exclusions of the first \$5,000 given each recip-ient ²			Total gifts after ex-clusions	Deduc-tions
				Total	Char-itable, public, and sim-ilar gifts	Other gifts		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Under 5.....	100	24	42				42	2
5 under 10.....	2,317	443	3,076	2,185		2,185	891	38
10 under 20.....	2,939	596	8,517	4,610		4,485	3,907	446
20 under 30.....	1,696	399	9,631	4,240	110	4,130	5,391	1,113
30 under 40.....	1,184	275	9,424	3,285	145	3,140	6,139	1,225
40 under 50.....	986	310	14,046	3,420	70	3,350	10,626	5,574
50 under 100.....	1,222	925	61,930	11,845	430	11,415	50,085	25,343
100 under 200.....	402	369	48,588	6,380	470	5,910	42,208	9,373
200 under 400.....	135	121	31,565	2,135	285	1,850	29,430	4,584
400 under 600.....	31	25	12,030	395	55	340	11,635	677
600 under 800.....	13	13	9,074	355	65	290	8,719	555
800 under 1,000.....	2	2	1,654	260	10	250	1,394	8
1,000 under 1,500.....	9	8	9,892	205	35	170	9,687	2,092
1,500 under 2,000.....	4	3	5,101	195	105	90	4,906	1,293
2,000 under 2,500.....	1	1	2,103	40	15	25	2,063	33
2,500 under 3,000.....								
3,000 under 3,500.....								
3,500 under 4,000.....								
4,000 under 4,500.....	1	1	4,090	55		55	4,035	
Total.....	11,042	3,515	230,763	39,605	1,920	37,685	191,158	52,357

Taxable returns—Continued

Total gift classes ¹	Deductions—Contd.		Net gifts			Tax		
	Charitable, public, and similar gifts after exclusions ³	Specific exemption claimed for 1938 ⁴	Total	Prior years ⁵	1938	Total	Prior years ⁵	1938
(1)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Under 5.....		2	2,166	2,126	40	248	245	2
5 under 10.....		38	27,394	26,541	853	2,665	2,618	47
10 under 20.....	81	366	65,719	62,259	3,461	9,039	8,789	250
20 under 30.....	87	1,026	35,457	31,179	4,278	4,507	4,203	304
30 under 40.....	142	1,082	34,978	30,064	4,914	4,784	4,412	372
40 under 50.....	117	5,457	22,167	17,115	5,053	2,283	1,867	416
50 under 100.....	852	24,492	79,446	54,704	24,742	9,909	8,148	1,760
100 under 200.....	1,712	7,662	84,390	51,555	32,835	12,491	9,019	3,473
200 under 400.....	2,711	1,873	44,232	19,386	24,846	6,142	2,859	3,282
400 under 600.....	194	483	18,481	7,523	10,958	3,154	1,386	1,768
600 under 800.....	311	244	13,140	4,976	8,164	2,416	959	1,457
800 under 1,000.....	8		3,238	1,853	1,385	653	345	308
1,000 under 1,500.....	1,972	120	9,313	1,718	7,596	1,731	259	1,472
1,500 under 2,000.....	1,293		6,151	2,538	3,613	1,408	487	920
2,000 under 2,500.....	33		7,647	5,617	2,029	2,600	1,701	899
2,500 under 3,000.....								
3,000 under 3,500.....								
3,500 under 4,000.....								
4,000 under 4,500.....								
Total.....	9,512	42,845	458,091	319,290	138,801	65,149	47,311	17,839

For footnotes, see p. 264.

TABLE 2.—Gift tax returns for 1938 by total gift classes,¹ showing for taxable and nontaxable returns separately: number of returns, total gifts before exclusions, exclusions, total gifts after exclusions, deductions, net gifts, and tax—Continued

[Total gift classes and money figures in thousands of dollars]

Total gift classes ¹	Number of returns	Total gifts before exclusions	Exclusions of the first \$5,000 given each recipient ²		
			Total	Charitable, public and similar gifts	Other gifts
(1)	(18)	(19)	(20)	(21)	(22)
Under 5.....	76	185			
5 under 10.....	1,874	13,186	9,195	570	8,625
10 under 20.....	2,343	32,667	15,505	780	14,725
20 under 30.....	1,297	31,155	10,640	460	10,180
30 under 40.....	909	31,503	8,420	370	8,050
40 under 50.....	676	29,428	6,760	290	6,470
50 under 100.....	297	17,516	6,015	560	5,455
100 under 200.....	33	4,329	740	330	410
200 under 400.....	14	3,532	190	190	
400 under 600.....	6	2,762	60	60	
600 under 800.....					
800 under 1,000.....					
1,000 under 1,500.....	1	1,196	5	5	
1,500 under 2,000.....	1	1,553	5	5	
2,000 under 2,500.....					
2,500 under 3,000.....					
3,000 under 3,500.....					
3,500 under 4,000.....					
4,000 under 4,500.....					
Total.....	7,527	169,010	57,635	3,620	53,915

For footnotes, see p. 264.

TABLE 2.—Gift tax returns for 1938 by total gift classes,¹ showing for taxable and nontaxable returns separately: number of returns, total gifts before exclusions, exclusions, total gifts after exclusions, deductions, net gifts, and tax—Continued

[Total gift classes and money figures in thousands of dollars]

Total gift classes ¹	Nontaxable returns—Continued					
	Total gifts after exclusions	Deductions			Net gifts for prior years ²	Tax for prior years ³
		Total	Charitable, public and similar gifts after exclusions ⁴	Specific exemption claimed for 1938 ⁴		
(1)	(23)	(24)	(25)	(26)	(27)	(28)
Under 5.....	185	185	1	184	21	(⁵)
5 under 10.....	3,991	3,991	232	3,760	14,611	2,270
10 under 20.....	17,162	17,162	939	16,223	27,873	4,627
20 under 30.....	20,515	20,515	857	19,657	15,186	2,567
30 under 40.....	23,083	23,083	725	22,358	10,560	2,375
40 under 50.....	22,668	22,668	1,086	21,583	18,130	4,770
50 under 100.....	11,501	11,501	2,812	8,689	16,738	3,379
100 under 200.....	3,589	3,589	3,352	236	7,970	1,821
200 under 400.....	3,342	3,342	3,342		7,333	1,458
400 under 600.....	2,702	2,702	2,702		8,134	2,042
600 under 800.....						
800 under 1,000.....	1,191	1,191	1,191			
1,000 under 1,500.....	1,548	1,548	1,548		372	46
1,500 under 2,000.....						
2,000 under 2,500.....						
2,500 under 3,000.....						
3,000 under 3,500.....						
3,500 under 4,000.....						
4,000 under 4,500.....						
Total.....	111,475	111,475	18,786	92,689	126,927	25,354

¹ The classification is based on the size of "Total gifts before exclusions" for 1938.

² Excepting gifts of future interest in property.

³ The exclusion is shown in column 6 under taxable returns and in corresponding column 21 under nontaxable returns.

⁴ Specific exemption of \$40,000 is allowed each resident or citizen donor (see sec. 301 (b), Revenue Act of 1935). At the option of the donor, this amount may be taken in 1 year or spread over a period of years.

⁵ Prior years cover the period June 7, 1932, through Dec. 31, 1937, inclusive. The amount tabulated may exceed net gifts reported in prior years, for the reason that when a specific exemption of over \$40,000 has been taken for years prior to 1936 (when \$50,000 exemption was allowed), the net gifts for prior years reported on the current year returns are increased by the amount taken in excess of \$40,000.

⁶ The tax tabulated in this column is not the amount of tax liability reported in prior years, but an amount calculated on cumulated net gifts plus any excess exemption taken in prior years, at rates applicable to gifts made during 1938.

⁷ These amounts are probably understated since there is not always sufficient information shown on the current year return for their computation.

⁸ Less than \$500.

TABLE 3.—Gift tax returns for 1938: total gifts by kind of property, showing amounts transferred in trust and amounts otherwise transferred

[Thousands of dollars]

Kind of property	Total gifts	Amount by trust	All other gifts
Real estate.....	41,241	5,471	35,770
Stocks and bonds.....	214,583	83,641	130,941
Cash.....	72,390	12,170	60,221
Insurance.....	21,795	6,194	15,601
Miscellaneous.....	49,704	9,961	39,803
Total.....	399,773	117,437	282,336

TABLE 4.—Gift tax returns for 1938 of identical donors¹ classified by taxable status in 1938 and in prior years: number of returns, net gifts, and tax

[Money figures in thousands of dollars]

Taxable status	Number of returns for 1938	Net gifts			Tax		
		Total	Prior years ²	1938	Total	Prior years ²	1938
Taxable returns for 1938 of donors filing taxable returns for prior years.....	1,956	399,675	³ 319,290	80,385	60,517	⁴ 47,311	13,207
Taxable returns for 1938 of donors filing nontaxable returns for prior years.....	629	19,334	-----	19,334	1,380	-----	1,380
Nontaxable returns for 1938 of donors filing taxable returns for prior years.....	115	⁵ 12,147	⁵ 12,147	-----	⁵ 1,757	⁵ 1,757	-----
Nontaxable returns for 1938 of donors filing nontaxable returns for prior years.....	1,792	-----	-----	-----	-----	-----	-----
Total.....	4,492	431,156	331,437	99,720	63,655	49,068	14,587

¹ Identical donors comprise individuals who reported for 1938 and for one or more prior years back to 1932 gifts other than charitable, public, and similar gifts.

² Cover period June 7, 1932, through Dec. 31, 1937, inclusive.

³ This amount may exceed net gifts reported in prior years, for the reason that when a specific exemption of over \$40,000 has been taken for gifts made in years prior to 1936 (when \$50,000 exemption was allowed), net gifts for prior years reported on the current year returns are increased by the amount taken in excess of \$40,000.

⁴ The tax tabulated here is not the amount of tax liability reported in prior years, but an amount calculated on cumulated net gifts plus any excess exemption taken in prior years, at rates applicable to gifts made during 1938.

⁵ These amounts are probably understated because there is not always sufficient information shown on the current year returns for their computation. The method of computation is the same as described in footnotes 3 and 4.

TABLE 5.—Gift tax returns for 1938 of identical donors¹ who were taxable both for 1938 and for one or more prior years: number of returns, classified by size of net gifts for 1938 and by size of net gifts for prior years

[Net gift classes and net gifts for prior years classes in thousands of dollars]

Size of net gifts for 1938	Size of net gifts for prior years ²							
	Total	Under 5	5 under 10	10 under 20	20 under 30	30 under 40	40 under 50	50 under 100
Under 5.....	655	88	69	99	56	33	37	105
5 under 10.....	268	32	26	47	22	17	15	43
10 under 20.....	340	28	23	55	40	19	25	63
20 under 30.....	193	13	19	20	16	9	4	40
30 under 40.....	95	3	9	9	6	8	2	18
40 under 50.....	75	3	5	10	4	4	3	15
50 under 100.....	156	7	6	10	11	7	3	39
100 under 200.....	108	5	5	10	5	5	1	13
200 under 400.....	40	2	2	2	1	2	1	1
400 under 600.....	14	1					1	1
600 under 800.....	5			1				
800 under 1,000.....								
1,000 under 1,500.....	3							
1,500 under 2,000.....	2							
2,000 under 2,500.....	1							1
2,500 and over.....	1							
Total.....	1,956	182	164	263	161	104	92	339

For footnotes, see p. 266.

TABLE 5.—*Gift tax returns for 1938 of identical donors¹ who were taxable both for 1938 and for one or more prior years: number of returns, classified by size of net gifts for 1938 and by size of net gifts for prior years—Continued*

[Net gift classes and net gifts for prior years classes in thousands of dollars]

Size of net gifts for 1938	Size of net gifts for prior years ² —Continued								
	100 under 200	200 under 400	400 under 600	600 under 800	800 under 1,000	1,000 under 1,500	1,500 under 2,000	2,000 under 2,500	2,500 and over
Under 5.....	77	49	23	5	5	6	2		1
5 under 10.....	32	18	7	1	2	2	2	2	
10 under 20.....	37	20	12	2	6	6	3		1
20 under 30.....	29	22	11	4	2	3			1
30 under 40.....	23	10	5	1	1				
40 under 50.....	13	7	4	4	1	1	1		
50 under 100.....	33	16	9	3	2	4	2		4
100 under 200.....	32	13	11	4		3		1	
200 under 400.....	9	5	5	3	1	5			1
400 under 600.....	4		1	1	1	1	1		1
600 under 800.....	1	2		1	1				
800 under 1,000.....									
1,000 under 1,500.....	1	1				1			
1,500 under 2,000.....								1	
2,000 under 2,500.....									1
2,500 and over.....	1								
Total.....	292	163	88	29	22	32	11	4	10

¹ Identical donors comprise individuals who reported for 1938 and for one or more prior years back to 1932 gifts other than charitable, public, and similar gifts.

² Based on total amount of net gifts for preceding years as adjusted in Schedule C of the gift-tax return (Form 709) to include any excess over \$40,000 specific exemption taken prior to 1936.

TABLE 6.—*Gift tax returns, 1932–1938: number of returns by taxable status, total gifts, net gifts, and tax*

[Money figures in thousands of dollars]

Calendar year for which filed	Number of returns			Total gifts	Net gifts	Tax
	Total	Taxable	Nontaxable			
1932 ¹	1,747	245	1,502	81,389	17,879	1,111
1933.....	3,683	878	2,805	241,008	101,793	8,943
1934.....	9,270	2,528	6,742	888,753	537,083	68,383
1935.....	22,563	8,718	13,845	2,130,514	1,196,001	162,798
1936.....	13,420	3,770	9,650	482,783	134,979	15,664
1937.....	13,695	4,128	9,567	568,109	180,939	22,758
1938.....	11,042	3,515	7,527	399,773	138,801	17,839

¹ Covers the period June 7 through Dec. 31, 1932, inclusive.

SYNOPSIS OF REVENUE ACTS OF 1913–1938

AFFECTING THE COMPARABILITY OF DATA
IN "STATISTICS OF INCOME"

FEDERAL TAX RATES
CREDITS AND EXEMPTIONS
AND OTHER PROVISIONS APPLICABLE TO
INDIVIDUAL INCOME AND PROFITS TAX RETURNS
FIDUCIARY INCOME TAX RETURNS
ESTATE TAX RETURNS
AND GIFT TAX RETURNS

A SYNOPSIS OF THE REVENUE ACTS OF 1913-1938 AFFECTING THE COMPARABILITY OF DATA IN "STATISTICS OF INCOME"—FEDERAL TAX RATES, CREDITS AND EXEMPTIONS, AND OTHER PROVISIONS APPLICABLE TO INDIVIDUAL INCOME AND PROFITS TAX RETURNS, FIDUCIARY INCOME TAX RETURNS, ESTATE TAX RETURNS, AND GIFT TAX RETURNS.

INDIVIDUALS AND FIDUCIARIES

A. Individuals and fiduciaries required to file Federal income tax returns, personal exemption, credit for dependents, and normal tax rates, under the Revenue Acts of 1913 through 1938, and certain tax provisions of the National Industrial Recovery Act (1933).

B. Federal individual and fiduciary surtax rates and total surtax under the Revenue Acts of 1913 through 1938.

C. Federal individual and fiduciary supplemental income and profits tax rates and credits, under the Revenue Acts of 1917 through 1938.

ESTATES

D. Federal estate tax rates, total estate tax, specific exemption, and credits against estate tax, under the Revenue Acts of 1916 through 1939.

GIFTS

E. Federal gift tax rates, total gift tax, specific exemption, exclusions and deductions under the Revenue Acts of 1924, 1932, and 1932 as amended by 1934 and 1935.

A.—Individuals and fiduciaries required to file Federal income tax returns, personal 1913 through 1938, and certain tax provisions

Revenue Act (Date of enactment)	Applicable to citizens and residents of the United States				
	Income year	Individuals required to file returns ¹			
		Married and living with husband or wife ³		Single, or married and not living with husband or wife	
		Net income ⁵	Gross income regardless of amount of net income	Net income ⁵	Gross income regardless of amount of net income
1913 (Oct. 3, 1913).....	Mar. 1, 1913, through Dec. 31, 1915.	\$3,000	-----	\$3,000	-----
1916 (Sept. 8, 1916).....	1916.....	3,000	-----	3,000	-----
1916 as amended and 1917 (Oct. 3, 1917).....	1917.....	2,000	-----	1,000	-----
	1918.....	2,000	-----	1,000	-----
1918 (Feb. 24, 1919).....	1919, 1920.....	2,000	-----	1,000	-----
	1921.....	2,000	\$5,000	1,000	\$5,000
1921 (Nov. 23, 1921).....	1922.....				
	1923.....				
1924 (June 2, 1924).....	1924.....	2,500	5,000	1,000	5,000
	1925.....	3,500	5,000	1,500	5,000
1926 (Feb. 26, 1926).....	1926.....				
	1927.....				
	1928.....	3,500	5,000	1,500	5,000
1928 (May 29, 1928).....	1929.....				
	1930.....				
	1931.....	2,500	5,000	1,000	5,000
1932 (June 6, 1932).....	1932, 1933.....				
National Industrial Recovery Act (June 16, 1933). ¹⁶	1933.....				
1934 (May 10, 1934).....	1934, 1935.....	2,500	5,000	1,000	5,000
1936 (June 22, 1936).....	1936, 1937.....				
1937 (Aug. 26, 1937). ¹⁷	1937.....				
1938 (May 28, 1938).....	1938.....	2,500	5,000	1,000	5,000

For footnotes, see pp. 272-273.

exemption, credit for dependents, and normal tax rates, under the Revenue Acts of the National Industrial Recovery Act (1933)

Applicable to citizens and residents of the United States—Con.					Applicable to nonresident aliens ¹			
Personal exemption ⁴		Credit for each dependent ⁵	Net income subject to normal tax ²	Normal tax rate (per cent)	Personal exemption		Credit for each dependent ⁵	Normal tax rate ⁹ (per cent)
Married and living with husband or wife, or head of family ⁷	Single, ⁶ or married and not living with husband or wife, and not head of family ⁷				Married and living with husband or wife, or head of family ⁷	Single, or married and not living with husband or wife, and not head of family ⁷		
7 \$4,000	7 \$3,000		All.....	1				1
4,000	3,000		All.....	2	\$4,000	\$3,000		2
2,000	1,000	\$200	First \$2,000.....	2				2
2,000	1,000	200	Balance over \$2,000.....	4				2
2,000	1,000	200	First \$4,000.....	6	(10)	(10)	(10)	12
2,000	1,000	200	Balance over \$4,000.....	12				12
			First \$4,000.....	4				8
			Balance over \$4,000.....	8	(10)	(10)	(10)	8
11 2,500	1,000	400	First \$4,000.....	14 4	1,000	1,000	(12)	13 14 8
			Balance over \$4,000.....	14 8				
2,500	1,000	400	First \$4,000.....	2				12 6
			Second \$4,000.....	4	1,000	1,000	(12)	12 6
			Balance over \$8,000.....	6				
3,500	1,500	400	First \$4,000.....	1 1/2				13 5
			Second \$4,000.....	3	1,500	1,500	(12)	13 5
			Balance over \$8,000.....	5				
			First \$4,000.....	1 1/2				12 5
			Second \$4,000.....	3	1,500	1,500	(12)	12 5
			Balance over \$8,000.....	5				
			First \$4,000.....	1 1/2				12 4
3,500	1,500	400	Second \$4,000.....	16 2	1,500	1,500	(12)	12 16 4
			Balance over \$8,000.....	13 4				
			First \$4,000.....	1 1/2				12 5
			Second \$4,000.....	3	1,500	1,500	(12)	12 5
			Balance over \$8,000.....	5				
			First \$4,000.....	1 1/2				12 5
2,500	1,000	400	Second \$4,000.....	16 2	1,500	1,500	(12)	12 5
			Balance over \$8,000.....	13 4				
			First \$4,000.....	1 1/2				12 5
			Second \$4,000.....	3	1,500	1,500	(12)	12 5
			Balance over \$8,000.....	5				
			First \$4,000.....	1 1/2				12 5
2,500	1,000	400	Second \$4,000.....	16 2	1,000	1,000	(12)	12 8
			Balance over \$4,000.....	8				
2,500	1,000	400	All.....	4	1,000	1,000	(12)	12 4
					17 1,000	17 1,000	(12 17)	17 10
2,500	1,000	400	All.....	4	17 1,000	17 1,000	(12 17)	17 10
					17 1,000	17 1,000	(12 17)	17 10

[Footnotes for table A]

References to notes mean the notes of this synopsis.

¹ In general, nonresident aliens are required to file income tax returns for all taxable income from sources within the United States regardless of amount, unless total tax has been paid at source. For exceptions, see Treasury Decision 4791—Regulations 94, amended to accord with the Revenue Act of 1937.

² (a) For the years 1913 through 1917, individuals were required to file returns on a calendar year basis, while for 1918 and subsequent years returns are permitted for a fiscal year other than that ending December 31.

(b) For the years 1913 through 1915, a citizen or resident of the United States whose net income was less than \$20,000 and for whom a full return was made by withholding agent, was not required to file a return.

(c) For 1921 and subsequent years, citizens deriving a large portion of their gross income from sources within a possession of the United States are required to file returns for all income derived from sources within the United States, or income from sources within or without the United States received within the United States, regardless of amount.

(d) For 1925 and subsequent years, American citizens who are nonresidents of the United States for more than 6 months of the year are not required to report earned income from sources without the United States, and are not required to file returns unless their gross income, exclusive of earned income, from sources without the United States, equals or exceeds \$5,000; or unless their net income, exclusive of earned income, from sources without the United States, equals or exceeds the amount indicated in this table under "Individuals required to file returns." See also (c) above. For 1932 and subsequent years, the exclusion from gross income of earned income from sources without the United States does not apply to amounts paid by the United States or any agency thereof. The compensation of resident alien employees of foreign governments is excluded from gross income under certain conditions. See sec. 116(h), Revenue Act of 1936, which subsection(h) was added to sec. 116, Revenue Act of 1934, by Public, No. 374, Seventy-fourth Congress, and which is retroactive, subject to the statutory period of limitation.

(e) For 1936 and prior years, income from estates and trusts taxable to the fiduciary is required to be reported on the individual income tax return, Form 1040, while income from estates and trusts not taxable to the fiduciary is required to be reported on the fiduciary return of income, Form 1041, the requirements for filing being the same as for single persons. Beginning with 1937, all income from estates and trusts is required to be reported on the fiduciary income tax return, Form 1041, the requirements for filing being the same as for single persons except that for 1938 all trusts having a net income of \$100 or more are required to file a return. See text pp. —.

³ Husband and wife each to file a return unless combined income is included in joint return.

⁴ Not applicable to citizens deriving a large portion of their gross income from sources within a possession of the United States, 1921 and subsequent years. Such citizens are entitled to the personal exemption shown in this table for nonresident aliens, 1921 and subsequent years.

⁵ Net income means "statutory" net income, i. e., the excess of gross income over deductions as defined in the various revenue acts. Net income has been adjusted from time to time as follows:

(a) Amortization of buildings, machinery, equipment, or other facilities constructed or acquired on or after Apr. 6, 1917, for the production of articles contributing to the prosecution of the war is included to a reasonable amount in business deductions, 1918 through 1921.

(b) Contributions to charitable and scientific organizations, etc., not exceeding 15 percent of the net income before deducting the contributions, are deductible for 1917 and subsequent years. For 1938 and subsequent years, contributions are deductible only if made to domestic organizations and paid during the taxable year; contributions of a partner-

ship are deductible by the partners in their individual returns, not by the partnership. The deduction for the combined amount of the pro rata share of the partnership contributions plus contributions made by the individual cannot exceed 15 percent of the net income reported on the individual return before deducting the contributions. For unlimited deduction of contributions see the various revenue acts, 1924 and subsequent years.

(c) (1) Losses.—For the years 1913 through 1915, individual taxpayers were permitted to deduct losses actually sustained during the year, incurred in trade, or arising from fires, storms, or shipwreck, and not compensated for by insurance or otherwise; for 1916 and 1917, losses from "other casualty and from theft" were also allowed, as well as losses from transactions entered into for profit but not connected with trade or business to an amount not exceeding the profits arising therefrom. The Revenue Act of 1918 removed the restriction on these latter losses, by permitting deduction of all losses sustained during the taxable year "if incurred in any transaction entered into for profit." This provision remained in force through 1931. For 1921 and subsequent years, losses resulting from the sale of securities after Nov. 23, 1921, are not deductible when substantially identical securities are acquired or reacquired within 30 days before or after such transaction. For 1932 and 1933, losses from sales or exchanges of stocks or bonds (other than capital assets, held for more than 2 years—see table C, this synopsis—and other than bonds issued by a government or political subdivision thereof) are allowed only to the extent of the gain from such sales or exchanges. Sec. 23(r) (2) of the Revenue Act of 1932 provides that any excess loss thus disallowed, computed without regard to any losses sustained during the preceding taxable year, is, to an amount not in excess of the taxpayer's net income for the taxable year in which the loss is sustained, considered as loss sustained in the succeeding taxable year from sales or exchanges of stocks or bonds (other than capital assets); but this section was repealed by the National Industrial Recovery Act (sec. 218(b)), effective as of Jan. 1, 1933, thereby limiting the application of losses from the sales or exchanges of stocks or bonds (other than capital assets) to gains from similar transactions during the same taxable year and prohibiting the carrying forward and application of such losses to gains from similar transactions in the succeeding taxable year. Under sec. 23(r) (3) of the Revenue Act of 1932, the limitation on the deduction of losses from sales or exchanges of stocks or bonds does not apply to persons dealing in securities or carrying on the banking business; but this section was amended by sec. 218(c), National Industrial Recovery Act, effective as of Jan. 1, 1933, by removing the exemption from the stock loss limitation allowed to persons carrying on the banking business, thereby limiting the application of losses from the sales or exchanges of stocks or bonds (other than capital assets) to gains from similar transactions and prohibiting the use of such losses to reduce income from other sources. Also, sec. 218(d) of the National Industrial Recovery Act amends, effective as of Jan. 1, 1933, sec. 182(a) of the Revenue Act of 1932 by removing the privilege of individual members of a partnership to reduce their individual net income by their proportionate share of a net loss incurred by the partnership through sales or exchanges of stocks or bonds (other than capital assets). Such a provision does not obtain for 1934 and subsequent years. For these years, losses from wagering transactions are allowed, but only to the extent of the gains from such transactions.

(c) (2) For 1934 and subsequent years, losses are not deductible when resulting from sales or exchanges of property, directly or indirectly between members of a family and (except in case of distributions in liquidation) between an individual and a corporation in which such individual owns, directly or indirectly, more than 50 percent in value of the outstanding stock of the corporation. For 1937 and subsequent years, losses are not deductible when resulting from sales or exchanges of property between (1) a grantor and a fiduciary of any trust, (2) a fiduciary of a trust and a fiduciary of another trust, if the same person is a grantor with respect to each trust, and (3) a fiduciary of a trust and a beneficiary of such trust.

(c) (3) For provisions concerning capital gains and losses, see table C, pp. 276-279.

(d) Net loss for prior year resulting from the operation of any trade or business regularly carried on by the taxpayer: In the case of a net loss for any taxable year beginning after Oct. 31, 1918, and ending prior to Jan. 1, 1920, the Revenue Act of 1918 provides for the deduction of such loss from net income of the preceding year, a redetermination of taxes for the preceding year being made. When the net loss exceeds the net income for the preceding year, the amount of such excess is to be deducted from the net income of the succeeding taxable year. There was no "net loss" relief provision for the year 1920. The Revenue Acts of 1921 through 1928 provide that net loss in any year beginning after Dec. 31, 1920, may be deducted from the net income of the succeeding taxable year, and if such net loss exceeds the net income for the succeeding year, the amount of such excess is to be allowed in the next succeeding year. Sections 23(i) and 117(d) of the Revenue Act of 1932 provide that a net loss for the year 1930 or 1931 shall be allowed as a deduction in computing net income for the next succeeding taxable year only; but these sections are repealed by section 218(a) of the National Industrial Recovery Act, effective as of Jan. 1, 1933, thereby removing the privilege of deducting from the net income for the current taxable year a net loss for the preceding taxable year. There is no provision in the Revenue Acts of 1934 through 1938 for deduction of net loss for prior year. (For net short-term capital loss carry-over under Revenue Act of 1938 see table C, pp. 276-279.)

(e) Net income of fiduciary income tax returns, 1937 and subsequent years, means net income taxable to the fiduciary.

⁶ Estates and trusts are allowed the same exemption as a single person, except trusts under Revenue Act of 1938. See note 19.

⁷ No provision for head of family in Revenue Act of 1913. Exemption prorated for period Mar. 1 through Dec. 31, 1913.

⁸ Credit allowed for each dependent under 18 years of age or incapable of self-support because mentally or physically defective. This credit is not applicable to citizens deriving a large portion of their gross income from sources within a possession of the United States, 1921 and subsequent years.

⁹ Net income subject to normal tax is all net income after deducting the sum of:

(a) Personal exemption.

(b) Credit for dependents, 1917 and subsequent years.

(c) Dividends on stock of domestic corporations, 1913 through 1935 (other than (1) corporations deriving a large portion of their gross income from sources within a possession of the United States, 1921 through 1935, and (2) China Trade Act corporations, 1922 through 1935, and (3) corporations exempt from tax, 1932 through 1935), and dividends on stock of foreign corporations receiving a certain amount of income from sources within the United States, 1913 through 1933. For 1936 and subsequent years, no dividends are deductible.

(d) Income, the tax upon which has been paid or withheld for payment at the source for the years 1913 through 1917.

(e) Interest, not wholly tax exempt on United States obligations issued after Sept. 1, 1917, which is required to be included in gross income, and for 1934 and subsequent years, interest on obligations of instrumentalities of the United States, as defined in sec. 25(a) (3), Revenue Act of 1934.

(f) Credit of 10 percent of the amount of the earned net income, but not in excess of 10 percent of the

entire net income for 1934 and subsequent years. (For the years 1924 through 1931, the earned income credit was a tax credit. See table C, p. 278.)

¹⁰ Nonresident aliens are allowed the personal exemption (\$1,000 if single; \$2,000 if married) and the credit for each dependent (\$200), only when the country of which nonresident alien is a citizen either imposes no income tax or allows similar credit to citizens of the United States not residing within such foreign country.

¹¹ For net income in excess of \$5,000, personal exemption is \$2,000.

¹² For the years 1922 through 1935, if nonresident alien is resident of contiguous country (Canada or Mexico), \$400 credit is allowed for each dependent. For limitation applicable to 1936 and subsequent years, see note 17.

¹³ For the years 1922 through 1933, alien residents of contiguous countries (Canada or Mexico) on net income attributable to compensation for labor or personal services actually performed in the United States, receive benefit of normal tax rate provided for United States citizens. For 1934 and 1935 the rate of normal tax is the same for all individuals, both resident and nonresident. See note 17(b).

¹⁴ Tax for 1923 was reduced 25 percent by credit or refund under sec. 1200(a) of the Revenue Act of 1924.

¹⁵ See Joint Resolution of Congress, No. 133, approved by the President Dec. 16, 1929, reducing rates of income tax for 1929.

¹⁶ The National Industrial Recovery Act is not a complete taxing statute in itself, but merely amends and adds to the provisions of the 1932 Act. See note 5 (c) (1) and (d).

(a) For 1936 and subsequent years, nonresident alien individuals not engaged in trade or business within the United States and not having an office or place of business therein at any time within the taxable year are not allowed any deductions or credits but are taxed upon the gross amount of fixed or determinable annual or periodical income from sources within the United States (excepting capital net gains) at the rate of 10 percent, except (1) that this rate shall be reduced in the case of a resident of a contiguous country, to such rate (not less than 5 percent) as may be provided by treaty with such country (by treaty with Canada, Aug. 13, 1937, the rate was reduced to 5 percent retroactive to Jan. 1, 1936); and (2) for the year 1937 and subsequent years, such nonresident aliens other than those affected by the treaty with Canada, if they report gross income of more than \$21,600, are liable to the normal tax and surtax imposed by secs. 11 and 12 of the Revenue Act of 1936 on such income, after allowance of deductions and credits allocable thereto; but the total tax thus computed shall not be less than 10 percent of the gross income.

(b) For 1936 and subsequent years, nonresident alien individuals who at any time within the taxable year are engaged in trade or business within the United States or have an office or place of business therein are allowed the deductions and credits provided by secs. 213 and 214, Revenue Act of 1936, and are subject to the normal tax of 4 percent and the graduated surtax upon their net income from all sources within the United States.

¹⁷ The Revenue Act of 1937 is not a complete taxing statute in itself, but merely amends and adds to the provisions of the 1936 Act. See notes 1, 5(c) (2), and 17(a).

¹⁸ For trusts, \$100 credit against net income substituted for \$1,000 personal exemption. See also note 6.

B.—Federal individual and fiduciary surtax rates and

Net income ¹		Revenue Act									
Exceed- ing	Equal- ing	1913		1916		1917		1918		1921	
		On incomes for Mar. 1, 1913 through Dec. 31, 1915		On incomes for 1916		On incomes for 1917		On incomes for 1918, 1919, 1920, and Act of 1921 on incomes for 1921		On incomes for 1922, 1923 ²	
		Rate (per- cent)	Total surtax	Rate (per- cent)	Total surtax	Rate (per- cent)	Total surtax	Rate (per- cent)	Total surtax	Rate (per- cent)	Total surtax
4	5					1	\$10	1	\$10		
5	6					1	25	2	40	1	\$15
6	7.5					2	35	2	50		
7.5	8					2	75	3	110	1	40
8	10					3	135	4	190	2	80
10	12					3	150	5	215	3	95
12	12.5					4	170	5	240	3	110
12.5	13					4	210	5	290	3	140
13	14					4	250	6	350	4	180
14	15					5	300	6	410	4	220
15	16					5	400	7	550	5	320
16	18					5	500	8	710	6	440
18	20					8	600	9	890	8	600
20	22	1	\$20	1	\$20	8	820	10	1,090	9	780
22	24	1	40	1	40	8	980	11	1,310	10	980
24	26	1	60	1	60	8	1,140	12	1,550	11	1,200
26	28	1	80	1	80	8	1,300	13	1,810	12	1,440
28	30	1	100	1	100	8	1,460	14	2,090	13	1,700
30	32	1	120	1	120	8	1,620	15	2,390	15	2,000
32	34	1	140	1	140	8	1,780	16	2,710	15	2,300
34	36	1	160	1	160	8	1,940	17	3,050	16	2,620
36	38	1	180	1	180	8	2,100	18	3,410	17	2,960
38	40	1	200	1	200	8	2,240	19	3,790	18	3,320
40	42	1	220	2	240	12	2,580	20	4,190	19	3,700
42	44	1	240	2	280	12	2,820	21	4,610	20	4,100
44	46	1	260	2	320	12	3,060	22	5,050	21	4,520
46	48	1	280	2	360	12	3,300	23	5,510	22	4,960
48	50	1	300	2	400	12	3,540	24	5,990	23	5,420
50	52	2	340	2	440	12	3,780	25	6,490	24	5,900
52	54	2	380	2	480	12	4,020	26	7,010	25	6,400
54	56	2	420	2	520	12	4,260	27	7,550	26	6,920
56	58	2	460	2	560	12	4,500	28	8,110	27	7,460
58	60	2	500	2	600	12	4,740	29	8,690	28	8,020
60	62	2	540	3	660	17	5,180	30	9,290	29	8,600
62	64	2	580	3	720	17	5,520	31	9,910	30	9,200
64	66	2	620	3	780	17	5,860	32	10,550	31	9,820
66	68	2	660	3	840	17	6,200	33	11,210	32	10,460
68	70	2	700	3	900	17	6,540	34	11,890	33	11,120
70	72	2	740	3	960	17	6,880	35	12,590	34	11,800
72	74	2	780	3	1,020	17	7,220	36	13,310	35	12,500
74	76	2	820	3	1,080	17	7,560	37	14,050	36	13,220
76	78	3	860	3	1,140	17	7,900	38	14,810	37	13,960
78	80	3	900	3	1,200	17	8,240	39	15,590	38	14,720
80	82	3	1,010	4	1,280	22	8,580	40	16,390	39	15,500
82	84	3	1,070	4	1,360	22	8,920	41	17,210	40	16,300
84	86	3	1,130	4	1,440	22	9,260	42	18,050	41	17,120
86	88	3	1,190	4	1,520	22	9,600	43	18,910	42	17,960
88	90	3	1,250	4	1,600	22	10,040	44	19,790	43	18,820
90	92	3	1,310	4	1,680	22	10,540	45	20,690	44	19,700
92	94	3	1,370	4	1,760	22	11,040	46	21,610	45	20,600
94	96	3	1,430	4	1,840	22	11,540	47	22,550	46	21,520
96	98	3	1,490	4	1,920	22	12,040	48	23,510	47	22,460
98	100	3	1,550	4	2,000	22	12,540	49	24,490	48	23,420
100	150	4	3,550	5	4,500	27	25,800	50	25,500	49	24,400
150	200	4	5,550	6	7,500	31	41,300	51	26,510	50	25,410
200	250	4	7,550	7	11,000	37	59,800	52	27,520	51	26,420
250	300	5	10,050	8	15,000	42	80,800	53	28,530	52	27,430
300	400	5	15,050	9	24,000	46	125,800	54	29,540	53	28,440
400	500	5	20,050	9	33,000	46	172,800	55	30,550	54	29,450
500	750	6	35,050	10	58,000	50	297,800	56	31,560	55	30,460
750	1,000	6	50,050	10	83,000	55	435,300	57	32,570	56	31,470
1,000	1,500	6	80,050	11	138,000	61	740,300	58	33,580	57	32,480
1,500	2,000	6	110,050	12	198,000	62	1,050,300	59	34,590	58	33,490
2,000	5,000	6	290,050	13	588,000	63	2,940,300	65	3,183,510	59	34,500
5,000		6		13		63		65		50	

¹ In arriving at the net income subject to surtax for 1934 and subsequent years, the sum of the personal exemption and credit for dependents is allowed as a credit; prior to 1934 the entire net income was subject to surtax.

² Tax for 1923 reduced 25 percent by credit or refund under sec. 1200 (a) of the Revenue Act of 1924.

total surtax under the Revenue Acts of 1913 through 1938

Net income ¹		Revenue Act									
Exceed- ing	Equal- ing	1924		1926		1932		1934		1936 and 1938 ²	
		On incomes for 1924		On incomes for 1925, 1926, 1927, and Act of 1928 on incomes for 1928 through 1931		On incomes for 1932, 1933		On incomes for 1934, 1935		On incomes for 1936, 1937, 1938	
		Rate (per- cent)	Total surtax	Rate (per- cent)	Total surtax	Rate (per- cent)	Total surtax	Rate (per- cent)	Total surtax	Rate (per- cent)	Total surtax
4	5										
5	6										
6	7.5					1	\$15	5	155	5	155
7.5	8					1	20	5	180	5	180
8	10					1	40	6	300	6	300
10	12	1	\$20	1	\$20	2	40	7	440	7	440
12	12.5	1	25	1	25	3	95	8	480	8	480
12.5	13	1	30	1	30	3	110	8	520	8	520
13	14	1	40	1	40	3	140	8	600	8	600
14	15	2	60	2	60	4	180	9	690	9	690
15	16	2	80	2	80	4	220	9	780	9	780
16	18	3	140	3	140	5	320	11	1,000	11	1,000
18	20	4	220	4	220	6	440	13	1,260	13	1,260
20	22	5	320	5	320	8	600	15	1,560	15	1,560
22	24	6	440	6	440	9	780	17	1,900	17	1,900
24	26	7	580	7	580	10	980	17	2,240	17	2,240
26	28	8	740	7	720	11	1,200	19	2,620	19	2,620
28	30	8	920	8	880	12	1,440	19	3,000	19	3,000
30	32	10	1,120	8	1,040	13	1,700	19	3,380	19	3,380
32	34	10	1,320	9	1,220	15	2,000	21	3,800	21	3,800
34	36	11	1,540	9	1,400	15	2,300	21	4,220	21	4,220
36	38	12	1,780	10	1,600	16	2,620	21	4,640	21	4,640
38	40	13	2,040	10	1,800	17	2,960	24	5,120	24	5,120
40	42	13	2,300	11	2,020	18	3,320	24	5,600	24	5,600
42	44	14	2,580	11	2,240	19	3,700	24	6,080	24	6,080
44	46	15	2,880	12	2,480	20	4,100	27	6,620	27	6,620
46	48	16	3,200	12	2,720	21	4,520	27	7,160	27	7,160
48	50	17	3,540	13	2,980	22	4,960	27	7,700	27	7,700
50	52	18	3,900	13	3,240	23	5,420	30	8,300	31	8,320
52	54	19	4,280	14	3,520	24	5,900	30	8,900	31	8,940
54	56	19	4,660	14	3,800	25	6,400	30	9,500	31	9,560
56	58	20	5,060	15	4,100	26	6,920	33	10,160	35	10,260
58	60	21	5,480	15	4,400	27	7,460	33	10,820	35	10,960
60	62	21	5,900	16	4,720	28	8,020	33	11,480	35	11,660
62	64	22	6,340	16	5,040	29	8,600	36	12,200	39	12,440
64	66	23	6,800	17	5,380	30	9,200	36	12,920	39	13,220
66	68	24	7,280	17	5,720	31	9,820	36	13,640	39	14,000
68	70	25	7,780	17	6,060	32	10,460	39	14,420	43	14,860
70	72	26	8,300	18	6,420	33	11,120	39	15,200	43	15,720
72	74	26	8,820	18	6,780	34	11,800	39	15,980	43	16,580
74	76	27	9,400	18	7,140	35	12,500	42	16,800	47	17,520
76	78	27	9,960	18	7,500	36	13,220	42	17,660	47	18,460
78	80	28	10,480	18	7,860	37	13,960	42	18,500	47	19,400
80	82	29	11,060	19	8,240	38	14,720	45	19,400	51	20,420
82	84	30	11,660	19	8,620	39	15,500	45	20,300	51	21,440

C.—Federal individual and fiduciary supplemental income and profits

Capital gains and losses ¹				
Revenue Act	Income year	Definition of capital assets	Tax on capital net gain ¹⁰	Tax credit for capital net loss ²
1921	1922, 1923	Property held for profit or investment for more than two years (whether or not connected with trade or business) except stock in trade or other property which would be included in inventory. ³	Taxpayer may elect to be taxed at 12½ percent on capital net gain, provided that the total tax, including the tax on capital net gain, is not less than 12½ percent of the total net income. (Loss in ordinary net income cannot be deducted from capital net gain.)	None. (There is no provision for "capital net loss" in the Revenue Act of 1921. What is called "capital net loss" in later acts is treated as ordinary loss under the 1921 Act and is deductible from ordinary income.)
1924	1924	do. ⁴	Taxpayer may elect to be taxed at 12½ percent on capital net gain, if the tax would be greater than 12½ percent by including capital net gain in ordinary net income. (Loss in ordinary net income may be deducted from capital net gain and the balance taxed at 12½ percent.)	Capital net loss may be reported apart from ordinary net income, and a tax credit of 12½ percent of the capital net loss taken, if tax thus produced is not less than the tax would be if the capital net loss were deducted from ordinary income.
1926	1925, 1926, 1927	do. ⁴	Same as 1924 Act.	Same as 1924 Act.
1928	1928, 1929, 1930, 1931	do. ⁴	do.	Do.
1932	1932, 1933	do. ⁴	do.	Do.
1934, 1936, 1937 ⁵	1934, 1935, 1936, 1937	All property, whether or not connected with trade or business, regardless of period held, except stock in trade or other property which would be included in inventory. ⁶	Capital gains and losses are computed on basis of certain percentages ⁷ which vary according to the holding period of the assets involved. Capital net gains, after the percentages are applied, are included in net income and are subject to normal tax and surtax. Deduction for capital net loss (after the percentages ⁷ are applied, and after subtracting the amount of capital gain) is limited to \$2,000 or the actual amount of capital net loss, whichever is less.	None. (See preceding column for deduction of capital net loss.)

For footnotes, see p. 279.

tax rates and credits, under the Revenue Acts of 1917 through 1938

Capital gains and losses ¹				
Revenue Act	Income year	Definition of capital assets	Tax on capital net gain ²	Tax credit for capital net loss ³
1938	1938	All property, whether or not connected with trade or business, regardless of period held, except stock in trade or other property which would be included in inventory. ⁴	Capital gains and losses are divided into two classes: (a) Short-term capital gains and losses resulting from sale or exchange of capital assets held 18 months or less; (b) Long-term capital gains and losses resulting from sale or exchange of capital assets held more than 18 months. A net short-term capital gain is fully taxable; a net short-term capital loss may not be deducted from any income for the taxable year, but may be carried forward to the succeeding taxable year (in amount not in excess of the net income for the year in which the loss is sustained) and applied against short-term capital gains not already offset by short-term capital losses in such succeeding year. Only certain percentages ⁵ of the recognized long-term capital gain or loss are taken into account in computing net income. A long-term capital loss is deductible without limitation, except for the application of the alternative tax. Alternative methods for computation of tax are provided in the case of net long-term capital gain and loss. In case of net long-term capital gain (after percentages ⁵ are applied) the tax is either (a) normal tax and surtax on net income including net long-term capital gain, or (b) normal tax and surtax on net income without regard to long-term capital gain, plus 30 percent of the net long-term capital gain—whichever tax is less. Conversely, in case of net long-term capital loss (after percentages ⁵ are applied), the tax is either (a) normal tax and surtax on net income after deducting net long-term capital loss, or (b) normal tax and surtax on net income without regard to net long-term capital loss, minus 30 percent of net long-term capital loss—whichever is greater.	30 percent of net long-term capital loss, if such credit produces the greater amount of tax. (See preceding column.)

C.—Federal individual and fiduciary supplemental income and profits tax

Excess-profits tax				Tax credit for income and profits taxes paid to foreign countries or United States possessions		
Revenue Act	Income year	Income subject to excess-profits tax	Rate (per cent)	Revenue Act	Income year	Amount of credit
1917	1917	Salaries in excess of \$6,000 ¹⁰ and income in excess of \$6,000 ¹⁰ from business having no invested capital.	8	1917	1917	Income and profits taxes paid to foreign countries or United States possessions were not allowed as a tax credit but were included in general deductions from gross income, except that taxes paid to foreign countries were not allowed to nonresident aliens.
		Net income from business having invested capital: ¹¹				
		Net income equal to 15 percent of invested capital less deduction. ¹²	20			
		Net income in excess of 15 percent of invested capital but not in excess of 20 percent of invested capital.	25			
		Net income in excess of 20 percent of invested capital but not in excess of 25 percent of invested capital.	35			
		Net income in excess of 25 percent of invested capital but not in excess of 33 percent of invested capital.	45	1918	1918, 1919, 1920	Amount paid or accrued. ¹³
				1921	1921	Do. ¹⁴
				1921	1922, 1923 ¹⁵	Do. ¹⁴
				1924	1924	Do. ¹⁴
				1926	1925, 1926, 1927	Do. ¹⁴
				1928	1928, 1929, 1930, 1931	Do. ¹⁴
				1932	1932, 1933	Do. ¹⁶
				1934	1934, 1935	Do. ¹⁶
				1936	1936, 1937	Do. ¹⁶
				1938	1938	Do. ¹⁶
		Net income in excess of 33 percent of invested capital.	60			

Earned income credit

Revenue Act	Income year	Kind of credit	Earned net income subject to tax	Limit of credit
1924	1924	Against tax.	All net income up to \$5,000 whether earned or not, and up to \$10,000, if earned.	25 percent of normal tax on earned net income. (Cannot exceed 25 percent of normal tax on ordinary net income.)
1926	1925, 1926, 1927	do.	All net income up to \$5,000 whether earned or not, and up to \$20,000, if earned.	25 percent of total tax on earned net income. (Cannot exceed the sum of 25 percent of normal tax on ordinary net income and 25 percent of surtax on earned net income.)
1928	1928, 1929, 1930, 1931	do.	All net income up to \$5,000 whether earned or not, and up to \$30,000, if earned.	Do.
1932	1932, 1933	None ¹⁷ .		
1934	1934, 1935	Against net income.	All net income up to \$3,000 whether earned or not, and up to \$14,000, if earned.	10 percent of the earned net income, but not in excess of 10 percent of the entire net income.
1936	1936, 1937	do.	do.	Do.
1938	1938	do.	do.	Do.

rates and credits, under the Revenue Acts of 1917 through 1938—Continued

¹ Prior to the Revenue Act of 1921 there was no distinction made between ordinary annual profits and the profits from the sale of assets owned for a long period of time. By the Revenue Act of 1921, the term "capital gain" means taxable gain, and the term "capital loss" means deductible loss, resulting from the sale or exchange of capital assets consummated after Dec. 31, 1921.

² For definitions, see section 206, Revenue Act of 1921; 208, Revenue Acts of 1924 and 1926; 101, Revenue Acts of 1928 and 1932; 117, Revenue Acts of 1934, 1936, and 1938.

³ And, for 1921 through 1923 except property held for personal use or consumption.

⁴ And except property held primarily for sale in ordinary course of business or trade. (Real-estate dealers are therefore denied the benefits of the capital net gain provisions.)

⁵ The Revenue Act of 1937 is not a complete taxing Statute in itself, but merely amends and adds to the provisions of the Revenue Act of 1936.

⁶ See last part of note 5(c)(2), table A, p. 272.

⁷ The following percentages of gains or losses recognized upon sale or exchange of capital assets are taken into account in computing net income, 1934 through 1937:

100 percent if capital asset was held not over 1 year.

80 percent if capital asset was held over 1 year, but not over 2 years.

60 percent if capital asset was held over 2 years, but not over 5 years.

40 percent if capital asset was held over 5 years, but not over 10 years.

30 percent if capital asset was held over 10 years.

⁸ And except property used in trade or business of a character which is subject to allowance for depreciation.

⁹ For 1938 the following percentages of the gain or loss recognized are to be taken into account in computing net income:

100 percent if the asset was held for 18 months or less.

66⅔ percent if held more than 18 months and not more than 24 months.

50 percent if held more than 24 months.

¹⁰ In excess of \$3,000 for nonresident aliens.

¹¹ Nonresident aliens having business with invested capital, reported only that proportion of invested

capital which net income from sources within the United States was of the entire net income.

¹² Deduction (not allowable to nonresident aliens), \$6,000 plus an amount equal to the same percentage of invested capital for taxable year as the average annual pre-war income was of pre-war invested capital (not less than 7 percent nor more than 9 percent). If not established during at least 1 whole year of the pre-war period, 8 percent. If, during the pre-war period, the individual had a deficit or a very small income from business, or if invested capital cannot be determined, same percent as that of representative businesses. (See sec. 210, Revenue Act of 1917).

¹³ Nonresident aliens were not allowed to deduct income taxes paid to foreign countries, either as a tax credit or in general deductions for the years 1918, 1919, and 1920.

¹⁴ Beginning with 1921, the credit cannot exceed the proportion of the total tax against which the credit is taken, that the taxpayer's net income from sources without the United States bears to the entire net income. This credit does not apply to nonresident aliens nor to citizens deriving a large portion of their gross income from sources within a possession of the United States, but to such persons those taxes are allowable as a deduction from gross income, if imposed upon income from sources within the United States.

For the years 1921 through 1931, the amount of income and profits taxes paid to foreign countries or United States possessions, in excess of that deducted as a tax credit, is permitted to be included in deductions against gross income. (See note 16.)

¹⁵ Tax for 1923 reduced 25 percent by credit or refund under section 1200(a) of the Revenue Act of 1924.

¹⁶ For 1932 and subsequent years, the taxpayer may elect to credit the income and profits taxes paid to foreign countries or United States possessions (with certain limitations) against the income tax liability to the United States, or to include the entire amount of such taxes in deductions against gross income, except that nonresident aliens and citizens deriving a large portion of their gross income from sources within a possession of the United States are not entitled to claim the tax credit but may include the amount of such foreign taxes, if imposed upon income from sources within the United States, in deductions against gross income. (See secs. 131 and 23(c)(2), Revenue Act of 1932 and subsequent acts.)

¹⁷ There was no provision for earned income credit in the Revenue Act of 1932.

D.—Federal estate tax rates, total estate tax, specific exemption, and credits against estate tax, under the Revenue Acts of 1916 through 1939¹

Net estate		Revenue Act															
		1916		1916 as amended by Act of Mar. 3, 1917		1917		1918, 1921, 1924 as amended by 1926		1926		1932 ¹		1932 ¹ as amended by 1934		1932 ¹ as amended by 1935	
Exceed- ing	Equal- ing	In effect Sept. 9, 1916, through Mar. 2, 1917		In effect Mar. 3, 1917, through Oct. 3, 1917		In effect Oct. 4, 1917, through 6:54 p. m. Feb. 24, 1919		In effect 6:55 p. m. Feb. 24, 1919, through 10:24 a. m. Feb. 26, 1926		In effect after 10:24 a. m. Feb. 26, 1926		In effect 5 p. m. June 6, 1932, through May 10, 1934		In effect May 11, 1934, through Aug. 30, 1935		In effect after Aug. 30, 1935	
Thousands of dollars		Rate (per- cent)	Total tax	Rate (per- cent)	Total tax	Rate (per- cent)	Total tax	Rate (per- cent)	Total tax	Rate (per- cent)	Total tax	Rate (per- cent)	Total tax	Rate (per- cent)	Total tax	Rate (per- cent)	Total tax
-----	10	1	\$100	1½	\$150	2	\$200	1	\$100	1	\$100	1	\$100	1	\$100	2	\$200
10	20	1	200	1½	300	2	400	1	200	1	200	2	300	2	300	4	600
20	30	1	300	1½	450	2	600	1	300	1	300	3	600	3	600	6	1,200
30	40	1	400	1½	600	2	800	1	400	1	400	4	1,000	4	1,000	8	2,000
40	50	1	500	1½	750	2	1,000	1	500	1	500	5	1,500	5	1,500	10	3,000
50	70	2	900	3	1,350	4	1,800	2	900	2	900	7	2,900	7	2,900	12	5,400
70	100	2	1,500	3	2,250	4	3,000	2	1,500	2	1,500	9	5,000	9	5,000	14	9,000
100	150	2	2,500	3	3,750	4	5,000	2	2,500	3	3,000	11	9,500	12	11,600	17	18,100
150	200	3	4,000	4½	6,000	6	8,000	3	4,000	3	4,500	13	42,500	16	25,600	20	36,600
200	250	3	5,500	4½	8,250	6	11,000	3	5,500	4	6,500	15	84,500	19	87,600	23	112,600
250	400	4	11,500	6	17,250	8	23,000	4	11,500	4	12,500	17	126,000	22	131,600	26	164,600
400	450	4	13,500	6	20,250	8	27,000	4	13,500	5	15,000	19	187,600	25	181,600	29	222,600
450	600	5	21,000	7½	31,500	10	42,000	6	22,500	5	22,500	21	326,000	28	321,600	32	382,600
600	750	5	28,500	7½	42,750	10	57,000	6	31,500	6	31,500	23	441,000	31	476,600	35	557,600
750	800	5	31,000	7½	46,500	10	62,000	8	35,500	6	34,500	25	566,000	34	646,600	38	747,600
800	1,000	5	41,000	7½	61,500	10	82,000	8	51,500	7	48,500	27	701,000	37	831,600	41	952,600
1,000	1,500	6	71,000	9	106,500	12	147,000	10	101,500	8	88,500	29	846,000	40	1,031,600	44	1,172,600
1,500	2,000	6	101,000	10½	151,500	12	202,000	12	161,500	9	133,500	31	1,001,000	43	1,246,600	47	1,407,600
2,000	2,500	7	136,000	10½	204,000	14	272,000	14	231,500	10	183,500	33	1,166,000	46	1,476,600	50	1,657,600
2,500	3,000	7	171,000	10½	255,500	14	342,000	14	301,500	11	238,500	35	1,516,000	48	1,716,600	53	1,922,600
3,000	3,500	8	211,000	12	316,500	16	422,000	16	381,500	12	298,500	37	1,886,000	50	2,216,600	56	2,482,600
3,500	4,000	8	251,000	12	376,500	16	502,000	16	461,500	13	363,500	39	2,276,000	52	2,736,600	59	3,072,600
4,000	4,500	9	296,000	13½	444,000	18	592,000	18	551,500	14	433,500	41	2,686,000	54	3,276,600	61	3,682,600
4,500	5,000	9	341,000	13½	511,500	18	682,000	18	641,500	14	503,500	43	3,116,000	56	3,836,600	63	4,312,600
5,000	5,000	10	441,000	15	661,500	20	882,000	20	841,500	15	653,500	45	3,553,500	58	4,416,600	65	4,902,600
5,000	6,000	10	541,000	15	811,500	20	1,082,000	20	1,041,500	16	813,500	47	4,016,000	60	5,016,600	67	5,502,600
6,000	7,000	10	641,000	15	961,500	20	1,282,000	20	1,241,500	17	983,500	49	4,456,000	62	5,416,600	69	6,002,600
7,000	8,000	10	741,000	15	1,111,500	22	1,502,000	22	1,461,500	18	1,163,500	51	4,896,000	64	5,816,600		
8,000	9,000	10	841,000	15	1,261,500	22	1,722,000	22	1,681,500	19	1,353,500	53	5,336,000	66	6,216,600		
9,000	10,000	10	1,841,000	15	2,761,500	25	4,222,000	25	4,181,500	20	3,353,500	55	5,776,000	68	6,616,600		
10,000	20,000	10	4,841,000	15	7,261,500	25	11,722,000	25	11,681,500	23	3,553,500	57	6,216,000	70	7,016,600		
20,000	50,000	10		15		25		25		24	2,483,500	59	6,616,000				
50,000		10		15		25		25		25		60	7,016,000				

D.—Federal estate tax rates, total estate tax, specific exemption, and credits against estate tax, under the Revenue Acts of 1916 through 1939¹—Con.

Specific exemption and credits against estate tax	Revenue Act							
	1916	1916 as amended by Act of Mar. 3, 1917	1917	1918, 1921, 1924 as amended by 1926	1926	1932 ²	1932 ² as amended by 1934	1932 ² as amended by 1935
	In effect Sept. 9, 1916, through Mar. 2, 1917	In effect Mar. 3, 1917, through Oct. 3, 1917	In effect Oct. 4, 1917, through 6:54 p. m. Feb. 24, 1919	In effect 6:55 p. m. Feb. 24, 1919, through 10:24 a. m. Feb. 26, 1926	In effect after 10:24 a. m. Feb. 26, 1926	In effect 5 p. m. June 6, 1932, through May 10, 1934	In effect May 11, 1934, through Aug. 30, 1935	In effect after Aug. 30, 1935
Specific exemption:								
Resident decedents	\$50,000	\$50,000	\$50,000	\$50,000	\$100,000	\$50,000	\$50,000	\$10,000
Nonresident citizen decedents					(2)		\$50,000	\$40,000
Nonresident alien decedents								
Credits against Federal estate tax:								
Credit for estate, inheritance, legacy or succession taxes, actually paid to any state or territory, or the District of Columbia, in respect of any property included in gross estate of decedent for Federal estate tax purposes.				Not to exceed 25 percent of tax (from 4:01 p. m., June 2, 1924 through 10:24 a. m., Feb. 26, 1926).	Not to exceed 80 per- cent of the difference between the basic tax and any credit for gift tax (after 10:24 a. m. Feb. 26, 1926).			
Credit for Federal gift tax paid by decedent in respect of property included in gross estate of de- cedent for Federal estate tax purposes.				Total amount paid under Revenue Act of 1924, as amended.	Total amount paid under Revenue Act of 1924, as amended. Credit for amount paid under Revenue Act of 1932 not to ex- ceed the proportion of the tax computed under the Revenue Act of 1926 that the value of the in- cluded gift bears to the en- tire gross estate.	None, for amount paid under Revenue Act of 1924, as amended. Credit for amount paid under Revenue Act of 1932 not to ex- ceed the proportion of the additional estate tax that the value of the included gift bears to the entire gross estate, and not to exceed the difference between the gift tax credit allowed against the tax computed under the Revenue Act of 1926, and the total amount of the gift tax.	Same as 1932.	Same as 1932.

¹ An estate tax return is required for every resident decedent (on and after May 11, 1934, for every citizen decedent, regardless of place of residence) whose gross estate as defined in the statutes, exceeds the specific exemption allowed. A return is also required for every nonresident decedent (on and after May 11, 1934, for every nonresident alien decedent) any part of whose estate, regardless of value, was situated at date of death in the United States, within the meaning of the statute. The returns are required to be filed within 1 year after date of death, except for decedents who died after Aug. 30, 1935, for whom returns are due 15 months after date of death.

² Rates for computation of additional tax—additional tax is amount by which tax computed according to rates of Revenue Act of 1932 (or 1932 as amended) exceeds tax computed according to rates of Revenue Act of 1926.

³ Specific exemption of \$100,000 is allowed in case of nonresident citizen dying on or after May 11, 1934, under 1926 Act as amended by 1934 Act.

⁴ Or any possession of the United States, with respect to estates of decedents dying after 10 p. m., June 29, 1939.

E.—Federal gift tax rates, total gift tax, specific exemption, exclusions and deductions under the Revenue Acts of 1924, 1932, and 1932 as amended by 1934 and 1935 ¹

Net gifts		Revenue Act							
		1924 as amended by 1926		1932 ²		1932 ² as amended by 1934		1932 ² as amended by 1935	
		In effect June 2, 1924, through Dec. 31, 1925		In effect June 7, 1932 ³ through Dec. 31, 1934		In effect calendar year 1935		In effect calendar year 1936 and subsequent years	
Exceeding	Equaling	Rate (per- cent)	Amount of tax	Rate (per- cent)	Amount of tax	Rate (per- cent)	Amount of tax	Rate (per- cent)	Amount of tax
	\$10,000	1	\$100	$\frac{3}{4}$	\$75	$\frac{3}{4}$	\$75	$1\frac{1}{2}$	\$150
\$10,000	20,000	1	200	$1\frac{1}{2}$	225	$1\frac{1}{2}$	225	3	450
20,000	30,000	1	300	$2\frac{1}{4}$	450	$2\frac{1}{4}$	450	$4\frac{1}{2}$	900
30,000	40,000	1	400	3	750	3	750	6	1,500
40,000	50,000	1	500	$3\frac{3}{4}$	1,125	$3\frac{3}{4}$	1,125	$7\frac{1}{2}$	2,250
50,000	70,000	2	900	5	2,125	$5\frac{1}{4}$	2,175	9	4,050
70,000	100,000	2	1,500	5	3,625	$6\frac{3}{4}$	4,200	$10\frac{1}{2}$	7,200
100,000	150,000	2	2,500	$6\frac{1}{2}$	6,875	9	8,700	$12\frac{3}{4}$	13,575
150,000	200,000	3	4,000	$6\frac{1}{2}$	10,125	9	13,200	$12\frac{3}{4}$	19,950
200,000	250,000	3	5,500	8	14,125	12	19,200	15	27,450
250,000	400,000	4	11,500	8	26,125	12	37,200	15	49,950
400,000	450,000	4	13,500	$9\frac{1}{2}$	30,875	$14\frac{1}{4}$	44,325	$17\frac{1}{4}$	58,575
450,000	600,000	6	22,500	$9\frac{1}{2}$	45,125	$14\frac{1}{4}$	65,700	$17\frac{1}{4}$	84,450
600,000	750,000	6	31,500	11	61,625	$16\frac{1}{2}$	90,450	$19\frac{1}{2}$	113,700
750,000	800,000	8	35,500	11	67,125	$16\frac{1}{2}$	98,700	$19\frac{1}{2}$	123,450
800,000	1,000,000	8	51,500	$12\frac{1}{2}$	92,125	$18\frac{3}{4}$	136,200	$21\frac{3}{4}$	166,950
1,000,000	1,500,000	10	101,500	14	162,125	21	241,200	24	286,950
1,500,000	2,000,000	12	161,500	$15\frac{1}{2}$	239,625	$23\frac{1}{4}$	357,450	$26\frac{1}{4}$	418,200
2,000,000	2,500,000	14	231,500	17	324,625	$25\frac{1}{2}$	484,950	$28\frac{1}{2}$	560,700
2,500,000	3,000,000	14	301,500	$18\frac{1}{2}$	417,125	$27\frac{3}{4}$	623,700	$30\frac{3}{4}$	714,450
3,000,000	3,500,000	16	381,500	20	517,125	30	773,700	33	879,450
3,500,000	4,000,000	16	461,500	$21\frac{1}{2}$	624,625	$32\frac{1}{4}$	934,950	$35\frac{1}{4}$	1,055,700
4,000,000	4,500,000	18	551,500	23	739,625	$34\frac{1}{2}$	1,107,450	$37\frac{1}{2}$	1,243,200
4,500,000	5,000,000	18	641,500	$24\frac{1}{2}$	862,125	36	1,287,450	$39\frac{3}{4}$	1,441,950
5,000,000	6,000,000	20	841,500	26	1,122,125	$37\frac{1}{2}$	1,662,450	42	1,861,950
6,000,000	7,000,000	20	1,041,500	$27\frac{1}{2}$	1,397,125	39	2,052,450	$44\frac{1}{4}$	2,304,450
7,000,000	8,000,000	20	1,241,500	29	1,687,125	$40\frac{1}{2}$	2,467,450	$45\frac{3}{4}$	2,701,950
8,000,000	9,000,000	22	1,461,500	$30\frac{1}{2}$	1,992,125	42	2,877,450	$47\frac{3}{4}$	3,234,450
9,000,000	10,000,000	22	1,681,500	32	2,312,125	$43\frac{1}{2}$	3,312,450	$48\frac{3}{4}$	3,721,950
10,000,000	20,000,000	25	4,181,500	$33\frac{1}{2}$	5,062,125	45	7,812,450	$50\frac{3}{4}$	8,746,950
20,000,000	50,000,000	25	11,681,500	$33\frac{1}{2}$	15,712,125	45	21,312,450	$51\frac{3}{4}$	24,271,950
50,000,000		25		$33\frac{1}{2}$		45		$52\frac{1}{2}$	

INCOME TAX FORMS

Revenue Act	Specific exemption, exclusions and deductions
1924 as amended by 1926....	Specific exemption: Resident: \$50,000 each calendar year. Nonresident: None. Gifts to individuals not in excess of \$500. ⁴ Previously taxed property and charitable, etc., gifts.
1932 and 1932 as amended by 1934.	Specific exemption: Resident or citizen: \$50,000 allowed but once; may be taken all in 1 year or over a period of years at option of donor. Nonresident alien: None. Exclusion of \$5,000 for each donee (except future interests). ⁴ Charitable, public, and similar gifts.
1932 as amended by 1935....	Specific exemption: Resident or citizen: \$40,000 allowed but once; may be taken all in 1 year or over a period of years at option of donor. Nonresident alien: None. Exclusion of \$5,000 for each donee (except future interests). ⁴ Charitable, public, and similar gifts.

¹ Gift tax returns are required to be filed for the year ending Dec. 31.

² Tax for current year is the excess of tax computed on the aggregate sum of net gifts for such current year and preceding years over tax computed on aggregate sum of net gifts for preceding years.

³ No gift tax in effect, Jan. 1, 1926, through June 6, 1932.

⁴ While the specific exemption is not allowable to nonresident aliens, they are entitled to the exclusion for each donee.

**FACSIMILES OF INDIVIDUAL INCOME TAX RETURNS,
FIDUCIARY INCOME TAX RETURN, AND PART-
NERSHIP RETURN OF INCOME FOR 1938**

Form 1040A. Individual income tax return for net incomes of not more than \$5,000 derived from salaries, wages, dividends, interest, and annuities.

Form 1040. Individual income tax return for net incomes of more than \$5,000 from salaries, wages, dividends, interest, annuities, and incomes from other sources regardless of amounts.

Form 1041. Fiduciary income tax return (for estates and trusts).

Form 1065. Partnership return of income (filed also by syndicates, pools, joint ventures, etc.).

Treasury Department

1938

(Auditor's Stamp)

FORM 1040 A
UNITED STATES

INDIVIDUAL INCOME TAX RETURN

FOR NET INCOMES OF NOT MORE THAN \$5,000
DERIVED FROM SALARIES, WAGES, DIVIDENDS,
INTEREST, AND ANNUITIES(BEFORE PREPARING THIS RETURN, READ THE
INSTRUCTIONS CAREFULLY)
To be filed with the Collector of Internal Revenue for your district on or before March 15, 1939
PRINT NAME AND HOME OR RESIDENTIAL ADDRESS PLAINLY BELOW

(Name) (Use given names of both husband and wife, if a joint return)

(Street and number, or rural route)

(Post office)

(County)

(State)

Internal Revenue Service

1938

Do not write in these spaces

Serial
NumberAmount
Paid

(Cashier's Stamp)

Cash—Check—M. O.

Item and Instructions No.	INCOME		
1. Salaries and other compensation for personal services. (From Schedule B)		\$	
2. Dividends.			
3. Interest on bank deposits, notes, mortgages, etc.			
4. Interest on corporation bonds.			
5. Income from annuities.			
6. Total income in items 1 to 5.		\$	
	DEDUCTIONS		
7. Contributions paid. (From Schedule C)		\$	
8. Interest paid. (From Schedule D)			
9. Taxes paid. (From Schedule E)			
10. Other deductions. (From Schedule F)			
11. Total deductions in items 7 to 10.		\$	
	COMPUTATION OF TAX		
12. Net income (item 6 minus item 11)		\$	
13. Less: Earned income credit. (From Schedule G-1 or G-2)		\$	
14. Personal exemption. (From Schedule A-1)			
15. Credit for dependents. (From Schedule A-2)			
16. Balance of net income taxable (item 12 minus items 13, 14, and 15)		\$	
17. Income tax (4% of item 16)		\$	
18. Less: Income tax paid at source on tax-free covenant bonds.		\$	
19. Income tax paid to a foreign country or United States possession. (Attach Form 1116)			
20. Balance of tax (item 17 minus items 18 and 19)		\$	

Schedule A.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 14 AND 15. (See Instructions 14 and 15)

(1) Personal Exemption			(2) Credit for Dependents		
Status	Number of Months During Year in Each Status	Credit Claimed	Name of Dependent and Relationship	Number of Months During the Year	Credit Claimed
				Under 18 Years Old	Over 18 Years Old
Single, or married and not living with husband or wife.		\$			
Married and living with husband or wife.					
Head of family (explain below)					
			Reason for support if over 18 years old		

NOTE.—One form marked "DUPLICATE COPY" must be filed with this original return (\$5 will be assessed if duplicate copy is not filed)
9-17742

Schedule B.—INCOME RECEIVED FROM OTHERS CONSISTING OF SALARIES, WAGES, FEES, AND OTHER COMPENSATION FOR PERSONAL SERVICES. (See Instruction 1)

1. Name and Address of Employer and Nature of Income	2. Amount	3. Expenses Paid (Itemize)	4. Amount
	\$		\$
Total column 2 minus total column 4 (enter as item 1, page 1)			\$

Schedule C.—CONTRIBUTIONS PAID. (See Instruction 7)		Schedule D.—INTEREST PAID. (See Instruction 8)	
1. Name and Address of Organization	2. Amount	1. To Whom Paid	2. Amount
	\$		\$

Schedule E.—TAXES PAID. (See Instruction 9)		Schedule F.—OTHER DEDUCTIONS. (See Instruction 10)	
1. Nature of Tax	2. Amount	1. Description	2. Amount
	\$		\$

Schedule G.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 12)	
1. If your net income is \$3,000 or less, use only this part of schedule	2. If your net income is more than \$3,000, use only this part of schedule
Net income (item 12, page 1)	Earned net income (item 1, page 1) (not more than \$14,000)
Earned income credit (10% of net income, above)	Net income (item 12, page 1)
	Earned income credit (10% of earned net income or net income, above, whichever amount is smaller, but do not enter less than \$300)

Schedule H.—NONTAXABLE INCOME. (See Instruction 6)				
1. Obligations or Securities	2. Amount Owed at End of Year	3. Interest Received	4. Other Exempt Income (State nature)	5. Amount Received
	\$	\$		\$

QUESTIONS

- What is your occupation?
- Check whether you are a citizen ☐ or a resident alien ☐
- If you filed a return for 1937, to which Collector's office was it sent?
- Are items of income or deductions of both husband and wife included in this return? (See Instruction A)
- State name of husband or wife if a separate return was made and the Collector's office to which it was sent:

AFFIDAVIT. (See Instruction D)

I/we swear (or affirm) that this return has been examined by me/us, and, to the best of my/our knowledge and belief, is a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Revenue Act of 1938 and regulations issued under authority thereof; and that this form (Form 1040 A) was used because I/we had no income from sources other than stated hereon.

Subscribed and sworn to by _____
before me this _____ day of _____, 1939.

(Signature and title of officer administering oath)

A RETURN MADE BY AN AGENT MUST BE ACCOMPANIED BY POWER OF ATTORNEY. (See Instruction D)



(If this is a joint return (not made by agent), it must be signed by both husband and wife. It must be sworn to before a proper officer by the spouse preparing the return. If neither or both prepare the return, it must be sworn to by both spouses.)

1938 UNITED STATES INDIVIDUAL INCOME TAX RETURN 1938

Taxpayers will find it helpful to read general instructions (A) to (H) before commencing to fill in their returns, and to read specific instructions in connection with filling in the items to which they refer.

(References are to the Revenue Act of 1938, unless otherwise noted)

GENERAL INSTRUCTIONS

(A) WHO MUST MAKE A RETURN

For each taxable year a return of income shall be made by each citizen of the United States, whether residing at home or abroad, and every individual residing within the United States though not a citizen thereof, whether or not he is the head of a family or has dependents—

(1) if single or married and not living with husband or wife for any part of the taxable year, and if—

(a) having for the taxable year a gross income (as defined in sections 22 and 116) of \$5,000 or over; or

(b) having for the taxable year a net income (as defined in section 21) of \$1,000 or over.

(2) if married and living with husband or wife for the entire taxable year, if no joint return is made, and if—

(a) having for the taxable year a net income of \$2,500 or over or a gross income of \$5,000 or over (regardless of the amount of the net income), and the other spouse has no gross income; or

(b) such individual and his or her spouse each has for the taxable year a gross income (regardless of the amount of the net income) and the aggregate net income of the two is \$2,500 or over; or

(c) such individual and his or her spouse each has for the taxable year a gross income (regardless of the amount of the net income) and the aggregate gross income is \$5,000 or over.

(3) if married and living with husband or wife for any part of the taxable year, but not at the close thereof, or if married and living with husband or wife at the close of the taxable year, but not during the entire taxable year, if no joint return is made, and if—

(a) having for the taxable year a net income equal to, or in excess of, the credit allowed him or her by section 25(b)(1) and (3) (computed without regard to any credit to which he or she may be entitled as the head of a family (see Specific Instructions 14 and 15)), or a gross income of \$5,000 or over (regardless of the amount of the net income) and the other spouse has no gross income; or

(b) such individual and his or her spouse each has for the taxable year a gross income (regardless of the amount of the net income), and the aggregate net income of the two is equal to, or in excess of, the credit allowed them by section 25(b)(1) and (3) (computed without regard to any credit to which either or both may be entitled as the head of a family (see Specific Instructions 14 and 15)); or

(c) such individual and his or her spouse each has for the taxable year a gross income (regardless of the amount of the net income), and their aggregate gross income is \$5,000 or over.

A husband and wife, if living together at the close of the taxable year, may elect to make a joint return, that is, to include in a single return made by them jointly the income and deductions of each, even though one has no gross income. In such a case, the tax shall be computed on the aggregate income and all deductions and credits to which either is entitled shall be taken from such aggregate income. The liability with respect to the tax shall be joint and several. If one spouse dies prior to the last day of the taxable year, the surviving spouse may not include the income of the deceased spouse in a joint return for such taxable year. A joint return may not be made if either the husband or wife is a nonresident alien.

Returns of income of decedents.—If the net income of a decedent at date of his death was \$1,000 or over, if unmarried, or equal to or in excess of the credit allowed him by section 25(b)(1) and (3) (computed without regard to his status as the head of a family), if married and living with spouse, or if his gross income for the period was \$5,000 or over, the executor or administrator shall make a return for him on Form 1040 or 1040A. The return for a decedent shall include all items of income and deductions accrued up to the date of death regardless of the fact that the decedent may have kept his books on a cash basis or kept no books.

Returns for estates and trusts must be made on Form 1041.

(B) WHO MUST USE FORM 1040A

Form 1040A must be used by all individuals whose net income is not more than \$5,000, whose income is derived from salaries, wages, or other compensation received from others for personal services, dividends, interest, taxable income from annuities, and who make returns on the cash basis and for the calendar year.

NOTE.—Form 1040 and not Form 1040A must be used by individuals (1) whose net income exceeds \$5,000, or (2) who have any income other than that stated above, such as rents or gains from the sale of property, or (3) who make returns on an accrual basis, or (4) who make returns

for a fiscal year, or (5) who conduct a business or profession on their own account, or (6) who have any losses from the renting of or from the sale of property, including shares of stock, corporate bonds, and other corporate securities. Nonresident alien individuals are required to use Form 1040B or 1040NB.

(C) WHEN AND WHERE THE RETURN MUST BE FILED

The return must be sent to the collector of internal revenue for the district in which the taxpayer has his legal residence, so as to reach the collector's office on or before March 15, 1939. In case the taxpayer has no legal residence in the United States, the return should be forwarded to the Collector of Internal Revenue, Baltimore, Md.

(D) AFFIDAVIT

The affidavit must be executed by the person whose income is reported or by his legal representative or agent. The return may be made by an agent (1) if, by reason of illness, the person liable for the making of the return is unable to make it, or (2) if his absence from the United States for a period of at least 60 days prior to the date prescribed by law for making the return. Whenever a return is made by an agent it must be accompanied by a power of attorney on Form 936, or, in the case of husband and wife, on Form 935 (copies of which may be obtained from any collector).

The oath or affirmation will be administered without charge by any collector, deputy collector, or internal revenue agent. If an internal revenue officer is not available, the return should be sworn to before a person authorized to administer oaths for the general purposes by the law of the United States or of any State, Territory, or possession of the United States, or of the District of Columbia, wherein such oath or affirmation is administered, except an attorney or agent employed to represent the taxpayer before the Department in connection with his tax liability.

(E) WHEN AND TO WHOM THE TAX MUST BE PAID

The tax may be paid by sending or bringing with the return a check or money order drawn to the order of "Collector of Internal Revenue." Do not send cash by mail, nor pay it in person except at the collector's office.

The tax must be paid in full when the return is filed, or in four equal installments, as follows: The first installment on or before March 15, 1939; the second installment on or before June 15, 1939; the third installment on or before September 15, 1939; and the fourth installment on or before December 15, 1939.

If any installment is not paid on or before the date fixed for payment, the whole amount of tax unpaid shall be paid upon notice and demand by the collector.

(F) PENALTIES

The law imposes severe penalties for failing to make a return, or for making a false or fraudulent return. Penalties are also imposed for failing to file a return on time.

(G) ITEMS EXEMPT FROM TAX

All items of income received and claimed to be exempt from tax should be explained in Schedule H.

The following items are exempt from Federal income tax, except as indicated, and should not be included in gross income:

(a) Amounts received under a life insurance contract paid by reason of the death of the insured, whether in a single sum or in installments (but if such amounts are held by the insured under an agreement to pay interest thereon, the interest payments shall be included in gross income).

(b) Amounts received (other than amounts paid by reason of the death of the insured and interest payments on such amounts) under a life insurance or endowment contract, but if such amounts (when added to amounts received before the taxable year) under such contract exceed the aggregate premiums or consideration paid (whether or not paid during the taxable year), then the excess shall be reported in item 5.

(c) Gifts (not received as a consideration for service rendered) and money and property acquired by bequest, devise, or inheritance (but the income derived from such property is taxable and must be reported).

(d) Interest upon (1) the obligations of a State, Territory, or any political subdivision thereof, or of the District of Columbia or United States possessions; or (2) obligations issued under the provisions of the Federal Farm Loan Act

or under such Act as amended; or (3) the obligations of the United States; or (4) obligations of instrumentalities of the United States (other than obligations issued under the Federal Farm Loan Act or under such Act as amended), such as Federal Farm Mortgage Corporation bonds, Home Owners' Loan Corporation bonds, etc. The interest on United States Savings Bonds maturing in the United States (other than obligations issued under Federal Farm Loan Act or under such Act as amended) is subject to surtax if the surtax net income is over \$4,000.

(e) Dividends on share accounts in Federal savings and loan associations, etc., but such dividends are subject to surtax if the surtax net income is over \$4,000.

(f) Amounts received through accident or health insurance or under workmen's compensation acts, as compensation for personal injuries or sickness, plus the amount of any damages received, whether by suit or agreement on account of such injuries or sickness.

(g) The rental value of a dwelling house and appurtenances thereof furnished to a minister of the gospel as part of his compensation.

(h) Compensation paid by a State or political subdivision thereof to its

officers or employees for services rendered if such compensation is constitutionally exempt from Federal taxation.

(i) Payments of compensation received by veterans from the United States and pensions received from the United States by the family of a veteran for services rendered by the veteran to the United States in time of war; and (j) Amounts received as earned income from sources without the United States (except amounts paid by the United States or any agency thereof) for more than 6 months during the taxable year who is a bona fide nonresident for such period, but not deducting from his gross income any amount properly allocable to or chargeable against the amount so excluded.

(H) STOCK OWNED IN FOREIGN PERSONAL HOLDING COMPANIES

If you owned stock at any time during the taxable year in a foreign personal holding company as defined in section 331, you must include in your return as a dividend the amount required to be included in your gross income by section 337. If you owned 5 percent or more in value of the outstanding stock of such company, set forth in an attached statement in complete detail the information required by section 337 (d).

SPECIFIC INSTRUCTIONS

The following instructions are numbered to correspond with item numbers on the first page of return:

1. Salaries and other compensation for personal services.—Enter as item 1 the total income received from others consisting of salaries, wages, fees, and other compensation for personal services, less ordinary and necessary expenses, as reported in Schedule H. Any amount claimed as a deduction for ordinary and necessary expenses against salaries, etc., such as traveling expenses while away from home in connection with your occupation, should be fully explained in connection with your occupation in Schedule H. Traveling expenses ordinarily include expenditures for transportation, meals, and lodging. The expenses of a commuter in traveling to and from work are not deductible.

If a joint return, enter as separate items in Schedule B earnings of each spouse. Earnings of minor children should also be entered in Schedule B, if parent is legally entitled to such earnings.

2. Dividends.—Enter as item 2 the total of all taxable dividends received from domestic and foreign corporations. Enter in Schedule H all dividends received which are claimed to be nontaxable.

3. Interest on bank deposits, etc.—Enter as item 3 the total of all interest on bank deposits, notes, mortgages, etc. Interest on savings bank deposits is considered income to the depositor when credited, even though not entered on the pass book.

4. Interest on corporation bonds.—Enter as item 4 the total of all interest received on bonds, mortgages, and similar obligations of corporations. Include bond interest received upon which a 2 percent Federal income tax was paid at the source; such tax may be claimed as a credit in item 18 of the return.

5. Income from annuities.—Enter as item 5 amounts received as an annuity under an annuity or endowment contract to the extent of 3 percent of the aggregate premiums or consideration paid for such annuity. If the aggregate of the amounts received and excluded from gross income in years previous to the taxable year equals the aggregate premiums or consideration paid for such annuity, the entire amount received must be included in gross income.

6. Total income.—Enter as item 6 the total amount of items 1 to 5. Schedule H should be filled in if you received any nontaxable income or if you owned any of the obligations described in paragraph (d) of General Instruction (G).

DEDUCTIONS

7. Contributions paid.—Enter as item 7 the contributions or gifts reported in Schedule C, payment of which was made within the year to or for the use of:

(a) The United States, any State, Territory, or any political subdivision thereof, or the District of Columbia, for exclusively public purposes;

(b) A domestic corporation, or domestic trust, or domestic community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation;

(c) The special fund for vocational rehabilitation authorized by section 12 of the World War Veterans' Act, 1924;

(d) Posts or organizations of war veterans, or auxiliary units or societies of any such posts or organizations, if such posts, organizations, units, or part of their net earnings inures to the benefit of any private shareholder or individual; or

(e) A domestic fraternal society, order, or association, operating under the lodge system, but only if such contributions or gifts are to be used exclusively for religious, charitable, scientific, literary, or educational purposes, or for the benefit of the society to children or animals.

The total amount claimed shall not exceed 15 percent of your net income computed without the benefit of this deduction.

8. Interest paid.—Enter as item 8 the amount reported in Schedule D as interest paid on personal indebtedness. Do not include interest on indebtedness incurred or continued to purchase or carry obligations (other than obligations of the United States issued after September 24, 1917, and originally

subscribed for by the taxpayer) the interest upon which is wholly exempt from taxation.

9. Taxes paid.—Enter as item 9 the amounts reported in Schedule E as taxes imposed upon and paid by you during the year. Do not include sales taxes unless such taxes were directly imposed upon you by law. Do not include taxes assessed against local benefits of a kind tending to increase the value of the property assessed, nor Federal income taxes, nor estate, inheritance, gift, succession, or gift taxes, nor taxes imposed upon your interest as a shareholder of a corporation which are paid by the corporation without reimbursement from you, nor taxes imposed upon you as a Federal income tax and are not deductible by the employee. No deduction is allowable for any portion of foreign income taxes if a credit is claimed in item 19.

10. Other deductions.—Enter as item 10 the total amount itemized in Schedule F, in the case of loss by fire, theft, shipwreck, other casualty, or from theft, net worth in Schedule F a description of the property, date acquired, cost, subsequent improvements, depreciation allowable after acquisition, insurance and salvage value, and deductible loss. In the case of bad debts (other than securities) ascertained to be worthless during the taxable year, state in Schedule F (a) if of what the debts consisted, (b) name and family relationship, if any, of the debtor, (c) when the debts were created, (d) when they became due, (e) when efforts were made to collect them, and (f) how they were actually determined to be worthless. Losses from worthless securities, including bonds and stocks, are considered as losses from the sale or exchange of securities. If you sustained such a loss, you should not make your return for 1938 on Form 1040 but should use Form 1040 and report the loss in Schedule F. If you sustained such a loss, you should not make your return for the gains during the year from such transactions.

No deduction is allowable for the amount of any item of expense or part thereof allocable to a class of exempt income, other than interest.

COMPUTATION OF TAX

13. Earned income credit.—Enter as item 13 the amount of "earned income credit," as computed in Schedule C.

The earned income credit allowable to each spouse in a joint return is the same as is allowable to each spouse in separate returns; however, the earned income, earned income deductions, and net income, and net income of each spouse must be shown separately in the joint return. For the purpose of determining the 10 percent limitation indicated in Schedule G there should be added to the net income shown as item 12 on page 1 the interest received by you, if any, on an aggregate in excess of \$5,000 principal amount of United States Savings Bonds and Treasury Bonds; and the interest on obligations of instrumentalities of the United States (other than obligations issued under the Federal Farm Loan Act, or under such Act as amended), and dividends on share accounts in Federal savings and loan associations, reported in Schedule H.

14. Personal exemption and credit for dependents.—A single person, or a married person not living with husband or wife, is entitled to a personal exemption of \$1,000. A person who, during the entire year, was the head of a family or was married and living with husband or wife is entitled to an exemption of \$2,500. If husband and wife file separate returns, the personal exemption may be taken by either or divided between them.

A "head of a family" is an individual who actually supports and maintains in one household one or more individuals who are closely connected with him by blood relationship, relationship by marriage, or by adoption, and whose right to exercise family control and provide for these dependent individuals is based upon some moral or legal obligation.

In addition to the personal exemption, a credit of \$400 may be claimed for each person (other than husband and wife) under 18 years of age, or incapable of self-support because mentally or physically defective, who received his or her chief support from the taxpayer. This credit may be allowed only to the person who furnishes the chief support, and may not be divided between two individuals.

If the status of the taxpayer, insofar as it affects the personal exemption or credit for dependents, changes during the taxable year, the personal exemption and credit shall be apportioned in accordance with the number of months before and after such change. For the purpose of such apportionment a fractional part of a month shall be disregarded unless it amounts to more than half a month, in which case it shall be considered as a month. For example, if a child became 18 years of age on June 15, 1938, the taxpayer will be allowed a credit of \$200 for such dependent.

Schedule F.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 10)

1. Kind of property (if necessary attach statement of depreciation details not shown below)	2. Date acquired Mo. Day Year	3. Date sold Mo. Day Year	4. Gross sales price (contract price)	5. Cost or other basis	6. Expenses of sale and cost of improvements which must be deducted from the gross sales price (see Schedule E)	7. Depreciation allowed (or allowable) after acquisition on or after March 1, 1913 (explain in Schedule E)	8. Gain or loss (column 4 plus column 7 minus the sum of columns 5 and 6)	9. Excess of gain or loss over the sum of columns 8 and 9	10. Amount
SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 12 MONTHS									
									100
									100
									100
Total net short-term capital gain or loss (enter in line 1, column 2, of summary below)									
LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 12 MONTHS BUT NOT FOR MORE THAN 24 MONTHS									
									66½
									66½
									66½
Total net long-term capital gain or loss (enter in line 2, column 2, of summary below)									
LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 24 MONTHS									
									50
									50
									50
Total net long-term capital gain or loss (enter in line 2, column 2, of summary below)									

SUMMARY OF CAPITAL NET GAINS OR LOSSES

1. Classification	2. Net gain or loss to be taken into account from column 10, above		3. Net gain or loss to be taken into account from partnerships and "common trust funds"		4. Total net gain or loss to be taken into account in column 2 and 3 of this summary	
	Gain	Loss	Gain	Loss	Gain	Loss
1. Total net short-term capital gain or loss (enter as item 10 (a), page 1, amount of gain shown in column 4)						
2. Total net long-term capital gain or loss (enter as item 10 (b), page 1, amount of gain or loss shown in column 4)						

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items:
If any of the above items were acquired by you other than by purchase, explain fully how acquired:

COMPUTATION OF ALTERNATIVE TAX
(To be used only in the case of a net long-term capital gain or loss)

1. Net income (item 20, page 1).....	\$.....	10. Normal tax (4% of line 9).....	\$.....
2. (a) Net long-term capital gain (item 10 (b), page 1).....		11. Surplus on line 6 (See Instruction 29).....	
3. (b) Net long-term capital loss (item 10 (b), page 1).....		12. Partial tax (line 10 plus line 11).....	\$.....
4. Ordinary net income (line 1 minus line 2 (a) or line 1 plus line 2 (b)).....	\$.....	13. (a) 30% of net long-term capital gain (30% of line 2 (a)).....	
5. Less: Personal exemption. (From Schedule J-1).....	\$.....	(b) 30% of net long-term capital loss (30% of line 2 (b)).....	
6. Credit for dependents. (From Schedule J-2).....	\$.....	14. Alternative tax (line 12 plus line 13 (a) or line 12 minus line 13 (b)).....	\$.....
7. Balance (surplus net income).....	\$.....	15. Total normal tax and surplus (item 30, page 1).....	\$.....
8. Less: Interest on Government obligations, etc. (See Instruction 25).....	\$.....	16. Tax liability (if a net long-term capital gain, on line 2 (a), enter line 14 or line 15, whichever is the lesser; if a net long-term capital loss, on line 2 (b), enter line 14 or line 15, whichever is the greater). (Enter as item 31, page 1).....	\$.....
9. Balance subject to normal tax.....	\$.....		

Schedule G.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS
(See Instruction 10)

1. Kind of property	2. Date acquired	3. Gross sales price (contract price)	4. Cost or other basis	5. Expenses of sale and cost of improvements which must be deducted from the gross sales price (see Schedule E)	6. Depreciation allowed (or allowable) after acquisition on or after March 1, 1913 (explain in Schedule E)	7. Gain or loss (column 3 plus column 6 minus the sum of columns 4 and 5)
Total net gain (or loss) (enter as item 10 (c), page 1)						

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items:
If any of the above items were acquired by you other than by purchase, explain fully how acquired:

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Schedule H.—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 13, 14, 15, 16, 17, AND 18

1. Source of income	2. Nature of income	3. Amount
		\$.....

Schedule I.—NONTAXABLE INCOME OTHER THAN INTEREST REPORTED IN SCHEDULE B. (See Instruction 12)

1. Source of income	2. Nature of income	3. Amount
		\$.....

Schedule J.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 22 AND 23. (See Instructions 22 and 23)

(1) Personal Exemption			(2) Credit for Dependents		
Station	Number of months during the year in each status	Credit claimed	Name of dependent and relationship	Number of months during the year Under 18 years old Over 18 years old	Credit claimed
Single, or married and not living with husband or wife.....		\$.....			
Married and living with husband or wife.....					\$.....
Head of family (explain below).....					
Reason for support if over 18 years old					

Schedule K.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 26)

(1) If your net income is \$3,000 or less, use only this part of schedule	(2) If your net income is more than \$3,000, use only this part of schedule
Net income (item 20, page 1).....	Earned net income (not more than \$14,000).....
Earned income credit (10% of net income, above).....	Net income (item 20, page 1).....
	Earned income credit (10% of earned net income or net income, above, whichever amount is smaller, but do not enter less than \$300).....

QUESTIONS

- State your principal occupation or profession.....
- Check whether you are a citizen ☐ or a resident alien ☐.
- If you filed a return for the preceding year, to which Collector's office was it sent?.....
- Are items of income or deductions of both husband and wife included in this return? (See Instruction A).....
- State name of husband or wife if a separate return was made; personal exemption, if any, claimed thereon; and the Collector's office to which it was sent.....
- Check whether this return was prepared on the cash ☐ or accrual ☐ basis.
- Did you at any time during your taxable year own directly or indirectly any stock of a foreign corporation or a personal holding company as defined by section 4022 (Answer "yes" or "no")..... (If answer is "yes," attach schedule required by Instruction M.)

AFFIDAVIT. (See Instruction F)
I/we swear (or affirm) that this return (including any accompanying schedules and statements) has been examined by me/us, and to the best of my/our knowledge and belief is a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Revenue Act of 1936 and the regulations issued under authority thereof.

Subscribed and sworn to before me this day of 193.....
before me this day of 193.....
(Signature and title of officer administering oath)
A return made by an agent must be accompanied by power of attorney. (See Instruction F.)

AFFIDAVIT. (See Instruction F)
(If this return was prepared for you by some other person, the following affidavit must be executed)
I/we swear (or affirm) that I/we prepared this return for the person or persons named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the income tax liability of the person or persons for whom this return has been prepared of which I/we have any knowledge.

Subscribed and sworn to before me this day of 193.....
of 193.....
(Signature of person preparing the return)
(Signature of person preparing the return)
(Name of firm or employer, if any)



Treasury Department	Form 1041 UNITED STATES	Internal Revenue Service
1938	FIDUCIARY INCOME TAX RETURN	1938
(FOR ESTATES AND TRUSTS)		
For Calendar Year 1938		
(Auditor's Stamp) or fiscal year beginning 1938, and ended 1939 File this return not later than the 15th day of the third month following the close of the taxable year (PRINT NAMES AND ADDRESS PLAINLY BELOW) Name of Estate or Trust Name and Address of Fiduciary	Do Not Use These Spaces File Code Serial No. District (Auditor's Stamp) Cash Check M. O. FIRST PAYMENT \$	
INCOME		
1. Dividends \$ 2. Interest on bank deposits, notes, corporation bonds, etc. (except interest to be reported in item 3) 3. Interest on tax-free covenant bonds upon which a Federal income tax was paid at source 4. Taxable interest on Government obligations, etc. (from Schedule B, line (j), column 5) 5. Income (or loss) from partnerships, syndicates, pools, etc., and income from other fiduciaries (Name and address) 6. Rents and royalties (from Schedule C) 7. (a) Net short-term gain from sale or exchange of capital assets (from Schedule E) (b) Net long-term gain (or loss) from sale or exchange of capital assets (from Schedule E) (c) Net gain (or loss) from sale or exchange of property other than capital assets (from Schedule F) 8. Net profit (or loss) from trade or business (attach statement) 9. Other income (state nature of income) 10. Total income in items 1 to 9 (enter nontaxable income in Schedules B and H) \$		
DEDUCTIONS		
11. Interest (explain in Schedule C) \$ 12. Taxes (explain in Schedule C) 13. Other deductions authorized by law (explain in Schedule C) 14. Total deductions in items 11 to 13 15. Balance (item 10 minus item 14) \$ 16. Less amount distributable to beneficiaries (from Schedule A, columns 2 and 9, and Schedule B, line (A), column 5) 17. Net income (taxable to fiduciary) (item 15 minus item 16) \$		
COMPUTATION OF TAX		
18. Net income (item 17 above) \$ 19. Less personal exemption (See Instruction 19) 20. Balance (surplus net income) \$ 21. Less: Interest on Government obligations, etc. (See Instruction 21) 22. Balance subject to normal tax \$ 23. Normal tax (4% of item 22) \$ 24. Surplus on item 20 (See Instruction 24) 25. Total (item 23 plus item 24) \$ 26. Total tax (item 25, or if you had a net long-term capital gain or loss, enter line 14, Schedule E) \$ 27. Less: Fiduciary's share of income tax paid at source \$ 28. Fiduciary's share of income tax paid to a foreign country or United States possession (Attach Form 1116) 29. Balance of tax (item 26 minus items 27 and 28) \$		

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Schedule A.—BENEFICIARIES' SHARES OF INCOME AND CREDITS. (Include as beneficiaries persons to whom amounts were paid or set aside for religious, charitable, etc., purposes) (See Instruction 16)

1. Name and address of each beneficiary (Give name and complete address)	2. Taxable income exclusive of interest on Government obligations and dividends on share accounts of Federal savings and loan associations	3. Federal income tax paid at source (2% of item 2, page 1 minus item 27, page 1)	4. Income and profits there paid to a foreign country or United States possession
(a)	\$.....	\$.....	\$.....
(b)	\$.....	\$.....	\$.....
(c)	\$.....	\$.....	\$.....
(d)	\$.....	\$.....	\$.....
(e)	\$.....	\$.....	\$.....
(f)	\$.....	\$.....	\$.....
(g)	\$.....	\$.....	\$.....
Total of beneficiaries' shares.....	\$.....	\$.....	\$.....

CONTINUATION OF SCHEDULE A.—BENEFICIARIES' SHARES OF INCOME AND CREDITS

5. Use letter corresponding to above to identify beneficiary	6. Wholly tax-exempt obligations (shares of the sum of lines (a), (D), (G), and (H) of Schedule B)		7. United States Savings Bonds and Treasury Bonds (shares of line (C), Schedule B)		Partially tax-exempt		8. Obligations of certain instrumentalities of the United States (share of line (F), Schedule D)	9. Dividends on share accounts of Federal savings and loan associations
	Principal	Interest	Principal	Interest	Principal	Interest		
	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....
	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....
	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....
	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....
	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....
	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....
Totals.....	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....

Schedule B.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction 4)

1. Obligations or securities	2. Amount owned at end of year	3. Interest received or accrued during the year	4. Interest exempt from taxation	5. Interest on amount in excess of exemption
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions.....	\$.....	\$.....	All.....	XXXXXX XX
(b) Obligations issued under the Federal Farm Loan Act, or under such Act as amended.....	\$.....	\$.....	All.....	XXXXXX XX
(c) Obligations of the United States issued on or before September 1, 1917.....	\$.....	\$.....	All.....	XXXXXX XX
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness.....	\$.....	\$.....	All.....	XXXXXX XX
(e) United States Savings Bonds and Treasury Bonds.....	\$.....	\$.....	\$.....	\$.....
(f) Obligations of instrumentalities of the United States (other than obligations to be reported on line (b) above).....	\$.....	\$.....	None.....	\$.....
(g) Totals (enter total of column 5 as item 4, page 1).....	\$.....	\$.....	\$.....	\$.....
(h) Less interest distributable to beneficiaries, included in line (g), column 5, above.....	\$.....	\$.....	\$.....	\$.....
(i) Fiduciary's balance of interest on amount in excess of exemption (line (g), column 5, minus line (h)).....	\$.....	\$.....	\$.....	\$.....

Schedule C.—INCOME FROM RENTS AND ROYALTIES. (See Instruction 6)

1. Kind of property	2. Amount	3. Depreciation (explain in Schedule D)	4. Repairs	5. Other expenses (number below)	6. Net profit (enter as item 6, page 1)
	\$.....	\$.....	\$.....	\$.....	\$.....
	\$.....	\$.....	\$.....	\$.....	\$.....
	\$.....	\$.....	\$.....	\$.....	\$.....
	\$.....	\$.....	\$.....	\$.....	\$.....
	\$.....	\$.....	\$.....	\$.....	\$.....

Explanation of deductions claimed in column 5

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Schedule D.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULE C, E, AND F. (See Instruction L)

1. Kind of property (If buildings, state material of which constructed)	2. Date acquired	3. Cost or other basis	4. Assets fully depreciated in use at end of year	5. Depreciation allowed (or allowable) in prior years	6. Remaining cost or other basis to be recovered	7. Estimated life used in computing depreciation	8. Estimated remaining life from beginning of year	9. Depreciation allowable this year

Schedule E.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 7)

1. Kind of property (If necessary attach statement of descriptive details not shown below)	2. Date acquired Mo. Day Year	3. Date sold Mo. Day Year	4. Gross sales price (contract price)	5. Cost or other basis	6. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	7. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule D)	8. Gain or loss (column 4 plus column 6 minus the sum of columns 5 and 7)	9. Percentage	10. Amount

SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 18 MONTHS

Total net short-term capital gain or loss (enter in line 1, column 2, of summary below)

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 18 MONTHS BUT NOT FOR MORE THAN 24 MONTHS

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 24 MONTHS

Total net long-term capital gain or loss (enter in line 2, column 2, of summary below)

SUMMARY OF CAPITAL NET GAINS OR LOSSES

1. Classification	2. Net gain or loss to be taken into account from column 10, above	3. Net gain or loss to be taken into account from partnerships and "common trust funds"	4. Total net gain or loss to be taken into account, in column 2 and 3 of this summary
	Gain	Loss	Gain
1. Total net short-term capital gain or loss (enter as item 7 (a), page 1, amount of gain shown in column 4)			
2. Total net long-term capital gain or loss (enter as item 7 (b), page 1, amount of gain or loss shown in column 4)			

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items:

If any of the above items were acquired by you other than by purchase, explain fully how acquired:

COMPUTATION OF ALTERNATIVE TAX
(To be used only in the case of a net long-term capital gain or loss)

1. Net income (item 17, page 1)		8. Normal tax (4% of line 7)	
2. (a) Net long-term capital gain (item 7 (b), page 1)		9. Surplus on line 5 (See Instruction 24)	
(b) Net long-term capital loss (item 7 (b), page 1)		10. Partial tax (line 8 plus line 9)	
3. Ordinary net income (line 1 minus line 2 (a) or line 1 plus line 2 (b))		11. (a) 30% of net long-term capital gain (30% of line 2 (a))	
4. Less: Personal exemption (item 19, page 1)		(b) 30% of net long-term capital loss (30% of line 2 (b))	
5. Balance (surplus net income)		12. Alternative tax (line 10 plus line 11 (a) or line 10 minus line 11 (b))	
6. Less: Interest on Government obligations, etc. (See Instruction 21)		13. Total normal tax and surplus (item 25, page 1)	
7. Balance subject to normal tax		14. Tax liability (if a net long-term capital gain, on line 2 (a), enter line 12 or line 13, whichever is the lesser; if a net long-term capital loss, on line 2 (b), enter line 12 or line 13, whichever is the greater). (Enter as item 26, page 1)	

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Schedule F.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS. (See Instruction 7)

1. Kind of property	2. Date acquired	3. Gross sales price (contract price)	4. Cost or other basis	5. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	6. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (Explain in Schedule D)	7. Gain or loss (column 3 plus column 4, minus the sum of columns 5 and 6)

Total net gain (or loss) (enter as item 7 (c), page 1)

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items:

If any of the above items were acquired by you other than by purchase, explain fully how acquired:

Schedule G.—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 11, 12, AND 13. (See Instructions 11, 12, and 13)

Schedule H.—NONTAXABLE INCOME OTHER THAN INTEREST REPORTED IN SCHEDULE B. (See Instruction 10)

1. Source of income	2. Nature of income	3. Amount

QUESTIONS

1. If a return of income was filed for the preceding year, to which collector's office was it sent?
2. Date estate or trust was created.
3. If copy of will or trust instrument and statement required under Instruction I have been previously furnished, state when and where filed.
4. Check whether this return was prepared on the cash ☐ or accrual ☐ basis.
5. Did the estate or trust at any time during the taxable year own directly or indirectly any stock of a foreign corporation or a personal holding company as defined in section 402? (Answer "Yes" or "No") If answer is "yes," attach schedule as required by Instruction N.
6. If return is for a trust, does the trust instrument require or permit the accumulation of any portion of the income of the trust?
7. If return is for a trust, state name and address of grantor.

AFFIDAVIT (See Instruction F)

I swear (or affirm) that this return (including any accompanying schedules and statements) has been examined by me, and to the best of my knowledge and belief, is a true, correct, and complete return, made in good faith for the taxable year stated, pursuant to the Revenue Act of 1938 and the Regulations issued thereunder.

Subscribed and sworn to before me this

_____ day of _____, 193_____

(Signature of fiduciary or officer representing fiduciary)

(Signature of officer administering oath)

(Title)

(Address of fiduciary or officer)

(If this return was prepared for you by some other person, the following affidavit must be executed)

AFFIDAVIT (See Instruction F)

I/we swear (or affirm) that I/we prepared this return for the person named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the income tax liability of the person for whom this return has been prepared of which I/we have any knowledge.

Subscribed and sworn to before me this

_____ day of _____, 193_____

(Signature of person preparing the return)

(Signature of person preparing the return)

(Signature of officer administering oath)

(Title)

(Name of firm or employee, if any)

42-1781

U. S. GOVERNMENT PRINTING OFFICE

1938

INSTRUCTIONS FOR FORM 1041 UNITED STATES FIDUCIARY INCOME TAX RETURN

Taxpayers will find it helpful to read General Instructions A to N before commencing to fill in their returns, and to read Specific Instructions in connection with filling in the items to which they refer. (References are to the Revenue Act of 1938 unless otherwise noted.)

GENERAL INSTRUCTIONS

A. Who must use Form 1041.—Every fiduciary, or at least one of joint fiduciaries (except a receiver appointed by a court of law in possession of part only of the property of an individual), must make under oath an income tax return on Form 1041 for:

- (1) Every estate for which he acts, if (a) the net income of such estate for the taxable year is \$1,000 or over, or (b) the gross income is \$5,000 or over regardless of the amount of net income, or (c) any beneficiary is a nonresident alien.

- (2) Every trust for which he acts, if (a) the net income for such trust for the taxable year is \$100 or over, or (b) the gross income is \$5,000 or over regardless of the amount of net income, or (c) any beneficiary is a nonresident alien.

See also General Instruction M.

B. Fiduciary returns on Form 1040 and Form 1040A.—(1) An executor or administrator must make a return of the net income of the decedent to the date of his death on Form 1040 or Form 1040A if such net income was \$1,000 or over, if the decedent was unmarried, or equal to or in excess of the credit allowed him by section 23 (b) (1) and (3) (computed without regard to his status as the head of a family), if married and living with spouse, or if his gross income for the period was \$5,000 or over.

(2) A fiduciary, including the guardian of a minor and the guardian or committee of an insane person, who has charge of the income of an individual, must make a return of income on Form 1040 or Form 1040A if a return is required for such individual.

C. Returns for nonresident alien beneficiaries.—(a) *United States business or office.*—If a citizen or resident fiduciary has the distribution of the income of an estate or trust, any beneficiary of which is a nonresident alien engaged in trade or business within the United States or having an office or place of business therein at any time within the taxable year, the fiduciary shall make a return on Form 1040B for such nonresident alien and pay any tax shown thereon to be due. Unless such return is a true and accurate return of the nonresident alien beneficiary's income from all sources within the United States, the benefits of the credits and deductions to which the beneficiary is entitled cannot be obtained in the return filed by the fiduciary. If the beneficiary appoints a person in the United States to act as his agent for the purpose of rendering income tax returns, the fiduciary shall be relieved from the necessity of filing Form 1040B in behalf of the beneficiary and from paying the tax. In such a case the fiduciary shall make a return on Form 1041 and attach thereto a copy of the notice of appointment of such agent.

(b) *No United States business or office.*—A citizen or resident fiduciary having the distribution of the income of an estate or trust will not be required to make a return on Form 1040NB for any beneficiary of the estate or trust who is a nonresident alien not engaged in trade or business within the United States and not having an office or place of business therein at any time within the taxable year if the entire amount of the tax on the income payable to such beneficiary has been withheld at the source, but such fiduciary is required to make a return on Form 1040NB for such beneficiary, other than a resident of Canada, who has gross income for the taxable year of more than \$21,600, and pay any tax shown thereon to be due. Unless such return is a true and accurate return of the nonresident alien beneficiary's income from all sources within the United States, the benefits of the credits and deductions to which the beneficiary is entitled cannot be obtained in the return filed by the fiduciary. If the beneficiary appoints a person in the United States to act as his agent for the purpose of rendering income tax returns, the fiduciary shall be relieved from the necessity of filing Form 1040NB or Form 1040NB-a. In such a case the fiduciary shall make a return on Form 1041 and attach thereto a copy of the notice of appointment of such agent. The fiduciary shall make a return on Form 1042 of the tax at 10 percent on the entire amount of the income payable to the beneficiary, except that in the case of a beneficiary, resident of Canada, the rate shall be 5 percent.

D. Period to be covered by return.—Returns shall be filed for the calendar year 1938 or fiscal year beginning in 1938 and ended in 1939. The established accounting period must be adhered to for all years, unless permission is received from the Commissioner to make a change. An application for a change in the accounting period shall be made on Form 1128 and forwarded to the collector prior to the expiration of 30 days from the close of the proposed taxable year.

E. When and where the return must be filed.—Returns must be filed on or before the 15th day of the third month following the close of the taxable year of the estate or trust with the collector of internal revenue for the district in which the fiduciary resides or has his principal place of business. In case the fiduciary has no legal residence or place of business in the United States, the return should be forwarded to the Collector of Internal Revenue, Baltimore, Md.

F. Affidavits.—The affidavit must be executed by the individual fiduciary, or by the authorized officer of the organization receiving or having custody or control and management of the income of the estate or trust. If two or more individuals act jointly as fiduciaries, the affidavit may be executed by any one of them. Where the return is actually prepared by some person or persons other than the fiduciary, such person or persons must execute the affidavit at the foot of the fourth page of the return.

The oath or affirmation will be administered without charge by any collector, deputy collector, or internal revenue agent. If an internal revenue officer is not available, the return should be made before a person authorized to administer oaths for general purposes by the law of the United States or of any State, Territory, or possession of the United States, or of the District of Columbia, wherein such oath or affirmation is administered, except an attorney or agent employed to represent the taxpayer before the Department in connection with his tax liability.

G. When and to whom the tax must be paid.—The tax must be paid in full when the return is filed, or in four equal installments, as follows: On or before the 15th day of the third month, on or before the 15th day of the sixth month, on or before the 15th day of the ninth month, and on or before the 15th day of the twelfth month, from the close of the taxable year. If any installment is not paid on or before the date fixed for payment, the whole amount of tax unpaid shall be paid upon notice and demand by the collector.

The tax may be paid by sending or bringing with the return a check or money order drawn to the order of "Collector of Internal Revenue." Do not send cash by mail, nor pay it in person except at the collector's office.

H. Penalties.—For failure to make and file return on time—Five percent to 25 percent of the amount of the tax, unless such failure is due to reasonable cause, and, in addition, where failure is willful, a fine of not more than \$10,000 or imprisonment for not more than one year, or both, together with the costs of prosecution.

For willfully attempting to evade or defeat payment of the tax—Not more than \$10,000 or imprisonment for not more than five years, or both, together with the costs of prosecution.

For deficiency due to negligence or fraud—Five percent of the amount of the deficiency if due to negligence or intentional disregard of rules and regulations without intent to defraud, or 50 percent of the amount of the deficiency if due to fraud.

I. Copy of will or trust instrument.—A copy of the will or trust instrument sworn to by the fiduciary as a true and complete copy in case in which the gross income of the estate or trust is \$5,000 or over, must be filed with the fiduciary return of the estate or trust, together with a statement by the fiduciary indicating the provisions of the will or trust instrument which, in his opinion, determine the extent to which the income of the estate or trust is taxable to the estate or trust, the beneficiaries, or the grantor, respectively. If, however, a copy of the will or trust instrument, or statement relating to the provisions of the will or trust instrument, has once been filed, it need not again be filed if the fiduciary return contains a statement showing when and where it was filed. If the trust instrument is amended in any way after such copy has been filed, a copy of the amendment, together with a statement by the fiduciary, indicating the effect, if any, in his opinion, of such amendment on the extent to which the income of the estate or trust is taxable to the estate or trust, the beneficiaries, or the grantor, respectively, must be filed with the return for the taxable year in which the amendment was made.

J. Received or accrued income.—If the books of account of the estate or trust are kept on the accrual basis, report all income received, over though it has not been actually received or entered on the books, and expenses incurred instead of expenses paid. As to disallowance of deductions for unpaid expenses and interest due to certain persons, see Specific Instruction 11. If the books are not kept on the accrual basis, or if no books are kept, make the return on the cash basis and report all income received or constructively received, such as bank interest credited to the account of the estate or trust and coupon bond interest maturities, and report expenses actually paid.

K. Items partially and wholly exempt from tax.—All items of income received and claimed to be wholly exempt should be explained in Schedule H, except interest to be reported in Schedule B.

L. The following items are partially exempt from tax.
(a) Amounts received (other than amounts paid by reason of the death of the insured and interest payments on such amounts and other than amounts received as annuities) under a life insurance or endowment contract, but if such amounts (when added to amounts received before the taxable year under such contract) exceed the aggregate premiums or consideration paid (whether or not paid during the taxable year) then the excess shall be included in gross income;
(b) The interest on United States Savings Bonds and Treasury Bonds and interest on obligations of instrumentalities of the United States (other than obligations issued under

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the Federal Farm Loan Act or under such Act as amended) is subject to surtax if the surtax net income is over \$4,000. Such interest should be reported in Schedule B (see also Specific Instruction 4); and

(c) Dividends on share accounts in Federal savings and loan associations, but such dividends are subject to surtax if the surtax net income is over \$4,000 (see Specific Instruction 9).

2. The following items are wholly exempt from tax:

(a) Amounts received under a life insurance contract paid by reason of the death of the insured; whether in a single sum or in installments (but if such amounts are held by the insurer under an agreement to pay interest thereon, the interest payments shall be included in gross income);

(b) Gifts (not received as a consideration for service rendered) and money and property acquired by bequest, devise, or inheritance (but the income derived from such property is taxable and must be reported);

(c) Amounts received through accident or health insurance or under workmen's compensation acts, as compensation for personal injuries or sickness, plus the amount of any damages received, whether by suit or agreement, on account of such injury or sickness;

(d) The rental value of a dwelling house and appurtenances thereof furnished to a minister of the gospel as part of his compensation;

(e) Compensation paid by a State or political subdivision thereof to its officers or employees for services rendered if such compensation is constitutionally exempt from Federal taxation;

(f) Pensions and compensation received by veterans from the United States and pensions received from the United States by the family of a veteran, for services rendered by the veteran to the United States in time of war;

(g) Amounts received as earned income from sources without the United States (except amounts paid by the United States or any agency thereof) by an individual citizen of the United States who is a bona fide nonresident for more than 6 months during the taxable year (the taxpayer in such case may not deduct from his gross income any amount properly allocable to or chargeable against the amount so excluded from his gross income); and

(h) The interest on (1) obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions; (2) obligations issued under Federal Farm Loan Act, or under such Act as amended; (3) obligations of United States issued on or before September 1, 1917; and (4) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness.

L. Treatment of depreciation and depletion.—A reasonable allowance for the exhaustion, wear and tear, and obsolescence of property used in the trade or business may be deducted. All deductions for

depreciation must be explained in Schedule D. If obsolescence is claimed, explain why the useful life is less than the actual life.

The amount of depreciation on property acquired by purchase should be determined upon the basis of the original cost (not replacement cost) of the property and the probable number of years remaining of its expected useful life, except if the property was purchased prior to March 1, 1913, it will be computed on the fair market value of such property as of that date or its original cost (less depreciation on the name and address of each recipient, except that a return need not be made for payments of salaries or other compensation for personal services aggregating less than \$2,500 made to a married individual. These forms will be furnished by any collector of internal revenue upon request and must be forwarded to the Commissioner of Internal Revenue, Sorting Section, Washington, D. C., in time to be received not later than February 15, 1939. Distributions to beneficiaries of an estate or trust shall be reported on Form 1041 and not on Forms 1096 and 1099).

See sections 23(m) and 114 and Regulations 101 with respect to additional forms and information required if a deduction is claimed for depletion.

M. Information at source.—Every person making payments of salaries, wages, interest, rents, commissions, or other fixed or determinable income of \$1,000 or more during the calendar year 1938, to an individual, a partnership, or a fiduciary, is required to make a return on Forms 1096 and 1099 showing the amount of such payments and the name and address of each recipient, except that a return need not be made for payments of salaries or other compensation for personal services aggregating less than \$2,500 made to a married individual. These forms will be furnished by any collector of internal revenue upon request and must be forwarded to the Commissioner of Internal Revenue, Sorting Section, Washington, D. C., in time to be received not later than February 15, 1939. Distributions to beneficiaries of an estate or trust shall be reported on Form 1041 and not on Forms 1096 and 1099).

N. Stock owned in foreign corporations and personal holding companies.—If at any time during the taxable year the estate or trust owned directly or indirectly any stock of a foreign corporation (including a foreign personal holding company, as defined in section 331, in which the estate or trust owned less than 5 percent in value of the outstanding stock of such company) or a personal holding company, as defined by section 402, attach to the estate or trust return a statement setting forth the name and address of each such company and the total number of shares of each class of such company owned by the estate or trust during the taxable year. If the estate or trust owned stock at any time during the taxable year in a foreign personal holding company as defined in section 331, there must be included in the return as a dividend the amount required to be included in gross income by section 337. If the estate or trust owned 5 percent or more in value of the outstanding stock of such foreign personal holding company, set forth in an attached statement in complete detail the information required by section 337(d).

SPECIFIC INSTRUCTIONS

The following instructions are numbered to correspond with item numbers on the first page of the return.

1. Dividends.—Enter as item 1 the total of all taxable dividends received from domestic and foreign corporations. Enter in Schedule H all dividends received which are claimed to be nontaxable, and include in item 9 dividends on share accounts in Federal savings and loan associations.

2. Interest on bank deposits, notes, corporation bonds, etc.—Interest coupons falling due within the taxable year will be considered as income for such year where the books are kept on a cash basis. If the books are kept on an accrual basis, report the actual amount of interest accrued on the obligations owned during the taxable year.

Where obligations are purchased between interest dates and the purchase price includes accrued interest, such part of the purchase price as represents accrued interest purchased should neither be claimed as a deduction for interest paid nor be added to the cost of the obligations but should be treated as an offset against the interest received or accrued at a later date.

4. Taxable interest on Government obligations, etc.—Interest on an aggregate of not exceeding \$5,000 principal amount of the obligations enumerated on line (c), Schedule B, is exempt from the surtax imposed by section 12. Enter in Schedule B, column 4, line (c), interest received from such obligations in an amount not exceeding the interest received or accrued on an aggregate principal of \$5,000 of such obligations. If at times during the taxable year the estate or trust held more than \$5,000 principal in the aggregate of such obligations, enter in column 5, line (c), the interest received or accrued in excess of interest on an aggregate of \$5,000 principal amount of such obligations. The fiduciary shall advise each beneficiary as to the amount of his share of these obligations and of the interest, in order that he may include this information in his individual income tax return and determine whether such interest is subject to tax.

5. Income (or loss) from partnerships, syndicates, pools, etc., and other fiduciaries.—Enter as item 5 the share of the estate or trust of the profits (whether received or not) or of the losses of a partnership (including a syndicate, pool, etc., not taxable as a corporation) except gains or losses which should be reported in Schedule E and included in item 7 (a) or (b), and the share of the estate or trust of the income from another estate or trust, if the estate or trust's share of interest in obligations of the United States, etc., owned by partnerships or another estate or trust should be included in Schedule B. Include in item 27 and 28, respectively, the estate's or trust's share of credits claimed for Federal income taxes paid at source and foreign income and foreign taxes.

If the taxable year on the basis of which the estate's or trust's return is filed does not coincide with the annual accounting period of the partnership or other fiduciary, include in the return the distributive share of the estate or trust of the net profits for such accounting period of the partnership or other fiduciary ending within your taxable year.

6. Rents and royalties.—Fill in Schedule C giving the information requested.

If the estate or trust received property or crops in lieu of cash rents, report the income as though the rent had been received in cash. Crops received as rent on a crop-share basis should be reported as income for the year in which disposed of (unless the return is on the accrual basis).

7. Gains and losses from sales or exchanges of capital assets and other property.—Report sales or exchanges of capital assets in Schedule E and sales or exchanges of other property in Schedule F, and enter the net amount of gain or loss to be taken into account in computing net income as item 7.

Definition of "capital assets."—The term "capital assets" means property held by the taxpayer (whether or not connected with his trade or business), but does not include stock in trade of the taxpayer or other property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year, or property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, or property, used in the trade or business, at the time of the sale or exchange, of a character which is subject to the allowance for depreciation. The exclusion from the term "capital assets" of property used in the trade or business of a taxpayer of a character which is subject to allowance of depreciation provided in section 23 (f) is limited to property used by the taxpayer in the trade or business at the time of the sale or exchange. It has no application to gains or losses arising from the sale of real property used in the trade or business to the extent that such gain or loss is allocable to the land, as distinguished from depreciable improvements upon the land.

Description of property.—Every sale or exchange of property, even though no gain or loss was realized, must be reported in detail.

Enter full description of each item of property sold or exchanged. Such description should include the following facts: (a) For real estate, location and description of land, description of improvements, details explaining depreciation (see section 7, Schedule E; column 6, Schedule F); (b) for bonds or other evidences of indebtedness, name of issuing corporation, description of the particular issue, denomination, and amount; (c) for stocks, name of issuing corporation, class of stock, number of

shares, capital changes affecting basis (nontaxable stock dividends, other nontaxable distributions, stock rights, etc.).

Basis.—If the property was acquired before March 1, 1913, the "basis" for the property is not subject to the same rule for reporting gains as for losses. In such cases, the basis for determining GAIN is the cost or the fair market value as of March 1, 1913, adjusted as provided in section 113 (b), whichever is greater, but in determining LOSS the basis is cost so adjusted. If the property was acquired after March 1, 1913, basis for both gain and loss is the cost of such property, except as otherwise provided by section 113. The exceptions arise chiefly where property was acquired by gift, bequest, tax-free exchange, involuntary conversion, wash sale of stock; and in such cases section 113 provides the basis that shall be used. If the amount shown as the basis is other than actual cost of the property sold or exchanged, full details must be furnished regarding the acquisition of the property.

Enter in column 7, Schedule E, or in column 6 with respect to Schedule F, the amount of depreciation, exhaustion, and depletion (but not less than the amount allowable) in respect of such property since date of acquisition, or since March 1, 1913, if the property was acquired before that date. In addition, if the property was acquired before March 1, 1913, the cost shall be reduced by the depreciation and depletion actually sustained before that date.

Subsequent improvements include expenditures for additions, improvements, and renewals and replacements made to restore the property or prolong its useful life. Do not deduct ordinary repairs, interest, or taxes in computing gain or loss.

Losses on securities becoming worthless.—If any securities (as defined below) are ascertained to be worthless and charged off within the taxable year and are capital assets, the loss resulting therefrom shall be considered as a loss from the sale or exchange, on the last day of such taxable year, of capital assets. (See section 23(b)(2).)

Definition of securities.—As used for this purpose, the term "securities" means bonds, debentures, notes, or certificates, or other evidences of indebtedness, issued by any corporation (including those issued by a government or political subdivision thereof), with interest coupons or in registered form.

Losses on stocks or stock rights becoming worthless.—If any shares of stock in a corporation or right to subscribe for and to receive such shares become worthless during the taxable year, and are capital assets, the loss resulting therefrom shall be considered as a loss from the sale or exchange, on the last day of such taxable year, of capital assets. (See section 23(b)(2).)

Classification of capital gains and losses.—Section 117(a)(2) to (9), inclusive, defines "short-term capital gain," "short-term capital loss," "long-term capital gain," "long-term capital loss," "net short-term capital gain," "net short-term capital loss," "net long-term capital gain," and "net long-term capital loss." The phrase "short-term" applies to the category of gains and losses arising from the sale or exchange of capital assets held for 18 months or less; the phrase "long-term" to the category of gains and losses arising from the sale or exchange of capital assets held for more than 18 months. Gains and losses from the sale or exchange of capital assets held for not more than 18 months (described as short-term capital gains and short-term capital losses) shall be segregated from gains and losses arising from the sale or exchange of such assets held for more than 18 months (described as long-term capital gains and long-term capital losses).

Percentage of capital gain or loss taken into account.—In the case of a taxpayer other than a corporation, only the following percentages of the gain or loss recognized upon the sale or exchange of a capital asset shall be taken into account in computing net income:

100 percent if the capital asset has been held for not more than 15 months;

60 percent if the capital asset has been held for more than 15 months and not more than 24 months;

50 percent if the capital asset has been held for more than 24 months.

Limitation on short-term capital losses.—Section 117(d)(2) provides a limitation on deductions for short-term capital losses in the case of a taxpayer other than a corporation; that is, losses from sales or exchanges of capital assets held for 18 months or less shall be allowed as deductions only to the extent of the gains from sales or exchanges of capital assets held for 18 months or less. However, subsection (c) provides that in the case of a taxpayer other than a corporation having in any taxable year (beginning after December 31, 1937) a net short-term capital loss, he may carry over such loss, in an amount not in excess of his net income for such year (the year in which the loss is realized), to the next succeeding taxable year and treat it in such succeeding year as a short-term capital loss. The carry-over is then applied in such succeeding year to offset any short-term capital gains in such succeeding year not already offset by short-term capital losses in such taxable year, and hence the amount of the net short-term capital loss carry-over may not be included in computing a new short-term capital loss which can be carried over to the succeeding taxable year. In the case of a taxpayer other than a corporation there is no limitation on deductions for long-term capital losses.

Alternative tax in case of net long-term capital gain or loss.—In the case of a net long-term capital gain of a taxpayer other than a corporation, subsection (c)(1) of section 117 imposes an alternative tax in lieu of the normal tax and surtax imposed upon net income, if and only if such alternative tax is less than the tax otherwise imposed. This alternative tax is the sum of (1) a partial tax, computed at the normal tax and surtax rates on the net income of the taxpayer decreased by the amount of such net long-term capital gain, plus (2) 30 percent of the net long-term capital gain. In the case of a net long-term capital loss of a taxpayer other than a corporation, an alternative tax is imposed in lieu of the normal tax and surtax imposed on net income, if and only if such alternative tax is greater than the tax otherwise imposed. This alternative tax is the excess of (1) a tax, computed at the normal tax and surtax rates on the net income of the taxpayer increased by the amount of such net long-term capital loss, over (2) 30 percent of the net long-term capital loss.

Determination of period for which capital assets are held.—If property was acquired in certain transactions described in sections 112, 113, and 118, the period for which such property is considered to have been held by the taxpayer is not computed from the date such property was acquired by the taxpayer but from a prior date, as provided in section 117(b).

Losses not allowable.—Wash sales.—In the case of any loss claimed to have been sustained from any sale or other disposition of shares of stock or securities where it appears that, within a period beginning after such date, the taxpayer has acquired (by purchase or by an exchange upon which the entire amount of gain or loss was recognized by law), or has entered into a contract or option so to acquire, substitute identical stock or securities, then no deduction for the loss shall be allowed unless the claim is made in connection with the taxpayer's trade or business. (See section 118.)

Losses in transactions between certain persons.—No deduction shall be allowed in respect of losses from sales or exchanges of property, directly or indirectly—

A. Between members of a family, which is defined for the purpose of this paragraph to include only the taxpayer's brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants;

B. Except in the case of distributions in liquidation, between an individual and a corporation more than 50 percent in value of the outstanding stock of which is owned, directly or indirectly, by or for such individual;

C. Between a grantor and a fiduciary of any trust;

D. Between the fiduciary of a trust and the fiduciary of another trust, if the same person is a grantor with respect to each trust; or

E. Between a fiduciary of a trust and a beneficiary of such trust.

For the purposes of determining ownership of stock in applying this paragraph, see section 24(b)(2).

One hundred percent of the gain resulting to the distributee from distributions in liquidation of a corporation shall be taken into account in computing net income, except in the case of amounts distributed in complete liquidation of a corporation. (See section 116(c).) As to gains and losses from short sales, see section 117(g).

Net profit (or loss) from trade or business.—If the estate or trust was engaged in a trade or business during the taxable year, enter the net profit (or loss) as item 8 and attach to the return a statement showing the nature of the trade or business, total receipts, cost of merchandise bought for sale, inventories of merchandise on hand at the beginning and end of the taxable year, other items entering into the cost of goods sold, net cost of goods sold, salaries and wages of employees, interest, taxes, losses and bad debts directly attributable to the trade or business, depreciation, obsolescence, and depletion of property used in the trade or business, rent, repairs, and all other expenses in detail.

Inventories.—If engaged in a trade or business in which the production, manufacture, purchase and sale of merchandise is an income-producing factor, inventories of merchandise on hand should be taken at the beginning and end of the taxable year, which may be valued at (a) cost, or (b) cost or market, whichever is lower. Taxpayers at (a) cost, or (b) cost or market, whichever is lower, for their 1920 inventory. The basis properly adopted for that year or any subsequent year is controlling and a change can now be made only after permission is secured from the Commissioner. Application for permission to change the basis of valuing inventories shall be made in writing and filed with the Commissioner within 90 days after the beginning of the taxable year in which it is desired to make the change. Indicate opposite the inventories in the statement submitted by the use of "C" or "M" or "M" whether the inventories are valued at (C) cost, or (C) or (M) cost or market, whichever is lower. See section 22(d) with reference to whether the inventories are valued at the election of the taxpayer in certain retail and tanning industries as of the close of any taxable year beginning after December 31, 1938.

Depreciation, etc.—See General Instruction L with respect to requirements in case any deduction is claimed for depreciation, obsolescence, or depletion.

Bad debts.—Bad debts may be treated in either of two ways:—(1) by a deduction from income in respect to debts ascertained to be worthless in whole or in part, or (2) by a deduction from income of a reasonable addition to a reserve for bad debts.

Taxpayers were given an option for 1921 to select either of these methods and the method used in the return for the year 1921 must be used in returns for all subsequent years unless permission is granted by the Commissioner to change to the other method. Application for permission to change the method shall be made in writing at least 90 days prior to the close of the taxable year for which it is desired to effect the change.

A taxpayer filing a first return of income may select either of the two methods mentioned above subject to approval by the Commissioner upon examination of the return. If the method selected is approved, it must be followed in returns for subsequent years, except as permission may be granted by the Commissioner to change to the other method.

If the reserve method is used, you should attach to your return the statement required by article 23(b)-6 of Regulations 101.

Debts arising from sales or services are not deductible unless the original amount has been reported as income.

A debt previously charged off, allowed as a deduction, and subsequently collected must be returned as income for the year in which collected.

Installment sales.—If the installment method is used, attach to the return a schedule showing separately for the years 1935, 1936, 1937, and 1938 the following: (a) Gross sales; (b) cost of goods sold; (c) gross profit; (d) percentage of profits to gross sales; (e) amount collected; and (f) gross profit on amount collected. (See section 44.)

9. Other income.—If the estate or trust had any taxable income space for reporting which is not provided on page 1, enter it as item 9 and explain its nature, using a separate sheet if necessary for that purpose.

Include also as item 9 dividends on share accounts in Federal savings and loan associations.

10. Total income.—Enter and explain in Schedule H all income, except interest, claimed as exempt, but do not include as part of item 10. Exempt interest on Government obligations, etc., should be entered in Schedule B.

11. Interest.—Enter as item 11 all interest paid or accrued, other than on business indebtedness (which should be deducted in computing income under item 6 or 8). Do not include interest on indebtedness incurred or continued to purchase or carry obligations (other than obligations of the United States issued after September 24, 1917, and originally subscribed for by the taxpayer) the interest upon which is wholly exempt from taxation. Any deductions on account of interest should be explained and itemized in Schedule G.

Attention is called to the following limitations on deductions for unpaid expenses and interest provided in section 24(c):

(a) **Unpaid expenses and interest.**—In computing net income no deduction shall be allowed under section 23(a), relating to expenses incurred, or under section 23(b), relating to interest accrued—

(1) If such expenses or interest are not paid within the taxable year or within two and one-half months after the close thereof; and

(2) If, by reason of the method of accounting of the person to whom the payment is to be made, the amount thereof is not, unless paid, includible in the gross income of such person for the taxable year in which or with which the taxable year of the taxpayer ends; and

(3) If, at the close of the taxable year of the taxpayer or at any time within two and one-half months thereafter, both the taxpayer and the person to whom the payment is to be made are persons between whom losses would be disallowed under section 24(b).

12. Taxes.—Enter as item 12 taxes imposed upon the estate or trust and paid or accrued during the taxable year, not including taxes on property used in the trade or business of the estate or trust and those assessed against local benefits of a kind tending to increase the value of the property assessed. Do not include Federal income taxes, net estate, inheritance, legacy, succession, gift taxes, taxes imposed upon the interest of the estate or trust as shareholder of a corporation which are paid by the corporation without reimbursement from the estate or trust. Do not include sales taxes unless the tax was imposed directly upon the estate or trust by law. No deduction is allowable for any portion of foreign income and profit taxes if a credit is claimed in item 26.

Any deduction on account of taxes should be explained and itemized in Schedule G.

13. Other deductions authorized by law.—Enter as item 13 any other authorized deductions for which no space is provided on page 1. Do not deduct losses incurred in transactions which were neither connected with the trade or business of the estate or trust nor entered into for profit. Any deduction claimed should be explained in Schedule G.

Stock and stock rights which become worthless during the taxable year, and which are capital assets, should not be included among other deductions in item 13, but the loss resulting therefrom shall be

considered as a loss from the sale or exchange, on the last day of such taxable year, of capital assets and should be reported in Schedule E. In the case of the estate or trust incurred expenses in connection with exempt income (other than interest) or owned any property the income from which is exempt, see section 24(a)(3) and Regulations 101.

Item 13 should include losses of property not connected with the business or profession of the estate or trust sustained during the year, and if not compensated for by insurance or otherwise, or from theft, and if not compensated for by insurance or otherwise.

Explain and itemize losses claimed in Schedule G, setting forth a description of the property, date acquired, cost, subsequent improvements, depreciation if allowable since acquisition, insurance, salvage value, and deductible loss.

Enter also as item 13 bad debts. State in Schedule G (a) of what the debts consisted, (b) name and family relationship, if any, of the debtor, (c) when they were created, (d) when they became due, (e) what efforts were made to collect, and (f) how they were actually determined to be worthless. Bonds which are ascertained to be worthless during the taxable year, and which are capital assets, should not be treated as bad debts, but the loss resulting therefrom shall be considered as a loss from the sale or exchange, on the last day of such taxable year, of capital assets and should be reported in Schedule E.

16. Amount distributable to beneficiaries.—Enter as item 16 the total amount distributable to beneficiaries as reflected in columns 2 and 9, Schedule A, and line (h), Schedule B. Care should be taken in filling in Schedule A so as to include as beneficiaries persons for whose benefit amounts of charitable contributions which pursuant to the terms of the will or deed creating the trust are during the taxable year paid or permanently set aside as provided in section 162(a). If any part of the income of the trust is taxable to the grantor, such grantor's share should be designated and included among the beneficiaries' shares in Schedule A.

19. Personal exemption.—An estate is allowed for both normal tax and surtax purposes the personal exemption of \$1,000 allowed a single person under section 25(b)(1), and a trust is allowed, in lieu of the personal exemption under section 25(b)(1), a credit of \$100 against net income.

21. Credit for interest, etc.—Enter as item 21 the sum of (1) the fiduciary's balance of interest on Government obligations, etc., from Schedule B, line (f), and (2) the fiduciary's balance of the dividends on common accounts in Federal savings and loan associations included in item 9.

24. Surtax.—The surtax is computed at the graduated rates shown in the table below. Its application may be illustrated by the following example: If your surtax net income (item 20) is \$9,201.84, the surtax on \$8,000 is \$180 and the surtax on the excess of \$1,201.84 is 6 percent of that amount, or \$75.71, making a total surtax of \$255.71 to be entered as item 24.

Amount of surtax net income	Rate percent	Total surtax	Amount of surtax net income	Rate percent	Total surtax
A	B	C	A	B	C
\$0 to \$1,000.....	0	0	\$82,000 to \$84,000.....	39	\$14,000
1,000 to 2,000.....	1	100	84,000 to 86,000.....	40	14,800
2,000 to 3,000.....	2	200	86,000 to 88,000.....	41	15,600
3,000 to 4,000.....	3	300	88,000 to 90,000.....	42	16,400
4,000 to 5,000.....	4	400	90,000 to 92,000.....	43	17,200
5,000 to 6,000.....	5	500	92,000 to 94,000.....	44	18,000
6,000 to 7,000.....	6	600	94,000 to 96,000.....	45	18,800
7,000 to 8,000.....	7	700	96,000 to 98,000.....	46	19,600
8,000 to 9,000.....	8	800	98,000 to 100,000.....	47	20,400
9,000 to 10,000.....	9	900	100,000 to 102,000.....	48	21,200
10,000 to 11,000.....	10	1,000	102,000 to 104,000.....	49	22,000
11,000 to 12,000.....	11	1,100	104,000 to 106,000.....	50	22,800
12,000 to 13,000.....	12	1,200	106,000 to 108,000.....	51	23,600
13,000 to 14,000.....	13	1,300	108,000 to 110,000.....	52	24,400
14,000 to 15,000.....	14	1,400	110,000 to 112,000.....	53	25,200
15,000 to 16,000.....	15	1,500	112,000 to 114,000.....	54	26,000
16,000 to 17,000.....	16	1,600	114,000 to 116,000.....	55	26,800
17,000 to 18,000.....	17	1,700	116,000 to 118,000.....	56	27,600
18,000 to 19,000.....	18	1,800	118,000 to 120,000.....	57	28,400
19,000 to 20,000.....	19	1,900	120,000 to 122,000.....	58	29,200
20,000 to 21,000.....	20	2,000	122,000 to 124,000.....	59	30,000
21,000 to 22,000.....	21	2,100	124,000 to 126,000.....	60	30,800
22,000 to 23,000.....	22	2,200	126,000 to 128,000.....	61	31,600
23,000 to 24,000.....	23	2,300	128,000 to 130,000.....	62	32,400
24,000 to 25,000.....	24	2,400	130,000 to 132,000.....	63	33,200
25,000 to 26,000.....	25	2,500	132,000 to 134,000.....	64	34,000
26,000 to 27,000.....	26	2,600	134,000 to 136,000.....	65	34,800
27,000 to 28,000.....	27	2,700	136,000 to 138,000.....	66	35,600
28,000 to 29,000.....	28	2,800	138,000 to 140,000.....	67	36,400
29,000 to 30,000.....	29	2,900	140,000 to 142,000.....	68	37,200
30,000 to 31,000.....	30	3,000	142,000 to 144,000.....	69	38,000
31,000 to 32,000.....	31	3,100	144,000 to 146,000.....	70	38,800
32,000 to 33,000.....	32	3,200	146,000 to 148,000.....	71	39,600
33,000 to 34,000.....	33	3,300	148,000 to 150,000.....	72	40,400
34,000 to 35,000.....	34	3,400	150,000 to 152,000.....	73	41,200
35,000 to 36,000.....	35	3,500	152,000 to 154,000.....	74	42,000
36,000 to 37,000.....	36	3,600	154,000 to 156,000.....	75	42,800
37,000 to 38,000.....	37	3,700	156,000 to 158,000.....	76	43,600
38,000 to 39,000.....	38	3,800	158,000 to 160,000.....	77	44,400
39,000 to 40,000.....	39	3,900	160,000 to 162,000.....	78	45,200
40,000 to 41,000.....	40	4,000	162,000 to 164,000.....	79	46,000
41,000 to 42,000.....	41	4,100	164,000 to 166,000.....	80	46,800
42,000 to 43,000.....	42	4,200	166,000 to 168,000.....	81	47,600
43,000 to 44,000.....	43	4,300	168,000 to 170,000.....	82	48,400
44,000 to 45,000.....	44	4,400	170,000 to 172,000.....	83	49,200
45,000 to 46,000.....	45	4,500	172,000 to 174,000.....	84	50,000
46,000 to 47,000.....	46	4,600	174,000 to 176,000.....	85	50,800
47,000 to 48,000.....	47	4,700	176,000 to 178,000.....	86	51,600
48,000 to 49,000.....	48	4,800	178,000 to 180,000.....	87	52,400
49,000 to 50,000.....	49	4,900	180,000 to 182,000.....	88	53,200
50,000 to 51,000.....	50	5,000	182,000 to 184,000.....	89	54,000
51,000 to 52,000.....	51	5,100	184,000 to 186,000.....	90	54,800
52,000 to 53,000.....	52	5,200	186,000 to 188,000.....	91	55,600
53,000 to 54,000.....	53	5,300	188,000 to 190,000.....	92	56,400
54,000 to 55,000.....	54	5,400	190,000 to 192,000.....	93	57,200
55,000 to 56,000.....	55	5,500	192,000 to 194,000.....	94	58,000
56,000 to 57,000.....	56	5,600	194,000 to 196,000.....	95	58,800
57,000 to 58,000.....	57	5,700	196,000 to 198,000.....	96	59,600
58,000 to 59,000.....	58	5,800	198,000 to 200,000.....	97	60,400
59,000 to 60,000.....	59	5,900	200,000 to 202,000.....	98	61,200
60,000 to 61,000.....	60	6,000	202,000 to 204,000.....	99	62,000
61,000 to 62,000.....	61	6,100	204,000 to 206,000.....	100	62,800
62,000 to 63,000.....	62	6,200	206,000 to 208,000.....		
63,000 to 64,000.....	63	6,300	208,000 to 210,000.....		
64,000 to 65,000.....	64	6,400	210,000 to 212,000.....		
65,000 to 66,000.....	65	6,500	212,000 to 214,000.....		
66,000 to 67,000.....	66	6,600	214,000 to 216,000.....		
67,000 to 68,000.....	67	6,700	216,000 to 218,000.....		
68,000 to 69,000.....	68	6,800	218,000 to 220,000.....		
69,000 to 70,000.....	69	6,900	220,000 to 222,000.....		
70,000 to 71,000.....	70	7,000	222,000 to 224,000.....		

Treasury Department

Form 1065

Internal Revenue Service

UNITED STATES

1938 PARTNERSHIP RETURN OF INCOME 1938

(To be Filed Also by Syndicates, Pools, Joint Ventures, Etc.)

For Calendar Year 1938

or fiscal year beginning 1938, and ended 1939

(File this return not later than the 15th day of the 3d month following the close of the taxable year)
(PRINT PLAINLY NAME AND BUSINESS ADDRESS OF THE ORGANIZATION)

(Name)

(Street and number)

(Post office)

(County)

(State)

Business or Profession

Do Not Use These Spaces

File Code

Serial No.

District

(Date Received)

Item and
Instruction No.

GROSS INCOME

1. Gross receipts from business or profession
2. Less cost of goods sold:
 - (a) Inventory at beginning of year
 - (b) Merchandise bought for sale
 - (c) Cost of labor, supplies, etc.
 - (d) Total of lines (a), (b), and (c)
 - (e) Less inventory at end of year
3. Gross profit (or loss) from business or profession (item 1 minus item 2)
4. Income (or loss) from other partnerships, syndicates, pools, etc. (state separately name, address, and amount)
5. Interest on bank deposits, notes, corporation bonds, etc. (except interest to be reported in item 6)
6. Interest on tax-free covenant bonds upon which a Federal income tax was paid at source
7. Taxable interest on Government obligations, etc. (from Schedule A)
8. Rents
9. Royalties
10. Net gain (or loss) from sale or exchange of property other than capital assets (from Schedule D)
11. Dividends
12. Other income (state nature of income)
13. Total income in items 3 to 12 (enter nonexempt income in Schedules A and C)

DEDUCTIONS

14. Salaries and wages (do not include compensation for partners)
15. Rent
16. Repairs
17. Interest on indebtedness (explain in Schedule F)
18. Taxes (explain in Schedule C)
19. Losses by fire, storm, shipwreck, or other casualty, or theft (submit schedule, see Instruction 17)
20. Bad debts (explain in Schedule D)
21. Depreciation (explain in Schedule E)
22. Depletion of mines, oil and gas wells, timber, etc. (submit schedule, see Instruction 22)
23. Other deductions authorized by law (explain in Schedule F)
24. Total deductions in items 14 to 23
25. Ordinary net income (item 13 minus item 24)
26. Net short-term capital gain (or loss) (from line 1, column 4, Summary, Schedule H)
27. Net long-term capital gain (or loss) (from line 2, column 4, Summary, Schedule H)

NOTE.—One form marked "DUPLICATE COPY" must be filed with this original return (\$10 will be assessed if duplicate copy is not filed).

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Schedule A.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction 7)

Page 2

1. Obligations or securities	2. Amount owned at end of year	3. Interest received or accrued during the year	4. Interest exempt from taxation	5. Interest on amount in excess of exemption
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions	\$	\$	All	XXXXXX
(b) Obligations issued under the Federal Farm Loan Act, or under such Act as amended	\$	\$	All	XXXXXX
(c) Obligations of the United States issued on or before September 1, 1917	\$	\$	All	XXXXXX
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness	\$	\$	All	XXXXXX
(e) United States Savings Bonds and Treasury Bonds	\$	\$	All	XXXXXX
(f) Obligations of instrumentalities of the United States (other than obligations to be reported on line (b) above)	\$	\$	None	
(g) Totals (enter total of column 5 as item 7, page 1)	\$	\$		\$

Schedule B.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS. (See Instruction 19)

1. Kind of property	2. Date acquired	3. Gross sales price (contract price)	4. Cost or other basis	5. Expense of sale and cost of improvements (exclusive of improvements in acquisition on March 1, 1913) (Give details)	6. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (Give details)	7. Gain or loss (column 3 plus column 6 minus the sum of columns 4 and 5)
		\$	\$	\$	\$	\$
Total net gain (or loss) (enter as item 10, page 1)						

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items:

If any of the above items were acquired by you other than by purchase, explain fully how acquired:

Schedule C.—TAXES. (See Instruction 18)

Nature	Amount
	\$
Total (enter as item 18, page 1)	

Schedule D.—BAD DEBTS. (See Instruction 20)

1. Taxable year	2. Net income reported	3. Sales on account	4. Bad debts charged off by organization if no reserve is carried on books	5. Gross amount added to reserve	6. Amount charged against reserve
1935	\$	\$	\$	\$	\$
1936	\$	\$	\$	\$	\$
1937	\$	\$	\$	\$	\$
1938	\$	\$	\$	\$	\$

NOTE.—Check whether deduction claimed represents worthless debts charged off ☐ or is an addition to a reserve ☐.

Schedule E.—DEPRECIATION. (See Instruction 21)

1. Kind of property (if building, state material of which constructed)	2. Date acquired	3. Cost or other basis	4. Assets fully depreciated in use at end of year	5. Depreciation allowed (or allowable) in prior years	6. Remaining cost or other basis to be recovered	7. Estimated life used in computing depreciation	8. Estimated remaining life from beginning of year	9. Depreciation allowable this year
		\$	\$	\$	\$			\$
Total (enter as item 21, page 1)								

Schedule F.—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 17 AND 23

1. Source of income	2. Nature of income	3. Amount
		\$
Schedule G.—NONTAXABLE INCOME OTHER THAN INTEREST REPORTED IN SCHEDULE A. (See Instruction 13)		
		\$

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Schedule H.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See instructions 26-27)

Schedule H—GAINS AND LOSSES FROM ASSETS										Gain or loss to be taken into account	
1. Kind of property (if necessary attach statement of description (details not shown below))	2. Date acquired	3. Date sold	4. Gross sales price (Contract price)	5. Cost or other basis	6. Excess of sale and cost of improvements (subsequent to acquisition on March 1, 1913)	7. Depreciation allowed (for allowable) (enter acquisition on or March 1, 1913, if Form 612 details)	8. Gain or loss (columns 6 minus column 7 and 8)	9. Part sold	10. Amount		
Mo. Day Year	Mo. Day Year										
SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 18 MONTHS											
			\$	\$	\$	\$	\$		100%		
									100		
									100		
									100		
									100		
									100		
									100		
									100		
									100		
									100		
									100		
Total net short-term capital gain or loss (enter in line 1, column 2, of summary below)									\$		
LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 18 MONTHS BUT NOT FOR MORE THAN 24 MONTHS											
			\$	\$	\$	\$	\$		65%		
									66%		
									66%		
									66%		
									66%		
									66%		
									66%		
									66%		
LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 24 MONTHS											
			\$	\$	\$	\$	\$		50		
									50		
									50		
									50		
									50		
									50		
									50		
									50		
Total net long-term capital gain or loss (enter in line 2, column 2, of summary below)									\$		

SUMMARY OF CAPITAL NET GAINS OR LOSSES

SUMMARY OF CAPITAL GAINS						
1. Classification	2. Net gain or loss to be taken into account from column 10, above		3. Net gain or loss to be taken into account from other partnerships and common trust funds		4. Total net gain or loss to be taken into account in columns 2 and 3 of this summary	
	Gain	Loss	Gain	Loss	Gain	Loss
1. Total net short-term capital gain or loss (enter in column 3, Schedule A, amount of gain or loss shown in column 4)	\$	\$	\$	\$	\$	\$
2. Total net long-term capital gain or loss (enter in column 3, Schedule A, amount of gain or loss shown in column 4)	\$	\$	\$	\$	\$	\$

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items:
If any of the above items were acquired by you other than by purchase, explain fully how acquired:

Schedule I.—CONTRIBUTIONS OR GIFTS PAID. (See Instruction 28)

[illegible]

Schedule J.—PARTNERS' SHARES OF INCOME AND CREDITS. (See instruction 28)

Where return of partner or member is filed in another collection district, specify district If the full name of any partner was not devoted to the business, the percentage of time devoted must be stated	1. Name and address of each partner (Checkmate numbered district)	2. Ordinary net income less taxable interest on Government obligations, etc. (Item 23, page 1, return; line 2, page 1, and dividend included in item 12, page 1)	3. Net short-term gain (or loss) from sale or exchange of capital assets (Item 16, Summary, line 1, column 4)	4. Net long-term gain (or loss) from sale or exchange of capital assets (Item 16, Summary, line 2, column 4)
(a)	\$	\$	\$	\$
(b)	\$	\$	\$	\$
(c)	\$	\$	\$	\$
(d)	\$	\$	\$	\$
(e)	\$	\$	\$	\$
(f)	\$	\$	\$	\$
(g)	\$	\$	\$	\$
Totals	\$	\$	\$	\$

CONTINUATION OF SCHEDULE J[illegible]

QUESTIONS

1. Date of organization _____
 2. Nature of organization (partnership, syndicate, pool, joint venture, etc.) _____
 3. If return was filed for preceding year, to which collector's office was it sent? _____
 4. Check whether this return was prepared on the cash ☐ or accrual ☐ basis. _____
 5. State whether inventories at the beginning and end of the taxable year were valued at (a) cost, or (b) cost or market, whichever is lower _____

If any other basis is used, attach statement describing basis fully, state why used and the date inventory was last reconciled with stock _____

 6. Did the organization at any time during the taxable year own directly or indirectly any stock of a foreign corporation or a personal holding company, as defined in section 402? (Answer "Yes" or "No" _____ If answer is "Yes," attach schedule required by Instruction I.)
 7. Was return of information on Forms 1096 and 1099 filed for the calendar year 1938? (See Instruction I-I)

AFFIDAVIT (See Instruction D)

I swear (or affirm) that this return (including any accompanying schedules and statements) has been examined by me, and to the best of my knowledge and belief is a true, correct, and complete return, made in good faith for the accounting period stated, pursuant to the Revenue Act of 1938 and the Regulations issued under authority thereof.

Subscribed and sworn to before me this _____ day of _____, 193_____.

(If this return was prepared for you by some other person, the following affidavit must be executed)

AFFIDAVIT (See Instruction D)

I/we swear (or affirm) that I/we prepared this return for the organization named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the income tax liability of the person for whom this return has been prepared of which I/we have any knowledge.

Subscribed and sworn to before me this

... day of 193



(Signature and title of officer administering oath)

U. S. GOVERNMENT PRINTING OFFICE 2-1762

(Name of firm or employer, if not

1938

INSTRUCTIONS FOR FORM 1065 UNITED STATES PARTNERSHIP RETURN OF INCOME

(References are to the Revenue Act of 1938, unless otherwise noted)

It will be helpful to read General Instructions A to I before commencing to fill in returns, and to read Specific Instructions in connection with filling in the items to which they refer.

The term "partnership" as used herein includes a syndicate, group, pool, joint venture, or other unincorporated organization, through or by means of which any business, financial operation, or venture is carried on, and which is not, within the meaning of the Revenue Act of 1938, a trust or estate or a corporation; and the term "partner" as used herein includes a member in such a syndicate, group, pool, joint venture, or organization.

GENERAL INSTRUCTIONS

A. Who must use Form 1065.—Every domestic partnership (including syndicates, groups, pools, joint ventures, etc.) and every foreign partnership, syndicate, pool, etc., doing business within the United States or having an office or place of business therein shall make a return of income on Form 1065. (See section 901 (a) (3) and sections 181 to 188, inclusive.) If the return is filed on behalf of a syndicate, pool, joint venture, or similar group, a copy of the operating agreement should be attached to the return, unless a copy has been previously filed, together with all amendments thereto.

B. Period to be covered by return.—The return shall be filed for the calendar year 1938 or fiscal year beginning in 1938 and ended in 1939. A fiscal year must end on the last day of a calendar month other than December.

The established accounting period must be adhered to for all years, unless permission is received from the Commissioner to make a change.

An application for a change in the accounting period shall be made on Form 1128 and forwarded to the collector prior to the expiration of 30 days from the close of the proposed taxable year.

C. When and where the return must be filed.—The return must be filed with the collector of internal revenue for the district in which the partnership has its principal office or principal place of business on or before the 15th day of the third month following the close of the taxable year of the partnership.

The return for a foreign partnership shall be filed on or before the 15th day of the sixth month following the close of the taxable year, and if such foreign partnership does not have any principal place of business or principal office or agency in the United States, the return shall be filed with the Collector of Internal Revenue, Baltimore, Md.

D. Affidavits.—The return shall be sworn to by any one of the partners. If receivers, trustees in bankruptcy, or assignees are in control of the property or business of the organization, such receivers, trustees, or assignees shall execute the return under oath.

Where the return is actually prepared by some person or persons other than a member or employee of the partnership, such person or persons must execute the affidavit at the foot of page 4 of the return.

The oath or affirmation will be administered without charge by any collector, deputy collector, or internal revenue agent. If an internal revenue officer is not available, the return should be sworn to before a person authorized to administer oaths for general purposes by the law of the United States or of any State, Territory, or possession of the United States, or of the District of Columbia, wherein such oath or affirmation is administered, except an attorney or agent employed to represent the taxpayer before the Department in connection with his tax liability.

E. Penalties.—For willful failure to make and file return on time.—Not more than \$10,000 or imprisonment for not more than one year, or both, together with the costs of prosecution.

For willfully attempting to evade or defeat payment of the tax.—Not more than \$10,000 or imprisonment for not more than five years, or both, together with the costs of prosecution.

F. Basis of return.—If the books of account of the partnership are kept on the accrual basis, report all income accrued, even though it has not been actually received or entered on the books, and expenses incurred instead of expenses paid. If the books are kept on the cash receipts and disbursements basis, or if the partnership kept no books, make the return on the cash basis and report all income received or constructively received, such as bank interest credited to the partnership's account and coupon bond interest matured, and report expenses actually paid.

Attention is called to the following limitations on deductions for unpaid expenses and interest applicable to taxpayers on the accrual basis provided in section 24 (c):

(a) Unpaid Expenses and Interest.—In computing net income no deduction shall be allowed, under section 23 (a), relating to expenses incurred, or under section 23 (b), relating to interest accrued—

- (1) If such expenses or interest are not paid within the taxable year or within two and one-half months after the close thereof; and
- (2) If, by reason of the method of accounting of the person to whom the payment is to be made, the amount thereof is not, unless paid, includible in the gross income of such person for the taxable year in which or with which the taxable year of the taxpayer ends; and
- (3) If, at the close of the taxable year of the taxpayer or at any time within two and one-half months thereafter, both the taxpayer and the person to whom the payment is to be made are persons between whom losses would be disallowed under section 24 (b).

G. Items partially and wholly exempt from tax.—All items of income received and claimed to be exempt should be explained in Schedule G, except interest to be reported in Schedule A.

1. The following items are partially exempt from tax:

- (a) Amounts received (other than amounts paid by reason of the death of the insured and interest payments on such amounts and other than amounts received as annuities) under a life insurance or endowment contract, but if such amounts (when added to amounts received before the taxable year under such contract) exceed the aggregate premiums or consideration paid (whether or not paid during the taxable year) then the excess shall be included in gross income;

(b) The interest on United States Savings Bonds and Treasury Bonds, owned in excess of \$5,000, and interest on obligations of instrumentalities of the United States (other than obligations issued under the Federal Farm Loan Act or under such Act as amended) is subject to surtax if the surtax net income is over \$4,000. Such interest should be reported in Schedule A (see also Specific Instruction 7); and

(c) Dividends on share accounts in Federal savings and loan associations, but such dividends are subject to surtax if the surtax net income is over \$4,000 (see Specific Instruction 11).

2. The following items are wholly exempt from tax:

- (a) Amounts received under a life insurance contract paid by reason of the death of the insured; whether in a single sum or in installments (but if such amounts are held by the insurer under an agreement to pay interest thereon, the interest payments shall be included in gross income);

(b) Gifts (not received as a consideration for service rendered) and money and property acquired by bequest, devise, or inheritance (but the income derived from such property is taxable and must be reported);

(c) Amounts received through accident or health insurance or under workmen's compensation acts, as compensation for personal injuries or sickness, plus the amount of any damages received, whether by suit or agreement, on account of such injuries or sickness;

(d) The rental value of a dwelling house and appurtenances thereof furnished to a minister of the gospel as part of his compensation;

(e) Compensation paid by a State or political subdivision thereof to its officers or employees for services rendered if such compensation is constitutionally exempt from Federal taxation;

(f) Pensions and compensation received by veterans from the United States and pensions received from the United States by the family of a veteran, for services rendered by the veteran to the United States in time of war;

(g) Amounts received as earned income from sources without the United States (except amounts paid by the United States or any agency thereof) by an individual citizen of the United States.

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States who is a bona fide nonresident for more than 6 months during the taxable year (the taxpayer in such a case may not deduct from his gross income any amount properly allocable to or chargeable against the amount so excluded from his gross income); and

- (4) The interest on (1) obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions; (2) obligations issued under Federal Farm Loan Act or under such Act as amended; (3) obligations of the United States issued on or before September 1, 1917; and (4) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness.

H. Information at source.—Every person making payments of salaries, wages, interest, rents, commissions, or other fixed or determinable income of \$1,000 or more during the calendar year 1938, to an individual, a partnership, or a fiduciary, is required to make a return on Forms 1060 and 1099 showing the amount of such payments and the name and address of each recipient, except that a return need not be made for payments of salaries or other compensation for personal services aggregating less than \$2,500 made to a married individual.

SPECIFIC INSTRUCTIONS

The following instructions are numbered to correspond with item numbers on the first page of the return.

1. Gross receipts from business or profession.—Enter as item 1 the gross receipts from sales or services, less any discounts or allowances from sale price or service charge.

2. Cost of goods sold.—If the production, manufacture, purchase and sale of merchandise is an income-producing factor in the trade or business, inventories of merchandise on hand should be taken at the beginning and end of the taxable year, which may be valued at (a) cost, or (b) cost or market, whichever is lower. Taxpayers were given an option to adopt the basis of either (a) cost, or (b) cost or market, whichever is lower, for their 1929 inventories. The basis properly adopted for that year, or any subsequent year, is controlling, and a change can now be made only after permission is secured from the Commissioner. Application for permission to change the basis of valuing inventories shall be made in writing and filed with the Commissioner within 90 days after the beginning of the taxable year in which it is desired to effect a change. Enter the letters "C," or "C or M," if immediately before the amount column, if the inventories are valued at either cost, or cost or market, whichever is lower, and explain fully in answer to question 5 on page 4 of the return the method used.

See Regulations 101 with respect to inventories by dealers in securities.

If the partnership, engaged in a business described in section 22 (d), elects as of the close of the first taxable year beginning after December 31, 1938, to use the inventory method provided in section 22 (d), there should be filed with this return an election on Form 970.

Installment sales.—If the installment method is used, attach to the return a schedule showing separately for the years 1935, 1936, 1937, and 1938 the following: (a) Gross sales; (b) cost of goods sold; (c) gross profits; (d) percentage of profits to gross sales; (e) amount collected; and (f) gross profit on amount collected. (See section 44.)

Farmer's income schedule.—If the partnership operates a farm and keeps no books of account, or keeps books on a cash basis, obtain from the collector and attach to the return, Form 1040F, Schedule of Farm Income and Expenses, and enter the net farm income as item 3 on page 1 of the return. If the farm books of account are kept on an accrual basis, the filing of Form 1040F is optional.

4. Income (or loss) from other partnerships, syndicates, pools, etc.—Enter as item 4 the partnership's share of the profits (whether received or not) or of the losses of another partnership, except the partnership's distributive share of another partnership's capital gains or losses, which should be reported in Schedule H and included in item 26 or 27. The partnership's share of interest on obligations of the United States, etc., owned by another partnership or an estate or trust should be included in Schedule A. If the taxable year on the basis of which the partnership's return is filed does not coincide with the annual accounting period of the other partnership, include in the return the distributive share of the net profits (or losses) for the accounting period of such partnership ending within the period for which the return is filed.

5. Interest on bank deposits, notes, corporation bonds, etc.—Interest coupons falling due within the taxable year will be considered as income for such year where the books are kept on a cash basis. If the books are kept on an accrual basis, report the actual amount of interest accrued on the obligations owned during the taxable year.

Where obligations are purchased between interest dates and the purchase price includes accrued interest, such part of the purchase price as represents accrued interest purchased should neither be claimed as a deduction for interest paid nor be added to the cost of the obligation but should be treated as an offset against the interest received or accrued at a later date.

6. Interest on tax-free covenant bonds.—Enter as item 6 interest on bonds upon which a Federal income tax was paid at the source by the debtor corporation, if an ownership certificate on Form 1060 was

These forms will be furnished by any collector of internal revenue upon request and must be forwarded to the Commissioner of Internal Revenue, Sorting Section, Washington, D. C., in time to be received not later than February 15, 1939.

7. Stock owned in foreign corporations and personal holding companies.—If at any time during the taxable year the partnership owned directly or indirectly any stock of a foreign corporation (including a foreign personal holding company, as defined in section 331, in which the partnership owned less than 5 percent in value of the outstanding stock of such company) or a personal holding company, as defined in section 402, attach to the return a statement setting forth the name and address of each such company and the total number of shares of each class of outstanding stock owned by the partnership during the taxable year. If the partnership owned stock at any time during the taxable year in a foreign personal holding company, as defined in section 331, the partnership must include in the return as a dividend the amount required to be included in gross income by section 337. If the partnership owned 5 percent or more in value of the outstanding stock of such foreign personal holding company, set forth in an attached statement in complete detail the information required by section 337 (d).

8. Rent.—Enter as item 8 the gross amount received or accrued for the rent of property. Any deductions claimed for repairs, interest, taxes, and depreciation should be included in items 16, 17, 18, and 21, respectively.

If property or crops were received in lieu of cash rent, report the income as though the rent had been received in cash. Crops received as rent on a crop-share basis should be reported as income for the year in which disposed of, unless the return reflects income accrued.

9. Royalties.—Enter as item 9 the gross amount received or accrued as royalties. If royalties are claimed on an amount of depletion, it should be included in item 22. (See sections 23 (n) and 114.)

10. Net gain (or loss) from sale or exchange of property other than capital assets.—Report sales or exchanges of such property in Schedule H, and enter the gain or loss shown in column 7, Schedule H, as item 10. For definition of "capital assets," see Specific Instruction 36.

11. Dividends.—Enter as item 11 the total of all taxable dividends received from domestic and foreign corporations. Enter in Schedule G all dividends received which are claimed to be nontaxable, and include in item 12 dividends on share accounts in Federal savings and loan associations.

12. Other income.—If you had any taxable income, space for reporting which is not provided elsewhere on page 1, enter it as item 12, and explain its nature, using a separate sheet if necessary for that purpose. Include in this item taxable income from annuities and insurance proceeds. Amounts received as an annuity under an annuity or endowment contract shall be included in gross income to the extent of 3 percent of the aggregate premiums or consideration paid for such annuity. If the aggregate of the amounts received and excluded from gross income in years previous to the taxable year equals the aggregate premiums or consideration paid for such annuity, the entire amount received must be included in gross income. (Section 22 (b) (2).)

Amounts received during the taxable year under a life insurance or endowment policy (other than amounts paid by reason of the death of the insured, interest payments on such amounts, and amounts received as annuities) shall be included in gross income if the amounts so received (when added to the amounts received before the taxable year under such policy) exceed the total premiums or consideration paid.

Include also in item 12 dividends on share accounts in Federal savings and loan associations.

13. Total income.—Enter and explain in Schedule G all income claimed as exempt (except interest which should be explained in Schedule A), but do not include as part of item 13.

14. Salaries and wages.—Enter as item 14 all salaries and wages not included as a deduction in item (e), item 2, except compensation for partners, which shall not be claimed as a deduction in this item or elsewhere on the return.

15. Rent.—Enter as item 15 rent on business property in which the partnership has no equity. Do not include rent for a dwelling occupied by any partner for residential purposes.

16. Repairs.—Enter as item 16 the cost of incidental repairs, including labor, supplies, and other items, which do not add to the value or appreciably prolong the life of the property. Expenditures for new buildings, machinery, equipment, or for permanent improvements or

betterments which increase the value of the property are chargeable to capital account. Expenditures for restoring or replacing property are not deductible, as such expenditures are chargeable to capital accounts or to depreciation, reserve, depending on how depreciation is charged on the books of the partnership.

17. Interest on indebtedness.—Enter as item 17 interest on business indebtedness to others. Do not include interest on capital invested in the business by any partner, nor interest on indebtedness incurred or continued to purchase or carry obligations (other than obligations of the United States issued after September 24, 1917, and originally subscribed for by the partnership) the interest upon which is wholly exempt from taxation. See also General Instruction F with reference to deductions for accrued interest and expenses.

18. Taxes.—Enter as item 18 taxes on business property or for carrying on business. Do not include taxes assessed against local benefits tending to increase the value of the property assessed, as for paving, etc. Federal income taxes, nor estate, inheritance, legacy, succession, and gift taxes, nor taxes entered in column 12, Schedule J. Do not include taxes imposed on the interest of the partnership as stockholder of a corporation which are paid by the corporation without reimbursement from the partnership. Do not include sales taxes unless the tax was imposed directly upon the partnership by law. List in Schedule C, each class of taxes deducted.

19. Losses by fire, storm, shipwreck, or other casualty, or theft.—Enter as item 19 losses sustained during the year, if arising by fire, storm, shipwreck, or other casualty, or from theft, and not compensated for by insurance or otherwise. (See section 23 (c).) Attach a schedule setting forth a description of the property, date acquired, cost, subsequent improvements, depreciation allowable since acquisition, insurance, salvage value, and deductible loss.

20. Bad debts.—Bad debts may be treated in either of two ways—
(1) By a deduction from income in respect of debts ascertained to be worthless in whole or in part; or
(2) By a deduction from income of a reasonable addition to a reserve for bad debts.

Taxpayers were given an option for 1921 to select either of these methods and the method used in the return for the year 1921 must be used in returns for all subsequent years unless permission is granted by the Commissioner to change to the other method. Application for permission to change the method shall be made in writing at least 30 days prior to the close of the taxable year for which it is desired to effect the change.

A partnership filing its first return of income may select either of the two methods mentioned above subject to approval by the Commissioner upon examination of the return. If the method selected is approved, it must be followed in returns for subsequent years, except as permission may be granted by the Commissioner to change to the other method.

21. Depreciation.—The amount deductible on account of depreciation in item 21 is an amount reasonably measuring the portion of the investment in depreciable property used in the trade or business by reason of exhaustion, wear and tear, including a reasonable allowance for obsolescence, which is properly chargeable for the year. If the property was acquired by purchase on or after March 1, 1913, the amount of depreciation should be determined upon the basis of the original cost (not replacement cost) of the property, and the probable number of years remaining of its expected useful life. In case the property was purchased prior to March 1, 1913, the amount of depreciation will be determined in the same manner, except that it will be computed on its original cost, less depreciation sustained prior to March 1, 1913, or its fair market value as of that date, whichever is greater. If the property was acquired in any other manner than by purchase, see section 114. The capital sum to be recovered should be charged off ratably over the useful life of the property. Whatever plan or method of apportionment is adopted must be reasonable and must have due regard to operating conditions during the taxable year and should be described in the return. Stocks, bonds, and like securities are not subject to depreciation within the meaning of the law.

If a deduction is claimed on account of depreciation, fill in Schedule E. In case obsolescence is included, state separately amount claimed and basis upon which it is computed. Land values or cost must not be included in this schedule, and where land and buildings were purchased for a lump sum, the cost of the building subject to depreciation must be established. The adjusted property accounts and the accumulated depreciation shown in the schedule should be reconciled with those accounts as reflected on the books of the partnership. (See sections 23 (j) and 114.)

22. Depletion of mines, oil and gas wells, timber, etc.—If a deduction is claimed on account of depletion, procure from the collector Form D (minerals), Form F (coal), Form F (miscellaneous nonmetals), Form O (oil and gas), or Form T (timber), fill in and file with your return. If complete valuation data have been filed with questionnaire in previous years, then file with your return information necessary to bring your depletion schedule up to date, setting forth in full statement of all transactions bearing on deductions from or additions to

value of physical assets during the taxable year with explanation of how depletion deduction for the taxable year has been determined. (See sections 23 (m) and 114.)

23. Other deductions authorized by law.—Enter as item 23 any other authorized deductions for which no space is provided elsewhere on the first page of the return. Do not deduct losses incurred in transactions which were neither connected with the trade or business nor entered into for profit. No deduction is allowable for the amount of any item or part thereof allowable to a class of exempt income other than interest. Items directly attributable to such exempt income shall be allocated thereto, and items directly attributable to any class of taxable income shall be allocated to such taxable income. If an item is directly attributable both to taxable income and exempt income, a reasonable proportion thereof, determined in the light of all the facts and circumstances in each case, shall be allocated to each. Apportionments must in all cases be reasonable. A partnership receiving any other income, either than interest, or holding any property or engaging in any activity the income from which is exempt shall submit with its return as a part thereof an itemized statement, in detail, showing (1) the amount of each class of exempt income, and (2) the amount of expense items allocated to each such class (the amount allocated by apportionment being shown separately). Deductions for charitable contributions are not allowable to the partnership. (See Specific Instruction 28.)

26-27. Net short-term and net long-term capital gains and losses.—Report sales or exchanges of capital assets in Schedule H, and enter the net short-term capital gain or loss as item 26, and the net long-term capital gain or loss as item 27.

Definition of "capital assets."—The term "capital assets" means property held by the taxpayer (whether or not connected with his trade or business), but does not include stock in trade of the taxpayer or other property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year, or property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, or property used in the trade or business, at the time of the sale or exchange, of a character which is subject to the allowance for depreciation. The exclusion from the term "capital assets" of property used in the trade or business of the taxpayer of a character which is subject to allowance of depreciation provided in sections 23 (j) is limited to property used by the taxpayer in the trade or business at the time of the sale or exchange. It has no application to gains or losses arising from the sale of real property used in the trade or business to the extent that such gain or loss is allocable to the land, as distinguished from depreciable improvements upon the land.

Description of property.—Every sale or exchange of property, even though no gain or loss may be indicated, must be reported in detail. Enter full description of each item of property sold or exchanged. Such description should include the following facts: (a) For real estate, location and description of land, description of improvements, details explaining depreciation (column 7 of Schedule H); (b) for bonds or other evidence of indebtedness, name of issuing corporation, description of the particular issue, denomination, and amount; and (c) for stocks, name of corporation, class of stock, number of shares, capital gains affecting basis (non-taxable stock dividends, other nontaxable dividends, stock rights, etc.).

Basis.—If the property was acquired before March 1, 1913, the "basis" for the property is not subject to the same rule for reporting gains as for losses. In such cases, the basis for determining GAIN is the cost or the fair market value as of March 1, 1913, adjusted as provided in section 113 (b), whichever is greater, but in determining LOSS the basis is cost so adjusted. If the property was acquired after March 1, 1913, basis for both gain and loss is the cost of such property, except as otherwise provided in section 113. The exceptions arise chiefly where property was acquired by gift, bequest, tax-free exchange, involuntary conversion, wash sale of stock, and in such cases section 113 provides the basis that shall be used. If the amount shown as the basis is other than actual cash cost of the property sold or exchanged, full details must be furnished regarding the acquisition of the property.

Enter in column 7 of Schedule H, the amount of depreciation, exhaustion, wear and tear, obsolescence, or depletion which has been allowed (but not less than the amount allowable) in respect of such property since date of acquisition, or since March 1, 1913, if the property was acquired before that date. In addition, if the property was acquired before March 1, 1913, the cost shall be reduced by the depreciation actually sustained before that date.

Subsequent improvements include expenditures for additions, improvements, and renewals and replacements made to restore the property or prolong its useful life. Do not deduct ordinary repairs, interest, or taxes in computing gain or loss.

Losses on securities becoming worthless.—If any securities (as defined below) are ascertained to be worthless and charged off within the taxable year and are capital assets, the loss resulting therefrom shall, in the case of a taxpayer other than a bank, as defined in section 104, be considered as a loss from the sale or exchange, on the last day of such taxable year, of capital assets. (See section 23 (k) (2).) —

Definition of securities.—As used for this purpose, the term "securities" means bonds, debentures, notes, or certificates, or other evidences of indebtedness, issued by any corporation (including those issued by a government or political subdivision thereof), with interest coupons or in registered form.

Losses on stocks or stock rights becoming worthless.—If any shares of stock in a corporation or rights to subscribe for or to receive such shares become worthless during the taxable year, and are capital assets, the loss resulting therefrom shall be considered as a loss from the sale or exchange, on the last day of such taxable year, of capital assets. (See section 23 (g) (2).)

Classification of capital gains and losses.—Section 117 (a) (2) to (9), inclusive, defines "short-term capital gain," "short-term capital loss," "long-term capital gain," "long-term capital loss," "net short-term capital gain," "net short-term capital loss," "net long-term capital gain," and "net long-term capital loss." The phrase "short-term gain" and "net short-term capital loss" applies to the category of gains and losses arising from the sale or exchange of capital assets held for 18 months or less; the phrase "long-term" applies to the category of gains and losses arising from the sale or exchange of capital assets held for more than 18 months.

In the case of individuals, gains and losses from the sale or exchange of capital assets held for not more than 18 months (described as short-term capital gains and short-term capital losses) shall be segregated from gains and losses arising from the sale or exchange of such assets held for more than 18 months (described as long-term capital gains and long-term capital losses).

Percentage of capital gain or loss taken into account.—In computing the net income, the following percentages of the gain or loss recognized upon the sale or exchange of a capital asset shall be taken into account in computing net income:

- 100 percent if the capital asset has been held for not more than 18 months;
- 65 percent if the capital asset has been held for more than 18 months and not more than 24 months;
- 50 percent if the capital asset has been held for more than 24 months.

Limitation on short-term capital losses.—Section 117 (d) (2) provides a limitation on deductions for short-term capital losses of individuals, that is, losses from sales or exchanges of capital assets held for 18 months or less shall be allowed as deductions only to the extent of the gains from sales or exchanges of capital assets held for 18 months or less. A partnership is not allowed the benefit of the carry-over provision of section 117 (e) with respect to net short-term capital losses.

Determination of period for which capital assets are held.—If property was acquired in certain transactions described in sections 112, 113, and 118, the period for which such property is considered to have been held by the taxpayer is not computed from the date such property was acquired by the taxpayer but from a prior date, as provided in section 117 (h).

As to gains and losses from short sales, see section 117 (g). As to gains and losses from distributions in liquidation of corporations, see section 115 (c).

Losses not allowable—Wash sales.—In the case of any loss claimed to have been sustained from any sale or other disposition of shares of stock or securities where it appears that, within a period beginning 30 days before the date of such sale or disposition and ending 30 days after such date, the taxpayer has acquired (by purchase or by exchange upon which the entire amount of gain or loss was recognized by law), or has entered into a contract or option so to acquire, substantially identical stock or securities, then no deduction for the loss shall be allowed unless the claim is made in connection with the taxpayer's trade or business. (See section 118.)

Losses in transactions between certain persons.—No deduction shall be allowed in respect of losses from sales or exchanges of property, directly or indirectly—

- A. Between members of a family, which is defined for the purpose of this paragraph to include only the taxpayer's brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants;
- B. Except in the case of distributions in liquidation, between an individual and a corporation more than 50 percent in value of the outstanding stock of which is owned, directly or indirectly, by or for such individual;
- C. Between a grantor and a fiduciary of any trust; or
- D. Between a fiduciary of a trust and a beneficiary of such trust.

For the purposes of determining ownership of stock in applying this paragraph, see section 24 (b) (2).

28. Partners' shares of income and credits.—Enter the names and addresses of the partners on lines (a), (b), (c), etc., in column 1, Schedule J, and extend in the proper columns each partner's share of income, whether distributed or not, and credits. Schedule J should show com-

plete information with respect to all the persons who were members of the partnership, syndicate, group, etc., during any portion of the taxable year. If the full time of any partner was not devoted to the business, the percentage of time devoted to the business must be shown in Schedule J. Although the partnership is not subject to income tax, the members thereof are liable for income tax in the individual capacity and are taxable upon their distributive shares of the income of the partnership, whether distributed or not, and each partner is required to include his proportionate share in his individual return. Each partner should be advised by the partnership of his proportionate share of the income and credits as shown in Schedule J of the partnership return, as well as his share of any dividends included in item 12 (see Specific Instruction 12).

Earned income.—Enter in column 9, Schedule J, the proper part of each partner's or member's distributive share of the partnership's net income which consists of earned income. Such part cannot exceed a partner's or member's share of the partnership's net income. The income of the partnership, whether distributed or not, is rendered by the partner in connection with the partnership's business. In the case of a partnership which is engaged in a trade or business in which capital is a material income-producing factor and in the trade or business of which the partner renders personal services which are material to the earning of the partnership's income, the earned income of the partner from the partnership is a reasonable allowance as compensation for the personal services actually rendered by him, but not in excess of 20 percent of his share of the net profits of the partnership (computed without deduction for so-called salaries to partners or members).

Example: A partnership composed of A, B, and C is engaged in the retail clothing business. Each partner is entitled to one-third of the net profits, after deduction of so-called salaries to members. A devotes most of his time to the business and is paid a salary of \$10,000. B devotes half of his time to the business and is paid a salary of \$5,000. C devotes some of his time to the business and receives no salary. The net profits of the partnership for the taxable year are \$30,000, without deduction for so-called salaries to members, are \$24,000. The earned income of the partners from the partnership is as follows: Although A received a salary of \$10,000 and B a salary of \$5,000, since the partnership is engaged in a business in which capital is a material income-producing factor, the earned income of each from the partnership is limited to 20 percent of his share of the net profits. A's share of the net profits is \$13,000 (\$10,000 salary) + \$3,000 (1/3 of net profits after deduction of \$15,000 for salaries). Twenty percent of \$13,000 is \$2,600, to which amount A's earned income from the partnership is \$2,600. Since B's share of the net profits is \$8,000 (\$5,000 salary) + \$3,000 (1/3 of net profits after deduction of \$15,000 for salaries), twenty percent of \$8,000 is \$1,600, to which amount B's earned income from the partnership is \$1,600. C has no earned income from the partnership, since he renders no personal services in connection with the partnership business.

Charitable contributions.—No deduction for charitable contributions is allowable in computing the net income of a partnership, but each partner shall be considered as having made payment of his distributive portion of any contribution or gift of the character described in section 23 (c), payment of which was made by the partnership. Enter in Schedule I contributions or gifts payment of which was made within the taxable year to or for the use of: (a) The United States, any State, Territory, or any political subdivision thereof, or the District of Columbia, for exclusively public purposes; (b) a domestic corporation, or trust, or domestic community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inure to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation; (c) the special fund for vocational rehabilitation authorized by section 12 of the World War Veterans' Act, 1924; (d) posts or organizations of war veterans, or auxiliary units, or societies of any such posts or organizations, if such posts or organizations, units, or societies are organized in the United States or any of its possessions, and if no part of their net earnings inures to the benefit of any private shareholder or individual; or (e) a domestic fraternal society, order, or association, operating under the lodge system, but only if such contributions or gifts are to be used exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Allocate each partner's share in such contributions or gifts in column 10, Schedule J.

Credit for taxes.—If interest was received on tax-free covenant bonds in connection with which an ownership certificate on Form 1000 was filed, the Federal income tax of 2 percent paid at the source on such interest should be allocated to the partners in column 11, Schedule J.

If income and profits taxes paid to a foreign country or a possession of the United States are entered in column 12, Schedule J, submit Form 1116 with the partnership return with a receipt for each such tax payment. In case the amount entered in column 12 includes foreign taxes accrued but not paid, attach to the form a certified copy of the return on which the taxes were paid. The Commissioner may require the partners or members to give a bond on Form 1117 for the payment of any additional tax found due if the foreign tax when paid differs from the amount claimed.

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