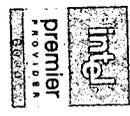


STATEMENTS OF INCOME
FOR 1940

TABLE
SCALE OF RATES AND RULES GOVERNING THE
MANNER OF ASSESSING THE LIABILITY FOR FEDERAL
INCOME TAXES OF INDIVIDUALS AND
ESTATES

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

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U. S. TREASURY DEPARTMENT
BUREAU OF INTERNAL REVENUE

STATISTICS OF INCOME FOR 1940

PART 1

COMPILED FROM INDIVIDUAL INCOME AND
DEFENSE TAX RETURNS, TAXABLE FIDUCIARY
INCOME AND DEFENSE 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



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1943

CONTENTS

	Page
Official transmittal.....	1
INDIVIDUAL INCOME AND DEFENSE TAX RETURNS AND TAXABLE FIDUCIARY INCOME AND DEFENSE TAX RETURNS	
Summary data.....	2
Changes in provisions of the Internal Revenue Code.....	3
Returns included.....	3
Data tabulated.....	4
Selection of samples.....	4-5
Estimated data.....	5
Description of summary items.....	5-7
Net income exempt from normal tax.....	7-8
Classification of returns.....	8-9
Simple and cumulative distribution by net income classes.....	9-11
Individual returns with no net income.....	11-12
Family relationship—individual returns.....	12-13
Sources of income and deductions.....	14-24
Sole proprietorships.....	24-25
Amount distributable to beneficiaries.....	25-26
Frequency distribution of selected sources of income and loss by net in- come classes and by size of the selected source.....	26-40
Government obligations and interest.....	41-42
Number of individual returns by counties, cities, and towns.....	42-43
Comparability of statistics.....	43-44
HISTORICAL DATA	
Capital gains, 1922-1940; capital losses, 1924-1940.....	44-46
Individual returns and returns of fiduciaries, 1913-1940:	
Number of returns, net income, tax before tax credits, tax credits, and tax for returns with net income, 1913-1940, and number of returns and deficit for individual returns with no net income, 1928-1940...	47-48
Number of returns, net income, tax, and effective tax rate; also aggre- gate for individual returns with no net income:	
Number of returns, 1914-1940.....	48-50
Net income, 1916-1940; deficit, 1928-1940.....	50-51
Tax, 1916-1940.....	52-53
Effective tax rate (percent), 1916-1940.....	53-54
Sources of income, deductions, and net income, 1916-1940; deficit, 1928-1940:	
All returns.....	54-60
Returns with net income of \$5,000 and over.....	61-67
Partnership returns of income, 1917-1940.....	68
Source book data.....	68-69

BASIC TABLES	Page
Description of basic tables.....	69
Taxable and nontaxable individual income and defense tax returns with net income and with no net income, and taxable fiduciary income and defense tax returns with net income:	
United States in aggregate:	
Number of returns, net income or deficit, personal exemption, credit for dependents and tax, by States and Territories:	
1. Individual returns and taxable fiduciary returns, with net income, and individual returns with no net income.....	72-73
1-A. Individual returns with net income and with no net income.....	74-75
Number of returns, net income, personal exemption, credit for dependents, earned income credit, taxes, average tax, and effective tax rate, by taxable and nontaxable returns, and by net income classes for returns with net income, and in aggregate for taxable and nontaxable individual returns with no net income:	
2. Individual returns and taxable fiduciary returns, with net income, and individual returns with no net income:	
All returns.....	76-79
Returns with normal tax and surtax.....	80-81
Returns with alternative tax.....	82-89
2-A. Individual returns with net income and with no net income:	
All returns.....	90-93
Returns with normal tax and surtax.....	94-95
Returns with alternative tax.....	96-103
2-B. Taxable fiduciary returns with net income:	
All returns.....	104-105
Returns with normal tax and surtax.....	106-107
Returns with alternative tax.....	108-111
Simple and cumulative distribution of number of returns, net income, and total tax, with corresponding percentage distribution; by net income classes for returns with net income, and in aggregate for returns with no net income:	
3. Individual returns and taxable fiduciary returns with net income, and individual returns with no net income.....	112-114
3-A. Individual returns with net income and with no net income.....	115-117
Individual returns with net income, by sex and family relationship:	
4. Number of returns and net income by States and Territories.....	118-120
5. Number of returns, net income, personal exemption, and credit for dependents, by taxable and nontaxable returns and by net income classes.....	121-125
6. Sources of income, deductions, net income and deficit, by States and Territories, individual returns with net income and with no net income.....	126-132
Number of returns and amount for each source of income and deduction, and net income, by taxable and nontaxable returns and by net income classes for returns with net income, also aggregates for taxable and nontaxable individual returns with no net income:	
7. Individual returns and taxable fiduciary returns with net income, and individual returns with no net income.....	133-143
7-A. Individual returns with net income and with no net income.....	144-153
7-B. Taxable fiduciary returns with net income.....	154-159
States and Territories separately:	
8. Number of returns, net income, and total tax, by net income classes for individual returns with net income, also aggregates for taxable and nontaxable individual returns with no net income, and taxable fiduciary returns with net income; and historical summary for aggregate of individual and taxable fiduciary returns, with net income, 1940-1930.....	160-185

CONTENTS	Page
Government obligations, and wholly and partially tax-exempt interest, by type of obligation, and by net income classes:	
9. Individual returns with net income of \$5,000 and over.....	186-187
10. Taxable fiduciary returns with net income, showing balance income of \$5,000 and over.....	188-189
ESTATE TAX RETURNS	
Summary data.....	195
Filing requirements.....	195-196
Data tabulated.....	196
Description of items.....	196-198
Classification of returns.....	198
Description of tables.....	199
Estate tax returns filed in 1941 for estates of citizens and resident aliens:	
Items of gross estate, deductions, net (or no net) estate, and tax:	
1. Taxable and nontaxable, by revenue acts.....	200-203
2. Taxable, by net estate classes.....	204-211
3. Taxable, by gross estate classes.....	212-215
4. Nontaxable, by gross estate classes.....	216-219
By States and Territories:	
5. Taxable and nontaxable, selected items.....	220-221
Historical—Table 6. Returns for citizens and aliens, 1916-1941.....	222-223
GIFT TAX RETURNS	
Summary data.....	227
Filing requirements.....	227
Data tabulated.....	227
Description of items.....	227-228
Classification of returns.....	228-229
Gifts.....	229
Identical donors.....	229-230
Description of tables.....	230
Gift tax returns, 1940:	
Number of returns, total gifts before exclusions, exclusions, total gifts after exclusions, deductions, net gifts, and tax:	
1. By net gift classes.....	230-231
2. Taxable by total gift plus tax classes; nontaxable by total gift classes.....	232-234
3. Value of gifts transferred in trust or otherwise.....	235
Identical donors:	
4. Number of returns, total gifts after exclusions, deductions, net gifts, and tax, by taxable status for current year and for prior years.....	235
5. Number of taxable returns, by size of net gifts for current year and by size of net gifts for prior years.....	236
Historical—Table 6. Number of returns, total gifts, net gifts, and tax, 1932-1940.....	237
SYNOPSIS OF FEDERAL TAX LAWS AFFECTING THE COMPARABILITY OF HISTORICAL DATA IN STATISTICS OF INCOME	
Individuals and fiduciaries:	
A. Requirements for filing income tax returns, personal exemption, credit for dependents, and normal tax rates, under the Federal tax laws for the income years 1913 through 1940.....	242-245
B. Surtax rates and total surtax, under the Federal tax laws for the income years 1913 through 1940.....	246-247
C. Supplemental income and profits tax rates and credits, under the Federal tax laws for the income years 1917 through 1940.....	248-251
Estates:	
D. Tax rates, total estate tax, specific exemptions, and credits against estate tax, under the Federal tax laws applicable to estates of citizens and aliens who died in the period September 9, 1916, through December 31, 1941.....	252-255
Gifts:	
E. Tax rates, total gift tax, specific exemptions, exclusions and deductions, under the Federal tax laws affecting gifts made during the calendar years 1924 through 1940.....	256-257
INCOME TAX FORMS	
Facsimiles of Forms 1040, 1040A, 1041, and 1065 for 1940.....	261-287
Index.....	289-303

STATISTICS OF INCOME FOR 1940

PART 1

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

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF INTERNAL REVENUE,
Washington, D. C., April 26, 1943.

SIR: In accordance with the provisions of the Revenue Act of 1916 and subsequent Federal tax laws 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 1940, Part 1," prepared from individual income and defense tax returns and taxable fiduciary income and defense tax returns for 1940 filed during 1941, with a historical presentation of the income data 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 1941, for the estates of individuals irrespective of the date of death, and tabulations of data from gift tax returns for 1940 filed during 1941, with a brief historical summary for each. On pages 242-257 there is presented a synopsis of the Federal tax laws relating to rates, credits, and exemptions for individual income and profits taxes, fiduciary income tax, estate tax, and gift tax, which affect the comparability of historical data in Statistics of Income.

Respectfully,

GUY T. HELVERING,
Commissioner of Internal Revenue.

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

INDIVIDUAL INCOME AND DEFENSE TAX RETURNS AND TAXABLE FIDUCIARY INCOME AND DEFENSE TAX RETURNS
SUMMARY DATA

The number of individual and taxable fiduciary returns filed for 1940 is 14,778,159—an increase of 91.5 percent as compared with those filed the previous year. The total net income is \$36,588,545,894, and the total tax liability is \$1,496,403,386, an increase of 57.8 percent and 61.1 percent, respectively.

There are 7,504,695 taxable returns, of which 7,437,261 are individual returns with \$23,279,203,093 net income and \$1,440,967,144 tax liability; 67,388 are fiduciary returns with \$278,827,290 net income and \$54,963,289 tax liability; and 46 are individual returns with no net income, showing a deficit of \$2,550,665, but with alternative tax of \$472,953.

Of the 7,273,464 nontaxable returns, 7,160,813 are individual returns with net income of \$13,030,515,511—nontaxable because exemptions and credits exceed net income; and 112,651 are individual returns with no net income showing a deficit of \$308,833,907—returns on which deductions equal or exceed total income.

The normal tax and surtax liability of \$824,280,936 is reported on 7,478,649 individual and fiduciary returns with net income. The alternative tax of \$543,772,173 is reported on 26,000 returns with net income, of which 25,240 are individual returns and 760 are fiduciary returns, and on 46 individual returns with no net income owing to net long-term capital loss. The defense tax of \$128,350,277 is reported on individual and fiduciary returns with net income.

The average tax for all returns with net income is \$102 and the effective tax rate 4.1 percent; the average tax for taxable returns with net income is \$199 and the effective tax rate 6.4 percent.

The increase in number of returns, amounts of net income, deficit, and tax, for 1940 over 1939, and percent of increase, is as follows:

Individual returns and taxable fiduciary returns, 1940 and 1939: Number of returns, net income, deficit, and taxes

(Money figures in thousands of dollars)

	1940	1939	Increase 1940 over 1939	
			Number or amount	Percent
Total individual and taxable fiduciary returns:				
Number of returns.....	14,778,159	7,715,660	7,062,499	91.53
Net income ¹	36,588,546	23,191,871	13,396,675	57.76
Deficit.....	311,385	284,327	27,058	9.52
Tax.....	1,496,403	928,694	567,709	61.13
Taxable individual and fiduciary returns:				
With net income:				
Number of returns.....	7,504,649	3,959,297	3,545,352	89.54
Net income ¹	23,558,030	15,803,945	7,754,085	49.06
Tax.....	1,495,930	928,394	567,537	61.13
Normal tax.....	388,950	286,345	102,606	35.83
Surtax.....	435,331	313,518	121,813	38.85
Alternative tax ²	543,299	328,532	214,768	65.37
Defense tax ³	128,350	-----	128,350	-----
Individual returns with no net income: ⁴				
Number of returns.....	46	17	29	170.59
Deficit.....	2,551	1,128	1,423	126.11
Alternative tax.....	473	300	173	57.58
Nontaxable individual returns:				
With net income: ⁴				
Number of returns.....	7,160,813	3,673,902	3,486,911	94.91
Net income.....	13,030,516	7,387,926	5,642,590	76.38
With no net income:				
Number of returns ⁴	112,651	82,444	30,207	36.64
Deficit.....	308,834	283,199	25,635	9.05

For footnotes, see page 40.

CHANGES IN PROVISIONS OF THE INTERNAL REVENUE CODE

The major changes in the Internal Revenue Code as amended by the Revenue Act of 1940, affecting individual and fiduciary income data for 1940, are: The amount of gross income for which a return is required to be filed is reduced (a) from \$5,000 to \$2,000 in the case of a married person living with husband or wife for the entire taxable year, and (b) from \$5,000 to \$800 in the case of a single person, a married person not living with husband or wife, an estate, and a trust; the personal exemption is reduced (a) from \$2,500 to \$2,000 for the head of a family, and a married person living with husband or wife for the entire taxable year, and (b) from \$1,000 to \$800 for a single person, a married person not living with husband or wife, and an estate; the surtax rates are increased on surtax net income in excess of \$6,000 and not in excess of \$100,000; and a defense tax is added, which is 10 percent of the total income tax, but not in excess of 10 percent of the amount by which the net income exceeds the income tax computed without regard to the defense tax.

The provisions of the Internal Revenue Code as amended by the Revenue Act of 1940 do not apply to the returns for a fiscal year or part year beginning in 1939.

The returns for 1940 are the first on which the net operating loss deduction is reported. Provision for this deduction, section 23(s), was added to the Code by the Revenue Act of 1939.

RETURNS INCLUDED

Each volume of Statistics of Income contains data from returns for the calendar year indicated, a certain number of returns for a fiscal year ending within the period July of the calendar year through June of the succeeding year, and returns 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, for the calendar year ending December 31, 1940. Data also include returns for a fiscal year, other than the calendar year, ending within the period July 1940 through June 1941, and for a part year with the greater part of the accounting period in 1940.

The returns used for this report are individual returns, Forms 1040, 1040A, 1040B, and taxable fiduciary returns, Form 1041, filed for the income of estates and trusts. Unlike 1939, nontaxable fiduciary returns with net income and fiduciary returns with no net income, Form 1041, are not available for 1940 statistics. The composite data, for individual returns and taxable fiduciary returns with net income for 1940, in basic tables 1, 2, 3, and 7, are comparable with composite data shown in similar tables in Statistics of Income for 1939, Part 1.

Returns included in this report are as filed by the taxpayer, prior to revisions that may be made as a result of audit by the Bureau of Internal Revenue. Amended returns and tentative returns are excluded.

Facsimiles of individual income and defense tax returns, Forms 1040 and 1040A, and of fiduciary income and defense tax return, Form 1041, are on pages 261-279.

Returns with net income of less than \$1,000 or with no net income are included in Statistics of Income because of (1) the requirement that a return be filed for (a) a married person living with husband or wife for the entire taxable year, if the gross income of either husband or

wife or the combined gross income of both husband and wife is \$2,000 or over, regardless of the amount of net income, (b) a single person, a married person not living with husband or wife, an estate, or a trust if the gross income is \$800 or over, regardless of the amount of net income; and (c) a trust with net income of \$100 or over, or with a nonresident alien beneficiary regardless of the amount of net income, (2) separate returns which married persons may elect to file, either one or both of which may show net income under \$1,000, or no net income, and (3) part year returns filed (a) for a deceased person covering the income period prior to death and (b) by a taxpayer changing his accounting period.

DATA TABULATED

The 16 basic tables, pages 72-189, present detailed information from individual returns and taxable fiduciary returns. All text tables in this report contain summary data from individual returns exclusively. In both basic tables and text tables, the data for individual returns with no net income are in aggregate, except the text table on page 12, which shows an analysis of individual returns with no net income by deficit classes.

The data from taxable fiduciary returns, completely tabulated from each such return, are presented in basic tables 2-B, 7-B, and 10. Each table also includes data from taxable returns for estates and trusts incorrectly filed on Form 1040. In tabulating the data from these incorrectly filed returns, an adjustment was made whereby "Amount distributable to beneficiaries" (if any) was removed from "Other deductions" and "Total deductions," and tabulated under its proper caption.

The data from individual returns, in part completely tabulated from each such return and in part estimated on the basis of samples, are presented in basic tables 1-A, 2-A, 3-A, 4, 5, 6, 7-A, 8, and 9.

Composite data for individual and taxable fiduciary returns, with net income, are tabulated in basic tables 1, 2, 3, and 7.

The data from individual returns are completely tabulated from each return with (1) net income of \$5,000 and over, Forms 1040 and 1040A, (2) net income under \$5,000, Form 1040, showing income characteristics similar to those usually found on returns with net income of \$5,000 and over, such as unusual sources of income or large total income (approximately 338,000 returns), and (3) no net income, Form 1040. The data pertaining to individual returns with net income under \$5,000, Form 1040A, and data from Form 1040 not included in (2) above, are estimated data—based on samples of such returns.

Selection of samples.—The samples, which provide the basis for estimating the 1940 data for individual returns with net income under \$5,000, are selected from returns filed in each of the 64 collection districts as follows: The minimum number of returns, Form 1040, is 2,000 taxable and 2,000 nontaxable; and the minimum number of returns, Form 1040A, is 1,000 taxable and 1,000 nontaxable, or 5 percent of the total taxable returns and 5 percent of the total nontaxable returns, Form 1040A, with net income under \$5,000, whichever is larger. If less than the minimum number of returns is filed in a collection district for any one of the four categories, data are tabulated from the entire number of returns filed and no estimate is necessary.

For 1940 and 1939, the samples of returns, Form 1040, for each collection district are the same as that stated above; but for returns, Form 1040A, the samples for 1939 consist of a minimum number of 1,000 taxable and 1,000 nontaxable returns, or 10 percent of the total taxable returns and 10 percent of the total nontaxable returns, Form 1040A, with net income under \$5,000, whichever is larger.

The samples of 1940 individual returns with net income under \$5,000 total (1) approximately 276,000 returns, Form 1040, representing 9.0 percent of all taxable and nontaxable returns, Form 1040, with net income under \$5,000, after deducting those from which data are completely tabulated (described above), and (2) approximately 532,000 returns, Form 1040A, representing 5.1 percent of all taxable and nontaxable returns, Form 1040A, with net income under \$5,000.

Estimated data.—The estimated data for individual returns with net income under \$5,000 (except that for business of sole proprietors tabulated on page 25) are computed separately, by States, for each net income class in each of four categories of returns: Form 1040, taxable and nontaxable, and Form 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 from which data are completely tabulated. The remainder in each category is the number of returns with net income under \$5,000 for which estimated data are to be computed. For each State, and for each net income class of the four categories of returns, estimated data are secured by applying to the various data in each net income class of the sample the appropriate ratio of the number of returns in the sample to the number of returns for which estimated data are to be computed. The estimated data tabulated for income classes under \$5,000, in this report, are a combination of these estimated data for Forms 1040 and 1040A, and the completely tabulated data from approximately 338,000 returns, Form 1040, and in composite data, 56,297 returns, Form 1041. The number of returns, Forms 1040 and 1041, for which data are completely tabulated and the number of returns, Form 1040, in the sample, total 670,785, representing 19.3 percent of the total number of returns, Forms 1040 and 1041, with net income under \$5,000.

The estimated number of individual returns with net income under \$5,000 on which specific sources of income are reported is available only for two sources: "Salaries and other Compensation" and "Dividends from domestic and foreign corporations."

DESCRIPTION OF SUMMARY ITEMS

Total income in this report is the sum of the positive amounts of income reported on the returns. Net short-term gain and net long-term gain from sales or exchanges of capital assets are included in total income to the extent provided by law.

Total deductions is the sum of the deductions reported on the returns and the negative amounts reported under income. Net long-term loss from sales or exchanges of capital assets is included in total deductions to the extent provided by law. Deductions do not include personal exemption or credit of \$100 allowed a trust in lieu thereof, credit for dependents, earned income credit allowed individuals, or the amount distributable to beneficiaries reported by fiduciaries.

Net income, for individual returns, means the amount of total income in excess of total deductions. "Net income," for fiduciary returns, means the net income taxable to the fiduciary and is the excess of total income over the sum of total deductions and amount distributable to beneficiaries.

Deficit, for individual returns, means the excess of total deductions over total income.

Ordinary net income, for individual returns, means net income exclusive of net long-term capital gain or loss, and for fiduciary returns means net income taxable to the fiduciary exclusive of net long-term capital gain or loss.

Net income subject to surtax, for individual returns with normal tax and surtax, is the excess of net income over the sum of personal exemption and credit for dependents; for returns with alternative tax liability it is the excess of ordinary net income over personal exemption and credit for dependents. "Net income subject to surtax," for fiduciary returns with normal tax and surtax, is the excess of net income taxable to the fiduciary over personal exemption allowed an estate or the credit allowed a trust in lieu thereof; for fiduciary returns with alternative tax liability, it is the excess of ordinary net income over personal exemption allowed an estate or the credit allowed a trust in lieu thereof.

Net income subject to normal tax, for individual returns, is the surtax net income less (a) interest on partially tax-exempt Government obligations, (b) dividends on share accounts in Federal savings and loan associations, and (c) earned income credit. "Net income subject to normal tax," for fiduciary returns, is the surtax net income less the fiduciary's balance of (a) interest on partially tax-exempt Government obligations and (b) dividends on share accounts in Federal savings and loan associations.

Normal tax and surtax liability is based on net income as previously defined, and is reported on (1) returns without net long-term capital gain or loss, (2) returns with net long-term capital gain when the combined normal tax and surtax is less than the alternative tax based on ordinary net income, and (3) returns with net long-term capital loss when the combined normal tax and surtax is greater than alternative tax based on ordinary net income. The normal tax is imposed, on the net income subject to normal tax, at a flat rate of 4 percent. The surtax is imposed on the net income subject to surtax at graduated rates ranging from 4 percent on surtax net income over \$4,000 to 75 percent on surtax net income over \$5,000,000. The first \$4,000 of surtax net income is exempt from surtax.

Alternative tax liability is based on ordinary net income as previously defined, and is reported on (1) returns with net long-term capital gain, if the alternative tax is less than the sum of normal tax and surtax based on net income, and (2) returns with net long-term capital loss, if the alternative tax is greater than the sum of normal tax and surtax based on net income. The alternative tax on returns with net long-term capital gains, is the normal tax and surtax on ordinary net income plus 30 percent of the net long-term capital gain; on returns with net long-term capital loss, it is the normal tax and surtax on ordinary net income minus 30 percent of the net long-term capital loss. The normal tax and surtax rates are the same as stated in the preceding paragraph.

Defense tax liability is 10 percent of the total income tax before deducting any credit, but not in excess of 10 percent of the amount by which the net income exceeds such income tax computed without regard to the defense tax. The limitation on the amount of defense tax operates only in case the total tax (computed without regard to the defense tax) is in excess of 50 percent of the net income.

Total tax as tabulated in this report is the aggregate of normal tax, surtax, alternative tax, and defense tax. The credits, for income taxes paid at source, income taxes paid to a foreign country or any possession of the United States, have not been deducted.

NET INCOME EXEMPT FROM NORMAL TAX

Net income, to the extent of the amounts reported on returns under the following items, is exempt from normal tax: personal exemption, credit for dependents, earned income credit, interest on partially tax-exempt Government obligations, dividends on share accounts in Federal savings and loan associations, and net long-term capital gain on returns with alternative tax.

For 1940, the personal exemption allowed the head of a family, or a married person living with husband or wife for the entire taxable year, is \$2,000; that for a single person, a married person not living with husband or wife, or an estate, is \$800; and a trust is allowed, in lieu of personal exemption, a credit of \$100 against net income. The credit for each dependent is \$400. If the taxpayer's status with respect to personal exemption and credit for dependents changed during the taxable year, such exemption and credit are apportioned according to the number of months each status existed. Earned income credit is 10 percent of the earned net income which cannot exceed \$14,000, or 10 percent of the net income, whichever is smaller. There is neither credit for dependents nor earned income credit on returns of estates and trusts. The interest on Government obligations exempt from normal tax is that received from issues specifically exempt from all income taxes except Federal surtax. Other details concerning interest on Government obligations will be found on pages 41 and 42. Dividends on share accounts in Federal savings and loan associations are exempt from normal tax.

In determining the aggregate amount of net income exempt from normal tax on returns with alternative tax, the amount of net long-term capital loss must be added to the net income tabulated, since such loss is not deductible from the ordinary net income in computing the alternative tax. The net long-term capital gain on returns with alternative tax, while included in the net income tabulated, is not subject to normal tax in the computation of the alternative tax.

The following table for all individual returns with net income for 1940 shows that \$25,471,307,034, or 69.9 percent of the net income, is exempt from normal tax on account of exemption and credits. The remaining net income, subject to normal tax, is \$10,945,001,200, of which \$9,531,930,400 is net income on returns with normal tax and surtax liability and \$1,413,070,800 is ordinary net income on returns with alternative tax liability. Of the latter amount, \$923,424,250 is ordinary net income on returns with net long-term capital loss and \$489,646,550 is ordinary net income on returns with net long-term capital gain.

Individual returns with net income, not including fiduciary returns, 1940: Net income exempt from and amount subject to normal tax

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7, 8-9]

[Money figures in thousands of dollars]

	Amount	Percent of income
Net income.....	36,309,719	-----
Add: Net long-term capital loss on returns with alternative tax.....	106,590	-----
	36,416,308	100.00
Income exempt from normal tax:		
Nontaxable returns—net income.....	13,030,516	35.78
Taxable returns:		
Personal exemption.....	9,463,548	25.99
Credit for dependents.....	916,107	2.51
Earned income credit.....	1,898,980	5.21
Interest on partially tax-exempt Government obligations.....	58,483	.16
Other exemptions ⁷ (estimated).....	2,513	.01
Net long-term capital gain on returns with alternative tax.....	101,162	.28
Net income exempt from normal tax.....	25,471,307	69.94
Net income subject to normal tax.....	10,945,001	30.06

For footnote, see p. 40.

CLASSIFICATION OF RETURNS

Individual and fiduciary returns are segregated according to the following classifications: Individual returns are classified (1) as taxable or nontaxable, (2) as returns with net income or returns with no net income, (3) by geographic divisions, and (4) by family relationship. Taxable returns are further classified by type of tax liability. Returns with net income are further classified by net income classes; returns with no net income are classified by deficit classes. Taxable fiduciary returns with net income are classified (1) by type of tax liability, (2) by net income classes, and (3) by geographic divisions. Data in the tables of this report are presented by such classifications but not all tabulated items are available for every classification.

Taxable or nontaxable.—This classification is based on the existence or nonexistence of a tax liability, regardless of the amount of net income or deficit.

Type of tax liability.—Returns showing either normal tax or surtax or both are classified as returns with normal tax and surtax, while returns showing alternative tax are classified as returns with alternative tax. In Statistics of Income for 1939, "Returns with normal tax and surtax" are designated as "Returns with no alternative tax."

Net income or no net income.—Returns are classified as returns with net income when total income exceeds total deductions, and as returns with no net income when total deductions equal or exceed total income. This classification is based on the existence of a net income or a deficit, regardless of the ordinary net income or the tax liability.

Net income classes.—Returns with net income are segregated into 40 net income classes based on the amount of net income, e. g., basic table 2.

Deficit classes.—Individual returns with no net income are segregated into 10 deficit classes based on the amount of deficit. See table, page 12.

Geographic divisions.—This classification consists of 48 States, Alaska, Hawaii, and District of Columbia. The segregation of returns by States and Territories is determined by the location of the collection district in which the return is filed, except for the two divisions, Alaska and District of Columbia, the segregation of which is determined by the address of the taxpayer. The distribution does not represent what may be called the geographic distribution of income. Income tax returns may be filed either in the collection district in which the individual or fiduciary resides or that in which his principal place of business is located. There is no way of ascertaining from income tax returns the amount of income originating in the respective States or the amount of tax paid on that basis.

Family relationship.—The five classifications for family relationship, applicable only to individual returns with net income, are based on the taxpayer's status as of the last day of the taxable year. The taxpayer's status is determined from answers to questions 4 and 5, page 4, Form 1040, and on page 1, Form 1040A, and from information concerning personal exemption and credit for dependents. When the taxpayer's status has changed during the year, the personal exemption and credit for dependents are prorated according to the number of months for which each status is maintained. Returns in each classification, except joint returns, are classified also as returns of men or returns of women. The first table in which the five classifications are shown is the text table, page 13.

Two classifications of returns shown in Statistics of Income for 1939, Part 1, namely, industrial classification for business activity on returns of sole proprietors, and balance income classification for fiduciary returns, are not used for returns included in this report.

SIMPLE AND CUMULATIVE DISTRIBUTION BY NET INCOME CLASSES

The following table presents, for individual returns with net income, the simple and cumulative distribution of number of returns, net income, and total tax with corresponding percentages, by a limited number of net income classes. Only aggregate data are shown for individual returns with no net income. Due to the provision for computation of alternative tax in case of a net long-term capital loss, there is a tax liability on 46 returns classified as returns with no net income (for further explanation see page 11).

Similar data for individual returns are tabulated by detailed net income classes in basic table 3-A. Composite data for individual returns and taxable fiduciary returns, with net income, also by detailed net income classes, are contained in basic table 3.

Individual returns with net income, not including fiduciary returns, 1940, by net income classes: Simple and cumulative distribution of number of returns, net income, and total tax, with corresponding percentage distribution; also aggregate for individual returns with no net income

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7, 8-9]

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

Net income classes	Number of 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
Individual returns with net income:						
Under 1 (estimated).....	1,911,457	13.09	14,598,074	100.00	1,911,457	13.09
1 under 2 (estimated).....	5,012,619	34.34	12,686,617	86.91	6,924,076	47.43
2 under 3 (estimated).....	5,258,565	36.02	7,673,998	52.57	12,182,641	83.45
3 under 5 (estimated).....	1,646,595	11.28	2,415,433	16.55	13,829,236	94.73
5 under 10.....	583,345	3.66	768,838	5.27	14,362,581	98.39
10 under 25.....	185,687	1.27	235,493	1.61	14,548,268	99.66
25 under 50.....	36,176	.25	49,806	.34	14,584,444	99.91
50 under 100.....	10,285	.07	13,630	.09	14,594,729	99.98
100 under 150.....	1,866	.01	3,345	.02	14,596,595	99.99
150 under 300.....	1,066	(*)	1,479	.01	14,597,661	99.99
300 under 500.....	252	(*)	413	(*)	14,597,913	99.99
500 under 1,000.....	112	(*)	161	(*)	14,598,025	99.99
1,000 and over.....	49	(*)	49	(*)	14,598,074	100.00
Total, individual returns with net income.....	14,598,074	100.00				
Individual returns with no net income ⁶	112,697	(*)				
Grand total.....	14,710,771	(*)				

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
Individual returns with net income:						
Under 1 (estimated).....	1,512,563	4.17	36,309,719	100.00	1,512,563	4.17
1 under 2 (estimated).....	7,341,533	20.22	34,797,155	95.83	8,854,096	24.39
2 under 3 (estimated).....	12,567,963	34.61	27,455,623	75.61	21,422,059	59.00
3 under 5 (estimated).....	5,990,765	16.50	14,887,660	41.00	27,412,824	75.50
5 under 10.....	3,564,378	9.82	8,896,895	24.50	30,977,202	85.32
10 under 25.....	2,730,926	7.52	6,332,516	14.68	33,708,128	92.84
25 under 50.....	1,219,853	3.35	2,601,590	7.16	34,927,982	96.19
50 under 100.....	686,313	1.89	1,381,737	3.81	35,614,294	98.08
100 under 150.....	223,988	.62	695,424	1.92	35,838,282	98.70
150 under 300.....	213,764	.59	471,436	1.30	36,052,047	99.29
300 under 500.....	95,757	.26	257,672	.71	36,147,803	99.55
500 under 1,000.....	74,170	.21	161,915	.45	36,221,973	99.76
1,000 and over.....	87,746	.24	87,746	.24	36,309,719	100.00
Total, individual returns with net income.....	36,309,719	100.00				
Individual returns with no net income.....	10,311,385	(*)				

For footnotes, see p. 40.

Individual returns with net income, not including fiduciary returns, 1940, by net income classes: Simple and cumulative distribution of number of returns, net income, and total tax, with corresponding percentage distribution; also aggregate for individual returns with no net income—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7, 8-9]

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

Net income classes	Total tax ¹¹					
	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
Individual returns with net income:						
Under 1 (estimated).....	1,771	0.12	1,440,967	100.00	1,771	0.12
1 under 2 (estimated).....	57,156	3.97	1,439,196	99.88	58,927	4.09
2 under 3 (estimated).....	49,275	3.42	1,382,040	95.91	108,202	7.51
3 under 5 (estimated).....	77,887	5.41	1,332,765	92.49	186,089	12.92
5 under 10.....	117,144	8.13	1,254,878	87.08	303,233	21.05
10 under 25.....	246,837	17.13	1,137,734	78.95	550,070	38.18
25 under 50.....	262,234	18.20	890,897	61.82	812,304	56.38
50 under 100.....	242,066	16.79	628,663	43.62	1,054,370	73.17
100 under 150.....	105,337	7.31	386,597	26.83	1,159,708	80.48
150 under 300.....	116,538	8.09	281,200	19.52	1,276,245	88.57
300 under 500.....	57,778	4.01	164,722	11.43	1,334,024	92.58
500 under 1,000.....	46,138	3.20	106,943	7.42	1,380,162	95.78
1,000 and over.....	60,805	4.22	60,805	4.22	1,440,967	100.00
Total, individual returns with net income.....	1,440,967	100.00				
Individual returns with no net income (taxable) ⁴	473	(*)				
Grand total.....	1,441,440	(*)				

For footnotes, see p. 40.

INDIVIDUAL RETURNS WITH NO NET INCOME

The 112,697 individual returns with no net income are tabulated below by taxable and nontaxable returns and by deficit classes. In all other text tables and in the basic tables showing data for returns with no net income, only aggregates for taxable and nontaxable data are tabulated.

Forty-six returns, with deficit due to net long-term capital loss, show an alternative tax liability because the partial tax computed on ordinary net income exceeds 30 percent of the net long-term capital loss.

Individual returns with no net income, 1940, by taxable and nontaxable returns, and by deficit classes: Number of returns, total income, net long-term capital loss, total deductions, deficit and alternative tax

[For description of items and classifications, and method of tabulating data, see pp. 4 and 5-6]

[Deficit classes and money figures in thousands of dollars]

Deficit classes	Number of returns	Total income	Net long-term capital loss	Total deduction	Deficit	Alternative tax
Taxable individual returns with no net income:						
Under 5.....	12	1,192	1,060	1,222	30	63
5 under 10.....	4	433	424	462	29	31
10 under 25.....	12	1,992	1,707	2,175	183	128
25 under 50.....	19	1,901	1,815	2,258	357	126
50 under 100.....	3	633	665	832	199	23
100 under 150.....						
150 under 300.....	2	592	805	908	316	44
300 under 500.....	2	1,333	1,753	2,188	855	25
500 under 1,000.....	1	886	1,184	1,267	581	32
1,000 and over.....						
Total taxable.....	46	8,761	9,475	11,312	2,551	473
Nontaxable individual returns with no net income:						
Under 5.....	101,114	133,461	52,442	241,969	108,508	
5 under 10.....	6,507	28,961	21,936	74,035	45,073	
10 under 25.....	3,575	30,500	29,417	84,254	53,754	
25 under 50.....	912	15,872	17,805	46,909	31,037	
50 under 100.....	358	9,786	14,447	34,459	24,673	
100 under 150.....	89	4,189	8,078	14,923	10,734	
150 under 300.....	69	3,948	6,280	18,059	14,111	
300 under 500.....	14	892	2,648	6,461	5,569	
500 under 1,000.....	10	1,020	3,134	7,762	6,742	
1,000 and over.....	3	2,194	9,885	10,826	8,632	
Total nontaxable.....	112,651	230,822	106,072	539,656	308,834	
Grand total.....	112,697	239,583	175,547	550,968	311,385	473

For footnote, see p. 40.

FAMILY RELATIONSHIP—INDIVIDUAL RETURNS

The summary table below, for individual returns with net income, shows the number of returns and amount of net income classified by the family relationship of the taxpayer on the last day of the taxable year. Returns in each classification, except joint returns of husbands and wives, are classified also as returns of men or returns of women. Similar data are distributed by States and Territories in basic table 4, pages 118-120. The number of returns, net income, personal exemption, and credit for dependents, classified by family relationship and by net income classes, are tabulated in basic table 5. The family relationship classification is not applied to individual returns with no net income, owing to the lack of sufficient data on which to base the classification.

The community property classification of returns is applied to returns showing community property income, filed in the States of Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Oklahoma, Texas, and Washington. In this report all returns showing community property income, regardless of amount of net income, are classified as community property returns. For 1939, this classification excluded separate returns of husbands and wives showing community property net income under \$5,000 and joint returns with

community property net income under \$10,000, which were classified as separate returns of husbands and wives and as joint returns, respectively. Community property returns are classified as returns of men or returns of women for the first time in this report.

The net income classes for separate community property returns filed by husband and wife are based on the respective amounts of net income. In tabulating data from a joint return showing community property net income with the tax liability apportioned equally between husband and wife, the items of income, deductions, and tax are divided to represent two returns, which are classified as separate community property returns, and the net income class for each is based on one-half the combined community property net income. The return of a married person, not reporting community property income filed in the States listed above, is classified either as a joint return of husband and wife or as a separate return of husband or wife, according to the status on the last day of the taxable year.

The unequal number of returns for men and women in the two classifications, separate returns of husbands and wives, and community property returns results from (1) use of samples of returns as the basis for estimating data for returns in net income classes under \$5,000, when the net income of one spouse is under \$5,000 and that of the other spouse is \$5,000 or over, and (2) certain cases in which incomplete or inaccurate answers to questions 4 and 5 on page 4, Form 1040, and on page 1, Form 1040A, make it impossible to identify the returns as separate returns.

Individual returns with net income, not including fiduciary returns, 1940, by sex and family relationship: Number of returns, net income, and percentages

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7, 8-9]

Family relationship	Returns		Net income	
	Number	Percent of total	Amount (thousands of dollars)	Percent of total
Joint returns of husbands and wives, or of either husband or wife when no other return is filed.....	7,456,432	51.08	21,213,046	58.42
Separate returns of husbands and wives: ¹²				
Men ¹³	184,983	1.27	2,118,585	5.83
Women ¹³	170,070	1.16	795,394	2.19
Community property returns: ¹²				
Men ¹³	77,593	.53	497,889	1.37
Women ¹³	77,841	.53	469,072	1.29
Heads of families:				
Single men and married men not living with wives.....	773,207	5.30	1,738,209	4.79
Single women and married women not living with husbands.....	491,273	3.37	942,366	2.60
Not heads of families:				
Single men and married men not living with wives.....	3,131,177	21.45	5,053,307	13.92
Single women and married women not living with husbands.....	2,235,498	15.31	3,481,851	9.50
Total, individual returns with net income.....	14,598,074	100.00	36,309,719	100.00

For footnotes, see p. 40.

SOURCES OF INCOME AND DEDUCTIONS

Income from the various sources, tabulated in this report, is the net amount, that is, the excess of gross receipts over the deductions as reported in the schedules on the returns, and the aggregate tabulated for each source is the sum of the net amounts of income from that source. Negative amounts reported under "Income" are transferred in tabulation to deductions, and are included in the amount tabulated for a specified deduction or "Other deductions." Two information items, "Net short-term capital loss of preceding taxable year deducted," and "Current year net short-term capital gain," both of which are used by the taxpayer in computing net short-term capital gain, are tabulated in addition to the items comprising total income. Both information items tabulated for 1940 are equivalent to those tabulated in Statistics of Income for 1939; the captions, however, have been revised. In the 1939 volume "Net short-term capital loss of preceding taxable year deducted" is designated as "Prior year net short-term capital loss deducted," and "Current year net short-term capital gain" is designated as "Net short-term capital gain before deducting prior year net short-term capital loss."

Sources of income and deductions, for individual returns, are tabulated by States and Territories and by returns with net income and with no net income in basic table 6. Composite data pertaining to sources of income and deductions for individual returns and taxable fiduciary returns, with net income, are classified by net income classes in basic table 7, which also presents in aggregate the sources of income and deductions for taxable and nontaxable individual returns with no net income. In addition there is tabulated in basic table 7, for returns with net income of \$5,000 and over, by net income classes, the number of returns for each specified source of income and deduction and for the information item "Net short-term capital loss of preceding taxable year deducted." The number of returns for two sources of income, "Salaries and other compensation" and "Dividends from domestic and foreign corporations," is estimated for individual returns with net income under \$5,000. Data, identical to those in basic table 7, are tabulated separately for individual returns and for taxable fiduciary returns in basic tables 7-A and 7-B, respectively.

It should be observed that a portion of the amount distributable to beneficiaries, as reported on fiduciary returns and tabulated in basic tables 7 and 7-B, is also reported on the income tax returns of the beneficiaries and is therefore included in the following sources: "Income from fiduciaries"; "Interest on partially tax-exempt Government obligations"; "Net short-term capital gain"; "Net long-term capital gain or loss" when distributable by a common trust fund; and in "Total income" and "Net income." Thus, in basic tables of composite data for individual and fiduciary returns, there is a duplication of income which, however, is a negligible percent of total income. A discussion of the "Amount distributable to beneficiaries" appears on pages 25-26.

The following table shows each source of income and deduction, and two information items "Net short-term capital loss of preceding taxable year deducted" and "Current year net short-term capital gain" reported on individual returns with net income and with no net income:

Individual returns with net income and with no net income, not including fiduciary returns, 1940: Number of returns, sources of income and deductions, net income, and deficit

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7, 8-9]

[Money figures in thousands of dollars]

Sources of income and deductions	Individual returns		
	Total	With net income	With no net income ¹
Number of returns.....	14, 710, 771	14, 598, 074	112, 697
Sources of income:			
Salaries and other compensation.....	27, 707, 261	27, 653, 985	53, 276
Dividends from domestic and foreign corporations ¹⁴	2, 998, 042	2, 930, 105	68, 537
Interest:			
Bank deposits, notes, mortgages, corporation bonds ¹⁵	931, 958	910, 803	21, 155
Partially tax-exempt Government obligations ¹⁶	71, 304	70, 044	1, 260
Partnership profit ¹⁷	1, 558, 929	1, 548, 070	10, 259
Income from fiduciaries ¹⁸	769, 933	756, 369	13, 564
Rents and royalties.....	1, 182, 297	1, 146, 484	35, 813
Business profit ¹⁹	4, 161, 913	4, 145, 171	16, 742
Capital gain: ²⁰			
Short-term: ²¹			
Net short-term capital gain included in total income and net income.....	109, 732	105, 193	4, 540
Net short-term capital loss of preceding taxable year deducted ²²	5, 204	4, 864	339
Current year net short-term capital gain ²³	114, 936	110, 057	4, 879
Net long-term capital gain ²⁴	228, 262	223, 619	4, 642
Net gain from sales of property other than capital assets ²⁵	42, 048	39, 675	2, 373
Other income.....	754, 949	747, 526	7, 423
Total income.....	40, 517, 228	40, 277, 645	239, 583
Deductions:			
Partnership loss ¹⁷	54, 264	28, 801	25, 463
Business loss ¹⁹	259, 033	131, 454	127, 579
Net long-term capital loss ^{20 24}	554, 861	379, 314	175, 547
Net loss from sales of property other than capital assets ²⁵	70, 800	37, 713	33, 087
Contributions ²⁶	739, 092	734, 645	5, 347
Interest paid ²⁷	741, 586	710, 687	30, 899
Taxes paid ²⁷	1, 268, 848	1, 235, 611	33, 237
Losses from fire, storm, etc. ^{27 28} (Form 1040).....	39, 521	30, 516	9, 005
Bad debts ²⁷ (Form 1040).....	138, 043	92, 457	45, 586
Other deductions ²⁹	681, 947	586, 728	95, 219
Total deductions ²⁹	4, 518, 894	3, 967, 926	550, 968
Net income.....	³⁰ 35, 998, 334	36, 309, 719	¹⁰ 311, 385

For footnotes, see pp. 40-41.

Salaries and other compensation reported on individual returns include compensation of officers and employees of State and local governments or any agency or instrumentality thereof. The compensation tabulated in this report for individuals and partners who received during the taxable year compensation for personal services covering five or more calendar years is the proportionate amount which would have been reported on the return for 1940 if the compensation had been received in equal portions in each of the years for which the personal service was rendered. According to section 107 of the Internal Revenue Code, the tax attributable to such compensation shall not exceed the aggregate of taxes which would have been due had the compensation been received in equal portions in each of the years for which the personal service was rendered. The compensation tabulated for 1940 is that portion used for computing the tax for 1940, and the compensation and tax allocated to prior years are not included in this report nor in Statistics of Income, Part 1, for prior years.

Dividends from domestic and foreign corporations exclude dividends received through partnerships and fiduciaries and dividends received on share accounts in Federal savings and loan associations.

Interest on partially tax-exempt Government obligations is 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. This interest is subject to surtax only. There is included each partner's or beneficiary's share of interest received on such obligations owned by partnerships, estates, or trusts. In this report, for the first time, the amount of partially tax-exempt interest is shown for net income classes under \$5,000. In prior years, such interest for the net income classes under \$5,000 is included in "Interest from bank deposits, notes, mortgages, corporation bonds." For other information concerning interest on partially tax-exempt Government obligations, see the section of this report entitled "Government obligations and interest" on pages 41-42.

Partnership profit or partnership loss for the current year excludes (1) interest on partially tax-exempt Government obligations, and (2) net gain or loss from the sales or exchanges of capital assets. Charitable contributions and the net operating loss deduction are not allowable deductions in computing partnership profit or loss. The items of interest on partially tax-exempt Government obligations, net gain or loss from sales or exchanges of capital assets, and charitable contributions are reported on the individual income tax returns filed by each partner, under their respective sources, and the net operating loss deduction is reported in "Other deductions."

Income from fiduciaries excludes (1) interest on partially tax-exempt Government obligations and (2) net gain or loss from the sales or exchanges of capital assets received from "Common trust funds." Each item excluded from income from fiduciaries is reported under its respective source on the return of the beneficiary. The net operating loss deduction, which is allowed estates and trusts (but not "Common trust funds"), has been deducted from income from fiduciaries.

Rents and royalties are the net profits after deducting depreciation, repairs, interest, taxes, and other expenses from gross rent received, and after deducting depletion from the gross royalties received.

Business profit or business loss is the current year net profit or loss after deducting business expenses as reported in the business schedule. The net operating loss deduction due to a net operating loss from business for the preceding taxable year is not a business deduction. It is reported on the return in "Other deductions" and is not tabulated separately. The text table on page 25 shows, in aggregate, a few items tabulated from the schedules for business or profession.

Capital gain or loss from sales or exchanges of capital assets, both short-term and long-term, and the two information items, "Net short-term capital loss of preceding taxable year deducted" and "Current year net short-term capital gain," are described in the section of this report entitled "Capital gains and losses," pages 45-46.

Net gain or loss from sales of property other than capital assets is the net gain or loss from sales or exchanges of property used in trade or business of a character which is subject to the allowance for depreciation.

Other income includes dividends on share accounts in Federal savings and loan associations, taxable annuities, earnings of minor children, and all other items of taxable income or profit for which an entry is not provided on the return.

Contributions are those made by individuals to religious, charitable, scientific, literary, or educational domestic organizations, and include each partner's share of such contributions made by partnerships of which they are a member. Contributions are not an allowable deduction from fiduciary income. The total charitable contributions allowed as a deduction is limited, in general, to 15 percent of the individual's net income before deducting the contributions.

Interest paid is that paid on personal indebtedness and excludes amounts deducted in schedule for rents and royalties or in schedule for business profit.

Taxes paid exclude (1) taxes assessed against local benefits, (2) Federal income taxes, (3) Federal estate, inheritance, legacy, succession, and gift taxes, (4) taxes, imposed upon the taxpayer's interest as shareholder of a corporation, which are paid by the corporation without reimbursement from the taxpayer, (5) income taxes paid to a foreign country or possession of United States if any portion thereof is claimed as a tax credit, (6) taxes deducted in schedule for rents and royalties or in schedule for business profits, and (7) Federal social security and employment taxes paid by or for an employee.

Losses from fire, storm, etc., and bad debts, tabulated from individual returns, Form 1040, exclude amounts reported in schedules for business and for rents and royalties. Losses from fire, storm, shipwreck, or other casualty, or from theft, are those not compensated for by insurance or otherwise.

Other deductions include the net operating loss deduction due to an operating loss from business or partnership for the preceding taxable year.

Amount distributable to beneficiaries reported on fiduciary returns, tabulated in basic tables 7 and 7-B, is described in a section by that name on pages 25-26 of this report.

The following table shows, for a limited number of net income classes, the sources of income, deductions, net income, and two information items from individual returns. In net income classes \$5,000 and over, the number of returns is tabulated for each source of income and deduction. For net income classes under \$5,000, the number of returns on which specific sources of income and deductions are reported is available only for two sources, "Salaries and other compensation" and "Dividends from domestic and foreign corporations." On pages 22-24, the percentage distribution of sources of income, deductions, and net income is tabulated for the limited number of net income classes.

Individual returns with net income, not including fiduciary returns, 1940, by net income classes, also aggregate for individual returns with no net income: Total number of returns, number of returns³¹ and amount for each specific source of income and deduction, net income, and deficit

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7, 8-9]

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

Net income classes (1)	Total number of returns (2)	Sources of income			
		Salaries and other compensation		Dividends from domestic and foreign corporations ¹⁴	
		Number of returns	Amount	Number of returns	Amount
		(3)	(4)	(5)	(6)
Returns with net income:					
Under 5 (estimated).....	13,829,236	11,541,910	23,390,710	2,375,810	895,042
5 under 10.....	533,345	358,970	2,130,072	277,941	396,824
10 under 25.....	185,687	117,361	1,318,322	131,221	553,759
25 under 50.....	36,176	22,967	480,487	30,384	385,578
50 under 100.....	10,285	6,765	219,920	9,369	289,562
100 under 150.....	1,866	1,238	58,522	1,774	116,010
150 under 300.....	1,066	705	40,915	1,021	125,735
300 under 500.....	252	145	10,428	239	61,849
500 under 1,000.....	112	73	3,110	106	45,187
1,000 and over.....	49	30	1,499	47	60,561
Total.....	14,598,074	12,050,164	27,653,985	2,827,912	2,930,105
Returns with no net income ⁶	112,697	21,776	53,276	28,976	68,537
Grand total, individual returns.....	14,710,771	12,071,940	27,707,261	2,856,888	2,998,642

Net income classes (1)	Sources of income—Continued					
	Interest				Partnership profit ¹⁷	
	Bank deposits, notes, mortgages, corporation bonds		Partially tax-exempt Government obligations (subject to surtax only)			
	Number of returns ³²	Amount ¹⁴	Number of returns ³²	Amount ¹⁴	Number of returns ³²	Amount
(7)	(8)	(9)	(10)	(11)	(12)	
Returns with net income:						
Under 5 (estimated).....		576,235		22,549		525,809
5 under 10.....	215,604	128,223	26,282	13,317	71,694	353,288
10 under 25.....	97,928	117,971	19,406	17,428	35,614	365,942
25 under 50.....	23,688	49,437	6,296	9,752	7,681	169,055
50 under 100.....	7,656	22,590	2,350	4,101	2,263	91,020
100 under 150.....	1,547	6,714	473	1,415	330	20,282
150 under 300.....	885	5,072	271	1,095	168	16,025
300 under 500.....	218	1,532	51	134	30	5,027
500 under 1,000.....	101	1,748	30	246	14	921
1,000 and over.....	44	1,282	7	8	2	1,301
Total.....	³² 347,671	¹⁴ 910,803	³² 55,166	¹⁶ 70,644	³² 117,796	1,548,670
Returns with no net income ⁶	26,218	21,155	2,228	1,260	4,105	10,259
Grand total, individual returns.....	³² 373,889	¹⁴ 931,958	³² 57,394	¹⁶ 71,904	³² 121,901	1,558,929

For footnotes, see pp. 40-41.

Individual returns with net income, not including fiduciary returns, 1940, by net income classes, also aggregate for individual returns with no net income: Total number of returns, number of returns³¹ and amount for each specific source of income and deduction, net income, and deficit—Continued

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

Net income classes (1)	Sources of income—Continued					
	Income from fiduciaries ¹⁵		Rents and royalties		Business profit ¹⁴	
	Number of returns ³²	Amount	Number of returns ³²	Amount	Number of returns ³²	Amount
	(13)	(14)	(15)	(16)	(17)	(18)
Returns with net income:						
Under 5 (estimated).....		123,980		805,060		2,862,548
5 under 10.....	37,786	120,934	121,019	151,443	121,325	685,712
10 under 25.....	23,816	170,912	48,797	112,568	36,305	412,818
25 under 50.....	7,405	119,026	10,322	45,855	5,028	120,301
50 under 100.....	2,703	81,734	3,051	20,171	1,057	44,663
100 under 150.....	617	33,203	563	5,287	138	10,363
150 under 300.....	400	38,910	345	3,455	66	4,677
300 under 500.....	118	19,754	87	1,242	11	2,130
500 under 1,000.....	64	20,291	38	1,286	7	1,958
1,000 and over.....	32	27,624	15	115	1	(³³)
Total.....	³² 72,941	756,369	³² 185,137	1,146,484	³² 163,938	4,145,171
Returns with no net income ⁶	4,151	13,564	29,870	35,813	10,201	16,742
Grand total, individual returns.....	³² 77,092	769,933	³² 215,007	1,182,297	³² 174,139	4,161,913

Net income classes (1)	Sources of income—Continued				
	Capital gain ²⁰				
	Short-term ²¹				
	Net short-term capital gain included in total income and net income		Net short-term capital loss of preceding taxable year deducted ²²		Current year net short-term capital gain ²³
Number of returns ³²	Amount ¹⁴ (col. 23-22)	Number of returns ³²	Amount	(col. 20+22)	
(19)	(20)	(21)	(22)	(23)	
Returns with net income:					
Under 5 (estimated).....		36,107		1,333	37,440
5 under 10.....	32,277	23,047	1,356	874	23,920
10 under 25.....	21,303	25,483	1,314	1,288	26,770
25 under 50.....	5,945	10,920	515	800	11,720
50 under 100.....	1,901	5,222	208	348	5,570
100 under 150.....	384	1,770	55	73	1,843
150 under 300.....	220	1,570	49	98	1,668
300 under 500.....	64	891	10	26	917
500 under 1,000.....	32	151	6	20	171
1,000 and over.....	10	32	2	6	38
Total.....	³² 62,136	105,193	³² 3,515	4,804	110,057
Returns with no net income ⁶	3,831	4,540	138	339	4,879
Grand total, individual returns.....	³² 65,967	109,732	³² 3,653	5,204	114,936

For footnotes, see pp. 40-41.

Individual returns with net income, not including fiduciary returns, 1940, by net income classes, also aggregate for individual returns with no net income: Total number of returns, number of returns ³¹ and amount for each specific source of income and deduction, net income, and deficit—Continued

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

Net income classes (1)	Sources of income—Continued						Total income (30)
	Capital gain ³⁰ (Continued)		Net gain from sales of property other than capital assets ³⁵		Other income		
	Net long-term capital gain ³⁴						
	Number of returns ³²	Amount	Number of returns ³²	Amount	Number of returns ³²	Amount	
(24)	(25)	(26)	(27)	(28)	(29)	(30)	
Returns with net income:							
Under 5 (estimated).....		40,490		23,263		654,580	29,956,372
5 under 10.....	37,683	29,888	7,259	8,300	47,117	39,037	4,080,085
10 under 25.....	23,794	38,389	3,357	5,918	22,602	29,047	3,168,556
25 under 50.....	6,906	24,556	674	1,274	6,189	12,201	1,428,442
50 under 100.....	2,498	22,509	173	596	2,109	6,583	808,672
100 under 150.....	555	12,413	42	48	462	1,984	268,013
150 under 300.....	419	17,675	20	271	300	2,198	257,599
300 under 500.....	96	11,155	4	4	74	1,192	115,337
500 under 1,000.....	53	13,580	3	1	43	407	88,885
1,000 and over.....	27	12,964	1	(³⁸)	18	297	105,684
Total.....	³² 72,031	223,619	³² 11,533	39,675	³² 78,914	747,526	40,277,645
Returns with no net income ⁶	2,970	4,042	1,507	2,373	9,178	7,423	239,583
Grand total, individual returns.....	³² 75,001	228,262	³² 13,040	42,048	³² 88,092	754,949	40,517,228

Net income classes (1)	Deductions					
	Partnership loss ¹⁷		Business loss ¹⁸		Net long-term capital loss ³⁴	
	Number of returns ³²	Amount	Number of returns ³²	Amount	Number of returns ³²	Amount
	(31)	(32)	(33)	(34)	(35)	(36)
Returns with net income:						
Under 5 (estimated).....		14,137		76,115		142,945
5 under 10.....	4,551	4,779	10,347	14,927	49,871	68,466
10 under 25.....	2,903	4,419	6,011	16,176	35,023	84,422
25 under 50.....	874	2,057	1,931	9,007	10,685	44,074
50 under 100.....	369	1,552	787	6,018	3,827	22,612
100 under 150.....	93	460	198	2,976	753	6,215
150 under 300.....	64	1,196	132	1,839	409	5,880
300 under 500.....	18	186	31	943	110	2,662
500 under 1,000.....	5	11	29	1,242	37	1,161
1,000 and over.....	3	4	17	2,211	16	877
Total.....	³² 8,890	28,801	³² 19,483	131,454	³² 100,531	379,314
Returns with no net income ⁶	6,102	25,463	68,550	127,579	20,036	175,547
Grand total, individual returns.....	³² 14,982	54,264	³² 88,033	259,033	³² 120,567	554,861

For footnotes, see pp. 40-41.

Individual returns with net income, not including fiduciary returns, 1940, by net income classes, also aggregate for individual returns with no net income: Total number of returns, number of returns ³¹ and amount for each specific source of income and deduction, net income, and deficit—Continued

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

Net income classes (1)	Deductions—Continued					
	Net loss from sales of property other than capital assets ³³		Contributions ³⁶		Interest paid ³⁷	
	Number of returns ³²	Amount	Number of returns ³²	Amount	Number of returns ³²	Amount
	(37)	(38)	(39)	(40)	(41)	(42)
Returns with net income:						
Under 5 (estimated).....		23,164		493,486		490,591
5 under 10.....	6,067	6,655	453,318	78,655	280,417	102,999
10 under 25.....	3,335	5,025	163,383	63,554	100,222	67,393
25 under 50.....	913	2,149	32,968	33,881	20,432	24,992
50 under 100.....	301	865	9,605	24,267	6,318	12,387
100 under 150.....	64	260	1,782	10,251	1,239	4,854
150 under 300.....	34	178	1,027	11,745	737	4,099
300 under 500.....	14	239	244	5,899	191	1,551
500 under 1,000.....	6	174	110	6,060	89	622
1,000 and over.....	2	4	48	6,847	41	1,199
Total.....	³² 10,736	37,713	³² 662,485	734,645	³² 409,686	710,687
Returns with no net income ⁶	6,519	33,087	32,042	5,347	28,903	30,899
Grand total, individual returns.....	³² 17,255	70,800	³² 694,527	739,992	³² 438,589	741,586

Net income classes (1)	Deductions—Continued					
	Taxes paid ³⁷		Losses from fire, storm, etc. ³⁸ (Form 1040)		Bad debts ³⁷ (Form 1040)	
	Number of returns ³²	Amount	Number of returns ³²	Amount	Number of returns ³²	Amount
	(43)	(44)	(45)	(46)	(47)	(48)
Returns with net income:						
Under 5 (estimated).....		821,206		16,194		40,327
5 under 10.....	469,678	152,166	18,648	4,675	24,562	15,760
10 under 25.....	170,451	128,810	7,820	4,342	12,616	16,884
25 under 50.....	34,148	61,963	1,974	2,170	3,673	7,912
50 under 100.....	9,924	35,901	772	1,386	1,422	5,510
100 under 150.....	1,826	12,118	202	626	312	1,765
150 under 300.....	1,051	11,461	137	403	205	2,130
300 under 500.....	245	4,380	34	210	46	1,077
500 under 1,000.....	110	3,678	21	257	26	306
1,000 and over.....	49	3,928	14	193	17	787
Total.....	³² 687,482	1,235,611	³² 29,622	30,516	³² 42,879	92,457
Returns with no net income ⁶	45,401	33,237	2,583	9,005	5,162	45,585
Grand total, individual returns.....	³² 732,883	1,268,848	³² 32,205	39,521	³² 48,041	138,043

For footnotes, see pp. 40-41.

Individual returns with net income, not including fiduciary returns, 1940, by net income classes, also aggregate for individual returns with no net income: Total number of returns, number of returns ³¹ and amount for each specific source of income and deduction, net income, and deficit—Continued

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

Net income classes (1)	Deductions—Continued			Net income (52)
	Other deductions ³²		Total deductions ³³ (51)	
	Number of returns ³² (49)	Amount (50)		
Returns with net income:				
Under 5 (estimated).....		425,385	2,543,548	27,412,824
5 under 10.....	129,683	67,624	515,707	3,564,378
10 under 25.....	55,738	46,604	437,630	2,730,926
25 under 50.....	14,006	20,383	208,588	1,219,853
50 under 100.....	4,870	11,862	122,359	686,313
100 under 150.....	1,040	4,499	44,025	223,988
150 under 300.....	681	4,844	43,835	213,704
300 under 500.....	177	2,433	19,580	95,757
500 under 1,000.....	90	1,204	14,716	74,170
1,000 and over.....	39	1,889	17,938	87,746
Total.....	³² 206,324	586,728	3,967,926	36,309,719
Returns with no net income ⁶	24,872	65,219	550,968	¹⁰ 311,385
Grand total, individual returns.....	³² 231,196	651,947	4,518,894	³⁰ 35,998,334

Individual returns with net income, not including fiduciary returns, 1940, by net income classes, also aggregate for individual returns with no net income: Percentage distribution of sources of income, total income, deductions, and net income

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7, 8-9]

Net income classes (Thousands of dollars) (1)	Sources of income					
	Salaries and other compensation (2)	Dividends from domestic and foreign corporations ¹⁴ (3)	Interest		Partnership profit ¹⁷ (6)	Income from fiduciaries ¹⁸ (7)
			Bank deposits, notes, mortgages, corporation bonds ¹⁵ (4)	Partially tax-exempt Government obligations (subject to surtax only) ¹⁶ (5)		
Returns with net income:						
Under 5 (estimated).....	78.08	2.99	1.92	0.08	1.74	0.41
5 under 10.....	52.21	9.73	3.14	.33	8.66	2.96
10 under 25.....	41.61	17.48	3.72	.55	11.55	5.39
25 under 50.....	33.64	26.99	3.46	.68	11.84	8.33
50 under 100.....	27.20	35.81	2.79	.51	11.26	10.11
100 under 150.....	21.83	43.28	2.51	.53	7.57	12.39
150 under 300.....	15.88	48.81	1.97	.43	6.22	15.10
300 under 500.....	9.04	53.62	1.33	.12	4.36	17.13
500 under 1,000.....	3.50	50.84	1.06	.28	1.03	22.83
1,000 and over.....	1.42	57.30	1.21	.01	1.23	26.14
Total.....	68.66	7.27	2.26	.17	3.84	1.88
Returns with no net income ⁶	22.24	28.61	8.83	.52	4.28	5.66
Grand total, individual returns.....	68.38	7.40	2.30	.18	3.85	1.90

For footnotes, see pp. 40-41.

Individual returns with net income, not including fiduciary returns, 1940, by net income classes, also aggregate for individual returns with no net income: Percentage distribution of sources of income, total income, deductions, and net income—Con.

Net income classes (Thousands of dollars) (1)	Sources of income—Continued						
	Rents and royalties (8)	Business profit ¹⁹ (9)	Capital gain ²⁰			Net gain from sales of property other than capital assets ²⁵ (14)	
			Short-term ²¹		Net long-term capital gain ²⁴ (13)		
			Net short-term capital gain included in total income and net income (col. 12-11) (10)	Net short-term capital loss of preceding year deducted ²² (11)			Current year net short-term capital gain ²³ (col. 10+11) (12)
Returns with net income:							
Under 5 (estimated).....	2.69	9.55	0.12	(⁸)	0.12	0.14	0.08
5 under 10.....	3.71	16.81	.56	0.02	.58	.73	.20
10 under 25.....	3.55	13.03	.80	.04	.84	1.21	.19
25 under 50.....	3.21	8.42	.76	.06	.82	1.72	.09
50 under 100.....	2.49	5.52	.65	.04	.69	2.78	.07
100 under 150.....	1.97	3.87	.66	.03	.69	4.63	.02
150 under 300.....	1.34	1.82	.61	.04	.65	6.86	.11
300 under 500.....	1.08	1.85	.77	.02	.79	9.67	(⁸)
500 under 1,000.....	1.45	2.20	.17	.02	.19	15.28	(⁸)
1,000 and over.....	.11	(⁸)	.03	.01	.04	12.27	(⁸)
Total.....	2.85	10.29	.26	.01	.27	.56	.10
Returns with no net income ⁶	14.95	6.99	1.89	.14	2.03	1.94	.99
Grand total, individual returns.....	2.92	10.27	.27	.01	.28	.56	.11

Net income classes (Thousands of dollars) (1)	Sources of income—Continued		Deductions				
	Other income (15)	Total income (16)	Partnership loss ¹⁷ (17)	Business loss ¹⁹ (18)	Net long-term capital loss ^{20 24} (19)	Net loss from sales of property other than capital assets ²⁵ (20)	Contributions ²⁶ (21)
Returns with net income:							
Under 5 (estimated).....	2.19	100.00	0.04	0.26	0.48	0.08	1.65
5 under 10.....	.96	100.00	.12	.36	1.68	.14	1.93
10 under 25.....	.92	100.00	.14	.51	2.66	.16	2.00
25 under 50.....	.86	100.00	.14	.63	3.09	.15	2.37
50 under 100.....	.81	100.00	.19	.74	2.80	.11	3.00
100 under 150.....	.74	100.00	.17	1.11	2.32	.10	3.83
150 under 300.....	.85	100.00	.47	.71	2.28	.07	4.56
300 under 500.....	1.03	100.00	.16	.82	2.31	.21	5.12
500 under 1,000.....	.46	100.00	.01	1.40	1.31	.20	6.82
1,000 and over.....	.28	100.00	(⁸)	2.09	.83	(⁸)	6.48
Total.....	1.86	100.00	.07	.33	.94	.09	1.82
Returns with no net income ⁶	3.10	100.00	10.63	53.25	73.27	13.81	2.23
Grand total, individual returns.....	1.96	100.00	.13	.64	1.37	.17	1.83

For footnotes, see pp. 40-41.

Individual returns with net income, not including fiduciary returns, 1940, by net income classes, also aggregate for individual returns with no net income: Percentage distribution of sources of income, total income, deductions, and net income—Con.

Net income classes (Thousands of dollars)	Deductions—Continued						Net income
	Interest paid ²⁷	Taxes paid ²⁷	Losses from fire, storm, etc. ^{27 28}	Bad debts ²⁷ (Form 1040)	Other deduc- tions ²⁹	Total deduc- tions ²⁹	
	(22)	(23)	(24)	(25)	(26)	(27)	
Returns with net income:							
Under 5 (estimated).....	1.64	2.74	0.05	0.13	1.42	8.49	91.51
5 under 10.....	2.52	3.73	.11	.39	1.66	12.64	87.36
10 under 25.....	2.13	4.07	.14	.53	1.47	13.81	86.19
25 under 50.....	1.75	4.34	.15	.55	1.43	14.60	85.40
50 under 100.....	1.53	4.44	.17	.68	1.47	15.13	84.87
100 under 150.....	1.81	4.52	.23	.66	1.68	16.43	83.57
150 under 300.....	1.59	4.45	.18	.83	1.88	17.02	82.98
300 under 500.....	1.34	3.80	.18	.93	2.11	16.98	83.02
500 under 1,000.....	.70	4.14	.29	.34	1.35	16.56	83.44
1,000 and over.....	1.13	3.72	.18	.75	1.79	16.97	83.03
Total.....	1.76	3.07	.08	.23	1.46	9.85	90.15
Returns with no net income ⁶	12.90	13.87	3.76	19.03	27.22	229.97	(9)
Grand total, individual returns.....	1.83	3.13	.10	.34	1.61	11.15	⁴⁴ 88.85

For footnotes, see pp. 40-41.

SOLE PROPRIETORSHIPS

The business profit or business loss of sole proprietors reported as a source of income or as a deduction, respectively, on all individual returns, Form 1040, are tabulated below. These data are from schedule D, Form 1040, and from the schedule of farm income and expenses, Form 1040F, when submitted with the return. When schedules are not submitted the data are tabulated from the face of the return. Data for businesses with net profit are shown separately from those with net loss, and the information from complete schedules is separate from that of incomplete or fragmentary schedules. Fragmentary schedule D data include that from schedules showing fewer items than "Total receipts," "Total deductions," and "Net profit or loss," and business data from the face of the return when schedules are not submitted.

These data are in part completely tabulated and in part estimated on the basis of the business data on returns in the sample, Form 1040, used for estimating other statistics in this report. Data are completely tabulated from a total of 427,586 sole proprietorships reported on (1) returns with net income of \$5,000 and over, (2) returns with no net income, and (3) returns with net income under \$5,000 showing income characteristics usually found on returns with net income of \$5,000 and over. Data from 138,548 sole proprietorships in the sample of returns, Form 1040, constitute the basis for estimating business data on the remaining returns with net income under \$5,000. The estimated portion of the data is secured separately for each State by applying to the business data in the sample for each State the ratio of the number of returns in the sample to the number of returns for which estimated data are to be computed.

The net amounts of business profit and business loss are tabulated (1) by net income classes, for individual returns with net income in basic table 7-A; for taxable fiduciary returns in basic table 7-B; and for composite data of individual and fiduciary returns in basic table 7; and (2) by States and Territories, for individual returns, in basic table 6.

The number of returns showing net profit and net loss from business, on individual returns with net income of \$5,000 and over, by net income classes and by size of the business profit and business loss, is shown in the frequency distribution of selected sources of income or loss on pages 33-35.

There is no industrial classification for the business of sole proprietors for 1940, and there are no tables corresponding to basic tables 8 and 8-A, pages 140-175, Statistics of Income for 1939, Part 1.

Sole proprietorships reported on individual returns with net income and with no net income, Form 1040, for 1940 and 1939, by business with net profit or business with net loss, and by complete or fragmentary schedule D: Number of businesses, net profit or loss, and in addition for business with complete schedule D: Total receipts and total deductions

[Money figures in thousands of dollars]

	1940	1939
1 Total number of sole proprietorships ³⁵ (2 plus 10).....	2,017,711	1,052,002
Business with net profit:		
2 Number of businesses ³⁵ (4 plus 8).....	1,815,101	921,091
3 Net profit ³⁶ (7 plus 9).....	4,177,045	2,710,528
Schedule D ³⁷ showing not fewer than the following items: total receipts, total deductions, and net profit:		
4 Number of businesses ³⁵	1,770,663	900,096
5 Total receipts.....	28,815,892	21,342,472
6 Total deductions ³⁶	24,740,168	18,683,745
7 Net profit ³⁶	4,069,725	2,658,728
Schedule D ³⁷ fragmentary: ³⁸		
8 Number of businesses ³⁵	44,438	20,995
9 Net profit ³⁶	107,320	51,800
Business with net loss:		
10 Number of businesses ³⁵ (12 plus 16).....	202,610	130,911
11 Net loss ³⁶ (15 plus 17).....	270,331	232,572
Schedule D ³⁷ showing not fewer than the following items: total receipts, total deductions, and net loss:		
12 Number of businesses ³⁵	189,989	123,191
13 Total receipts.....	2,297,490	2,162,697
14 Total deductions ³⁶	2,549,941	2,377,107
15 Net loss ³⁶	252,442	214,410
Schedule D ³⁷ fragmentary: ³⁸		
16 Number of businesses ³⁵	12,621	7,720
17 Net loss ³⁶	17,889	18,162

For footnotes, see p. 41.

AMOUNT DISTRIBUTABLE TO BENEFICIARIES

On taxable fiduciary returns the amount distributable to beneficiaries (item 16, page 1, Form 1041) is the amount paid to or permanently set aside for all beneficiaries, including charitable contributions. The amount distributable to beneficiaries, tabulated in basic tables 7 and 7-B, is a deduction from fiduciary income and is not taxable to the fiduciary. Each beneficiary who files an income tax return must report his share of the amount distributable to beneficiaries on his income tax return. Consequently, a portion of the amount distributable to beneficiaries, deducted from the fiduciary income,

is reported in sources of income on (1) the individual returns of the beneficiaries, and (2) the fiduciary returns filed for estates and trusts which are recipients of an amount distributable.

Duplication of data may occur as follows: On the income tax return of each beneficiary (individual or fiduciary), his share of the amount distributable from an estate or trust is reported as "Income from fiduciaries," except that "Interest on partially tax-exempt Government obligations" and "Net gain or loss from sales or exchanges of capital assets" received from common trust funds are reported in their respective source of income. Therefore, the above-mentioned sources as well as "Total income" and "Net income" tabulated from the returns of the beneficiaries may include all or a portion of the fiduciary income distributable to beneficiaries, depending upon whether or not every beneficiary is required to file a return. It is impossible to determine the amount of duplication, for the following reasons: (1) Every beneficiary may not be required to file an income tax return; (2) certain returns are not included in this report, namely, those of (a) nonresident aliens not engaged in trade or business within the United States, (b) charitable organizations, and (c) nontaxable fiduciary returns which show income from fiduciaries, as well as those which show an amount distributable to beneficiaries whose income tax returns are included in this report; and (3) the data for returns, Form 1040, with net income under \$5,000 are estimated on basis of samples.

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

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

Partnership profit or loss and business profit or loss relate to the current year. The net operating loss deduction allowed partners and sole proprietors is reported on the income tax return of the partner in "Other deductions," and does not affect the net profit or the net loss tabulated in this table.

Net short-term capital gain, net long-term capital gain, and net long-term capital loss are amounts used in computing net income and are reported as items 10 (a) and (b), page 1, Form 1040. Similar to 1939, the net short-term capital gain is after the deduction of the net short-term capital loss of preceding taxable year. Current year net short-term capital loss, which is not a deductible loss in computing net income, is not included in this table. (See section of this report entitled "Capital Gains and Losses," pages 45-46.)

Individual returns with net income of \$5,000 and over, not including fiduciary returns, 1940: Frequency distribution of selected sources of income and loss by net income classes and by size of the selected source

[For description of items and classifications, and method of tabulating data, see pp. 4, 8-9, and 15]

SALARIES AND OTHER COMPENSATION

[Net income classes and salary and other compensation classes in thousands of dollars]

Net income classes	Salary and other compensation 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.....	152,540	1,469	1,111	810	756	593	2,840	5,935
6 under 7.....	86,165	938	766	550	469	411	1,674	3,205
7 under 8.....	54,360	685	499	370	331	250	1,010	2,011
8 under 9.....	37,350	486	420	278	264	196	809	1,407
9 under 10.....	28,555	428	289	204	188	158	597	1,033
10 under 15.....	72,162	1,143	847	630	498	355	1,574	2,627
15 under 20.....	29,843	511	417	242	210	174	661	960
20 under 25.....	15,356	275	219	164	123	93	318	487
25 under 30.....	8,824	169	120	93	77	47	245	280
30 under 40.....	9,331	201	122	105	55	43	240	280
40 under 50.....	4,812	94	81	45	35	18	104	151
50 under 60.....	2,729	52	38	39	23	21	68	88
60 under 70.....	1,600	31	22	26	15	16	33	61
70 under 80.....	1,090	18	15	11	11	6	26	46
80 under 90.....	757	15	14	12	7	6	19	22
90 under 100.....	529	15	13	8	6	3	15	12
100 under 150.....	1,238	24	16	14	6	9	43	46
150 under 200.....	415	12	6	5	2	2	11	16
200 under 250.....	180	2	4	-----	-----	-----	8	3
250 under 300.....	110	5	5	2	3	2	-----	2
300 under 400.....	100	1	3	3	-----	-----	1	4
400 under 500.....	45	4	-----	-----	-----	-----	2	-----
500 under 750.....	50	-----	1	-----	2	1	2	-----
750 under 1,000.....	23	3	1	1	-----	-----	3	-----
1,000 and over.....	30	1	-----	-----	-----	-----	2	1
Total.....	508,254	6,582	5,029	3,612	3,081	2,404	10,335	18,707

Net income classes	Salary and other compensation 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.....	6,266	8,768	15,644	107,681	549	72	28	6
6 under 7.....	3,356	3,961	4,932	64,949	797	105	29	5
7 under 8.....	1,906	2,166	2,402	41,145	1,370	110	34	8
8 under 9.....	1,271	1,361	1,344	25,831	3,500	139	26	12
9 under 10.....	904	977	934	13,386	9,205	196	25	19
10 under 15.....	2,134	2,184	1,940	14,787	37,155	5,745	368	98
15 under 20.....	822	795	642	3,672	5,981	11,768	2,605	266
20 under 25.....	428	408	318	1,526	2,449	2,259	4,554	1,471
25 under 30.....	228	194	155	752	869	1,110	1,465	2,035
30 under 40.....	213	197	145	785	845	868	1,013	1,102
40 under 50.....	115	99	70	383	357	383	378	430
50 under 60.....	66	52	36	191	192	190	216	178
60 under 70.....	37	39	25	135	104	115	112	105
70 under 80.....	22	17	19	80	60	75	71	58
80 under 90.....	11	10	11	51	45	51	48	37
90 under 100.....	10	10	4	31	30	25	32	31
100 under 150.....	25	17	17	73	71	51	68	60
150 under 200.....	9	7	10	26	24	21	24	18
200 under 250.....	6	2	5	14	10	12	10	15
250 under 300.....	3	1	1	6	6	7	5	5
300 under 400.....	2	1	2	4	7	3	3	12
400 under 500.....	1	1	1	1	3	-----	3	6
500 under 750.....	3	1	1	1	6	3	2	2
750 under 1,000.....	1	1	-----	-----	1	1	1	1
1,000 and over.....	1	3	1	4	2	1	-----	1
Total.....	17,838	21,262	28,668	275,514	63,638	23,310	11,120	5,986

Individual returns with net income of \$5,000 and over, not including fiduciary returns, 1940: Frequency distribution of selected sources of income and loss by net income classes and by size of the selected source—Continued

SALARIES AND OTHER COMPENSATION—Continued

[Net income classes and salary and other compensation classes in thousands of dollars]

Net income classes	Salary and other compensation classes—Continued						
	30 under 40	40 under 50	50 under 75	75 under 100	100 under 250	250 under 500	500 under 1,000 and over
5 under 6	8	3		1			
6 under 7	9	5	3		1		
7 under 8	9	1	2		1		
8 under 9	4	1			1		
9 under 10	8		2	1			
10 under 15	46	15	6		1		
15 under 20	86	20	6	5			
20 under 25	215	28	16	5			
25 under 30	907	54	17	5	2		
30 under 40	2,625	419	66	5	2		
40 under 50	797	949	304	15	4		
50 under 60	346	367	543	19	4		
60 under 70	187	146	397	50	4		
70 under 80	111	93	221	121	9		
80 under 90	90	52	118	123	15		
90 under 100	48	50	84	69	33		
100 under 150	108	96	188	115	184	1	
150 under 200	36	29	51	39	63	4	
200 under 250	11	3	22	13	37	3	
250 under 300	7	4	13	10	15	8	
300 under 400	5	5	15	11	11	7	
400 under 500	4	2	5	2	8	4	
500 under 750	4	5	8	3	4	1	
750 under 1,000	1	1	5	2	2		
1,000 and over	2	1	3	1	6		
Total	5,673	2,350	2,095	615	407	28	

DIVIDENDS ¹⁴

[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	102,502	27,618	13,515	8,549	6,257	4,902	14,118	11,512
6 under 7	66,958	14,899	8,134	5,362	3,971	3,080	9,465	8,454
7 under 8	46,580	9,103	4,939	3,523	2,614	2,052	6,527	6,313
8 under 9	34,538	5,972	3,370	2,328	1,917	1,491	4,833	4,768
9 under 10	27,363	4,316	2,539	1,779	1,341	1,124	3,744	3,873
10 under 15	76,888	9,348	5,794	4,173	3,429	2,764	9,809	10,738
15 under 20	35,230	3,033	1,970	1,410	1,159	1,005	3,669	4,419
20 under 25	19,103	1,221	822	638	522	421	1,650	2,077
25 under 30	11,443	573	380	304	261	244	819	1,051
30 under 40	12,464	527	377	238	220	181	731	926
40 under 50	6,477	220	135	90	92	91	292	422
50 under 60	3,738	89	59	61	49	27	139	208
60 under 70	2,346	51	40	33	28	27	84	115
70 under 80	1,478	27	14	9	20	7	42	66
80 under 90	1,081	23	14	10	6	11	22	53
90 under 100	726	15	11	5	2	7	18	29
100 under 150	1,774	25	10	12	7	7	39	48
150 under 200	698	4	1		6	1	3	16
200 under 250	263			2			5	4
250 under 300	160	3		1			3	6
300 under 400	156	2	1			1	4	3
400 under 500	83	1		1			1	2
500 under 750	73			1				
750 under 1,000	33			1				
1,000 and over	47							2
Total	452,102	77,070	42,125	28,531	21,901	17,443	56,014	55,103

For footnote see pp. 40.

Individual returns with net income of \$5,000 and over, not including fiduciary returns, 1940: Frequency distribution of selected sources of income and loss by net income classes and by size of the selected source—Continued

DIVIDENDS ¹⁴—Continued

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

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	5,427	3,457	2,538	4,259	229	47	35	7
6 under 7	4,142	2,680	1,885	4,458	308	61	25	10
7 under 8	3,297	2,078	1,481	4,151	336	98	36	12
8 under 9	2,611	1,691	1,127	3,791	489	81	28	14
9 under 10	2,098	1,436	1,036	3,086	798	106	44	16
10 under 15	6,406	4,428	3,400	9,620	5,318	1,052	277	145
15 under 20	2,998	2,168	1,739	5,577	2,871	2,152	671	189
20 under 25	1,412	1,153	906	3,178	1,910	1,323	1,124	425
25 under 30	783	579	524	1,919	1,288	867	708	633
30 under 40	669	594	475	1,909	1,343	1,089	829	647
40 under 50	295	251	211	844	613	513	534	413
50 under 60	158	117	98	425	322	266	238	213
60 under 70	83	66	49	241	167	115	156	112
70 under 80	48	45	34	114	95	74	68	72
80 under 90	40	35	20	72	54	63	44	42
90 under 100	11	15	12	40	37	34	29	26
100 under 150	32	32	26	96	78	65	60	61
150 under 200	5	6	4	30	29	17	22	11
200 under 250	2	7	6	15	6	6	4	4
250 under 300		3	3	5	5	4	3	2
300 under 400	3	1		5	3	1	5	
400 under 500	1	1	3	2		1		1
500 under 750		1	1		1	1	2	
750 under 1,000	1			1		1		1
1,000 and over					1	1		
Total	30,522	20,844	15,578	43,840	16,301	8,036	4,942	3,056

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	12	8	7	1	3	1		
6 under 7	12	4	6	2				
7 under 8	7	7	7		1			
8 under 9	14	6	5	2				
9 under 10	14	5	3	3	2			
10 under 15	108	32	36	7	4			
15 under 20	109	48	26	8	9			
20 under 25	209	57	32	16	7			
25 under 30	367	74	54	11	4			
30 under 40	1,178	349	3,873	29	14	1		
40 under 50	589	509	304	36	23			
50 under 60	399	285	514	51	18	2		
60 under 70	244	193	431	82	29			
70 under 80	139	129	291	153	31			
80 under 90	82	77	184	169	59	1		
90 under 100	45	46	138	122	82	2		
100 under 150	106	87	275	214	486	7	1	
150 under 200	22	26	47	49	285	14		
200 under 250	13	7	22	15	113	33		
250 under 300	7	3	5	7	43	59	4	
300 under 400	5	2	6	6	25	73	6	
400 under 500			6	1	13	27	22	
500 under 750	5	1	1	4	12	11	30	
750 under 1,000			2	4	1	5	14	3
1,000 and over	2		1	2	4	7	7	20
Total	3,688	1,955	2,541	994	1,268	243	84	23

For footnote, see p. 40.

Individual returns with net income of \$5,000 and over, not including fiduciary returns, 1940: Frequency distribution of selected sources of income and loss by net income classes and by size of the selected source—Continued

PARTNERSHIP PROFIT¹⁷

[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	25,400	1,601	643	510	463	369	1,483	2,080
6 under 7	17,370	809	417	351	290	269	892	1,291
7 under 8	12,252	681	266	216	189	183	654	873
8 under 9	9,302	371	213	150	124	138	419	612
9 under 10	7,361	329	144	105	95	97	371	477
10 under 15	20,924	847	442	340	270	240	944	1,187
15 under 20	9,594	291	264	156	119	83	385	489
20 under 25	5,096	159	99	91	66	55	190	232
25 under 30	2,906	101	61	35	29	31	100	123
30 under 40	3,107	88	60	40	34	36	109	133
40 under 50	1,668	59	36	27	16	27	53	60
50 under 60	924	32	19	11	13	19	27	31
60 under 70	507	17	10	5	3	6	14	17
70 under 80	329	7	1	7	2	6	10	13
80 under 90	253	5	4	2	4	2	6	15
90 under 100	160	3	3	4	1	4	4	8
100 under 150	330	10	17	5	5	4	16	18
150 under 200	108	2	1	2	2	2	2	4
200 under 250	37	1	1	1	1	1	2	2
250 under 300	23	1	1	1	1	1	1	1
300 under 400	21	1	1	1	1	1	1	1
400 under 500	9	1	1	1	1	1	1	1
500 under 750	12	1	1	1	1	1	1	2
750 under 1,000	2	1	1	1	1	1	1	1
1,000 and over	2	1	1	1	1	1	1	1
Total	117,796	5,406	2,732	2,058	1,726	1,568	5,685	7,669

PARTNERSHIP PROFIT CLASSES—Continued

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	1,713	1,827	2,488	12,104	105	8	8	3
6 under 7	1,029	986	1,162	9,625	128	21	5	4
7 under 8	610	590	1,668	7,106	249	29	5	1
8 under 9	459	393	353	5,436	587	28	12	2
9 under 10	345	284	230	3,175	1,602	44	11	1
10 under 15	872	722	565	3,848	9,270	1,312	79	24
15 under 20	383	270	232	1,044	1,389	3,654	734	67
20 under 25	158	144	101	447	666	1,728	445	65
25 under 30	98	80	60	227	177	202	323	929
30 under 40	70	70	48	242	161	153	201	287
40 under 50	49	40	30	107	79	65	55	74
50 under 60	32	28	12	55	42	36	26	31
60 under 70	27	12	14	32	20	23	14	17
70 under 80	6	5	6	20	18	11	4	13
80 under 90	4	6	6	11	9	5	5	5
90 under 100	5	1	5	13	4	3	5	2
100 under 150	7	10	9	16	10	6	8	4
150 under 200	2	3	2	5	1	3	3	3
200 under 250	2	1	2	2	1	1	1	1
250 under 300	1	1	1	1	1	1	1	1
300 under 400	1	1	1	1	1	1	1	1
400 under 500	1	1	1	1	1	1	1	1
500 under 750	1	1	1	1	1	1	1	1
750 under 1,000	1	1	1	1	1	1	1	1
1,000 and over	1	1	1	1	1	1	1	1
Total	5,872	5,473	6,044	43,493	14,261	6,274	3,225	1,913

For footnote, see p. 40.

Individual returns with net income of \$5,000 and over, not including fiduciary returns, 1940: Frequency distribution of selected sources of income and loss by net income classes and by size of the selected source—Continued

PARTNERSHIP PROFIT¹⁷—Continued

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

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	1	1	2	2	1	1	1	1
6 under 7	1	1	1	1	1	1	1	1
7 under 8	1	1	1	1	1	1	1	1
8 under 9	3	1	1	1	1	1	1	1
9 under 10	7	2	3	3	1	1	1	1
10 under 15	187	2	3	3	2	2	2	2
15 under 20	25	6	3	3	2	2	2	2
20 under 25	82	7	3	3	2	2	2	2
25 under 30	305	17	8	8	1	1	1	1
30 under 40	1,135	211	26	3	1	1	1	1
40 under 50	191	554	144	1	1	1	1	1
50 under 60	72	103	326	7	2	2	2	2
60 under 70	26	40	265	23	3	3	3	3
70 under 80	19	24	68	82	7	7	7	7
80 under 90	14	9	27	107	12	12	12	12
90 under 100	8	5	14	54	18	18	18	18
100 under 150	7	13	15	31	119	119	119	119
150 under 200	4	2	4	11	50	50	50	50
200 under 250	6	1	2	2	15	15	15	15
250 under 300	2	1	1	1	7	7	7	7
300 under 400	1	1	1	1	1	1	1	1
400 under 500	1	1	1	1	2	2	2	2
500 under 750	1	1	1	1	1	1	1	1
750 under 1,000	1	1	1	1	1	1	1	1
1,000 and over	1	1	1	1	1	1	1	1
Total	1,911	969	909	322	239	14	2	1

PARTNERSHIP LOSS¹⁷

[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	1,537	321	249	155	104	91	279	176
6 under 7	1,082	246	155	111	84	48	179	134
7 under 8	792	160	112	89	62	45	135	108
8 under 9	593	114	81	68	45	39	90	64
9 under 10	547	91	88	44	30	33	88	76
10 under 15	1,599	244	194	149	95	72	201	252
15 under 20	792	138	81	62	63	48	124	100
20 under 25	522	68	47	29	26	29	94	88
25 under 30	310	48	32	27	20	14	47	44
30 under 40	361	45	23	22	18	20	67	64
40 under 50	203	16	25	15	16	11	24	36
50 under 60	142	14	7	11	8	11	23	21
60 under 70	74	6	6	4	1	2	11	17
70 under 80	62	3	5	5	5	2	7	13
80 under 90	47	5	8	5	1	5	7	7
90 under 100	44	3	4	2	3	3	3	0
100 under 150	93	8	7	5	2	5	5	16
150 under 200	32	4	2	2	2	2	2	6
200 under 250	22	4	1	2	1	2	3	2
250 under 300	10	4	1	1	1	1	2	3
300 under 400	11	1	1	1	1	1	3	3
400 under 500	7	1	1	1	1	1	1	2
500 under 750	3	1	1	1	1	1	1	1
750 under 1,000	2	1	1	1	1	1	1	1
1,000 and over	3	1	1	1	1	1	1	1
Total	8,880	1,539	1,125	808	586	476	1,481	1,249

For footnote, see p. 40.

Individual returns with net income of \$5,000 and over, not including fiduciary returns, 1940: Frequency distribution of selected sources of income and loss by net income classes and by size of the selected source—Continued

PARTNERSHIP LOSS ¹⁷—Continued

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

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	78	36	13	26	4	2		2
6 under 7	49	22	20	17	8	1	4	
7 under 8	30	14	10	18	7	1		
8 under 9	44	14	11	16	5	2		
9 under 10	40	18	9	24	2	1		1
10 under 15	109	69	37	59	18	6	2	1
15 under 20	50	35	21	35	11	2		1
20 under 25	43	28	14	43	10	1		2
25 under 30	25	16	7	15	9	4		1
30 under 40	32	17	10	17	12	7	4	1
40 under 50	15	13	3	18	6	4		
50 under 60	12	4	3	11	8	1	2	1
60 under 70	5	4	2	7	1	4	1	1
70 under 80	6	3		8	2	2		1
80 under 90	1	1	3	2	1	2	3	1
90 under 100	2	3	3	3	2	3		3
100 under 150	12	10	4	5	4	1	3	1
150 under 200	1	3		4	1			1
200 under 250	2	1		6		2		
250 under 300	1			2		1		
300 under 400			1	1	1			1
400 under 500			1		2			
500 under 750								
750 under 1,000	2							
1,000 and over	1							
Total	560	311	173	337	115	50	20	16

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	2							
7 under 8			1					
8 under 9								
9 under 10		1	1					
10 under 15		1						
15 under 20	1	1						
20 under 25		1	1					
25 under 30								
30 under 40	1		1					
40 under 50				1				
50 under 60			3					
60 under 70	1	1						
70 under 80	1		1					
80 under 90	2							
90 under 100								
100 under 150	2							
150 under 200	3							
200 under 250						1		
250 under 300		1						
300 under 400	1		1					
400 under 500								
500 under 750								
750 under 1,000								
1,000 and over								
Total	16	6	9	1	1		1	

For footnote, see p. 40.

Individual returns with net income of \$5,000 and over, not including fiduciary returns, 1940: Frequency distribution of selected sources of income and loss by net income classes and by size of the selected source—Continued

BUSINESS PROFIT ¹⁸

[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	48,492	608	509	431	402	401	1,650	2,728
6 under 7	30,186	320	267	233	209	210	827	1,508
7 under 8	19,296	223	179	163	136	120	487	823
8 under 9	13,366	174	146	92	81	86	318	474
9 under 10	9,985	108	98	77	67	54	254	376
10 under 15	23,515	250	231	197	146	139	609	819
15 under 20	8,737	95	87	63	62	68	202	278
20 under 25	4,053	44	54	30	23	16	97	120
25 under 30	2,072	25	13	17	13	10	43	70
30 under 40	2,050	29	17	12	19	5	60	73
40 under 50	906	12	10	11	8	13	37	36
50 under 60	480	11	1	8	4	5	13	11
60 under 70	266	3	1	8	1	1	3	10
70 under 80	146	1	2	2		2	4	4
80 under 90	112	1	3	3	1		3	4
90 under 100	53	1	2	1	1		2	1
100 under 150	138	2	3	4		4	1	8
150 under 200	40	4	1	1	1	1	1	1
200 under 250	12			1		1	1	
250 under 300	14		1					3
300 under 400	10							
400 under 500	1							
500 under 750	3		2					
750 under 1,000	4							
1,000 and over	1					1		
Total	163,938	1,911	1,027	1,354	1,174	1,137	4,611	7,347

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	3,037	3,659	6,058	28,798	173	20	6	5
6 under 7	1,430	1,673	2,137	21,095	230	37	2	2
7 under 8	817	824	983	14,168	326	35	6	4
8 under 9	492	493	530	9,769	661	36	9	1
9 under 10	335	307	350	5,675	2,221	44	12	1
10 under 15	690	626	640	4,865	12,964	1,200	100	20
15 under 20	224	175	157	964	1,505	4,211	572	46
20 under 25	88	80	77	299	342	702	1,705	324
25 under 30	50	32	27	152	136	154	327	807
30 under 40	47	45	37	104	120	98	133	230
40 under 50	10	12	22	47	38	27	31	36
50 under 60	9	9	7	25	19	13	19	14
60 under 70	14	8	4	13	10	12	4	4
70 under 80	2	3	3	7	6	3	4	1
80 under 90	4	9			8	4	3	1
90 under 100	1	1		1	1	1	4	2
100 under 150	2		6	5	3	6	8	
150 under 200			2		6		2	1
200 under 250				1		1		
250 under 300				2		2		
300 under 400								
400 under 500		1						
500 under 750						1		
750 under 1,000	1							
1,000 and over								
Total	7,253	7,957	11,040	85,990	18,768	6,607	2,947	1,499

For footnote, see p. 40.

Individual returns with net income of \$5,000 and over, not including fiduciary returns, 1940: Frequency distribution of selected sources of income and loss by net income classes and by size of the selected source—Continued

BUSINESS PROFIT ²²—Continued

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

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	4	1	2					
6 under 7	6							
7 under 8	1	1						
8 under 9	3		1					
9 under 10	5	1						
10 under 15	14	2	3					
15 under 20	21	4	3					
20 under 25	38	4	4					
25 under 30	183	8	5		1			
30 under 40	896	106	16	3				
40 under 50	139	340	65	2	1			
50 under 60	31	76	199	4	2			
60 under 70	18	23	117	11				
70 under 80	3	8	57	33	1			
80 under 90	2	6	15	40	5			
90 under 100	2	1	4	21	6			
100 under 150	3		5	19	59			
150 under 200	3		1	3	14			
200 under 250	1	2			5			
250 under 300	1	1	1		4			
300 under 400				2		6		
400 under 500								
500 under 750							3	
750 under 1,000								
1,000 and over								
Total	1,374	598	498	138	99	6	3	

BUSINESS LOSS ²³

[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	3,763	485	393	329	282	261	795	641
6 under 7	2,485	281	213	217	169	146	503	477
7 under 8	1,746	162	144	125	113	92	358	369
8 under 9	1,280	99	112	81	91	68	255	235
9 under 10	1,073	87	86	91	75	51	204	202
10 under 15	3,310	224	220	163	185	159	575	720
15 under 20	1,709	97	76	70	87	68	299	339
20 under 25	992	62	42	30	34	42	135	197
25 under 30	632	27	25	17	16	24	89	111
30 under 40	791	28	24	24	16	16	107	142
40 under 50	508	15	13	14	14	10	60	78
50 under 60	276	4	5	9	4	8	26	56
60 under 70	265	8	8	4	8	5	18	27
70 under 80	123	4	2	2	2	3	6	17
80 under 90	110	2	1	4	1	1	6	11
90 under 100	73	2	1	1	2		4	11
100 under 150	198	5		3	2		12	29
150 under 200	72		3			1	6	5
200 under 250	36						3	2
250 under 300	24						1	4
300 under 400	21	1	1		1			
400 under 500	10							
500 under 750	19							2
750 under 1,000	10							
1,000 and over	17							
Total	19,483	1,583	1,369	1,184	1,102	955	3,461	3,675

For footnote, see p. 41.

Individual returns with net income of \$5,000 and over, not including fiduciary returns, 1940: Frequency distribution of selected sources of income and loss by net income classes and by size of the selected source—Continued

BUSINESS LOSS ²⁴—Continued

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

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	258	126	56	106	17	6	4	2
6 under 7	199	97	50	96	24	9	2	1
7 under 8	158	88	39	63	22	6	3	1
8 under 9	133	72	54	62	9	5	2	1
9 under 10	96	59	36	62	14	3	4	2
10 under 15	358	218	147	242	56	21	12	6
15 under 20	203	124	90	190	28	15	7	2
20 under 25	123	100	51	115	39	14	6	4
25 under 30	82	56	42	86	28	14	6	3
30 under 40	128	62	53	128	40	19	11	6
40 under 50	65	45	20	90	28	17	9	6
50 under 60	26	19	14	60	14	14	4	3
60 under 70	19	25	18	30	8	4	6	1
70 under 80	12	7	5	34	14	4	7	
80 under 90	13	11	12	24	8	7	2	1
90 under 100	4	7	7	19	4	3	1	1
100 under 150	13	14	14	48	21	7	7	5
150 under 200	3	7	5	16	11	2	5	
200 under 250	11	3	1	6	1	2	3	1
250 under 300	2	1	2	3	5	2	1	
300 under 400		1		4	2	2		2
400 under 500	2	3		1	1			1
500 under 750				3	2	1		
750 under 1,000	1			4	1		1	
1,000 and over	1	1		1		1	2	
Total	1,883	1,146	726	1,511	397	178	105	45

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	1		1			1		
8 under 9	1							
9 under 10	4		1	2	1			
10 under 15	8	1	3	1	1			
15 under 20	2	2	2	2				
20 under 25	5	1						
25 under 30	1		4	1	1			
30 under 40	3	1	1	1	2			
40 under 50	5	2	2	1				
50 under 60	5	1	2	1				
60 under 70	1	3	2	1				
70 under 80	3		1	1		2		
80 under 90	2		1	1	1			
90 under 100		2	2	1	1			
100 under 150	7	1	4	1	4		1	
150 under 200	2	2		3				
200 under 250	1		1		1			
250 under 300	2		1					
300 under 400	1	1	2	3				
400 under 500					2			
500 under 750	3	2	1	2	3			
750 under 1,000		1	1	1				
1,000 and over	1	3	4	2				1
Total	60	24	34	23	20		1	

For footnote, see p. 41.

Individual returns with net income of \$5,000 and over, not including fiduciary returns, 1940: Frequency distribution of selected sources of income and loss by net income classes and by size of the selected source—Continued

NET SHORT-TERM CAPITAL GAIN ^{20 21 40}

[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.....	10,575	3,056	1,662	1,145	766	588	1,593	1,000
6 under 7.....	7,513	2,086	1,188	771	589	451	1,147	676
7 under 8.....	5,819	1,563	910	569	461	312	860	631
8 under 9.....	4,543	1,206	694	443	288	250	723	467
9 under 10.....	3,827	967	524	386	264	203	616	433
10 under 15.....	11,723	2,853	1,578	1,160	853	655	1,793	1,345
15 under 20.....	6,063	1,452	776	517	396	316	924	694
20 under 25.....	3,517	751	447	281	223	188	572	482
25 under 30.....	2,201	430	257	180	154	132	345	282
30 under 40.....	2,453	463	296	198	147	117	427	324
40 under 50.....	1,291	248	130	116	72	57	215	173
50 under 60.....	751	152	74	65	43	32	107	104
60 under 70.....	501	106	49	48	21	29	66	69
70 under 80.....	284	58	31	24	20	8	35	33
80 under 90.....	232	57	26	13	8	12	29	27
90 under 100.....	133	30	17	11	5	3	17	17
100 under 150.....	384	100	34	15	15	15	52	43
150 under 200.....	125	29	6	7	9	4	19	11
200 under 250.....	64	8	7	5	4	3	7	5
250 under 300.....	31	3	4	1	1	1	4	4
300 under 400.....	40	7	2	1	1	2	9	2
400 under 500.....	24	8	3	1	2	1	2	2
500 under 750.....	18	7	1	1	1	3	2	1
750 under 1,000.....	14	1	1	3	1	1	2	2
1,000 and over.....	10	2	1	1	1	1	3	1
Total.....	62,136	15,644	8,718	5,960	4,343	3,381	9,569	6,833

Net short-term capital gain classes—Continued

Net income classes	Net short-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.....	362	165	108	117	7	6	1	1
6 under 7.....	259	125	87	120	11	2	1	1
7 under 8.....	197	100	75	124	10	5	1	1
8 under 9.....	178	105	52	126	10	1	1	1
9 under 10.....	151	83	62	116	19	1	1	4
10 under 15.....	484	289	182	366	125	25	6	4
15 under 20.....	317	185	123	210	74	58	13	1
20 under 25.....	175	102	72	126	46	27	11	4
25 under 30.....	113	74	51	103	35	21	12	8
30 under 40.....	137	93	41	114	44	19	10	5
40 under 50.....	88	47	34	64	16	6	5	8
50 under 60.....	51	25	16	38	15	10	4	3
60 under 70.....	34	21	5	24	14	7	2	1
70 under 80.....	21	12	9	14	5	5	2	1
80 under 90.....	9	8	9	18	5	5	3	1
90 under 100.....	6	6	2	8	1	2	2	2
100 under 150.....	25	19	2	27	9	3	3	2
150 under 200.....	12	6	3	7	1	1	3	2
200 under 250.....	4	1	2	8	2	2	1	1
250 under 300.....	2	1	4	3	1	1	1	1
300 under 400.....	4	1	1	3	1	1	1	1
400 under 500.....	3	1	1	3	1	1	1	1
500 under 750.....	2	1	1	1	1	1	1	1
750 under 1,000.....	1	1	1	1	1	1	1	1
1,000 and over.....	1	1	1	1	1	1	1	1
Total.....	2,634	1,469	940	1,741	453	206	78	45

For footnotes, see p. 41.

Individual returns with net income of \$5,000 and over, not including fiduciary returns, 1940: Frequency distribution of selected sources of income and loss by net income classes and by size of the selected source—Continued

NET SHORT-TERM CAPITAL GAIN ^{20 21 40}—Continued

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

Net income classes	Net short-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	1	1	1	1	1	1	1
6 under 7.....	1	1	1	1	1	1	1	1
7 under 8.....	1	1	1	1	1	1	1	1
8 under 9.....	1	1	1	1	1	1	1	1
9 under 10.....	1	1	1	1	1	1	1	1
10 under 15.....	4	1	1	1	1	1	1	1
15 under 20.....	5	2	2	1	1	1	1	1
20 under 25.....	5	2	1	1	1	1	1	1
25 under 30.....	2	1	1	1	1	1	1	1
30 under 40.....	12	4	4	2	2	2	2	2
40 under 50.....	6	4	4	4	2	2	2	2
50 under 60.....	3	3	3	1	1	1	1	1
60 under 70.....	3	3	3	1	1	1	1	1
70 under 80.....	3	3	3	1	1	1	1	1
80 under 90.....	1	1	1	1	1	1	1	1
90 under 100.....	2	2	2	2	1	1	1	1
100 under 150.....	5	1	3	1	5	1	1	1
150 under 200.....	2	1	2	1	1	1	1	1
200 under 250.....	1	2	1	1	1	1	1	1
250 under 300.....	1	1	1	1	2	1	1	1
300 under 400.....	1	1	1	1	2	1	1	1
400 under 500.....	1	1	1	1	1	1	1	1
500 under 750.....	1	1	1	1	1	1	1	1
750 under 1,000.....	1	1	1	1	1	1	1	1
1,000 and over.....	1	1	1	1	1	1	1	1
Total.....	57	23	25	4	12	1	1	1

NET LONG-TERM CAPITAL GAIN ^{20 24}

[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.....	12,420	4,014	1,946	1,249	836	602	1,602	1,133
6 under 7.....	8,936	2,712	1,392	806	604	447	1,223	894
7 under 8.....	6,736	1,951	1,041	633	469	303	854	674
8 under 9.....	5,149	1,361	738	443	359	232	718	550
9 under 10.....	4,442	1,182	615	417	302	189	594	473
10 under 15.....	13,176	3,162	1,703	1,130	791	616	1,860	1,523
15 under 20.....	6,737	1,424	741	577	409	318	970	786
20 under 25.....	3,881	776	403	305	225	170	642	491
25 under 30.....	2,546	475	244	181	136	127	337	289
30 under 40.....	2,782	481	237	184	163	108	381	355
40 under 50.....	1,578	235	119	89	71	61	186	201
50 under 60.....	898	118	59	52	35	31	88	121
60 under 70.....	643	81	51	25	20	23	75	79
70 under 80.....	407	56	29	16	16	16	36	42
80 under 90.....	328	36	24	19	8	5	42	48
90 under 100.....	222	35	11	12	8	12	20	19
100 under 150.....	555	42	29	17	13	12	54	61
150 under 200.....	237	21	6	7	6	2	23	22
200 under 250.....	111	8	1	3	4	1	4	9
250 under 300.....	71	3	2	1	1	1	2	4
300 under 400.....	61	5	1	3	1	1	2	2
400 under 500.....	35	1	1	2	1	1	2	2
500 under 750.....	40	2	1	1	1	1	2	2
750 under 1,000.....	13	1	1	1	1	1	1	1
1,000 and over.....	27	1	1	1	1	1	1	1
Total.....	72,031	18,181	9,393	6,168	4,479	3,275	9,618	7,787

For footnotes, see p. 41.

Individual returns with net income of \$5,000 and over, not including fiduciary returns, 1940: Frequency distribution of selected sources of income and loss by net income classes and by size of the selected source—Continued

NET LONG-TERM CAPITAL GAIN^{10 21}—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							
	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	446	274	153	153	9	1		1
6 under 7	332	205	118	188	9	4	1	
7 under 8	320	168	108	200	10	2	2	
8 under 9	271	158	98	202	13	3		1
9 under 10	213	130	102	200	15	7	1	
10 under 15	747	396	270	709	229	24	5	3
15 under 20	392	231	150	414	224	96	2	8
20 under 25	222	150	118	240	117	71	37	18
25 under 30	158	107	73	204	85	57	44	33
30 under 40	159	128	88	219	104	75	35	28
40 under 50	122	64	38	153	78	37	33	23
50 under 60	56	41	31	87	39	23	25	16
60 under 70	39	22	16	63	25	27	17	8
70 under 80	25	18	10	43	25	14	5	6
80 under 90	20	11	9	22	10	9	2	6
90 under 100	10	4	6	18	13	4	10	6
100 under 150	25	26	20	49	23	22	10	6
150 under 200	14	10	3	18	8	11	6	5
200 under 250	6	4	4	9	6	4	4	7
250 under 300	5	1	5	13	2		4	5
300 under 400	3	2	3	5	1	2	1	1
400 under 500	3	1		1	1	1	1	3
500 under 750				2	1	1	1	
750 under 1,000							2	
1,000 and over			1	3				
Total	3,588	2,151	1,424	3,215	1,047	495	249	160

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							
7 under 8			1					
8 under 9	1	1						
9 under 10	2							
10 under 15	1		2					
15 under 20	2							
20 under 25	4	2						
25 under 30	7	2	1	1				
30 under 40	26	5	1					
40 under 50	41	19	4					
50 under 60	33	25	13					
60 under 70	29	20	11	2	2			
70 under 80	17	15	15	2				
80 under 90	11	15	22	6	3			
90 under 100	8	8	15	2	1			
100 under 150	19	15	49	31	30			
150 under 200	8	7	17	13	30			
200 under 250	5	3	6	4	25			
250 under 300	4	1	5		15	4		
300 under 400	1	1	2	2	8	11		
400 under 500	2	1	2	1	15	4		
500 under 750		3	1		6	10	6	
750 under 1,000	1		1		2	4	4	
1,000 and over		2	1		5	1	7	4
Total	223	145	170	64	127	45	17	4

For footnotes, see p. 41.

Individual returns with net income of \$5,000 and over, not including fiduciary returns, 1940: Frequency distribution of selected sources of income and loss by net income classes and by size of the selected source—Continued

NET LONG-TERM CAPITAL LOSS^{10 21}

[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	15,927	2,865	2,047	1,572	1,215	936	2,941	2,154
6 under 7	11,675	2,012	1,411	1,038	799	682	2,129	1,684
7 under 8	8,984	1,485	948	797	606	486	1,564	1,397
8 under 9	7,267	1,075	742	619	477	387	1,312	1,180
9 under 10	6,018	856	586	476	373	324	1,049	1,030
10 under 15	19,018	2,437	1,735	1,415	1,137	962	3,250	3,206
15 under 20	10,020	1,152	822	678	532	438	1,522	1,634
20 under 25	5,985	553	419	350	296	244	883	1,028
25 under 30	3,753	346	215	205	167	152	567	607
30 under 40	4,430	420	235	216	158	181	605	682
40 under 50	2,502	181	140	117	95	88	327	369
50 under 60	1,448	102	78	58	55	50	173	234
60 under 70	907	75	37	44	37	31	88	124
70 under 80	567	39	33	17	18	12	45	86
80 under 90	414	35	17	22	4	14	40	55
90 under 100	291	18	9	9	12	8	25	39
100 under 150	753	48	28	26	25	20	86	84
150 under 200	251	22	10	6	4	6	20	22
200 under 250	94	9	6	2	4	4	8	7
250 under 300	64	2	1	1	2	4	6	5
300 under 400	71	2	2	1	1	1	7	9
400 under 500	39	2	1	1	1		3	1
500 under 750	25	1	2				1	1
750 under 1,000	12					1		3
1,000 and over	16	1		1			1	
Total	100,531	13,738	9,523	7,677	6,019	5,031	16,652	15,650

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	902	430	258	412	101	48	10	8
6 under 7	734	382	224	395	102	39	18	15
7 under 8	609	339	189	409	89	33	12	6
8 under 9	494	301	174	348	68	38	15	13
9 under 10	394	271	173	332	86	27	17	7
10 under 15	1,591	846	581	1,140	368	160	65	41
15 under 20	923	565	331	824	287	108	60	22
20 under 25	573	365	251	617	193	73	55	25
25 under 30	374	225	163	396	159	60	55	20
30 under 40	451	285	172	544	227	97	49	33
40 under 50	233	173	115	324	168	58	32	27
50 under 60	120	86	86	207	85	38	17	14
60 under 70	85	54	59	120	66	29	14	11
70 under 80	54	34	28	94	41	23	14	8
80 under 90	38	24	25	57	28	19	8	6
90 under 100	25	25	21	44	20	12	9	1
100 under 150	61	62	35	116	50	37	22	14
150 under 200	13	20	6	46	14	12	9	5
200 under 250	10	10	7	6	2	4	2	3
250 under 300	7	1	5	10	6	4	2	1
300 under 400	6	5	2	7	6	1	5	
400 under 500	2	4	2	8	2	2	3	1
500 under 750	1	1		4		3	1	2
750 under 1,000	1	1	1	1			1	1
1,000 and over	1			4	1	1		2
Total	7,702	4,509	2,958	6,465	2,169	926	495	286

For footnotes, see p. 41.

Individual returns with net income of \$5,000 and over, not including fiduciary returns, 1940: Frequency distribution of selected sources of income and loss by net income classes and by size of the selected source—Continued

NET LONG-TERM CAPITAL LOSS¹⁰—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							
	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.....	10	10	5	2	1	-----	-----	-----
6 under 7.....	4	4	2	1	-----	-----	-----	-----
7 under 8.....	4	2	7	1	1	-----	-----	-----
8 under 9.....	4	7	3	1	-----	-----	-----	-----
9 under 10.....	9	3	4	1	-----	-----	-----	-----
10 under 15.....	47	14	20	2	1	-----	-----	-----
15 under 20.....	31	16	18	4	3	-----	-----	-----
20 under 25.....	24	15	9	4	2	-----	-----	-----
25 under 30.....	25	9	7	1	-----	-----	-----	-----
30 under 40.....	41	11	15	3	5	-----	-----	-----
40 under 50.....	18	10	17	7	3	-----	-----	-----
50 under 60.....	20	7	13	-----	5	-----	-----	-----
60 under 70.....	14	7	9	2	1	-----	-----	-----
70 under 80.....	5	3	6	3	4	-----	-----	-----
80 under 90.....	4	8	8	2	-----	-----	-----	-----
90 under 100.....	5	3	2	1	3	-----	-----	-----
100 under 150.....	14	6	11	2	5	1	-----	-----
150 under 200.....	12	7	10	2	4	1	-----	-----
200 under 250.....	4	1	3	1	1	-----	-----	-----
250 under 300.....	1	2	2	1	1	1	-----	-----
300 under 400.....	3	2	5	-----	4	1	-----	-----
400 under 500.....	1	-----	2	1	2	-----	-----	-----
500 under 750.....	1	1	2	2	2	-----	-----	-----
750 under 1,000.....	-----	-----	-----	-----	2	-----	-----	-----
1,000 and over.....	2	-----	-----	-----	1	-----	1	-----
Total.....	303	148	180	44	51	4	1	-----

Footnotes for text tables

(Facsimiles of Forms 1040, 1040A, and 1041, to which references are made, appear on pages 261-279)

¹ For taxable fiduciary returns, the net income used for classification and tabulation is the net income taxable to the fiduciary after distribution to beneficiaries (item 17, page 1, Form 1041).

² The alternative tax is reported on (1) 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 (2) 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.

³ Defense tax is 10 percent of the total income tax before deducting any credit, but not in excess of 10 percent of the amount by which the net income exceeds such income tax.

⁴ Returns with no net income due to net long-term capital loss, on which the partial 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 Exemptions and credits exceed net income. A negligible number of nontaxable individual returns in net income classes of \$6,000 and over are tabulated with taxable returns.

⁶ Total deductions equal or exceed total income.

⁷ Dividends on share accounts in Federal savings and loan associations and additional contributions on returns with alternative tax due to net long-term capital loss.

⁸ Less than one-hundredth of 1 percent.

⁹ Not computed.

¹⁰ Deficit.

¹¹ Aggregate of normal tax, surtax, alternative tax, and defense tax.

¹² See text, pages 12-13.

¹³ An unequal number of separate returns is the result of (1) use of the samples as the basis for estimating data for returns in net income classes under \$5,000, when the net income of one spouse is under \$5,000 and that of the other spouse is \$5,000 or over (see pages 12-13), and (2) certain cases in which incomplete or inaccurate answers to questions 4 and 5 on page 4, Form 1040, and on page 1, Form 1040A, make it impossible to identify the returns as separate returns.

¹⁴ Excludes dividends received through partnerships and fiduciaries and dividends received on share accounts in Federal savings and loan associations.

¹⁵ Unlike previous years, "Interest on bank deposits, notes, mortgages, and corporation bonds" excludes interest on partially tax-exempt Government obligations reported on returns with net income under \$5,000.

¹⁶ Interest on partially tax-exempt Government obligations received from United States savings bonds and Treasury bonds owned in excess of \$5,000, and obligations of instrumentalities of the United States other than those issued under the Federal Farm Loan Act or such Act as amended, including amounts received through partnerships and fiduciaries. For the first time, such interest reported on returns with net income under \$5,000, is included in the amounts shown.

¹⁷ Partnership profit or loss, as reported on the income tax return of the partner, excludes (1) interest on partially tax-exempt Government obligations, (2) net gain or loss from sales or exchanges of capital assets, each of which is reported in its respective source of income, and (3) dividends on share accounts in Federal savings and loan associations which are reported in "Other income." Charitable contributions and net operating loss deduction, not being deductible in computing partnership profit or

GOVERNMENT OBLIGATIONS AND INTEREST

In the basic tables 9 and 10, Government obligations are classified as wholly tax-exempt or partially tax-exempt depending on the taxability of the interest thereon. Wholly tax-exempt Government obligations are securities the interest on which is wholly exempt from the normal tax and surtax of the Federal income tax. Partially tax-exempt Government obligations are securities the interest on which is exempt from the normal tax of the Federal income tax but is subject to surtax. In case of partially tax-exempt Treasury bonds and United States savings bonds, interest derived from \$5,000 aggregate principal amount owned by any one holder is exempt from the surtax

Footnotes for text tables—Continued

loss, are reported on the partner's income tax return in "Contributions" and "Other deductions," respectively.

¹⁸ Income from fiduciaries, as reported on the return of the beneficiary, excludes (1) interest on partially tax-exempt Government obligations, (2) net gain or loss from sales or exchanges of capital assets received from common trust funds, each of which is reported in its respective source of income, and (3) dividends on share accounts in Federal savings and loan associations which are reported in "Other income." The net operating loss deduction, not being deductible in computing income from common trust funds, is reported on the beneficiary's return in "Other deductions"; however, the net operating loss deduction is deducted from all other fiduciary income reported on the beneficiary's return.

¹⁹ Current year business profit or loss. The net operating loss deduction is reported in "Other deductions."

²⁰ The tabulated amounts of "Net short-term capital gain," "Net long-term capital gain," and "Net long-term capital loss" include each participant's share of net capital gain or loss to be taken into account from partnerships and common trust funds. The term "Capital assets" means property held by the taxpayer (whether or not connected with his trade or business), but not (1) stock in trade or other property which would properly be included in inventory if on hand at the close of the taxable year, (2) property held primarily for sale to customers in the ordinary course of trade or business, and (3) property used in trade or business of a character which is subject to the allowance for depreciation.

²¹ "Short-term" applies to capital assets held 18 months or less.

²² Net short-term capital loss of preceding taxable year deducted is the amount allowed under the net short-term loss carry-over provision of the Internal Revenue Code. The amount carried over cannot exceed the net income for the year in which the loss is sustained, and can be deducted only to the extent of the net short-term capital gain of the current year.

²³ Current year net short-term capital gain before deducting net short-term capital loss of preceding taxable year. This amount would have been reported for computation of net income if the net short-term capital loss of preceding taxable year had not been deductible.

²⁴ "Long-term" applies to capital assets held over 18 months. Losses, from worthless stocks and bonds which are capital assets, are deducted in computing "Net long-term capital gain" and "Net long-term capital loss."

²⁵ Net gain or loss from sales of property used in trade or business of a character which is subject to the allowance for depreciation.

²⁶ Include each partner's share of charitable contributions of partnerships.

²⁷ Excludes amounts reported in schedule for (1) income from rents and royalties, and (2) profit or loss from business.

²⁸ Losses from fire, storm, shipwreck, or other casualty, or from theft, not compensated for by insurance or otherwise.

²⁹ Include net operating loss deduction reported on Form 1040, and losses from fire, storm, etc., and bad debts, reported on Form 1040A.

³⁰ Net income less deficit.

³¹ For returns with net income under \$5,000, the number of returns on which specific sources of income and deductions are reported is available only for "Salaries and other compensation," and "Dividends from domestic and foreign corporations." For returns with net income of \$5,000 and over, the number of returns is available for each specific source of income and deduction and for the information item "Net short-term capital loss of preceding taxable year deducted."

³² The number of returns with net income under \$5,000 is not available, and, therefore, is not included in the total of this column. For "Business profit" and "Business loss" these figures represent the number of returns on which a net business profit or loss was reported for the computation of net income or deficit. Consequently, because of returns on which data for two or more businesses are reported, these figures do not reflect the number of businesses in which sole proprietors are engaged.

³³ Less than \$500

³⁴ Percent which net income less deficit is of total income.

³⁵ If two or more businesses in different industrial activities are reported on one return, each business is counted separately, with the result that the number of businesses exceeds the number of returns showing business profit or loss for the computation of net income or deficit. However, if two or more businesses in the same industrial activity are reported on one return, the financial data are combined and counted as one business.

³⁶ The compensation of the proprietor and the net operating loss deduction are not allowable deductions in computing current year business profit or loss (see item 11, schedule D, and instruction 18, Form 1040).

³⁷ Data are included from schedule of farm income and expenses, Form 1040F, if submitted with the return.

³⁸ Data from (1) incomplete or fragmentary schedules showing fewer than the following items: "Total receipts," "Total deductions," and "Net profit or loss"; and (2) businesses for which no schedules are submitted.

³⁹ For "Business profit" and "Business loss" these figures represent the number of returns on which a net profit or loss from business was reported for the computation of net income or deficit. Consequently, because of returns on which data for two or more businesses are reported, these figures do not reflect the number of businesses in which sole proprietors are engaged.

⁴⁰ Net short-term capital gain reported on Form 1040, item 10(a), included in total income and net income.

as well as the normal tax. For the taxable year 1940, the wholly tax-exempt obligations to be reported on the returns are (1) obligations of a State, Territory, or political subdivision thereof, the District of Columbia, and United States possessions, (2) obligations issued under the Federal Farm Loan Act, or such act as amended, and (3) obligations of the United States issued on or before September 1, 1917, Treasury bills, Treasury certificates of indebtedness, and Treasury notes. Partially tax-exempt obligations to be reported are (1) United States savings bonds and Treasury bonds, and (2) obligations of instrumentalities of the United States other than those issued under the Federal Farm Loan Act, or such act as amended.

Basic table 9 presents data for the interest received from both wholly and partially tax-exempt obligations and the amount of such obligations owned, as reported in schedule B on individual returns, Form 1040, with net income of \$5,000 and over. Basic table 10 presents similar information reported in schedule B on taxable fiduciary returns with balance income of \$5,000 and over. Both tables show the amount of wholly and partially tax-exempt obligations owned on the last day of the taxable year, and of interest received or accrued during the year, segregated by nature of obligation, tabulated by net income classes. The interest received includes that received through partnerships and fiduciaries, and the bond holdings include the beneficiary's and partner's pro rata share of bonds held by those entities. The amounts tabulated under partially tax-exempt interest on United States savings bonds and Treasury bonds, in basic tables 9 and 10, include the tax-exempt interest received on a principal amount not in excess of \$5,000, which is exempt from surtax as well as normal tax.

Basic tables 9 and 10 do not present a complete summary of the Government obligations owned by individuals or of the interest therefrom in view of the fact that (a) no information is included from individual returns with net income under \$5,000, fiduciary returns with balance income under \$5,000, or partnership returns; and (b) schedule B from which the data are taken being in large part an information schedule, the data reported therein are undoubtedly incomplete. Occasionally neither the principal amount owned nor the interest received is reported. Interest for which no corresponding principal amount is shown may be reported in the schedule; or the principal amount may be reported for which no corresponding interest is shown. Bond holdings vary during the year, and the amount of bonds reported as of the end of the year may, therefore, include bonds on which no interest was received, and similarly the interest reported may include interest on bonds which were sold prior to the end of the year.

The interest on partially tax-exempt securities owned in excess of \$5,000, subject to surtax, as reported by individuals on line 5, Form 1040, is shown in basic table 7-A, and such interest reported by taxable fiduciaries on line 4, Form 1041, is shown in basic table 7-B. It is not possible to reconcile the partially tax-exempt interest tabulated in basic tables 7-A and 7-B with that in basic tables 9 and 10, respectively, because each is secured from a different source on the return.

NUMBER OF INDIVIDUAL RETURNS BY COUNTIES, CITIES, AND TOWNS

A mimeograph bulletin showing the number of individual income tax returns for 1940, by counties, cities, and towns having a population of 1,000 and over, entitled "Number of Individual Income Tax Returns for 1940 by States, Counties, Cities, and Towns," was issued

in June, 1942. 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.

COMPARABILITY OF STATISTICS

Previous reports.—Changes in the provisions of the revenue acts and the Internal Revenue Code as amended, under which returns for given years are filed, interfere with the comparability of the statistical data over a period of years. The major provisions of the Federal tax laws from 1913 to 1940 are summarized on pages 245-251. The changes in law with regard to 1940 income are set forth briefly on page 3.

Revisions of the income tax return forms to incorporate changes in the law may eliminate, combine, or introduce items which make it impracticable or impossible to present comparable data from year to year. When such a change occurs in a tabulated item, a statement regarding the comparability with previous reports, including any available information by which to appraise the change, is given in the text relating to that item and in a footnote attached to the amount affected. Administrative changes may affect the returns available for statistics. The returns from which data are tabulated are described in the section of this report entitled "Returns included." Revisions in the method of tabulating are indicated in connection with the data affected.

Tax collections.—The total income tax liability reported on individual returns and taxable fiduciary returns differs from the amount of Federal income tax collected from these sources for any given period. Several factors are responsible for the difference, among which are the following:

1. Audit of the returns may change the amount of income tax liability.
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 Federal income tax. The amount of such taxes reported by the taxpayer as a credit against the Federal income tax is not deducted from the income tax liability shown in this report. (Aggregate amounts of this credit, available only for individual returns for the years 1925 through 1930, appear on page 9 of Statistics of Income for 1930.)
3. The credit for income taxes paid at source on tax-free covenant bonds is not deducted from the income tax liability of individual returns and taxable fiduciary returns shown herein.
4. For a fiscal year return on which the tax is paid in four equal installments, the total tax may not be collected during the year in which the return is 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 any given period 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 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.

Mimeograph bulletin.—The number of individual returns by States, counties, cities, and towns is a count made from records maintained in the offices of the collectors of internal revenue, while the number tabulated in Statistics of Income is obtained from records of the Income Tax Unit, Bureau of Internal Revenue.

HISTORICAL DATA

CAPITAL GAINS, 1922-1940; CAPITAL LOSSES, 1924-1940

The revenue acts in effect from January 1, 1922, through December 31, 1933, provide for the special taxation of the net gain resulting from sales or exchanges of capital assets. The term "Capital assets" means property held by the taxpayer *more than two years* (whether or not connected with his trade or business), but not (1) property held for personal use, (2) 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, or (3) property held primarily for sale to customers in the ordinary course of trade or business. The revenue acts in effect from January 1, 1924, through December 31, 1933, provide for a tax credit on account of the net loss resulting from sales or exchanges of such capital assets.

In presenting these data in Statistics of Income, "Capital net gain" is tabulated as such and included in "Total income" and "Net income" for returns with net income for the years 1922 through 1933, and for returns with no net income, is tabulated and included in "Total income" and "Deficit" for years 1928 through 1933.

"Capital net loss," for which a tax credit of 12½ percent is taken, is not tabulated and is not taken into account in computing "Total deductions" or "Net income" for 1924 through 1933. "Capital net loss" when reported by the taxpayer as a deduction (a) in computing "Net income" is included in "Other deductions" for 1924 through 1928, and in "Net loss from sales of real estate, stocks, bonds, etc.," for 1929 through 1933, and (b) in computing "Deficit" is included in "Other deductions" for 1928 and in "Net loss from sales of real estate, stocks, bonds, etc.," for 1929 through 1933. "Capital net loss," not taken into account by the taxpayer as a deduction in computing "Net income," and for which no credit of 12½ percent is taken, is not included in "Total deductions" for 1924 through 1933. Such "Capital net loss" not taken into account in computing "Deficit" is not included in "Total deductions" for 1928 through 1931, but for 1932 and 1933 is included in "Net loss from sales of real estate, stocks, bonds, etc.," and both "Total deductions" and "Deficit" are adjusted to correspond.

Under the provisions of the Revenue Acts of 1934 and 1936 (in effect January 1, 1934, through December 31, 1937), the definition of capital assets is expanded to include assets of the taxpayer, *regardless of time held*, instead of assets held over two years. Certain percentages of 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 percentage of capital gains to be recognized in computing net income, is limited to \$2,000, or the amount of the net capital loss, whichever is less.

The net income tabulated as 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 or loss reported on individual returns for 1934 through 1937 is not comparable with "Profit or loss from sale of real estate, stocks, and bonds, etc.," "Capital net gain," or "Capital net loss" reported on returns for prior years. The net capital gain and loss reported on fiduciary income tax returns, Form 1041, for 1937 and subsequent years are computed according to the limitations which apply to the individual returns.

Under the provisions of the Revenue Act of 1938 and of the Internal Revenue Code, 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 sales or exchanges of property subject to the allowance for depreciation is tabulated as "Net gain (or loss) from sales of property other than capital assets."

The percentages of the gain or loss recognized upon the sales or exchanges of capital assets taken into account in computing net income for 1938 through 1940 differ from the percentages of gain or loss recognized on such sales for 1934 through 1937, and the periods of time for which the assets were held are reduced from five to three. The percentages, varying according to the time the assets were held, are: 100 percent for capital assets held 18 months or less, 66⅔ percent for capital assets held over 18 months but not over 24 months, 50 percent for capital assets held over 24 months. The net capital gain or loss is divided into short-term and long-term. Net short-term gain or loss is that from the sales or exchanges of capital assets held 18 months or less, and net long-term gain or loss is that from the sales or exchanges of capital assets held over 18 months. Net short-term gain, net long-term gain, and net long-term 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.

Net short-term capital loss, sustained in any taxable year beginning on and after January 1, 1938, may not be deducted from income in the year in which the loss is sustained, but may be carried to the next succeeding taxable year and treated as a short-term capital loss (section 117(e) of the Internal Revenue Code as amended). The amount carried over cannot exceed net income for the year in which the loss is sustained, and can be deducted only to the extent of the net short-term capital gain of the year in which the deduction is permitted.

The amount of net short-term capital loss deducted under this provision is first reported on returns for 1939 and tabulated in Statistics of Income for 1939. In the 1940 report, the deduction on account of the net short-term capital loss carry-over provision is tabulated as "Net short-term capital loss of preceding taxable year deducted" and is presented in all tables showing sources of income and deductions.

In comparing the net short-term capital gain included in total income and net income on returns for 1939 and 1940 with that on returns for 1938, it should be noted that the amounts for 1939 and 1940 are after the deduction for net short-term capital loss of preceding taxable year, whereas, for 1938, such a deduction was not allowed. The information item "Current year net short-term capital gain" for 1940 is comparable with "Net short-term capital gain before deducting prior year net short-term capital loss," as published in Statistics of Income for 1939, and "Net short-term capital gain" as published for 1938. The information item "Net short-term capital loss of preceding taxable year deducted" for 1940 is comparable with "Prior year net short-term capital loss deducted," published for the first time in 1939. Net long-term capital gain and loss for 1938 through 1940 are comparable.

The amounts of net short-term capital gain and net long-term capital gain and loss shown on the returns and tabulated for 1938 through 1940 are not comparable with those for net capital gain and loss for the income years 1934 through 1937. For income years 1938 through 1940, the net short-term capital gain and net long-term capital gain or loss include amounts received from "Common trust funds" and partnerships, whereas, for years 1934 through 1937, net capital gain or loss excludes amounts from such sales received through fiduciaries and partnerships. It is not possible, by using the net short-term capital gain and the net long-term capital gain or loss, to adjust "Total income," "Total deductions," and "Net income" for 1938 through 1940 so that they will be comparable with these items tabulated for the income years 1934 through 1937.

A summary of the provisions of the Revenue Act of 1921 and subsequent acts, affecting the tax on capital gains, and the provisions of the Revenue Act of 1924 and subsequent acts, affecting the tax credit on capital losses, is found on pages 248-249.

INDIVIDUAL RETURNS AND RETURNS OF FIDUCIARIES, 1913-1940

A résumé of the individual income tax returns with net income, including returns of fiduciaries, for each year 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. Available data for individual returns with no net income for 1928 through 1940 are also shown in the 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 and the average net income for each net income class. Information for 1916 through 1936 is from returns, Forms 1040 and 1040A, filed by individuals and fiduciaries. Information for 1937 through 1940 is from returns, Forms 1040 and 1040A, filed by individuals; taxable returns, Forms 1041, filed by fiduciaries for

estates and trusts; and returns, Forms 1040, incorrectly filed for estates and trusts (except that for 1938 through 1940 there is excluded information on nontaxable returns with net income, Form 1040, incorrectly filed for estates and trusts).

The number of returns, net income, and tax for individual income tax returns with net income, including returns of fiduciaries for 1930 through 1940 by States and Territories, are tabulated in basic table 8, pages 160-185.

*Individual returns and returns of fiduciaries, with net income, 1913-1940: Number of returns, net income, tax before tax credits, tax credits, and tax; and individual returns with no net income, 1928-1940: Number of returns, and deficit*¹

[Money figures in thousands of dollars]

Year	Individual returns and returns of fiduciaries, with net income ²							
	Number of returns					Net income ⁴	Tax before tax credits	
	Total	Taxable	Non-taxable	Percent of total			Normal tax	Surtax
				Taxable	Non-taxable			
1913 ⁴	357,598					3,900,000	12,729	15,525
1914	357,515					4,000,000	16,559	24,487
1915	336,652					4,600,000	23,996	43,048
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	596,804
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	3,423,200	55	45	24,777,496	378,388	464,018
1924	7,399,788	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	25,226,327	281,895	688,825
1929	4,044,327	2,458,049	1,586,278	61	39	24,800,736	162,322	582,393
1930	3,707,509	2,037,645	1,669,864	55	45	18,118,635	129,475	316,816
1931	3,225,924	1,525,546	1,700,378	47	53	13,004,996	82,302	186,078
1932	3,877,430	1,936,095	1,941,335	50	50	11,655,909	156,006	239,232
1933	3,723,558	1,747,740	1,975,818	47	53	11,008,638	164,277	244,307
1934	4,094,420	1,795,920	2,298,500	44	56	12,796,802	123,261	388,139
1935	4,575,012	2,110,890	2,464,122	46	54	14,909,812	152,814	504,625
1936	5,413,499	2,861,108	2,552,391	53	47	19,240,110	330,197	883,820
1937	6,350,148	3,371,443	2,978,705	53	47	21,238,574	334,550	807,019
1938	6,203,057	3,048,545	3,155,112	49	51	18,897,374	228,102	258,209
1939	7,033,199	3,959,297	3,673,902	52	48	23,191,871	286,345	313,518
1940	14,065,462	7,504,649	7,160,813	51	49	36,588,546	388,950	435,351

For footnotes, see p. 66.

Individual returns and returns of fiduciaries, with net income, 1913-1940: Number of returns, net income, tax before tax credits, tax credits, and tax; and individual returns with no net income, 1928-1940: Number of returns, and deficit¹—Continued
[Money figures in thousands of dollars]

Year	Individual returns and returns of fiduciaries, with net income ² —Continued						Individual returns with no net income ³		
	Tax before tax credits—Con.			Tax credits			Number of returns	Deficit	
	Alternative tax ⁴	Tax on capital net gain, 12½ percent	Total ⁵	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			Tax ⁶
1913 ⁸			28,254			28,254			
1914			41,046			41,046			
1915			67,944			67,944			
1916			173,387			173,387			
1917			795,381			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		38,916	882,222			220,555	10	13	
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		233,451	1,204,170	34,790	5,126	39,916	72,829	499,213	
1929		284,654	1,029,379	22,062	5,378	27,441	1,001,938	92,545	
1930		65,422	511,713	24,886	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	168,449	
1934			511,400				511,400	104,170	
1935			657,439				657,439	94,009	
1936			1,214,017				1,214,017	73,272	
1937			1,141,569				1,141,569	83,904	
1938		270,522	765,833				765,833	100,233	
1939		338,832	928,694				928,694	82,461	
1940		543,772	1,496,403				1,496,403	112,697	

Individual returns and returns of fiduciaries, with net income, 1914-1940, by net income classes: Number of returns, net income, tax, and effective tax rate; also aggregate for individual returns with no net income, 1928-1940

NUMBER OF RETURNS¹

Net income classes (Thousands of dollars)	1914	1915	1916 ¹⁰	1917	1918	1919	1920
Individual returns and returns of fiduciaries, with net income: ²							
Under 1.....				1,640,758	1,516,938	1,924,872	2,071,950
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	319,256	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	28,542	9,996	37,477	38,548
25 under 50.....	14,076	17,301	23,734	30,391	12,439	13,320	12,093
50 under 100.....	5,161	6,847	10,452	9,996	2,358	1,804	2,191
100 under 150.....	1,189	1,793	2,900	3,302	1,514	825	1,063
150 under 300.....	769	1,326	2,437	2,347	382	425	239
300 under 500.....	216	376	714	559	178	189	123
500 under 1,000.....	114	209	376	315	178	65	33
1,000 and over.....	60	120	206	141	67		
Total individual returns and returns of fiduciaries, 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

For footnotes, see p. 66.

Individual returns and returns of fiduciaries, with net income, 1914-1940, by net income classes: Number of returns, net income, tax, and effective tax rate; also aggregate for individual returns with no net income, 1928-1940—Continued

NUMBER OF RETURNS¹—Continued

Net income classes (Thousands of dollars)	1921	1922	1923	1924	1925	1926	1927
Individual returns and returns of fiduciaries, with net income: ²							
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	2,112,933	842,528	837,732	855,762
3 under 5.....	1,072,146	1,190,115	1,719,625	1,800,930	1,327,683	1,240,400	1,209,345
5 under 10.....	353,247	391,373	387,842	437,330	503,652	560,540	567,700
10 under 25.....	132,344	151,329	170,095	191,216	236,770	246,730	252,079
25 under 50.....	28,946	35,476	39,832	47,061	50,721	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 returns and returns of fiduciaries, 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

Net income classes (Thousands of dollars)	1928	1929	1930	1931	1932	1933	1934
Individual returns and returns of fiduciaries, with net income: ²							
Under 1.....	111,123	126,172	150,000	185,391	359,688	397,676	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	707,684	675,019	967,956	914,198	980,682
3 under 5.....	1,192,613	1,172,655	1,070,239	912,630	703,755	599,075	762,536
5 under 10.....	628,766	638,039	550,977	417,655	251,014	229,754	290,824
10 under 25.....	270,889	271,454	198,762	137,754	79,210	75,643	102,892
25 under 50.....	68,048	63,680	40,845	24,308	18,480	18,423	20,931
50 under 100.....	27,207	24,073	13,645	7,830	5,902	6,021	6,993
100 under 150.....	7,049	6,376	3,111	1,634	995	1,084	982
150 under 300.....	6,678	5,310	2,071	1,056	595	690	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 returns and returns of fiduciaries, with net income.....	4,070,851	4,044,327	3,707,509	3,225,924	3,877,430	3,723,558	4,094,420
Individual returns with no net income: ³	72,829	92,545	144,867	184,583	206,293	168,440	104,170
Grand total.....	4,143,680	4,136,872	3,852,376	3,410,507	4,083,723	3,892,007	4,198,590

For footnotes, see p. 66.

Individual returns and returns of fiduciaries, with net income, 1914-1940, by net income classes: Number of returns, net income, tax, and effective tax rate; also aggregate for individual returns with no net income, 1928-1940—Continued

NUMBER OF RETURNS¹—Continued

Net income classes (Thousands of dollars)	1935	1936	1937	1938	1939	1940
Individual returns and returns of fiduciaries, with net income: ²						
Under 1.....	299,594	277,803	297,143	389,871	374,223	1,941,122
1 under 2.....	1,777,931	2,111,789	2,524,763	2,433,949	3,076,444	5,026,595
2 under 3.....	1,123,699	1,317,752	1,571,996	1,614,982	2,060,540	5,261,991
3 under 5.....	873,673	1,029,144	1,251,213	1,172,409	1,468,402	1,652,825
5 under 10.....	339,842	440,886	471,171	415,586	484,698	539,159
10 under 25.....	123,564	176,649	178,446	140,781	164,707	189,291
25 under 50.....	26,029	41,137	38,948	26,356	31,992	37,284
50 under 100.....	8,033	13,620	12,318	7,259	9,272	10,673
100 under 150.....	1,395	2,606	2,269	1,326	1,618	1,964
150 under 200.....	896	1,544	1,358	756	935	1,131
200 under 300.....	206	330	312	207	212	267
300 under 500.....	109	178	162	118	111	128
500 under 1,000.....	41	61	49	57	45	52
1,000 and over.....						
Total individual returns and returns of fiduciaries, with net income.....	4,575,012	5,413,499	6,350,148	6,203,657	7,633,199	14,665,462
Individual returns with no net income ³	94,609	73,272	83,904	100,233	82,461	112,697
Grand total.....	4,669,621	5,486,771	6,434,052	6,303,890	7,715,660	14,778,159

NET INCOME OR DEFICIT¹—

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

Net income classes	1916	1917	1918	1919	1920	1921
Individual returns and returns of fiduciaries, with net income: ²						
Under 1.....						213,850
1 under 2.....		2,461,137	2,232,355	2,829,113	4,050,067	3,620,762
2 under 3.....		2,064,977	3,626,825	3,807,286	6,184,543	5,325,931
3 under 5.....	624,669	2,115,865	3,535,219	4,513,264	5,039,607	4,054,891
5 under 10.....	1,037,248	1,827,508	2,145,690	2,954,137	3,068,371	2,378,759
10 under 25.....	1,235,016	1,687,166	1,736,548	2,412,276	2,417,905	1,958,156
25 under 50.....	822,662	1,042,320	978,043	1,277,365	1,307,785	979,629
50 under 100.....	722,795	846,894	679,721	896,497	810,386	582,230
100 under 150.....	357,355	400,492	284,107	358,393	265,512	163,521
150 under 200.....	505,859	474,652	305,025	371,149	215,139	145,948
200 under 300.....	271,938	209,905	144,545	159,071	89,314	61,343
300 under 500.....	256,771	214,631	119,076	128,290	79,963	42,780
500 under 1,000.....	464,264	306,836	137,487	152,650	77,078	49,411
1,000 and over.....						
Total individual returns and returns of fiduciaries, with net income.....	6,298,578	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 and returns of fiduciaries, with net income: ²						
Under 1.....	247,564	252,513	235,452	58,306	67,238	72,231
1 under 2.....	3,630,571	3,693,642	3,564,474	1,774,602	1,747,917	1,645,576
2 under 3.....	5,153,497	6,073,444	5,277,147	2,047,970	2,042,903	2,062,275
3 under 5.....	4,500,558	6,469,195	6,827,924	5,236,003	4,872,789	4,700,816
5 under 10.....	2,641,005	2,653,026	2,991,188	3,463,852	3,838,953	3,895,759
10 under 25.....	2,255,872	2,538,079	2,855,397	3,544,898	3,660,622	3,748,058
25 under 50.....	1,208,274	1,350,680	1,599,848	2,032,239	1,954,653	2,051,771
50 under 100.....	805,224	833,898	1,066,784	1,418,948	1,389,339	1,535,387
100 under 150.....	260,204	280,656	377,645	572,860	570,190	636,019
150 under 200.....	266,814	260,584	374,609	655,300	661,412	787,270
200 under 300.....	116,672	124,569	171,249	339,774	340,214	431,122
300 under 500.....	107,671	95,107	158,462	327,368	317,881	378,167
500 under 1,000.....	141,387	152,072	155,974	422,457	494,394	600,641
1,000 and over.....						
Total individual returns and returns of fiduciaries, with net income.....	21,336,213	24,777,466	25,656,153	21,894,576	21,958,506	22,545,091

For footnotes, see p. 66.

Individual returns and returns of fiduciaries, with net income, 1914-1940, by net income classes: Number of returns, net income, tax, and effective tax rate; also aggregate for individual returns with no net income, 1928-1940—Continued

NET INCOME OR DEFICIT¹—Continued

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

Net income classes	1928	1929	1930	1931	1932	1933
Individual returns and returns of fiduciaries, with net income: 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	2,597,915	2,207,458
5 under 10.....	4,282,520	4,481,576	3,723,763	2,807,001	1,677,039	1,537,875
10 under 25.....	4,037,853	4,025,233	2,922,750	2,066,721	1,160,398	1,112,086
25 under 50.....	2,326,503	2,174,458	1,383,619	820,648	629,639	630,065
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.....	1,157,131	1,087,410	419,016	212,659	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	56,790
1,000 and over.....	1,108,863	1,212,099	359,905	160,060	35,240	86,857
Total individual returns and returns of fiduciaries, 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	17 499,213	17 1,025,130	17 1,539,452	17 1,936,878	17 1,480,922	17 1,141,331

Net income classes	1934	1935	1936	1937	1938	1939	1940
Individual returns and returns of fiduciaries, with net income: ²							
Under 1.....	211,113	198,900	187,113	202,401	259,833	253,911	1,525,260
1 under 2.....	2,277,726	2,534,828	3,011,409	3,592,283	3,430,143	4,327,850	7,361,338
2 under 3.....	2,467,851	2,831,583	3,325,252	3,980,864	4,091,500	5,201,699	12,583,632
3 under 5.....	2,839,348	3,249,107	3,821,708	4,646,965	4,317,709	5,434,218	6,014,768
5 under 10.....	1,952,891	2,283,402	2,977,790	3,170,571	2,783,893	3,241,405	3,604,433
10 under 25.....	1,513,592	1,822,271	2,628,692	2,639,518	2,059,779	2,416,728	2,785,441
25 under 50.....	708,530	882,309	1,400,493	1,319,431	886,398	1,079,972	1,257,086
50 under 100.....	405,976	535,772	913,518	824,261	484,708	617,798	712,495
100 under 150.....	117,744	166,379	311,279	272,264	158,413	193,959	235,754
150 under 300.....	140,986	179,911	307,930	272,724	154,996	187,482	226,596
300 under 500.....	43,832	77,907	124,523	117,477	78,441	81,387	101,756
500 under 1,000.....	59,464	73,811	122,762	114,399	81,396	74,090	84,224
1,000 and over.....	57,775	73,630	107,641	85,416	110,103	81,370	95,564
Total individual returns and returns of fiduciaries, with net income.....	12,796,802	14,909,812	19,240,110	21,238,574	18,897,374	23,191,871	36,588,546
Individual returns with no net income ³	17 412,859	17 381,353	17 286,632	17 308,518	17 354,156	17 284,327	17 311,385

For footnotes, see p. 66.

For footnotes, see p. 66.

Individual returns and returns of fiduciaries, with net income, 1914-1940, by net income classes: Number of returns, net income, tax, and effective tax rate; also aggregate for individual returns with no net income, 1928-1940—Continued

TAX¹ 13

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

Net income classes	1916	1917	1918	1919	1920	1921
Individual returns and returns of fiduciaries, with net income: ²						174
Under 1.....		16,244	26,482	24,606	36,860	29,161
1 under 2.....		9,097	35,415	28,258	45,508	20,712
2 under 3.....	776	18,283	82,929	75,915	83,496	42,744
3 under 5.....	6,301	44,066	93,058	91,538	97,886	63,871
5 under 10.....	11,637	80,695	142,449	164,833	172,259	126,886
10 under 25.....	11,603	76,593	130,241	154,946	154,265	112,910
25 under 50.....	16,299	85,028	147,429	186,358	163,718	115,712
50 under 100.....	12,423	55,766	95,680	118,705	86,588	52,330
100 under 150.....	24,007	86,718	136,156	163,095	92,604	61,496
150 under 300.....	17,951	50,228	79,165	86,031	47,043	31,860
300 under 500.....	20,902	59,349	69,834	76,228	45,641	25,112
500 under 1,000.....	51,487	109,425	88,885	99,027	49,185	31,420
1,000 and over.....						
Total individual returns and returns of fiduciaries, 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 and returns of fiduciaries, with net income: ²						40
Under 1.....	247	317	146	69	56	1,234
1 under 2.....	27,081	18,253	10,432	1,704	1,761	3,970
2 under 3.....	20,730	16,606	10,207	3,509	4,217	6,508
3 under 5.....	47,533	46,048	26,865	8,326	7,245	7,228
5 under 10.....	70,388	54,075	28,828	19,149	20,272	20,665
10 under 25.....	123,576	103,109	78,069	74,172	72,465	119,475
25 under 50.....	125,697	103,601	109,360	120,689	112,797	119,475
50 under 100.....	144,093	108,879	130,636	147,843	140,947	156,675
100 under 150.....	71,337	55,719	75,678	79,472	77,800	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	66,867	81,893	98,657
Total individual returns and returns of fiduciaries, with net income.....	861,057	661,666	704,265	734,555	732,471	830,639
Net income classes	1928	1929	1930	1931	1932	1933
Individual returns and returns of fiduciaries, with net income: ²						97
Under 1.....	60	17	37	24	103	10,345
1 under 2.....	1,550	553	1,269	943	12,254	7,710
2 under 3.....	4,317	1,404	3,310	2,466	9,822	15,397
3 under 5.....	7,475	2,413	5,352	3,832	20,895	35,077
5 under 10.....	22,866	9,551	17,448	12,407	35,615	54,977
10 under 25.....	82,758	59,893	49,561	31,897	50,150	52,355
25 under 50.....	136,568	113,904	72,708	40,096	43,546	57,491
50 under 100.....	194,447	160,814	87,379	44,780	47,150	30,309
100 under 150.....	116,855	99,660	48,749	23,135	24,469	40,412
150 under 300.....	182,514	159,221	62,463	28,793	31,912	17,910
300 under 500.....	113,250	97,336	33,053	15,411	18,554	21,221
500 under 1,000.....	116,424	106,219	34,289	15,437	19,016	27,759
1,000 and over.....	185,140	191,054	61,098	26,886	16,476	
Total individual returns and returns of fiduciaries, with net income.....	1,164,254	1,001,938	476,715	246,127	329,962	374,120

For footnotes, see p. 66.

Individual returns and returns of fiduciaries, with net income, 1914-1940, by net income classes: Number of returns, net income, tax, and effective tax rate; also aggregate for individual returns with no net income, 1928-1940—Continued

TAX¹ 13—Continued

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

Net income classes	1934	1935	1936	1937	1938	1939	1940
Individual returns and returns of fiduciaries, with net income: ²							
Under 1.....	111	125	331	468	710	744	2,115
1 under 2.....	8,659	10,058	14,010	17,262	15,202	21,422	57,727
2 under 3.....	7,567	9,311	13,988	15,622	13,789	21,374	49,826
3 under 5.....	18,349	20,738	32,232	38,852	33,020	47,424	78,830
5 under 10.....	43,086	48,728	79,369	83,529	71,654	83,430	119,541
10 under 25.....	83,960	103,754	175,613	175,709	134,162	158,156	253,227
25 under 50.....	84,907	106,670	191,339	179,395	120,594	146,937	270,956
50 under 100.....	84,792	112,816	216,045	194,507	116,989	146,686	251,414
100 under 150.....	38,166	54,132	116,156	102,062	58,224	71,970	110,629
150 under 300.....	57,995	74,039	147,381	131,060	69,744	98,234	122,832
300 under 500.....	20,854	37,245	71,470	67,489	39,832	44,237	61,041
500 under 1,000.....	30,745	38,323	78,945	74,156	42,353	44,598	51,173
1,000 and over.....	32,211	41,499	77,138	61,457	48,035	53,181	66,619
Total individual returns and returns of fiduciaries, with net income.....	511,400	657,439	1,214,017	1,141,569	765,218	928,394	1,495,930
Individual returns with no net income ^{1b}					615	300	473
Grand total.....	511,400	657,439	1,214,017	1,141,569	765,833	928,694	1,496,403

EFFECTIVE TAX RATE (PERCENT)¹ 13

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.....	.94	4.78	8.20	6.83	6.76	6.48	5.48	4.06	2.73
25 under 50.....	1.41	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	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	68.65	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	63.50	35.02	23.53	30.27
Total individual returns and returns of fiduciaries, 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	0.08	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	1.50	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	15.06	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 returns and returns of fiduciaries, 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 and returns of fiduciaries, with net income, 1914-1940, by net income classes: Number of returns, net income, tax, and effective tax rate; also aggregate for individual returns with no net income, 1928-1940—Continued

EFFECTIVE TAX RATE (PERCENT)¹⁴—Continued

Net income classes (Thousands of dollars)	1934	1935	1936	1937	1938	1939	1940
Under 1.....	0.05	0.06	0.18	0.23	0.28	0.29	0.14
1 under 2.....	.38	.40	.47	.48	.44	.49	.78
2 under 3.....	.31	.33	.42	.39	.34	.41	.40
3 under 5.....	.65	.64	.84	.84	.79	.87	1.31
5 under 10.....	2.21	2.13	2.67	2.63	2.57	2.57	3.32
10 under 25.....	5.55	5.69	6.68	6.66	6.51	6.54	9.09
25 under 50.....	11.98	12.09	13.66	13.60	13.60	13.61	21.55
50 under 100.....	20.89	21.06	23.65	23.60	24.13	23.74	35.29
100 under 150.....	32.41	32.54	37.32	37.49	36.75	37.11	46.93
150 under 300.....	41.14	41.15	47.86	48.06	45.00	47.06	54.21
300 under 500.....	47.58	47.81	57.40	57.45	50.78	54.35	59.99
500 under 1,000.....	51.70	51.92	64.31	64.82	52.03	60.19	60.76
1,000 and over.....	55.75	56.36	71.66	71.95	43.63	65.36	69.71
Total individual returns and returns of fiduciaries, with net income.....	4.00	4.41	6.31	5.37	4.05	4.00	4.09

Individual returns and returns of fiduciaries, with net income, 1916-1940, and individual returns with no net income, 1928-1940: Sources of income, deductions, and net income or deficit^{1 2 15}

(Thousands of dollars)

Distribution	1916	1917 ¹⁹	1918	1919	1920	1921
Income: ²⁰						
Salaries, wages, commissions, etc. ²¹	1,851,277	3,648,438	8,267,392	10,755,693	¹⁰ 15,322,873	13,813,169
Business profit.....	³⁴ 2,637,475	2,865,413	3,124,355	3,877,550	¹⁰ 3,215,555	2,366,319
Partnership profit ²²	(³⁵)	775,087	1,214,914	1,831,430	¹⁰ 1,706,229	1,341,186
Profit from sales of real estate, stocks, bonds, etc.....	(³⁵)	318,171	291,186	999,361	1,020,543	462,859
Rents and royalties.....	643,803	684,343	975,680	1,019,094	1,047,424	1,177,958
Dividends received ²³	2,136,469	2,848,842	2,468,749	2,453,775	2,735,846	2,476,952
Income from fiduciaries ²⁴	379,795	(³⁶)	(³⁷)	(³⁷)	(³⁷)	(³⁷)
Interest on partially tax-exempt Government obligations ²⁵	(³⁸)	(³⁸)	(³⁸)	63,377	61,550	46,904
Interest and other income ²⁶	701,084	936,715	1,403,486	1,437,402	¹⁰ 1,580,250	1,043,344
Total income.....	8,349,902	12,077,009	17,745,761	22,437,686	26,690,270	23,328,782
Deductions: ²⁰						
Net loss from sales of real estate, stocks, bonds, etc.....	(³⁹)	(³⁹)	(³⁹)	(³⁹)	(³⁹)	(³⁹)
Capital net loss.....	(³⁹)	(³⁹)	(³⁹)	(³⁹)	(³⁹)	(³⁹)
Net loss from business.....	(³⁹)	(³⁹)	(³⁹)	(³⁹)	(³⁹)	(³⁹)
Net loss from partnership.....	(³⁹)	(³⁹)	(³⁹)	(³⁹)	(³⁹)	(³⁹)
Interest paid.....	(³⁹)	(³⁹)	(³⁹)	(³⁹)	(³⁹)	(³⁹)
Taxes paid.....	(³⁹)	(³⁹)	(³⁹)	(³⁹)	(³⁹)	(³⁹)
Contributions ²⁷	(³⁹)	245,080	(³⁹)	(³⁹)	387,290	(³⁹)
Other deductions ²⁸	2,051,324	640,683	1,821,122	2,578,194	2,567,351	3,751,569
Total deductions ²⁸	2,051,324	885,763	1,821,122	2,578,194	2,954,641	3,751,569
Net income.....	6,298,578	11,191,246	15,924,639	19,859,491	23,735,629	19,577,213

For footnotes, see p. 66-67.

Individual returns and returns of fiduciaries, with net income, 1916-1940, and individual returns with no net income, 1928-1940: Sources of income, deductions, and net income or deficit^{1 2 16}—Continued

(Thousands of dollars)

Distribution	1922	1923 ¹⁰	1924	1925	1926	1927
Income: ²⁰						
Salaries, wages, commissions, etc. ²¹	13,693,993	14,195,356	13,617,663	9,742,160	9,994,315	10,218,450
Business profit.....	2,839,771	4,722,766	4,755,483	3,688,804	3,572,895	3,287,421
Partnership profit ²²	1,427,127	1,676,409	1,810,014	1,827,025	1,732,581	1,755,145
Profit from sales of real estate, stocks, bonds, etc., other than taxed as capital net gain from sales of assets held more than 2 years.....	742,104	863,107	1,124,560	1,991,659	1,465,625	1,813,396
Capital net gain from sales of assets held more than 2 years ²³	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 ²³	2,064,219	3,119,829	3,250,914	3,464,625	4,011,590	4,254,829
Income from fiduciaries ²⁴	257,928	329,124	310,144	305,806	333,365	421,481
Interest on partially tax-exempt Government obligations ²⁵	33,989	43,711	29,645	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 ²⁶						350,081
Total income.....	24,871,908	29,247,593	29,578,997	25,272,035	25,447,436	26,208,561
Deductions: ²⁰						
Net loss from sales of real estate, stocks, bonds, etc.....	(³⁹)	(³⁹)	(³⁹)	(³⁹)	178,216	227,879
Capital net loss.....	(³⁹)	(³⁹)	(³⁹)	(³⁹)	(³⁹)	(³⁹)
Net loss from business.....	(³⁹)	(³⁹)	(³⁹)	(³⁹)	(³⁹)	(³⁹)
Net loss from partnership.....	(³⁹)	(³⁹)	(³⁹)	(³⁹)	(³⁹)	(³⁹)
Interest paid.....	(³⁹)	(³⁹)	(³⁹)	(³⁹)	(³⁹)	(³⁹)
Taxes paid.....	(³⁹)	(³⁹)	(³⁹)	(³⁹)	(³⁹)	(³⁹)
Contributions ²⁷	425,218	534,797	533,168	441,590	484,205	607,705
Other deductions ²⁸	3,110,478	3,935,330	3,389,675	2,935,868	2,826,509	2,927,886
Total deductions ²⁸	3,535,696	4,470,127	3,922,843	3,377,458	3,488,930	3,663,470
Net income.....	21,336,213	24,777,466	25,656,153	21,894,576	21,958,506	22,545,091

For footnotes, see pp. 66-67.

Individual returns and returns of fiduciaries, with net income, 1916-1940, and individual returns with no net income, 1928-1940: Sources of income, deductions, and net income or deficit ^{1 2 15}—Continued

[Thousands of dollars]

Distribution	1928		1929		1930	
	Individual returns and returns of fiduciaries, with net income	Individual returns with no net income	Individual returns and returns of fiduciaries, with net income ¹⁰	Individual returns with no net income	Individual returns and returns of fiduciaries, with net income	Individual returns with no net income
Income: ²⁰						
Salaries, wages, commissions, etc. ²¹	10,862,331	82,193	11,173,068	199,654	9,921,952	283,727
Business profit	3,243,955	32,811	3,327,989	58,413	2,628,057	69,697
Partnership profit ²²	1,929,520	16,631	1,846,431	49,533	1,089,646	57,260
Profit from sales of real estate, stocks, bonds, etc., other than taxed as capital net gain from sales of assets held more than 2 years	2,028,142	53,584	2,335,898	85,265	636,738	68,135
Capital net gain from sales of assets held more than 2 years ²⁹	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 ²³	4,350,979	88,984	4,783,240	297,726	4,197,304	434,988
Income from fiduciaries ²⁴	443,998	17,577	508,221	12,209	429,459	19,843
Interest on partially tax-exempt Government obligations ²⁵	40,553	1,763	40,184	2,864	38,134	5,738
Other taxable interest	1,841,818	50,760	1,908,030	115,177	1,608,434	161,536
Other income ²⁶	302,040		296,235		10 239,004	
Total income	28,987,634	420,649	29,844,758	902,251	10 22,319,446	1,204,383
Deductions: ²⁰						
Net loss from sales of real estate, stocks, bonds, etc.	171,743	144,561	994,665	838,984	1,232,776	1,307,143
Capital net loss	(²⁹)	(²⁹)				
Net loss from business	(²⁹)	(²⁹)	(²⁹)	(²⁹)	172,538	570,023
Net loss from partnership ²²	(²⁹)	(²⁹)	(²⁹)	(²⁹)	(²⁹)	(²⁹)
Interest paid	(²⁹)	(²⁹)	(²⁹)	(²⁹)	(²⁹)	(²⁹)
Taxes paid ³⁰	532,886	125,990	527,003	13,016	10 417,771	16,630
Contributions ²⁷	3,056,679	8,465	3,522,265	919,327	10 2,377,726	818,503
Other deductions ²⁸						
Total deductions ²⁸	3,761,308	919,862	5,044,023	1,927,381	10 4,200,811	2,743,835
Net income or deficit	25,226,327	17 499,213	24,800,736	17 1,025,130	18,118,635	17 1,539,452

For footnotes, see pp. 66-67.

Individual returns and returns of fiduciaries, with net income, 1916-1940, and individual returns with no net income, 1928-1940: Sources of income, deductions, and net income or deficit ^{1 2 15}—Continued

[Thousands of dollars]

Distribution	1931		1932		1933	
	Individual returns and returns of fiduciaries, with net income	Individual returns with no net income	Individual returns and returns of fiduciaries, with net income	Individual returns with no net income	Individual returns and returns of fiduciaries, with net income	Individual returns with no net income
Income: ²⁰						
Salaries, wages, commissions, etc. ²¹	8,325,162	305,634	8,136,717	210,716	7,390,356	174,581
Business profit	1,889,759	73,186	1,294,952	54,880	1,402,923	51,137
Partnership profit ²²	729,523	47,754	482,863	28,612	603,725	31,000
Profit from sales of real estate, stocks, bonds, etc., other than taxed as capital net gain from sales of assets held more than 2 years	301,664	29,573	112,814	20,602	419,501	67,470
Capital net gain from sales of assets held more than 2 years ²⁹	169,949						50,074
Rents and royalties	770,764	117,059	529,980	105,609	447,883	83,675
Dividends received ²³	3,113,861	485,616	1,972,133	216,544	1,559,016	152,861
Income from fiduciaries ²⁴	369,140	29,438	310,949	18,843	276,067	19,846
Interest on partially tax-exempt Government obligations ²⁵	25,325	5,138	20,188	4,235	31,689	4,420
Other taxable interest	1,337,606	206,302	1,141,799	131,993	961,732	107,804
Other income ²⁶	235,696		330,602	30,559	167,197	33,423
Total income	17,268,451	1,299,750	14,392,080	831,592	13,393,825	725,817
Deductions: ²⁰						
Net loss from sales of real estate, stocks, bonds, etc.	1,160,765	1,818,724	375,445	835,280	365,782	773,899
Capital net loss						
Net loss from business	134,685	590,123	112,659	519,340	61,985	181,099
Net loss from partnership ²²	(²⁹)	(²⁹)	(²⁹)	(²⁹)	30,435	68,850
Interest paid ³⁰	(²⁹)	(²⁹)	(²⁹)	(²⁹)	507,520	135,232
Taxes paid ³⁰	328,300	197,133	304,009	177,758	506,258	171,387
Contributions ²⁷	2,039,705	25,629	2,039,705	12,651	252,251	29,664
Other deductions ²⁸	605,010	10 1,944,057	767,486	660,956	507,017	
Total deductions ²⁸	3,663,455	3,236,628	10 2,736,171	2,312,514	2,385,187	1,867,148
Net income or deficit	13,604,996	17 1,936,878	10 11,655,909	17 1,480,922	11,008,638	17 1,141,331

For footnotes, see pp. 66-67.

Individual returns and returns of fiduciaries, with net income, 1916-1940, and individual returns with no net income, 1928-1940: Sources of income, deductions, and net income or deficit ^{1 2 15}—Continued

[Thousands of dollars]

Distribution	1934		1935		1936	
	Individual returns and returns of fiduciaries, with net income	Individual returns with no net income	Individual returns and returns of fiduciaries, with net income	Individual returns with no net income	Individual returns and returns of fiduciaries, with net income	Individual returns with no net income
Income: ²⁰						
Salaries, wages, commissions, etc. ²¹	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 profit ²²	631,915	12,137	739,822	9,514	1,022,288	9,450
Net capital gain ²¹	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 ²³	1,965,670	75,078	2,234,727	53,608	3,173,844	54,156
Income from fiduciaries ²¹	288,730	8,552	328,978	6,874	826,184	8,738
Interest on partially tax-exempt Government obligations ²³	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 ²⁰	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: ²²						
Net loss from business	63,885	130,522	67,453	116,068	79,520	90,070
Net loss from partnership ²²	29,004	42,943	23,876	35,601	21,307	28,190
Net capital loss ²¹	183,762	27,274	145,728	21,016	129,704	14,845
Interest paid ²⁰	517,217	88,538	503,730	67,924	544,869	48,139
Taxes paid ²⁰	541,191	64,143	596,559	48,415	698,609	38,850
Contributions ²⁷	272,822	6,994	305,155	4,998	385,838	3,753
Other deductions ²⁸	688,277	396,499	764,191	375,384	788,416	311,263
Total deductions ²⁸	2,296,158	756,914	2,406,693	670,006	2,648,263	535,161
Net income or deficit	12,796,802	17 412,859	14,909,812	17 381,353	19,240,110	17 286,632

For footnotes, see pp. 66-67.

Individual returns and returns of fiduciaries, with net income, 1916-1940, and individual returns with no net income, 1928-1940: Sources of income, deductions, and net income or deficit ^{1 2 15}—Continued

[Thousands of dollars]

Distribution	1937		1938	
	Individual returns and returns of fiduciaries, with net income	Individual returns with no net income	Individual returns and returns of fiduciaries, with net income	Individual returns with no net income
Income: ²⁰				
Salaries, wages, commissions, etc. ²¹	14,148,510	57,386	13,240,991	65,825
Business profit	2,493,426	23,421	2,349,344	25,954
Partnership profit ²²	1,139,301	10,885	1,053,673	13,533
Net capital gain: ²¹				
Short-term			152,108	7,781
Long-term	434,114	10,947	324,795	0,443
Net gain from sales of property other than capital assets ²²			22,607	1,526
Rents and royalties	758,444	40,146	769,687	41,601
Dividends received ²³	3,514,293	60,440	2,372,459	89,424
Income from fiduciaries ²¹	830,772	10,205	646,258	19,291
Interest on partially tax-exempt Government obligations ²³	47,955	1,563	46,065	2,373
Other taxable interest	862,349	21,343	844,443	32,034
Other income ²⁰	224,935	7,968	233,019	12,983
Total income	24,454,099	250,394	22,055,449	318,709
Deductions: ²⁰				
Net loss from business	97,940	124,159	99,263	142,717
Net loss from partnership ²²	29,011	40,034	30,662	37,800
Net capital loss ²¹	264,192	25,695		
Net long-term capital loss ²¹			305,779	192,220
Net loss from sales of property other than capital assets ²²			21,805	21,427
Interest paid ²⁰	560,997	44,601	509,093	48,049
Taxes paid ²⁰	837,272	37,618	816,381	44,779
Contributions ²⁷	440,010	4,919	407,410	6,500
Other deductions ²⁸	986,103	276,886	877,674	170,374
Total deductions ²⁸	3,215,525	558,912	3,158,076	672,925
Net income or deficit	21,238,574	17 308,518	18,897,374	17 354,156

For footnotes, see pp. 66-67.

Individual returns and returns of fiduciaries, with net income, 1916-1940, and individual returns with no net income, 1928-1940: Sources of income, deductions, and net income or deficit ^{1 2 15}—Continued

[Thousands of dollars]

Distribution	1939		1940	
	Individual returns and returns of fiduciaries, with net income	Individual returns with no net income	Individual returns and returns of fiduciaries, with net income	Individual returns with no net income
Income: ²⁰				
Salaries, wages, commissions, etc. ²¹	16,440,923	49,677	27,653,985	53,276
Business profit	2,698,217	13,693	4,156,570	16,742
Partnership profit ²²	1,246,633	10,385	1,557,741	10,259
Net capital gain: ³¹				
Short-term:				
Current year net short-term capital gain	189,628	6,522	127,408	4,379
Net short-term capital loss of preceding taxable year deducted	21,231	371	5,036	339
Net short-term capital gain included in total income	168,397	6,152	122,372	4,540
Long-term capital gain	229,458	6,301	271,380	4,642
Net gain from sales of property other than capital assets ³²	28,504	1,607	41,450	2,373
Rents and royalties	812,447	34,218	1,194,134	35,813
Dividends received ²³	2,801,988	63,093	3,268,441	68,537
Income from fiduciaries ²⁴	710,462	12,985	768,037	13,564
Interest on partially tax-exempt Government obligations ²⁵	51,740	1,698	80,459	1,200
Other taxable interest	864,095	22,148	992,492	21,155
Other income ²⁶	337,785	6,733	754,511	7,423
Total income	26,390,649	228,690	40,861,570	239,583
Deductions: ²⁰				
Net loss from business	100,895	122,076	132,165	127,579
Net loss from partnership ²²	28,385	28,396	29,050	25,463
Net long-term capital loss ³¹	316,915	151,049	386,181	175,547
Net loss from sales of property other than capital assets ³²	27,349	27,755	38,118	33,087
Interest paid ³⁰	548,877	33,804	720,073	30,899
Taxes paid ³⁰	882,390	34,196	1,255,834	33,237
Contributions ²⁷	494,789	4,112	734,645	5,347
Losses from fire, storm, etc. ³³	18,635	7,593	30,516	9,005
Bad debts ³³	81,887	45,107	92,457	45,585
Other deductions ²⁸	698,657	58,927	853,986	65,219
Total deductions	3,198,778	513,016	4,273,025	550,968
Net income or deficit	23,191,871	17 284,327	36,588,546	17 311,385

For footnotes, see pp. 66-67.

Individual returns and returns of fiduciaries, with net income of \$5,000 and over, 1916-1940: Sources of income, deductions, and net income ^{1 2}

[Money figures in thousands of dollars]

Distribution	1916	1917	1918	1919	1920	1921
Number of returns	40 272,252	432,662	478,962	657,659	681,562	525,606
Income: ²⁰						
Salaries, wages, commissions, etc. ²¹	1,398,329	1,794,790	2,108,819	2,948,006	3,367,516	2,831,520
Business profit	2,386,905	1,062,772	1,148,297	1,743,800	1,398,069	816,040
Partnership profit ²²	(³⁰)	581,708	913,853	1,426,072	1,261,899	903,571
Profit from sales of real estate, stocks, bonds, etc.	(³⁰)	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 ²³	2,098,428	2,648,155	2,133,209	2,128,291	2,363,880	1,915,138
Income from fiduciaries ²⁴	365,326	(³⁰)	(³⁷)	(³⁷)	(³⁷)	(³⁷)
Interest on partially tax-exempt Government obligations ²⁵	(³⁵)	(³⁸)	(³⁶)	62,571	60,432	40,281
Interest and other income ²⁶	627,943	822,480	799,186	876,687	847,894	732,697
Total income	7,393,672	7,468,702	7,672,243	10,308,411	10,375,561	7,914,635
Deductions: ²⁰						
Net loss from sales of real estate, stocks, bonds, etc.	(³⁹)	(^{39})	(^{39})	(^{39})	(^{39})	(^{39})
Net loss from business	(³⁹)	(^{39})	(^{39})	(^{39})	(^{39})	(^{39})
Net loss from partnership	(³⁹)	(^{39})	(^{39})	(^{39})	(^{39})	(^{39})
Interest paid	(³⁹)	(^{39})	(^{39})	(^{39})	(^{39})	(^{39})
Taxes paid	(^{39})	(^{39})	(^{39})	(^{39})	(^{39})	(³⁹)
Contributions ²⁷	(³⁹)	186,907	(³⁹)	(³⁹)	(⁴¹)	(³⁹)
Other deductions ²⁸	1,719,764	271,391	1,142,003	1,598,583	1,914,150	1,552,857
Total deductions	1,719,764	438,297	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. 66-67.

Individual returns and returns of fiduciaries, with net income of \$5,000 and over, 1916-1940: Sources of income, deductions, and net income^{1 2}—Continued

[Money figures in thousands of dollars]

Distribution	1922	1923 ¹⁰	1924	1925	1926	1927
Number of returns.....	594, 211	625, 897	697, 138	830, 670	894, 808	913, 597
Income: ²⁰						
Salaries, wages, commissions, etc. ²¹	2, 933, 454	3, 114, 006	3, 490, 916	4, 033, 811	4, 363, 395	4, 524, 276
Business profit.....	1, 012, 440	1, 057, 731	1, 290, 722	1, 623, 638	1, 738, 523	1, 704, 175
Partnership profit ²²	918, 183	921, 851	1, 112, 710	1, 422, 799	1, 329, 786	1, 354, 422
Profit from sales of real estate, stocks, bonds, etc., other than taxed as capital net gain from sales 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 sales of assets held more than 2 years ²³	249, 248	305, 394	389, 148	940, 569	912, 918	1, 081, 186
Rents and royalties.....	432, 189	497, 624	570, 427	679, 569	689, 981	644, 302
Dividends received ²⁴	2, 173, 499	2, 435, 137	2, 617, 871	3, 045, 368	3, 581, 362	3, 761, 910
Income from fiduciaries ²⁴	197, 189	233, 932	206, 972	248, 163	273, 252	329, 351
Interest on partially tax-exempt Government obligations ²⁵	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 ²⁶						185, 099
Total income.....	9, 338, 893	9, 918, 886	11, 410, 761	14, 827, 127	15, 367, 957	16, 259, 984
Deductions: ²⁰						
Net loss from sales of real estate, stocks, bonds, etc.....	(²⁷)	(²⁷)	(²⁷)	(²⁷)	122, 409	136, 482
Capital net loss.....	(²⁷)	(²⁷)	(²⁷)	(²⁷)	(²⁷)	(²⁷)
Net loss from business.....	(²⁷)	(²⁷)	(²⁷)	(²⁷)	(²⁷)	(²⁷)
Net loss from partnership.....	(²⁷)	(²⁷)	(²⁷)	(²⁷)	(²⁷)	(²⁷)
Interest paid ²⁸	(²⁷)	(²⁷)	(²⁷)	(²⁷)	(²⁷)	(²⁷)
Taxes paid ²⁹	211, 863	238, 378	254, 072	293, 401	326, 511	440, 974
Contributions ²⁷	1, 323, 007	1, 391, 835	1, 405, 532	1, 756, 030	1, 691, 377	1, 265, 148
Other deductions ²⁸						353, 188
Total deductions ²⁸	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. 66-67.

Individual returns and returns of fiduciaries, with net income of \$5,000 and over, 1916-1940: Sources of income, deductions, and net income^{1 2}—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: ²⁰						
Salaries, wages, commissions, etc. ²¹	5, 008, 286	5, 179, 041	4, 407, 606	3, 320, 028	2, 057, 254	1, 838, 646
Business profit.....	1, 772, 255	1, 836, 329	1, 215, 452	766, 730	354, 488	393, 815
Partnership profit ²²	1, 583, 322	1, 497, 922	786, 931	492, 147	284, 624	401, 931
Profit from sales of real estate, stocks, bonds, etc., other than taxed as capital net gain from sales 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 sales of assets held more than 2 years ²³	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 ²⁴	4, 009, 915	4, 247, 031	3, 708, 656	2, 583, 674	1, 540, 025	1, 199, 897
Income from fiduciaries ²⁴	364, 889	422, 076	338, 400	280, 627	217, 610	182, 735
Interest on partially tax-exempt Government obligations ²⁵	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 ²⁶	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: ²⁰						
Net loss from sales of real estate, stocks, bonds, etc.....	129, 865	632, 693	947, 121	813, 503	174, 627	152, 959
Capital net loss.....	(²⁷)	(²⁷)	(²⁷)	(²⁷)	(²⁷)	(²⁷)
Net loss from business.....	(²⁷)	(²⁷)	105, 219	72, 125 ^c	46, 972	26, 792
Net loss from partnership.....	(²⁷)	(²⁷)	(²⁷)	(²⁷)	(²⁷)	15, 597
Interest paid ²⁸	866, 058	886, 187	574, 630	373, 603	250, 844	208, 311
Taxes paid ²⁹	475, 422	479, 100	407, 996	294, 165	230, 543	200, 078
Contributions ²⁷	390, 923	384, 458	286, 218	202, 970	139, 846	111, 219
Other deductions ²⁸	604, 987	631, 836	364, 544	313, 573	283, 046	245, 065
Total deductions ²⁸	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. 66-67.

Individual returns and returns of fiduciaries, with net income of \$5,000 and over, 1916-1940: Sources of income, deductions, and net income^{1 2}—Continued

[Money figures in thousands of dollars]

Distribution	1934	1935	1936	1937
Number of returns.....	422,647	500,115	677,011	705,033
Income: ²⁰				
Salaries, wages, commissions, etc. ²¹	2,300,256	2,708,879	3,493,623	3,819,979
Business profit.....	568,689	687,467	1,021,608	1,062,875
Partnership profit ²²	438,066	531,620	791,010	827,058
Net capital gain ²¹	160,218	399,918	806,916	325,270
Rents and royalties.....	165,786	198,210	271,556	324,869
Dividends received ²³	1,585,042	1,814,184	2,583,888	2,780,529
Income from fiduciaries ²⁴	203,854	232,324	691,024	703,920
Interest on partially tax-exempt Government obligations ²⁵	38,044	43,820	43,627	47,955
Other taxable interest.....	453,480	448,022	445,355	431,923
Other income ²⁶	99,226	123,234	108,784	91,931
Total income.....	6,012,662	7,187,678	10,257,390	10,416,309
Deductions: ²⁰				
Net loss from business.....	29,753	33,713	45,125	54,680
Net loss from partnership ²²	15,178	13,113	12,551	16,535
Net capital loss ²¹	90,968	68,981	62,828	139,832
Interest paid ³⁰	231,267	240,731	285,260	265,243
Taxes paid ³⁰	232,490	267,571	353,986	431,620
Contributions ²⁷	129,650	148,180	202,147	218,614
Other deductions ²⁸	282,591	319,993	400,864	473,724
Total deductions ²⁸	1,011,898	1,092,283	1,362,762	1,600,248
Net income.....	5,000,764	6,095,394	8,894,628	8,816,061

For footnotes, see pp. 66-67.

Individual returns and returns of fiduciaries, with net income of \$5,000 and over, 1916-1940: Sources of income, deductions, and net income^{1 2}—Continued

[Money figures in thousands of dollars]

Distribution	1938	1939	1940
Number of returns.....	592,446	693,590	770,929
Income: ²⁰			
Salaries, wages, commissions, etc. ²¹	3,300,286	3,714,025	4,263,275
Business profit.....	856,740	1,071,024	1,289,159
Partnership profit ²²	702,317	860,453	1,030,008
Net capital gain: ²¹			
Short-term:			
Current year net short-term capital gain.....		132,971	84,698
Net short-term capital loss of preceding taxable year deducted.....		17,687	3,616
Net short-term capital gain included in total income.....	101,822	115,284	81,081
Long-term capital gain.....	282,712	180,434	217,917
Net gain from sales of property other than capital assets ²²	9,953	13,421	17,301
Rents and royalties.....	298,349	323,491	361,415
Dividends received ²³	1,662,511	2,030,020	2,242,945
Income from fiduciaries ²⁴	503,905	591,112	639,995
Interest on partially tax-exempt Government obligations ²⁵	46,065	51,740	51,695
Other taxable interest.....	350,031	367,806	357,876
Other income ²⁶	80,427	76,672	96,407
Total income.....	8,204,120	9,395,482	10,649,074
Deductions: ²⁰			
Net loss from business.....	48,185	49,816	55,826
Net loss from partnership ²²	15,377	16,203	14,809
Net long-term capital loss ²¹	246,213	195,107	240,911
Net loss from sales of property other than capital assets ²²	9,503	11,858	14,738
Interest paid ³⁰	209,986	222,578	225,629
Taxes paid ³⁰	381,403	392,102	423,710
Contributions ²⁷	177,207	210,003	241,159
Losses from fire, storm, etc. ²⁸	(²⁹)	8,797	14,322
Bad debts ³²	(²⁹)	51,380	52,130
Other deductions ²⁸	318,057	263,446	262,293
Total deductions ²⁸	1,405,932	1,421,289	1,545,526
Net income.....	6,798,188	7,974,192	9,103,547

For footnotes, see pp. 66-67.

Footnotes for historical tables, pages 47-65

(Facsimiles of Forms 1040, 1040A, and 1041 for 1940, to which references are made, appear on pages 262-279)

¹ Changes in the provisions of the Federal tax laws affecting the comparability of statistical data from income tax returns of individuals and fiduciaries are summarized on pages 242-252.

² Data for years prior to 1916 in tables on pages 47-48 secured from annual reports of the Commissioner of Internal Revenue. Information for 1916 through 1936 tabulated from Forms 1040 and 1040A filed for individuals and for estates and trusts. Information for 1937 through 1940 tabulated from Forms 1040 and 1040A filed for individuals, taxable Forms 1041 filed for estates and trusts, and Forms 1040 incorrectly filed for estates and trusts (except that 1938-1940 exclude information on nontaxable Forms 1040 with net income, incorrectly filed for estates and trusts).

³ Data are not available prior to 1928. For 1937-1940 includes returns with total deductions equal to total income.

⁴ For 1913-1915 net income is estimated from the number of returns filed and the average net income for each net income class. On returns for estates and trusts net income is after deduction of amount distributable to beneficiaries.

⁵ Taxes for 1913-1915 are receipts for fiscal year ended June 30, immediately following, as shown in annual reports of the Commissioner of Internal Revenue, which receipts include fines, penalties, additional assessments, etc. In these years surtax was called "additional tax." Taxes for 1916 and subsequent years tabulated from returns. For 1940, includes defense tax.

⁶ The alternative tax is reported on 1935-1940 returns (1) 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 (2) 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.

⁷ For limit of credit, see page 250.

⁸ Returns for 1913 pertain to last 10 months of that year.

⁹ Includes war excess-profits taxes of \$101,249,781 on individuals and \$103,887,934 on partnerships.

¹⁰ Revised.

^{1920:} For revised amounts of certain sources of income for returns with net income under \$5,000, see Statistics of Income for 1935, Part 1, page 42, note 4.

^{1925:} For revised amount of net income and tax, see Statistics of Income for 1925, pages 28-29.

^{1929:} For revised amounts of sources of income and deductions for returns with net income under \$5,000, see Statistics of Income for 1934, Part 1, page 31, note 18.

^{1930:} For revised amounts of other income, total income, contributions, other deductions, and total deductions for returns with net income under \$5,000, see Statistics of Income for 1937, Part 1, page 47, note 25.

^{1932:} For revised amounts of other deductions, total deductions, and net income for returns with net income under \$5,000, see Statistics of Income for 1935, Part 1, page 31, note 6.

¹¹ Amounts are before 25 percent reduction provided by section 1200(a), Revenue Act of 1924, effective for 1923.

¹² The 25 percent reduction provided by section 1200(a), Revenue Act of 1924.

¹³ Amount after deduction of 25 percent reduction provided by section 1200(a), Revenue Act of 1924.

¹⁴ For 1935-1940 includes alternative tax on individual returns with no net income.

¹⁵ For returns with net income under \$5,000, the distribution of the number of returns by net income classes (pages 43-50), the amount and distribution of net income and tax by net income classes (pages 50-53), and of sources of income and deductions (pages 54-60) are estimated on basis of samples for 1918 through 1927 and for 1929; and partly estimated and partly tabulated for 1917, 1928, 1930, and subsequent years. In the table on page 48, the number of returns for 1913 is omitted, as it pertains to the last 10 months of the year only.

¹⁶ Excludes 7,635 returns of married women making separate returns from husbands. For 1916 the net income on returns filed separately by husband and wife is combined and the total appears as one return. For all other years the returns of married women filed separately are included in their respective income classes regardless of the husband's income.

¹⁷ Deficit.

¹⁸ Returns with no net income due to 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 Excludes data for 1,640,758 returns with net income under \$2,000 showing a net income of \$2,461,137,000.

²⁰ For 1916, income from the various sources represents gross receipts, the deductions not having been allocated to the various sources but included in aggregate under "Deductions." Beginning with 1917, income from the various sources is the net amount by which the gross receipts exceed deductions as reported in the schedules on the return. Net losses reported under "Income" items on the face of the return are transferred in tabulation to deductions, and are included in the amounts tabulated under specified or other deductions.

²¹ Reported on returns for individuals. Beginning 1924, excludes wages and salaries of the individual, his wife, or dependent minors derived from business conducted as a sole proprietor. Prior to 1924 such wages and salaries were reported as income under "Wages and salaries." For 1916 through 1926, includes taxpayer's earned income from partnership. For 1916, includes "Professions and vocations."

²² Certain income from partnerships is reported in other sources (see notes 23, 25, and 29). Beginning 1936, amount includes all dividends received by partnerships. Prior to 1936, partnership profit excludes dividends on stock of domestic corporations subject to Federal income taxation, and for 1932 and 1933 excludes dividends on stock of corporations not subject to Federal income taxation. For 1934 through 1937, amount includes net capital gain or loss from sales or exchanges of capital assets by partnerships (see note 31). For 1913 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 reported in other sources, see notes 23 and 25). Partnership profit for 1916 was tabulated with business profit.

²³ Beginning 1936, dividends include those on stock of domestic and foreign corporations, except dividends received through partnerships and fiduciaries. Prior to 1936, amount includes dividends on stock of domestic corporations subject to taxation under Title I of the effective revenue law, and until 1934, the dividends received on stock of foreign corporations deriving more than half their gross income from sources within the United States, including those received through partnerships and fiduciaries; dividends received through personal service corporations, 1918 through 1921; and stock dividends, 1916 through 1919.

Footnotes for historical tables, pages 47-65.—Continued.

²⁴ Certain income from fiduciaries is reported in other sources (see notes 23, 25, and 29). 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 I 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 I of the effective revenue laws, were left in income from fiduciaries. For 1934 through 1937, amount includes net capital gain or loss from sales or exchanges of capital assets received from an estate or trust (see note 31). For 1917, income from fiduciaries is included in "Interest and other income"; for 1918 through 1921, in "Partnership profit."

²⁵ Interest on partially tax-exempt Government obligations received from United States savings bonds and Treasury bonds owned in excess of \$5,000 and obligations of certain instrumentalities of the United States, including such interest received through partnerships and fiduciaries, and for 1910 through 1921, such interest received through personal service corporations. For 1917 and 1918, this interest is tabulated in "Interest and other income."

²⁶ Beginning 1936, amount excludes dividends received on (1) stock of domestic corporations not subject to Federal income taxation, and (2) stock of foreign corporations. For years prior to 1936, includes dividends received from these two types of corporations, except when reported in partnership and fiduciary income, and until 1934, excluded dividends received from foreign corporations deriving more than half their gross income from sources within the United States. For 1917, includes income from fiduciaries. For 1917 and 1918, includes interest on partially tax-exempt Government obligations.

²⁷ Reported on individual returns.

²⁸ For returns with net income, includes amount distributable to beneficiaries on returns for estates and trusts, Forms 1040, 1040A, and 1041. For 1924 through 1928, includes loss from capital assets held over 2 years.

²⁹ Capital net gain received by individuals, estates, or trusts including that received through partnerships or fiduciaries was taxed at special rate, 1922 through 1933.

³⁰ Excludes amounts reported in schedules for business profits, and rents and royalties. A his-

torical 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 general deductions from total income and that reported in business deductions, is found in Statistics of Income for 1932, table 8-A, page 80.

³¹ Net capital gain or loss from sales or exchanges of capital assets (regardless of time held) by individuals, estates, and trusts, after certain limitations are applied. For 1934 through 1937, excludes net capital gain or loss received through partnerships or fiduciaries, which amounts are included in partnership profits and in income from fiduciaries, respectively. For 1938 through 1940, net short-term capital gain on capital assets held 18 months or less, net long-term capital gain or loss on capital assets held over 18 months. Net short-term capital loss is not deductible in the current year but is carried forward to the succeeding year in an amount not in excess of net income for the year in which the loss is sustained and can be deducted only to the extent of the net short-term capital gain in such succeeding year. Consequently, the first such deduction appears in 1939.

³² For 1938 through 1940, gain or loss from sales of property used in trade or business of a character which is subject to the allowance for depreciation.

³³ Reported on individual returns, Form 1040, and excludes amounts reported in schedules for business profit, and rents and royalties. Losses from fire, storm, shipwreck, or other casualty, or from theft, are those not compensated for by insurance or otherwise.

³⁴ For 1916, includes partnership profit and profit from sales of all stocks, bonds, etc., but excludes income from "Professions and vocations."

³⁵ Profit from sales of real estate, stocks, bonds, etc., and partnership profit included in business profit for 1916.

³⁶ Included in "Interest and other income."

³⁷ Included in "Partnership profit."

³⁸ Such obligations were issued after September 1, 1917.

³⁹ Included in "Other deductions."

⁴⁰ Exclusive of returns of married women making separate returns from husbands.

⁴¹ Contributions for 1920 not available for returns with net income of \$5,000 and over. Included in "Other deductions."

PARTNERSHIP RETURNS OF INCOME, 1917-1940

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 280-287). "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 title, a trust or estate or a corporation * * *" (section 3797(a)(2), Internal Revenue Code). The net profit, or the net loss, of the partnership, whether distributed or not, is reported on the individual income tax returns of the copartners according to their proportionate share.

The number of partnership returns, Form 1065, filed for the income years 1917 through 1940, as reported by the collectors of internal revenue, include calendar year returns, fiscal and part year returns filed during the succeeding calendar year regardless of month in which the income year ended, and delinquent returns.

Income year:	Number of partnership returns	Income year:	Number of partnership returns
1917.....	31, 701	1929.....	263, 519
1918.....	100, 728	1930.....	244, 670
1919.....	175, 898	1931.....	230, 407
1920.....	240, 767	1932.....	216, 712
1921.....	259, 359	1933.....	214, 881
1922.....	287, 959	1934.....	221, 740
1923.....	304, 996	1935.....	222, 293
1924.....	321, 158	1936.....	237, 367
1925.....	309, 414	1937.....	261, 470
1926.....	295, 425	1938.....	273, 361
1927.....	282, 841	1939.....	290, 876
1928.....	272, 127	1940.....	372, 796

SOURCE BOOK DATA

The Source Book is a comprehensive compilation of data tabulated from individual income tax returns for 1927-1939, inclusive, and from corporation income tax returns for 1926-1939, inclusive. These data are supplementary to the published volumes, "Statistics of Income." It is planned to add to the Source Book the information from the 1940 returns.

The following data in the Source Book for individual income tax returns are 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 1933-1938), earned income credit for 1934-1938, 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, alternative tax for 1938 and 1939, and total tax. The number of returns with net income and the amount of net income for 1927-1939, personal exemption for 1937-1939, and credit for dependents for 1937-1939 are

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 1932-1939, inclusive, are classified by States and Territories and by net income classes.

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 and taxable fiduciary returns in detail are set forth in the following pages. Four tables, numbers 1, 2, 3, and 7, present composite data for individual and taxable fiduciary returns. One table, number 8, shows details for individual returns but only the aggregate for taxable fiduciary returns. Eight tables, numbers 1-A, 2-A, 3-A, 4, 5, 6, 7-A, and 9, contain data for individual returns exclusively, and three tables, numbers 2-B, 7-B, and 10, contain data for taxable fiduciary returns exclusively.

BASIC TABLES 1-10

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

TABLE 1.—Individual returns and taxable fiduciary returns, with net income, and individual returns with no net income, 1940,¹ 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 description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

States and Territories (1)	Population April 1, 1940 (Sixteenth Census) (in thousands) (2)	Percent of population filing returns (3)	Total number of individual and taxable fiduciary returns (col. 6+11) (4)	Total tax ² (col. 10+13) (5)	Individual returns and taxable fiduciary returns ³ with net income					Individual returns with no net income ⁴		
					Number of returns (6)	Net income ³ (7)	Personal exemption ³ (8)	Credit for dependents (individual returns) (9)	Tax ³ (10)	Number of returns (11)	Deficit (12)	Alternative tax ⁴ (13)
Alabama.....	2,833	3.56	100,855	\$7,774,296	99,990	\$248,275,665	\$158,098,955	\$30,230,996	\$7,774,296	865	\$2,487,123	-----
Alaska.....	73	19.39	14,066	552,792	13,950	31,382,493	20,417,609	3,862,891	552,792	110	280,709	-----
Arizona.....	499	8.73	43,610	2,206,813	42,932	101,476,402	64,340,715	12,556,603	2,206,813	678	1,719,315	-----
Arkansas.....	1,949	2.58	50,285	3,502,322	49,008	124,786,767	81,174,667	15,994,644	3,502,322	677	1,174,461	-----
California.....	6,907	17.65	1,219,245	95,024,023	1,205,853	2,911,717,533	1,778,163,201	264,670,931	95,024,023	13,392	34,553,528	-----
Colorado.....	1,123	9.84	110,585	9,066,207	109,226	266,828,094	167,521,249	27,478,247	9,066,207	1,359	2,531,193	-----
Connecticut.....	1,709	19.51	333,404	45,538,914	331,727	855,451,570	473,845,519	73,501,444	45,538,914	1,677	5,624,319	-----
Delaware.....	267	14.49	38,607	33,002,197	162,095	428,001,292	226,472,784	32,198,692	16,132,390	512	1,344,520	7,437
District of Columbia.....	663	24.52	162,607	16,139,827	139,786	400,773,198	213,890,468	36,447,601	27,896,533	2,225	7,109,587	-----
Florida.....	1,897	7.48	142,011	27,896,353	129,411	380,653,957	201,765,573	37,697,969	14,632,879	1,176	3,122,967	-----
Georgia.....	3,124	4.18	130,587	14,632,879	129,411	110,279,004	60,582,240	16,046,863	4,534,185	252	424,422	-----
Hawaii.....	423	10.21	43,204	4,534,185	42,952	110,279,004	60,582,240	16,046,863	4,534,185	252	424,422	-----
Idaho.....	525	8.41	44,143	1,138,436	43,430	83,678,316	64,412,279	13,214,135	1,138,436	713	857,170	-----
Illinois.....	7,897	16.22	1,280,789	134,273,445	1,272,565	3,315,370,138	1,944,022,454	331,568,214	134,273,445	8,234	19,608,433	19,944
Indiana.....	3,428	10.34	354,461	24,227,069	352,182	813,411,986	539,663,861	86,637,700	24,227,069	2,279	3,696,755	-----
Iowa.....	2,538	10.09	255,997	8,500,826	252,638	477,609,036	389,531,942	69,808,214	8,500,826	3,359	3,769,271	-----
Kansas.....	1,801	7.32	131,812	5,266,453	129,473	266,463,951	202,972,565	33,909,953	5,266,453	2,339	3,619,345	-----
Kentucky.....	2,846	4.67	132,956	9,174,993	131,909	321,065,255	202,943,732	36,526,685	9,174,993	1,047	2,362,191	-----
Louisiana.....	2,364	5.48	129,491	11,161,532	128,202	324,675,957	192,401,354	37,064,844	11,161,532	1,289	3,226,691	-----
Maine.....	847	8.45	71,595	5,088,616	70,776	157,544,848	101,589,546	17,122,297	5,088,616	819	1,630,284	-----
Maryland.....	1,821	15.76	286,985	28,303,560	285,629	723,501,295	421,680,558	70,279,341	28,303,560	1,356	4,115,087	13,905
Massachusetts.....	4,317	15.62	674,063	68,825,510	670,697	1,711,246,877	990,843,146	171,227,297	68,825,510	3,366	8,576,826	57,459
Michigan.....	5,256	14.57	765,658	78,591,690	762,766	1,953,151,128	1,151,365,688	221,386,989	78,591,690	2,892	10,321,002	25,603
Minnesota.....	2,792	10.97	300,295	17,743,488	303,034	647,369,887	465,470,539	94,032,169	17,743,488	2,361	3,536,465	-----
Mississippi.....	2,184	2.23	48,734	2,843,973	47,732	117,402,660	76,314,823	14,791,253	2,843,973	1,002	1,881,533	-----
Missouri.....	3,785	8.78	332,165	31,845,090	329,338	801,640,942	505,043,080	80,418,872	31,845,090	2,827	7,024,434	-----
Montana.....	559	11.91	66,644	2,474,469	65,985	145,148,291	101,093,446	18,021,631	2,474,469	659	959,268	-----
Nebraska.....	1,316	8.20	107,913	4,866,992	106,211	227,087,232	164,577,550	29,854,333	4,866,992	1,702	2,223,688	7,194
Nevada.....	110	18.93	20,924	3,193,649	20,716	53,239,834	29,618,303	4,753,297	3,193,649	208	453,137	-----
New Hampshire.....	492	11.02	54,162	3,764,102	53,634	117,784,805	77,917,719	12,457,896	3,764,102	518	910,900	-----
New Jersey.....	4,160	17.75	738,635	74,753,669	734,292	1,850,604,062	1,119,400,647	193,302,608	74,753,669	4,343	12,601,591	32,000
New Mexico.....	532	5.59	20,716	2,025,510	20,168	71,150,093	44,323,196	9,182,607	2,025,510	348	1,237,446	-----
Total.....	132,165	11.18	14,778,159	1,496,403,386	14,665,462	36,588,545,894	22,227,130,297	3,835,338,104	1,495,930,433	112,697	311,384,572	472,953
New York.....	13,479	16.30	2,197,406	323,349,489	2,180,949	5,864,379,657	3,330,859,886	597,986,711	323,349,489	16,457	67,261,596	194,869
North Carolina.....	3,572	3.62	129,464	14,021,956	128,582	312,865,287	189,102,029	36,644,638	14,021,956	882	2,028,531	-----
North Dakota.....	642	6.24	40,034	754,261	39,235	75,195,319	63,483,901	14,577,207	754,261	799	837,937	-----
Ohio.....	6,908	13.16	909,137	86,720,121	905,162	2,277,910,584	1,390,368,596	234,186,965	86,720,121	3,975	12,520,161	68,970
Oklahoma.....	2,336	4.89	114,226	8,811,931	112,417	278,140,347	184,351,226	36,671,743	8,811,931	1,809	4,549,228	-----
Oregon.....	1,030	11.46	124,846	6,845,081	123,635	275,665,850	182,230,200	26,764,886	6,845,081	1,211	2,596,227	-----
Pennsylvania.....	9,900	12.46	1,233,984	137,973,143	1,227,243	3,057,110,484	1,892,634,724	308,191,808	137,973,143	6,741	21,684,006	15,294
Rhode Island.....	713	14.56	103,830	12,687,863	103,271	250,593,802	148,468,940	24,068,070	12,687,863	559	2,625,866	-----
South Carolina.....	1,900	3.33	64,148	3,711,028	63,585	142,394,934	96,767,151	19,754,536	3,711,028	563	1,557,550	-----
South Dakota.....	643	6.04	38,851	816,372	38,018	67,425,174	59,132,431	11,493,460	816,372	833	979,701	-----
Tennessee.....	2,916	4.78	139,451	14,290,918	138,602	357,764,786	216,802,165	39,773,050	14,290,918	849	2,022,300	-----
Texas.....	6,415	7.22	462,872	41,051,226	457,136	1,162,277,793	697,828,445	124,386,686	41,051,226	5,736	18,075,305	-----
Utah.....	550	7.21	39,696	2,012,409	39,400	94,234,638	61,588,421	16,005,835	2,012,409	236	489,353	-----
Vermont.....	359	9.69	84,818	2,281,256	84,454	74,476,230	52,230,065	9,772,783	2,281,256	364	666,220	-----
Virginia.....	2,678	6.89	184,370	20,704,365	183,289	477,918,446	278,293,675	48,785,651	20,704,365	1,081	2,568,807	-----
Washington.....	1,786	14.35	249,156	12,821,445	247,134	545,693,694	352,384,435	51,520,692	12,821,445	2,022	4,079,579	-----
West Virginia.....	1,902	6.61	125,763	7,578,609	125,077	303,720,764	191,693,204	38,655,373	7,578,609	686	1,909,035	-----
Wisconsin.....	3,138	10.67	334,887	19,853,932	332,382	727,472,132	502,766,843	82,422,111	19,853,932	2,505	4,217,516	15,025
Wyoming.....	251	11.57	29,016	1,584,096	28,596	66,439,781	44,882,762	8,675,759	1,584,096	420	690,480	-----

For footnotes, see p. 190.

TABLE 1-A.—Individual returns with net income and with no net income, not including fiduciary returns, 1940, 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 description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

States and Territories (1)	Total number of returns (col. 4+9) (2)	Total tax ¹ (col. 8+11) (3)	Returns with net income					Returns with no net income ⁴		
			Number of returns (4)	Net income (5)	Personal exemption ⁵ (6)	Credit for dependents (7)	Tax ² (8)	Number of returns (9)	Deficit (10)	Alternative tax ⁶ (11)
Alabama	100,479	\$7,588,518	99,614	\$246,836,197	\$157,964,788	\$30,230,996	\$7,588,518	865	\$2,487,123	-----
Alaska	14,059	551,576	13,949	31,354,585	20,412,009	3,862,891	551,576	110	280,709	-----
Arizona	43,498	2,181,860	42,820	101,124,419	64,277,065	12,556,603	2,181,860	678	1,719,315	-----
Arkansas	50,122	3,475,810	49,445	124,301,483	81,105,033	15,994,644	3,475,810	677	1,174,461	-----
California	1,215,016	92,055,405	1,201,624	2,894,463,138	1,776,370,133	264,670,931	92,055,405	13,392	34,553,528	-----
Colorado	110,060	8,731,077	108,701	264,903,406	167,287,082	27,478,247	8,731,077	1,359	2,531,193	-----
Connecticut	331,269	43,990,742	329,592	846,772,757	473,148,217	73,501,444	43,990,742	1,677	5,624,319	-----
Delaware	37,960	30,299,210	37,775	149,401,731	56,594,257	9,016,413	30,299,210	185	7,240,607	\$15,253
District of Columbia	162,052	15,842,222	161,540	426,907,992	226,288,884	32,193,692	15,842,222	512	1,344,520	7,437
Florida	141,223	27,064,531	138,998	396,139,913	213,525,088	36,447,601	27,064,531	2,225	7,109,587	-----
Georgia	130,097	14,121,563	128,921	358,131,542	201,580,474	37,697,999	14,121,563	1,176	3,122,967	-----
Hawaii	43,004	4,336,972	42,752	109,253,833	60,514,640	16,046,863	4,336,972	252	424,422	-----
Idaho	44,074	1,122,287	43,361	83,427,921	64,368,779	13,214,135	1,122,287	713	857,170	-----
Illinois	1,274,624	130,474,612	1,266,360	3,291,836,615	1,942,472,190	331,568,214	130,474,612	8,234	19,608,433	19,944
Indiana	353,689	23,676,128	351,410	809,925,905	539,342,338	86,637,700	23,676,128	2,279	3,696,755	-----
Iowa	254,910	8,184,599	251,551	474,431,117	388,960,858	69,808,214	8,184,599	3,359	3,769,271	-----
Kansas	131,289	5,152,044	128,950	265,045,507	202,680,865	33,909,953	5,152,044	2,339	3,619,345	-----
Kentucky	132,475	8,969,489	131,428	319,545,403	202,747,596	30,526,685	8,969,489	1,647	2,362,191	-----
Louisiana	129,941	11,096,893	128,052	324,034,969	192,333,787	37,064,844	11,096,893	1,289	1,630,234	-----
Maine	71,115	5,518,035	70,296	156,064,743	101,433,879	16,859,223	5,518,035	819	1,339,234	-----
Maryland	285,813	27,802,457	284,457	719,764,666	421,372,325	70,279,541	27,802,457	1,356	4,115,087	13,905
Massachusetts	668,373	66,135,787	665,007	1,692,141,410	989,324,146	171,227,297	66,135,787	3,363	8,576,826	57,450
Michigan	763,355	76,679,696	760,463	1,941,823,782	1,130,695,288	231,386,989	76,679,696	2,892	10,321,002	25,603
Minnesota	304,729	16,854,037	302,368	641,752,253	465,064,439	94,032,169	16,854,037	2,361	3,536,465	-----
Mississippi	48,649	2,827,537	47,647	117,120,022	76,263,123	14,791,253	2,827,537	1,002	1,931,333	-----
Missouri	330,394	30,865,649	327,367	795,442,643	504,546,077	80,418,872	30,865,649	2,327	7,024,434	-----
Montana	66,538	2,436,640	65,879	144,738,814	101,023,846	18,021,631	2,436,640	659	959,268	-----
Nebraska	107,580	4,744,698	105,873	236,120,300	164,413,414	29,854,383	4,744,698	1,702	2,223,688	7,194
Nevada	20,880	3,079,444	20,672	52,826,419	29,586,403	4,753,297	3,079,444	208	453,137	-----
New Hampshire	53,897	3,703,278	53,379	117,129,583	77,808,761	12,457,896	3,703,278	518	910,606	-----
New Jersey	736,351	69,391,507	732,008	1,836,480,607	1,118,654,871	193,302,608	69,269,507	4,343	12,601,591	32,000
New Mexico	29,667	2,018,476	29,119	71,017,761	44,291,696	9,182,607	2,018,476	548	1,237,446	-----
New York	2,183,064	310,251,121	2,166,607	5,806,383,367	3,327,238,822	597,986,711	310,056,252	16,457	67,261,595	194,869
North Carolina	129,031	13,706,265	128,209	310,799,714	188,970,941	36,644,638	13,706,265	832	2,028,531	-----
North Dakota	39,963	747,718	39,164	75,031,600	63,432,001	14,577,207	747,718	799	837,937	-----
Ohio	905,760	82,721,466	901,785	2,259,569,710	1,389,320,269	234,186,965	82,652,496	3,975	12,520,161	68,970
Oklahoma	113,833	8,261,558	112,024	275,488,763	184,195,326	36,671,743	8,261,558	1,809	4,549,228	-----
Oregon	124,532	6,775,119	123,321	274,809,802	182,140,833	26,764,389	6,775,119	1,211	2,596,227	-----
Pennsylvania	1,228,153	133,541,028	1,221,442	3,034,845,942	1,890,984,959	308,191,808	133,525,734	6,741	21,684,906	15,294
Rhode Island	102,614	12,254,303	102,355	248,019,545	148,211,273	24,068,070	12,254,303	559	2,625,896	-----
South Carolina	63,996	3,625,017	63,493	141,694,923	96,686,351	19,754,536	3,625,017	563	1,257,550	-----
South Dakota	38,760	808,920	37,927	67,215,133	59,121,521	11,493,463	808,920	833	979,701	-----
Tennessee	139,021	13,174,462	138,172	334,767,051	216,637,832	39,773,050	13,174,462	849	2,022,300	-----
Texas	461,083	39,695,308	455,347	1,153,712,786	697,239,612	124,356,686	39,695,308	5,736	18,075,305	-----
Utah	39,546	1,914,712	39,310	93,651,446	64,532,821	16,005,835	1,914,712	236	459,353	-----
Vermont	34,655	2,120,454	34,291	73,875,013	52,149,307	9,772,783	2,120,454	364	666,220	-----
Virginia	183,603	20,508,019	182,522	475,990,148	278,027,370	48,785,651	20,508,019	1,081	2,563,807	-----
Washington	248,348	12,319,355	246,326	542,672,500	352,090,382	51,520,692	12,319,355	2,022	4,079,579	-----
West Virginia	125,404	7,292,559	124,718	302,033,984	191,535,626	38,655,373	7,292,559	686	1,999,035	-----
Wisconsin	333,497	19,274,669	330,992	722,720,037	502,214,810	82,422,111	19,250,644	2,605	4,217,516	15,025
Wyoming	28,936	1,567,263	28,516	66,170,704	44,834,162	8,675,759	1,567,263	420	690,450	-----
Total	14,710,771	1,441,440,097	14,598,074	36,309,718,604	22,205,961,499	3,835,338,104	1,440,967,144	112,697	311,234,572	472,953

For footnotes, see p. 190.

TABLE 2.—Individual returns and taxable fiduciary returns, with net income, 1940,¹ by taxable and nontaxable returns, and by net income classes; aggregates for taxable and nontaxable individual returns with no net income; and taxable returns by type of tax liability—Part I, all returns; Part II, returns with normal tax and surtax; and Part III, returns with alternative tax by returns with net long-term capital gain and returns with net long-term capital loss, showing the tax computation: Number of returns, net income, deficit, personal exemption, credit for dependents, earned income credit, earned income credit, taxes, average tax, and effective tax rate

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

PART I—ALL RETURNS

	Net income ² classes (Thousands of dollars)	Number of returns	Net income ³	Personal exemption ⁴	Credit for dependents (individual returns)	Earned income credit (individual returns)	
	(1)	(2)	(3)	(4)	(5)	(6)	
Taxable individual and fiduciary returns: ⁵							
1	With net income:						
2	Under 1 (est.)	558,449	\$495,296,524	\$398,672,044	\$375,943	\$48,259,926	1
3	1 under 2 (est.)	2,919,062	4,114,691,591	2,337,494,651	53,831,797	409,479,636	2
4	2 under 2.5 (est.)	917,833	2,092,287,082	1,290,652,623	26,594,283	208,385,784	3
5	2.5 under 3 (est.)	914,827	2,511,444,446	1,594,792,864	98,843,910	250,420,412	4
6	3 under 4 (est.)	1,018,349	3,487,703,157	1,839,508,687	273,229,923	335,628,463	5
7	4 under 5 (est.)	396,348	1,753,835,187	704,180,584	144,755,856	157,156,223	6
8	5 under 6	219,676	1,189,762,692	385,119,509	69,191,025	99,728,441	7
9	6 under 7	130,302	841,519,033	225,320,408	55,182,997	66,823,876	8
10	7 under 8	84,424	630,495,113	144,091,857	35,223,310	47,799,830	9
11	8 under 9	59,328	502,684,799	100,160,626	24,420,582	36,454,449	10
12	9 under 10	45,291	429,233,872	76,360,711	18,685,142	30,386,462	11
13	10 under 11	34,265	359,093,521	57,218,263	14,012,882	24,549,837	12
14	11 under 12	27,270	313,176,474	45,448,131	11,070,571	20,855,636	13
15	12 under 13	21,669	270,456,543	35,770,005	8,615,369	17,518,651	14
16	13 under 14	17,870	240,890,027	29,558,742	7,261,348	15,345,211	15
17	14 under 15	15,123	219,024,817	24,978,618	6,119,660	13,625,930	16
18	15 under 20	48,258	829,985,540	79,133,038	19,412,892	44,092,760	17
19	20 under 25	24,836	553,013,792	40,441,482	9,895,794	23,125,834	18
20	25 under 30	14,309	390,323,306	23,054,619	5,533,870	13,416,576	19
21	30 under 40	15,227	523,105,646	24,369,371	5,848,954	14,497,397	20
22	40 under 50	7,728	343,656,918	12,232,606	2,873,950	7,533,446	21
23	50 under 60	4,311	235,359,727	6,861,052	1,621,377	4,263,966	22
24	60 under 70	2,639	170,543,258	4,153,872	1,063,545	2,651,215	23
25	70 under 80	1,677	125,211,734	2,659,667	606,376	1,704,448	24
26	80 under 90	1,221	103,248,614	1,898,000	426,258	1,218,006	25
27	90 under 100	825	78,131,235	1,272,655	313,208	802,346	26
28	100 under 150	1,964	235,753,575	2,976,342	642,920	1,880,418	27
29	150 under 200	665	113,931,604	1,029,500	219,915	609,977	28
	200 under 250	291	64,923,269	434,034	96,874	257,415	29
30	250 under 300	175	47,741,115	284,600	58,834	153,219	30
31	300 under 400	176	60,496,685	277,467	61,915	153,868	31
32	400 under 500	91	41,259,509	145,700	39,167	88,868	32
33	500 under 750	93	55,039,998	124,567	20,467	67,742	33
34	750 under 1,000	35	29,184,334	50,590	14,400	27,332	34
35	1,000 under 1,500	29	34,756,779	44,483	7,884	18,097	35
36	1,500 under 2,000	9	15,475,199	13,300	2,000	6,271	36
37	2,000 under 3,000	6	14,078,874	8,100	400	5,100	37
38	3,000 under 4,000	4	13,442,879	7,000	2,167	3,400	38
39	4,000 under 5,000	3	12,735,353	4,100	1,400	1,700	39
40	5,000 and over	1	5,074,832	2,000	400	1,400	40
41	Total	7,504,649	23,558,030,383	9,484,716,408	916,116,566	1,898,979,568	41
42	Individual returns with no net income ⁶	46	112,550,665	66,800	5,200	33,702	42
43	Total, taxable returns	7,504,695	112,558,581,048	9,484,783,208	916,111,766	1,899,013,270	43
Nontaxable individual returns:							
With net income: ¹⁰							
44	Under 1 (est.)	1,332,673	1,029,963,914	1,481,341,324	126,387,697	81,329,965	44
45	1 under 2 (est.)	2,107,533	3,246,736,426	3,927,371,274	618,840,762	221,394,515	45
46	2 under 2.5 (est.)	2,545,337	5,604,240,944	5,083,337,712	1,155,213,930	486,014,660	46
47	2.5 under 3 (est.)	887,004	2,375,659,719	1,773,621,085	719,319,215	273,541,366	47
48	3 under 4 (est.)	231,883	746,267,152	463,838,651	284,901,950	65,139,769	48
49	4 under 5 (est.)	6,245	26,915,441	12,530,543	14,227,857	2,064,382	49
50	5 under 6	138	731,915	273,300	340,127	47,085	50
51	Total	7,160,813	13,030,515,511	12,742,413,889	2,919,231,538	1,129,531,742	51
52	Individual returns with no net income ⁴	112,651	113,008,833,907	(13)	(13)	(13)	52
53	Total, nontaxable returns	7,273,464	112,721,681,604	(13)	(13)	(13)	53
54	Grand total (43 plus 53, or 55 plus 56)	14,778,159	112,721,681,604	(13)	(13)	(13)	54
55	Individual returns and taxable fiduciary returns with net income (41 plus 51)	14,665,462	36,588,545,894	22,227,130,297	3,835,338,104	3,028,511,310	55
56	Individual returns with no net income (42 plus 52)	112,697	113,121,384,572	(13)	(13)	(13)	56

For footnotes, see p. 190.

TABLE 2.—Individual returns and taxable fiduciary returns, with net income, 1940,¹ by taxable and nontaxable returns, and by net income classes; aggregates for taxable and nontaxable individual returns with no net income; and taxable returns by type of tax liability—Part I, all returns; Part II, returns with normal tax and surtax; and Part III, returns with alternative tax by returns with net long-term capital gain and returns with net long-term capital loss, showing the tax computation: Number of returns, net income, deficit, personal exemption, credit for dependents, earned income credit, taxes, average tax, and effective tax rate—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

PART I—ALL RETURNS—Continued

Net income ³ classes (Thousands of dollars)	Tax								Average total tax (col. 7+2)	Effective tax rate percent (returns with net income) (col. 7+3)
	Total tax (col. 8+12)	Returns with normal tax and surtax ⁷				Returns with alternative tax ⁸				
		Total (col. 9+10+11)	Normal tax	Surtax	Defense tax ⁹	Total (col. 13+14)	Alternative tax	Defense tax ⁹		
(1)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Taxable individual and fiduciary returns:³										
With net income:										
Under 1 (est.).....	\$2,115,458	\$2,096,549	\$1,905,895	-----	\$190,654	\$18,909	\$18,909	-----	\$4	0.43
1 under 2 (est.).....	57,720,910	57,716,330	52,469,802	-----	5,246,528	10,580	10,580	-----	\$62	1.40
2 under 2.5 (est.).....	24,891,387	24,888,052	22,625,762	-----	2,262,290	3,335	3,369	-----	166	1.19
2.5 under 3 (est.).....	24,935,002	24,904,183	22,640,410	-----	2,263,773	30,819	30,819	-----	27	1.99
3 under 3 (est.).....	45,859,788	45,848,759	41,681,211	-----	4,167,548	11,029	10,710	-----	319	1.31
3 under 4 (est.).....	32,970,533	32,882,998	29,760,649	-----	\$133,372	2,988,977	87,535	-----	45	1.88
4 under 5 (est.).....	28,506,634	28,466,819	24,837,617	-----	1,046,673	2,582,529	39,815	-----	3,619	1.30
5 under 6.....	24,541,330	24,528,958	19,636,078	-----	2,668,788	2,224,092	12,372	-----	1,125	1.88
6 under 7.....	23,025,512	22,970,567	16,022,657	-----	4,866,928	2,080,982	54,945	-----	4,995	2.73
7 under 8.....	21,893,796	21,866,483	13,560,750	-----	6,323,165	1,882,568	27,313	-----	1,260	3.09
8 under 9.....	21,573,264	21,534,891	12,055,941	-----	7,526,436	1,952,514	38,373	-----	3,489	4.76
9 under 10.....	20,476,820	20,380,108	10,446,985	-----	8,085,929	1,847,194	96,712	-----	7,577	5.70
10 under 11.....	19,793,992	19,777,770	9,354,143	-----	8,630,624	1,793,003	16,222	-----	4,475	6.32
11 under 12.....	18,835,655	18,781,553	8,265,435	-----	8,813,342	1,702,776	54,102	-----	4,918	8.09
12 under 13.....	18,202,679	18,145,575	7,476,244	-----	9,023,223	1,646,108	57,104	-----	5,190	10.19
14 under 14.....	17,885,177	17,799,062	6,903,617	-----	9,281,509	1,613,936	86,115	-----	7,829	11.83
15 under 20.....	83,055,137	82,154,550	27,121,200	-----	47,530,319	7,453,031	900,587	-----	821,627	78.900
20 under 25.....	74,977,386	66,873,615	17,250,745	-----	43,557,964	6,064,906	8,103,771	-----	7,368,425	735,846
25 under 30.....	67,163,910	43,465,000	9,105,543	-----	30,420,853	3,938,604	23,698,910	-----	21,647,319	2,151,591
30 under 40.....	112,823,534	64,404,995	11,066,953	-----	47,512,020	5,826,022	48,418,539	-----	44,017,208	4,401,331
40 under 50.....	90,968,742	45,426,878	6,515,575	-----	34,807,172	4,104,131	45,541,864	-----	41,404,277	4,137,587
50 under 60.....	72,154,924	33,119,034	4,135,035	-----	25,985,014	2,998,985	39,035,840	-----	35,497,858	3,537,982
60 under 70.....	58,324,962	24,445,255	2,745,177	-----	19,432,534	2,217,494	33,879,707	-----	30,809,074	3,070,633
70 under 80.....	46,770,209	19,710,972	2,042,629	-----	15,881,468	1,786,875	27,059,237	-----	24,449,351	27,859
80 under 90.....	41,094,634	16,199,634	1,568,788	-----	13,167,061	1,463,785	24,895,000	-----	22,636,975	2,258,025
90 under 100.....	33,069,220	12,056,473	1,104,244	-----	9,861,676	1,090,553	21,012,747	-----	19,115,375	1,897,372
100 under 150.....	110,629,063	34,120,275	2,788,309	-----	28,245,157	3,086,809	76,508,788	-----	69,654,928	6,853,860
150 under 200.....	59,955,886	14,048,282	1,022,636	-----	11,755,892	1,269,754	45,907,604	-----	41,919,772	3,987,832
200 under 250.....	35,485,172	9,824,414	671,532	-----	8,346,277	896,605	25,660,758	-----	2,122,499	121,942
250 under 300.....	27,390,866	5,343,901	352,642	-----	4,577,347	413,912	22,046,965	-----	20,357,831	1,689,134
300 under 400.....	36,239,749	7,573,279	479,948	-----	6,571,591	521,740	28,666,470	-----	26,716,889	1,950,584
400 under 500.....	24,801,630	3,404,942	208,424	-----	2,983,195	313,323	21,396,688	-----	20,038,631	1,358,057
500 under 750.....	32,524,038	6,041,818	355,223	-----	5,366,593	320,002	26,482,220	-----	24,818,497	1,663,723
750 under 1,000.....	18,648,758	5,471,086	306,724	-----	4,886,980	277,382	13,177,672	-----	12,387,691	790,081
1,000 under 1,500.....	21,650,909	3,550,296	193,865	-----	3,211,171	145,260	18,100,613	-----	17,043,204	1,057,409
1,500 under 2,000.....	10,991,162	2,757,401	146,479	-----	2,509,832	101,090	8,233,761	-----	7,846,187	387,574
2,000 under 3,000.....	10,028,492	-----	-----	-----	-----	-----	10,028,492	-----	9,682,848	345,644
3,000 under 4,000.....	10,593,529	2,425,342	125,489	-----	2,220,375	79,478	8,168,187	-----	7,931,072	237,115
4,000 under 5,000.....	10,260,801	-----	-----	-----	-----	-----	10,260,801	-----	10,059,864	200,937
5,000 and over.....	3,093,783	-----	-----	-----	-----	-----	3,093,783	-----	2,878,667	220,116
Total	1,495,930,433	905,006,149	388,950,406	435,330,530	80,725,213	590,924,284	543,299,220	47,625,064	199	6.35
Individual returns with no net income. ⁶	472,953	-----	-----	-----	-----	472,953	472,953	-----	10,282	-----
Total, taxable returns	1,496,403,386	905,006,149	388,950,406	435,330,530	80,725,213	591,397,237	543,772,173	47,625,064	199	-----
Nontaxable individual returns:										
With net income:¹⁰										
Under 1 (est.).....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
1 under 2 (est.).....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
2 under 2.5 (est.).....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
2.5 under 3 (est.).....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
3 under 4 (est.).....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
4 under 5 (est.).....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
5 under 6.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Individual returns with no net income. ⁴	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total, nontaxable returns	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Grand total (43 plus 53, or 55 plus 56).	1,496,403,386	905,006,149	388,950,406	435,330,530	80,725,213	591,397,237	543,772,173	47,625,064	(14)	-----
Individual returns and taxable fiduciary returns with net income (41 plus 51).	1,495,930,433	905,006,149	388,950,406	435,330,530	80,725,213	590,924,284	543,299,220	47,625,064	102	4.09
Individual returns with no net income (42 plus 52).	472,953	-----	-----	-----	-----	472,953	472,953	-----	(14)	-----

For footnotes, see p. 180.

TABLE 2.—Individual returns and taxable fiduciary returns, with net income, 1940,¹ and nontaxable individual returns with no net income; and taxable returns by type Part III, returns with alternative tax by returns with net long-term capital gain returns, net income, deficit, personal exemption, credit for dependents, earned

[For description of items and classifications, and methods of

PART II—RETURNS WITH

	Number of returns	Net income ³	Personal exemption ⁴	Credit for dependents (individual returns)	Earned income credit (individual returns)
(1)	(2)	(3)	(4)	(5)	(6)
Taxable individual and fiduciary returns ² with net income:					
1 Under 1 (est.)	558,446	\$495,204,974	\$398,669,044	\$375,143	\$48,259,772
2 1 under 2 (est.)	2,919,058	4,114,596,040	2,337,487,851	53,830,997	499,475,136
3 2 under 2.5 (est.)	917,821	2,092,282,200	1,290,648,623	26,594,283	208,384,659
4 2.5 under 3 (est.)	914,824	2,511,436,141	1,594,788,814	98,843,910	250,419,573
5 3 under 4 (est.)	1,018,345	3,487,686,349	1,833,502,587	273,229,123	335,627,161
6 4 under 5 (est.)	396,347	1,753,880,559	704,178,584	144,756,856	157,155,923
7 5 under 6	219,668	1,199,723,099	385,107,909	89,188,625	99,725,798
8 6 under 7	130,298	841,492,265	225,317,408	55,182,597	66,822,310
9 7 under 8	84,415	630,428,020	143,987,857	35,220,510	47,793,365
10 8 under 9	59,318	502,601,236	100,142,926	24,419,382	36,449,953
11 9 under 10	45,284	429,172,812	76,350,861	18,683,975	30,383,153
12 10 under 11	34,254	358,977,373	57,200,863	14,010,515	24,540,857
13 11 under 12	27,266	313,129,896	45,446,531	11,070,571	20,852,888
14 12 under 13	21,650	270,220,303	35,754,605	8,673,102	17,509,878
15 13 under 14	17,850	240,619,774	29,528,575	7,266,948	15,331,255
16 14 under 15	15,098	218,662,818	24,950,018	6,114,460	13,608,545
17 15 under 20	48,024	825,745,445	78,849,171	19,380,693	43,949,246
18 20 under 25	22,739	503,689,299	37,816,499	9,570,730	21,601,361
19 25 under 30	9,477	258,085,667	15,691,607	4,055,517	9,225,492
20 30 under 40	8,923	305,788,142	14,711,196	3,767,613	8,966,477
21 40 under 50	3,960	175,796,472	6,379,584	1,635,763	4,100,440
22 50 under 60	2,019	110,109,124	3,268,512	811,270	2,144,749
23 60 under 70	1,122	72,402,015	1,806,276	470,307	1,219,006
24 70 under 80	718	53,544,511	1,185,850	283,021	797,519
25 80 under 90	485	40,950,893	761,617	179,932	519,341
26 90 under 100	303	28,639,684	485,276	129,065	321,502
27 100 under 150	597	71,670,601	884,726	201,658	597,610
28 150 under 200	153	26,051,080	233,400	48,667	141,201
29 200 under 250	76	17,096,041	120,834	32,734	70,444
30 250 under 300	33	8,929,376	50,600	13,834	31,210
31 300 under 400	35	12,105,671	54,000	14,867	33,352
32 400 under 500	12	5,241,948	19,600	2,000	8,000
33 500 under 750	15	8,921,833	22,800	6,334	11,900
34 750 under 1,000	9	7,702,622	10,000	2,400	6,629
35 1,000 under 1,500	4	4,857,653	5,983	2,284	2,714
36 1,500 under 2,000	2	3,666,987	2,800	800	1,400
37 2,000 under 3,000					
38 3,000 under 4,000	1	3,140,642	2,000		1,400
39 4,000 under 5,000					
40 5,000 and over					
41 Total, individual and fiduciary returns with normal tax and surtax	7,478,649	22,004,336,565	9,445,425,387	908,004,486	1,876,091,211

For footnotes, see p. 190.

by taxable and nontaxable returns, and by net income classes; aggregates for taxable of tax liability—Part I, all returns; Part II, returns with normal tax and surtax; and and returns with net long-term capital loss, showing the tax computation: Number of income credit, taxes, average tax, and effective tax rate—Continued

tabulating and estimating data, see pp. 4-7 and 8-9]

NORMAL TAX AND SURTAX⁷

Total tax (col. 9+11+12)	Tax				Defense tax ⁸	A 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)	(14)
\$2,096,549	558,446	\$1,905,895			\$190,654	\$4	0.42
57,716,330	2,919,058	52,469,802			5,246,528	20	1.40
24,888,052	917,821	22,625,762			2,262,290	27	1.19
24,904,183	914,824	22,640,410			2,263,773	27	.99
45,848,759	1,018,345	41,681,211			4,167,548	45	1.31
32,882,998	396,347	29,760,649	7,277	\$133,372	2,088,977	83	1.87
28,466,819	219,627	24,837,617	37,768	1,046,673	2,582,529	130	2.37
24,528,958	130,251	19,636,078	78,783	2,668,788	2,224,092	188	2.91
22,970,567	84,377	16,022,657	70,255	4,366,928	2,080,982	272	3.64
21,866,483	59,288	13,569,750	59,030	6,323,165	1,982,568	369	4.35
21,534,891	45,284	12,055,941	45,280	7,526,436	1,952,514	476	5.02
20,380,108	34,254	10,446,985	34,249	8,085,929	1,847,194	595	5.68
19,777,770	27,266	9,354,143	27,264	8,630,624	1,793,003	725	6.32
18,781,553	21,643	8,265,435	21,650	8,813,342	1,702,776	868	6.95
18,145,575	17,843	7,476,244	17,850	9,023,223	1,646,108	1,017	7.54
17,799,062	15,093	6,903,617	15,088	9,281,509	1,613,936	1,179	8.14
82,154,550	48,016	27,121,200	48,024	47,580,319	7,453,031	1,711	9.95
66,873,615	22,728	17,250,745	22,739	43,557,964	6,064,906	2,941	13.28
43,465,000	9,474	9,105,543	9,477	30,420,853	3,938,604	4,586	16.84
64,404,995	8,916	11,066,953	8,923	47,512,020	5,826,022	7,218	21.06
45,426,878	3,957	6,515,575	3,960	34,807,172	4,104,131	11,471	25.84
33,119,084	2,019	4,135,085	2,019	25,985,014	2,998,985	16,404	30.08
24,445,255	1,122	2,745,177	1,122	19,482,584	2,217,494	21,787	33.76
19,710,972	718	2,042,629	718	15,881,468	1,786,875	27,453	36.81
16,199,634	485	1,568,788	485	13,167,061	1,463,785	33,401	39.56
12,056,473	303	1,104,244	303	9,861,676	1,090,553	39,790	42.10
34,120,275	597	2,788,309	597	28,245,157	3,086,809	57,153	47.61
14,048,282	153	1,022,636	153	11,755,892	1,269,754	91,819	53.93
9,824,414	76	671,532	76	8,346,277	806,605	129,269	57.47
5,343,901	33	352,642	33	4,577,347	413,912	161,936	59.85
7,573,279	35	479,948	35	6,571,591	521,740	216,379	62.56
3,404,942	12	208,424	12	2,983,195	213,323	283,745	64.96
6,041,818	15	355,223	15	5,366,593	320,002	402,788	67.72
5,471,086	9	306,724	9	4,886,980	277,352	607,898	71.03
3,590,296	4	193,865	4	3,211,171	145,260	887,574	73.09
2,757,401	2	146,479	2	2,509,832	101,090	1,378,701	75.20
2,425,342	1	125,489	1	2,220,375	79,478	2,425,342	77.22
905,006,149	7,477,065	388,950,406	522,191	435,330,530	80,725,213	121	4.11

TABLE 2.—Individual returns and taxable fiduciary returns, with net income, 1940,¹ by taxable and nontaxable returns, and by net income classes; aggregates for taxable and nontaxable individual returns with no net income; and taxable returns by type of tax liability—Part I, all returns; Part II, returns with normal tax and surtax; and Part III, returns with alternative tax by returns with net long-term capital gain and returns with net long-term capital loss, showing the tax computation: Number of returns, net income, deficit, personal exemption, credit for dependents, earned income credit, taxes, average tax, and effective tax rate—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

PART III—RETURNS WITH ALTERNATIVE TAX²

	Net income ³ classes (Thousands of dollars)	Number of returns (col. 5+19)	Net income ³ (col. 6+20)	Total alter- native and defense taxes (col. 16+30)	Computation of alternative tax					
					Returns with net long-term capital gain					
					Number of re- turns	Net income ³	Net long-term capital gain (item 10(b), p. 1, Form 1040; item 7(b), p. 1, Form 1041)	Ordinary net income (col. 6-7) (item 3, Sch. F, Form 1040; item 3, Sch. E, Form 1041)	Personal exemp- tion ⁴	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
1	Taxable individual and fiduciary returns: ⁵									
2	With net income:									
3	Under 1 (est.)	3	\$1,550	\$18,909						
4	1 under 2 (est.)	4	5,551	10,580						
5	2 under 2.5 (est.)	2	4,832	3,335						
6	2.5 under 3 (est.)	3	8,305	30,819						
7	3 under 4 (est.)	4	13,808	11,029						
8	4 under 5 (est.)	1	4,628	87,535						
9	5 under 6	8	42,893	39,815						
10	6 under 7	4	26,818	12,372						
11	7 under 8	9	67,093	54,945						
12	8 under 9	10	83,563	27,313						
13	9 under 10	7	66,060	38,373						
14	10 under 11	11	116,145	96,712						
15	11 under 12	4	46,578	16,222						
16	12 under 13	19	236,240	54,102						
17	13 under 14	20	270,253	57,104						
18	14 under 15	25	361,999	85,115						
19	15 under 20	234	4,240,095	900,587						
20	20 under 25	2,097	49,324,493	8,103,771	343	\$3,270,398	\$159,457	\$3,119,941	\$315,967	
21	25 under 30	4,832	132,237,639	23,698,910	1,653	45,369,301	1,816,254	43,553,037	2,365,934	
22	30 under 40	6,304	217,317,504	48,418,539	2,300	79,457,204	5,463,653	74,023,521	3,442,770	
23	40 under 50	3,768	167,860,446	45,541,864	1,430	63,746,065	6,116,207	57,629,858	2,153,299	
24	50 under 60	2,292	125,250,693	39,035,840	891	48,645,060	6,003,360	42,641,700	1,361,666	
25	60 under 70	1,517	98,141,243	33,879,707	632	40,908,412	5,626,696	35,281,716	935,004	
26	70 under 80	959	71,667,233	27,059,237	388	29,731,635	3,937,313	25,794,322	587,217	
27	80 under 90	736	62,297,721	24,895,000	337	28,542,945	4,361,070	24,181,269	497,100	
28	90 under 100	522	49,491,551	21,012,747	231	21,897,107	3,063,117	18,828,990	346,542	
29	100 under 150	1,367	164,032,974	76,505,788	594	71,551,235	15,036,737	56,464,498	875,033	
30	150 under 200	512	87,830,524	45,907,604	254	43,920,421	9,150,689	34,769,732	381,500	
31	200 under 250	215	47,827,228	25,660,756	121	26,810,444	6,826,076	19,984,368	173,000	
32	250 under 300	142	38,811,739	22,046,965	76	20,678,350	5,323,533	15,354,817	124,300	
33	300 under 400	141	48,390,394	28,668,470	67	22,970,761	6,472,937	16,497,824	105,767	
34	400 under 500	79	36,017,561	21,396,668	40	18,252,312	6,423,926	11,828,386	59,300	
35	500 under 750	78	46,118,165	26,432,220	53	31,115,723	13,559,014	17,556,709	62,167	
36	750 under 1,000	26	21,481,712	13,177,672	14	11,823,072	5,165,993	6,657,139	20,900	
37	1,000 under 1,500	25	29,899,126	18,100,613	18	21,682,581	9,101,823	12,580,758	28,100	
38	1,500 under 2,000	7	11,808,212	8,233,761	4	6,704,593	1,591,237	5,113,356	5,600	
39	2,000 under 3,000	6	14,078,874	10,025,492	3	6,271,050	1,493,957	4,777,123	4,300	
40	3,000 under 4,000	3	10,302,237	8,168,187						
41	4,000 under 5,000	3	12,735,353	10,260,801	2	8,090,442	44,140	8,046,302	4,000	
42	5,000 and over	1	5,074,832	3,093,783	1	5,074,832	2,042,820	3,032,012	2,000	
43	Total	26,000	1,553,693,818	590,924,284	9,462	661,552,973	118,890,595	542,662,378	13,855,116	
44	Individual returns with no net income ⁶	46	12,550,665	472,953						
45	Total, individual and fiduciary returns with alternative tax	26,046	1,566,244,483	591,397,237	9,462	661,552,973	118,890,595	542,662,378	13,855,116	

For footnotes, see p. 190.

TABLE 2.—Individual returns and taxable fiduciary returns, with net income, 1940,¹ by taxable and nontaxable returns, and by net income classes; aggregates for taxable and nontaxable individual returns with no net income; and taxable returns by type of tax liability—Part I, all returns; Part II, returns with normal tax and surtax; and Part III, returns with alternative tax by returns with net long-term capital gain and returns with net long-term capital loss, showing the tax computation: Number of returns, net income, deficit, personal exemption, credit for dependents earned income credit, taxes, average tax, and effective tax rate—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

PART III—RETURNS WITH ALTERNATIVE TAX²—Continued

Net income ³ classes (Thousands of dollars)		Computation of alternative tax—Continued								
		Returns with net long-term capital gain—Continued								
		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)	Tax			Average alternative and defense taxes (col. 16÷5)	Effective tax rate, percent (returns with net income) ⁴ (col. 16÷6)
						Alternative tax (col. 12+13+30% of col. 7) (item 14, Sch. F, Form 1040; item 12, Sch. E, Form 1041)	Defense tax ⁵	Total (col. 14+15)		
(1)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
Taxable individual and fiduciary returns: ³										
With net income:										
1	Under 1 (est.)									
2	1 under 2 (est.)									
3	2 under 2.5 (est.)									
4	2.5 under 3 (est.)									
5	3 under 4 (est.)									
6	4 under 5 (est.)									
7	5 under 6									
8	6 under 7									
9	7 under 8									
10	8 under 9									
11	9 under 10									
12	10 under 11									
13	11 under 12									
14	12 under 13									
15	13 under 14									
16	14 under 15									
17	15 under 20									
18	20 under 25	\$22,667	\$216,028	\$296,016	\$872,876	\$1,216,729	\$122,051	\$1,338,780	\$3,903	16.17
19	25 under 30	466,046	1,355,091	1,552,401	5,111,948	7,209,228	719,352	7,928,580	4,796	17.48
20	30 under 40	737,297	1,933,348	2,681,890	11,040,785	15,361,780	1,535,897	16,897,677	7,347	21.26
21	40 under 50	441,632	1,259,832	2,123,554	10,805,947	14,783,763	1,476,406	16,240,169	11,357	25.48
22	50 under 60	306,952	793,534	1,592,490	9,421,417	12,814,915	1,276,800	14,091,715	15,816	28.97
23	60 under 70	227,684	576,144	1,330,262	8,902,551	11,920,822	1,187,804	13,108,626	20,741	32.04
24	70 under 80	135,055	360,158	979,836	7,236,596	9,412,626	939,528	10,352,154	26,010	34.82
25	80 under 90	111,326	306,272	920,059	7,381,403	9,609,965	960,967	10,570,932	31,368	37.04
26	90 under 100	78,143	208,200	723,079	6,150,666	7,794,180	779,357	8,573,537	37,115	39.15
27	100 under 150	180,980	520,048	2,177,813	20,958,465	27,662,299	2,751,155	30,413,454	51,201	42.51
28	150 under 200	82,583	232,724	1,361,123	15,004,405	19,110,735	1,875,900	20,986,635	82,625	47.78
29	200 under 250	41,873	107,509	778,592	9,251,029	12,077,444	1,132,927	13,210,371	109,177	49.27
30	250 under 300	30,000	68,430	600,637	7,587,087	9,784,783	887,918	10,672,701	140,430	51.61
31	300 under 400	21,316	57,582	651,489	8,555,524	11,148,894	904,728	12,053,622	179,905	52.47
32	400 under 500	14,601	28,983	468,191	6,450,599	8,847,468	660,040	9,507,508	237,688	52.09
33	500 under 750	9,734	34,332	695,433	10,097,577	14,860,714	1,146,063	16,006,777	302,015	51.44
34	750 under 1,000	6,800	12,700	258,358	3,947,122	5,755,260	457,238	6,212,498	443,750	52.55
35	1,000 under 1,500	4,400	12,183	501,265	8,033,505	11,265,317	773,090	12,038,407	668,800	55.52
36	1,500 under 2,000	800	2,871	204,146	3,402,691	4,084,208	251,122	4,335,330	1,083,833	64.66
37	2,000 under 3,000	400	2,000	190,817	3,237,248	3,876,252	145,524	4,021,776	1,340,592	64.13
38	3,000 under 4,000									
39	4,000 under 5,000	1,400	1,700	321,568	5,745,825	6,080,635	200,937	6,281,572	3,140,786	77.64
40	5,000 and over	400	1,400	121,129	2,139,692	2,873,667	220,116	3,093,783	3,093,783	60.96
41	Total	2,922,089	8,091,069	20,530,148	171,334,358	227,531,684	20,404,920	247,936,604	26,203	37.48
42	Individual returns with no net income ⁶									
43	Total, individual and fiduciary returns with alternative tax.	2,922,089	8,091,069	20,530,148	171,334,358	227,531,684	20,404,920	247,936,604	26,203	

For footnotes, see p. 190.

TABLE 2.—Individual returns and taxable fiduciary returns, with net income, 1940,¹ by taxable and nontaxable returns, and by net income classes; aggregates for taxable and nontaxable individual returns with no net income; and taxable returns by type of tax liability—Part I, all returns; Part II, returns with normal tax and surtax; and Part III, returns with alternative tax by returns with net long-term capital gain and returns with net long-term capital loss, showing the tax computation: Number of returns, net income, deficit, personal exemption, credit for dependents, earned income credit, taxes, average tax, and effective tax rate—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

PART III—RETURNS WITH ALTERNATIVE TAX²—Continued

Net income ³ classes (Thousands of dollars)		Computation of alternative tax—Continued					
		Returns with net long-term capital loss					
		Number of returns	Net income ⁴	Net long-term capital loss (item 10(b), p. 1, Form 1040; item 7(b), p. 1, Form 1041)	Ordinary net income (col. 20+21) (item 3, Sch. F, Form 1040; item 3, Sch. E, Form 1041)	Personal exemption ⁵	Credit for dependents (individual returns)
(1)	(20)	(21)	(22)	(23)	(24)	(25)	
Taxable individual and fiduciary returns:⁶							
With net income:							
1	Under 1 (est.)	3	\$1,550	\$259,097	\$260,647	\$3,000	\$800
2	1 under 2 (est.)	2	5,551	289,753	286,304	6,800	800
3	2 under 2.5 (est.)	2	4,832	161,897	166,779	4,000	—
4	2.5 under 3 (est.)	3	6,305	323,013	331,318	4,050	800
5	3 under 4 (est.)	1	13,803	259,427	273,235	6,000	800
6	4 under 5 (est.)	4	4,628	312,360	316,988	2,000	—
7	5 under 6	8	42,893	577,857	620,750	11,600	2,400
8	6 under 7	4	26,818	224,960	251,778	3,000	400
9	7 under 8	9	67,093	625,663	692,756	14,000	2,800
10	8 under 9	10	83,563	514,600	598,163	17,700	1,200
11	9 under 10	7	66,060	425,333	489,393	9,850	1,167
12	10 under 11	11	116,148	740,654	856,802	17,500	2,367
13	11 under 12	4	46,578	185,210	231,788	1,600	—
14	12 under 13	19	236,240	777,623	1,013,863	15,400	2,267
15	13 under 14	20	270,253	826,680	1,096,933	30,167	4,400
16	14 under 15	25	361,999	988,296	1,350,295	28,600	5,200
17	15 under 20	234	4,240,095	6,295,606	10,535,701	283,867	32,199
18	20 under 25	1,754	41,045,095	12,080,566	53,125,601	2,309,016	302,397
19	25 under 30	3,179	86,865,338	12,439,106	99,367,444	4,997,028	1,012,307
20	30 under 40	4,004	137,830,300	17,941,730	155,772,030	6,215,405	1,344,014
21	40 under 50	2,338	104,114,381	12,291,009	116,405,390	3,699,723	796,555
22	50 under 60	1,401	76,605,543	7,822,103	84,427,646	2,227,874	503,185
23	60 under 70	885	57,232,831	5,385,804	62,618,635	1,412,592	305,554
24	70 under 80	561	41,935,588	4,099,193	46,034,781	886,600	183,300
25	80 under 90	399	33,754,776	2,990,740	36,745,516	639,283	135,000
26	90 under 100	291	27,594,444	2,302,603	29,897,047	440,867	106,000
27	100 under 150	773	92,531,739	6,406,356	98,938,095	1,216,583	260,232
28	150 under 200	258	43,960,103	3,647,953	47,608,056	414,600	85,665
29	200 under 250	94	21,016,784	972,343	21,989,127	139,600	22,267
30	250 under 300	66	18,133,389	1,314,310	19,447,699	109,700	15,000
31	300 under 400	74	25,419,633	1,955,317	27,374,950	117,700	25,733
32	400 under 500	30	17,765,249	739,600	18,495,849	66,300	9,566
33	500 under 750	25	15,002,442	775,610	15,778,052	39,600	4,399
34	750 under 1,000	12	9,658,640	385,827	10,044,467	19,600	5,200
35	1,000 under 1,500	7	8,216,545	76,283	8,292,828	10,400	1,200
36	1,500 under 2,000	3	5,103,619	183,557	5,287,176	4,900	400
37	2,000 under 3,000	3	7,807,794	54,717	7,862,511	3,800	—
38	3,000 under 4,000	3	10,302,237	562,330	10,864,567	5,000	2,167
39	4,000 under 5,000	1	4,644,911	956,793	5,601,704	100	—
40	5,000 and over						
41	Total	16,538	892,140,845	109,211,819	1,001,352,664	25,435,905	5,179,991
42	Individual returns with no net income ⁶	46	12,550,665	9,474,716	6,924,051	66,800	5,200
43	Total individual and fiduciary returns with alternative tax.	16,584	12,889,590,180	118,686,635	1,008,276,715	25,502,705	5,185,191

For footnotes, see p. 190.

TABLE 2.—Individual returns and taxable fiduciary returns, with net income, 1940,¹ by taxable and nontaxable returns, and by net income classes; aggregates for taxable and nontaxable individual returns with no net income; and taxable returns by type of tax liability—Part I, all returns; Part II, returns with normal tax and surtax; and Part III, returns with alternative tax by returns with net long-term capital gain and returns with net long-term capital loss, showing the tax computation: Number of returns, net income, deficit, personal exemption, credit for dependents, earned income credit, taxes, average tax, and effective tax rate—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

PART III—RETURNS WITH ALTERNATIVE TAX²—Continued

	Net income ³ classes (Thousands of dollars)	Computation of alternative tax—Continued						Average alternative and defense taxes (col. 4+2)	Effective tax rate, percent (returns with net income) (col. 4+3)		
		Returns with net long-term capital loss—Continued									
		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)	Tax			Average alternative and defense taxes (col. 30+29)				Effective tax rate, percent (returns with net income) (col. 30+20)
				Alternative tax (col. 26+27—30% of col. 21) (item 14, Sch. F, Form 1040; item 12, Sch. E., Form 1041)	Defense tax ⁴	Total (col. 28+29)					
(1)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)		
1	Taxable individual and fiduciary returns: ⁵										
2	With net income:										
3	Under 1 (est.).....	\$9,872	\$86,766	\$18,909		\$18,909	\$6,303	1,219.94	\$6,303	1,219.94	
4	1 under 2 (est.).....	10,966	83,778	10,518	\$62	10,580	2,645	190.60	2,645	190.60	
5	2 under 2.5 (est.).....	5,692	46,046	3,169	166	3,335	1,668	68.31	1,668	68.31	
6	2.5 under 3 (est.).....	12,211	115,512	30,819		30,819	10,273	371.09	10,273	371.09	
7	3 under 4 (est.).....	10,574	77,964	10,710	319	11,029	2,757	79.87	2,757	79.87	
8	4 under 5 (est.).....	12,570	168,673	87,535		87,535	87,535	1,891.42	87,535	1,891.42	
9	5 under 6.....	23,409	186,144	36,196	3,619	39,815	4,977	92.82	4,977	92.82	
10	6 under 7.....	9,550	69,176	11,247	1,125	12,372	3,093	46.13	3,093	46.13	
11	7 under 8.....	26,102	211,547	49,950	4,995	54,945	6,105	81.89	6,105	81.89	
12	8 under 9.....	22,753	157,680	26,053	1,260	27,313	2,731	32.69	2,731	32.69	
13	9 under 10.....	18,767	143,117	34,884	3,489	38,373	5,482	58.09	5,482	58.09	
14	10 under 11.....	32,649	278,682	89,135	7,577	96,712	8,792	83.27	8,792	83.27	
15	11 under 12.....	8,996	61,314	14,747	1,475	16,222	4,056	34.83	4,056	34.83	
16	12 under 13.....	38,131	244,340	49,184	4,918	54,102	2,847	22.90	2,847	22.90	
17	13 under 14.....	40,021	259,897	51,914	5,100	57,014	2,855	21.13	2,855	21.13	
18	14 under 15.....	50,907	323,868	78,286	7,829	86,115	3,445	23.79	3,445	23.79	
19	15 under 20.....	393,994	2,316,315	821,627	78,960	900,587	3,849	21.24	3,849	21.24	
20	20 under 25.....	1,938,838	7,837,010	6,151,696	613,295	6,764,991	3,857	16.43	3,864	16.43	
21	25 under 30.....	3,577,604	14,510,219	14,338,091	1,432,239	15,770,330	4,961	18.15	4,905	17.92	
22	30 under 40.....	5,708,376	28,329,571	28,655,428	2,865,434	31,520,862	7,872	22.87	7,872	22.87	
23	40 under 50.....	4,335,211	25,992,606	26,640,514	2,661,181	29,301,695	12,533	23.14	12,086	27.13	
24	50 under 60.....	3,181,577	21,847,997	22,682,943	2,261,182	24,944,125	17,805	32.56	17,031	31.17	
25	60 under 70.....	2,382,336	18,121,657	18,888,252	1,882,829	20,771,081	23,470	36.29	22,333	34.52	
26	70 under 80.....	1,766,614	14,660,404	15,197,260	1,509,823	16,707,083	29,781	39.84	28,216	37.76	
27	80 under 90.....	1,412,528	12,511,704	13,027,010	1,297,058	14,324,068	35,900	42.44	33,824	39.96	
28	90 under 100.....	1,155,159	10,856,817	11,321,195	1,118,015	12,439,210	42,746	45.08	40,254	42.46	
29	100 under 150.....	3,834,290	40,080,246	41,992,629	4,102,705	46,095,334	59,632	49.82	55,963	46.63	
30	150 under 200.....	1,866,043	22,037,380	22,809,037	2,111,932	24,920,969	96,593	56.69	89,663	52.24	
31	200 under 250.....	865,078	10,887,440	11,460,815	989,572	12,450,387	132,451	59.24	119,352	53.65	
32	250 under 300.....	768,690	10,198,651	10,573,048	801,216	11,374,264	172,337	62.73	203,308	56.80	
33	300 under 400.....	1,082,894	15,070,396	15,566,695	1,046,153	16,612,848	224,498	65.35	204,851	59.24	
34	400 under 500.....	734,444	10,675,899	11,191,163	698,017	11,889,180	304,851	66.92	270,844	59.41	
35	500 under 750.....	626,711	9,563,755	9,957,783	517,660	10,475,443	419,018	69.82	339,516	57.42	
36	750 under 1,000.....	400,096	6,347,983	6,632,331	332,843	6,965,174	580,431	72.11	506,834	61.34	
37	1,000 under 1,500.....	331,017	5,469,755	5,777,887	284,319	6,062,206	866,029	73.78	724,025	60.54	
38	1,500 under 2,000.....	211,010	3,606,036	3,761,979	136,452	3,898,431	1,299,477	76.39	1,176,252	69.73	
39	2,000 under 3,000.....	314,224	5,508,787	5,806,596	200,120	6,006,716	2,002,239	76.93	1,671,415	71.23	
40	3,000 under 4,000.....	431,023	7,668,748	7,931,072	237,115	8,168,187	2,722,729	79.29	2,722,729	79.29	
41	4,000 under 5,000.....	224,064	4,042,203	3,979,229		3,979,229	3,979,229	85.67	3,420,267	80.57	
42	5,000 and over.....								3,093,783	60.96	
43	Total.....	37,875,000	310,656,083	315,767,536	27,220,144	342,987,680	20,739	38.45	22,728	38.03	
44	Individual returns with no net income. ⁶	266,940	3,048,428	472,953		472,953	10,282		10,282		
45	Total individual and fiduciary returns with alternative tax.	38,141,940	313,704,511	316,240,489	27,220,144	343,460,633	20,710		22,706		

For footnotes, see p. 190.

TABLE 2-A.—Individual returns with net income, not including fiduciary returns, 1940, by taxable and nontaxable returns, and by net income classes; aggregates for taxable and nontaxable individual returns with no net income; and taxable returns by type of tax liability—Part I, all returns; Part II, returns with normal tax and surtax; and Part III, returns with alternative tax by returns with net long-term capital gain and returns with net long-term capital loss, showing the tax computation: Number of returns, net income, deficit, personal exemption, credit for dependents, earned income credit, taxes, average tax and effective tax rate

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

PART I—ALL RETURNS

	Net income classes (Thousands of dollars)	Number of returns	Net income	Personal exemption ¹	Credit for dependents	Earned income credit	Tax Total tax (col. 8+12)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Taxable individual returns:								
With net income:								
1	Under 1 (est.)	528,784	\$482,899,261	\$393,893,232	\$375,943	\$48,259,926	\$1,771,326	1
2	1 under 2 (est.)	2,905,086	4,094,796,364	2,330,981,079	53,831,797	409,479,636	57,156,019	2
3	2 under 2.5 (est.)	914,050	2,083,857,839	1,288,998,172	26,594,233	208,385,784	24,601,128	3
4	2.5 under 3 (est.)	912,174	2,504,204,117	1,593,631,610	98,843,910	250,420,412	24,673,440	4
5	3 under 4 (est.)	1,014,623	3,474,787,007	1,831,912,248	273,229,923	335,628,463	45,371,917	5
6	4 under 5 (est.)	393,844	1,742,795,726	703,116,216	144,755,856	157,156,223	32,515,352	6
7	5 under 6	217,751	1,189,297,181	334,341,862	89,191,025	99,728,441	27,998,333	7
8	6 under 7	123,902	832,566,697	224,732,773	55,182,997	66,823,876	24,048,582	8
9	7 under 8	83,395	622,840,522	143,595,812	35,223,310	47,799,890	22,553,628	9
10	8 under 9	58,473	495,423,727	99,806,793	24,420,582	36,454,449	21,397,891	10
11	9 under 10	44,636	423,513,218	76,132,090	18,685,142	30,386,452	21,145,810	11
12	10 under 11	33,701	353,173,845	57,000,638	14,012,882	24,549,837	19,098,392	12
13	11 under 12	26,843	308,272,734	45,261,293	11,070,571	20,855,636	19,374,764	13
14	12 under 13	21,217	264,817,735	35,601,275	8,615,369	17,518,651	18,316,742	14
15	13 under 14	17,543	236,548,200	29,430,943	7,261,343	15,345,211	17,777,612	15
16	14 under 15	14,831	214,793,829	24,877,485	6,119,630	13,625,930	17,444,074	16
17	15 under 20	47,239	813,231,513	78,762,470	19,412,892	44,092,760	80,994,892	17
18	20 under 25	24,253	540,035,178	40,223,982	9,895,794	23,125,834	72,930,096	18
19	25 under 30	13,920	379,787,471	22,898,919	5,533,870	13,416,576	65,135,262	19
20	30 under 40	14,792	508,220,870	24,198,338	5,848,054	14,497,397	109,369,462	20
21	40 under 50	7,464	331,895,097	12,123,106	2,873,950	7,533,445	67,729,604	21
22	50 under 60	4,155	223,908,172	6,801,952	1,621,377	4,263,996	69,518,022	22
23	60 under 70	2,548	164,711,731	4,117,772	1,003,545	2,651,215	56,327,428	23
24	70 under 80	1,625	121,329,059	2,640,967	606,376	1,704,443	45,315,133	24
25	80 under 90	1,176	99,407,791	1,832,300	426,258	1,218,006	39,577,590	25
26	90 under 100	781	73,955,875	1,259,685	313,208	802,346	31,327,883	26
27	100 under 150	1,866	223,937,996	2,939,042	642,920	1,380,418	105,337,196	27
28	150 under 200	626	107,300,296	1,014,700	219,915	609,977	56,648,630	28
29	200 under 250	273	60,838,659	425,734	96,874	257,415	33,484,103	29
30	250 under 300	167	45,625,321	282,400	58,834	153,219	26,403,110	30
31	300 under 400	166	56,863,361	272,767	61,916	153,868	34,316,709	31
32	400 under 500	86	38,893,402	143,600	26,167	68,898	23,461,612	32
33	500 under 750	79	46,696,883	121,767	20,467	67,742	28,555,882	33
34	750 under 1,000	33	27,473,712	49,600	14,400	27,332	17,582,012	34
35	1,000 under 1,500	28	33,445,081	44,383	7,884	18,097	21,218,678	35
36	1,500 under 2,000	8	13,613,596	12,500	2,000	6,271	9,589,441	36
37	2,000 under 3,000	6	14,078,874	8,100	400	5,100	10,028,492	37
38	3,000 under 4,000	4	13,442,879	7,000	2,167	3,400	10,593,529	38
39	4,000 under 5,000	2	8,090,442	4,000	1,400	1,700	6,281,572	39
40	5,000 and over	1	5,074,832	2,000	400	1,400	3,093,783	40
41	Total	7,437,261	23,279,203,093	9,463,547,610	916,106,566	1,898,979,568	1,440,967,144	41
42	With no net income ⁸	46	112,550,665	66,800	5,200	33,702	472,953	42
43	Total, taxable returns	7,437,307	12 23,276,652,428	9,463,614,410	916,111,766	1,899,013,270	1,441,440,097	43
Nontaxable individual returns:								
With net income: ¹⁰								
44	Under 1 (est.)	1,382,673	1,029,963,914	1,481,341,324	126,387,697	81,329,965		44
45	1 under 2 (est.)	2,107,533	3,246,736,426	3,927,371,274	618,840,762	221,394,515		45
46	2 under 2.5 (est.)	2,545,337	5,604,240,944	5,083,387,712	1,155,213,930	486,014,660		46
47	2.5 under 3 (est.)	887,004	2,375,659,719	1,773,621,085	719,319,215	273,541,366		47
48	3 under 4 (est.)	231,883	746,267,152	463,888,651	284,901,950	65,139,769		48
49	4 under 5 (est.)	6,245	26,915,441	12,530,543	14,227,857	2,064,382		49
50	5 under 6	138	731,915	273,300	340,127	47,085		50
51	Total	7,160,813	13,030,515,511	12,742,413,889	2,919,231,538	1,129,531,742		51
52	With no net income ¹¹	112,651	113,088,833,907	(13)	(13)	(13)		52
53	Total, nontaxable returns	7,273,464	12 12,721,681,604	(13)	(13)	(13)		53
54	Grand total (43 plus 53, or 55 plus 56)	14,710,771	12 35,998,334,032	(13)	(13)	(13)	1,441,440,097	54
55	Individual returns with net income (41 plus 51)	14,598,074	36,309,718,604	22,205,961,499	3,835,338,104	3,028,511,310	1,440,967,144	55
56	Individual returns with no net income (42 plus 52)	112,697	11 311,384,572	(13)	(13)	(13)	472,953	56

For footnotes, see p. 190.

TABLE 2-A.—Individual returns with net income, not including fiduciary returns, 1940, by taxable and nontaxable returns, and by net income classes; aggregates for taxable and nontaxable individual returns with no net income; and taxable returns by type of tax liability—Part I, all returns; Part II, returns with normal tax and surtax; and Part III, returns with alternative tax by returns with net long-term capital gain and returns with net long-term capital loss, showing the tax computation: Number of returns, net income, deficit, personal exemption, credit for dependents, earned income credit, taxes, average tax and effective tax rate—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

PART I—ALL RETURNS—Continued

Net income classes (Thousands of dollars)		Tax—Continued						Average total tax (col. 7+2)	Effective tax rate, percent (returns with net income) (col. 7+3)		
		Returns with normal tax and surtax ⁷				Returns with alternative tax ⁸					
		Total (col. 9+10+11)	Normal tax	Surtax	Defense tax ⁹	Total (col. 13+14)	Alternative tax			Defense tax ⁹	
(1)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)		
Taxable individual returns:											
With net income:											
1	Under 1 (est.)	\$1,752,417	\$1,593,106		\$159,311	\$18,909	\$18,909		\$3	0.37	1
2	1 under 2 (est.)	57,145,439	51,950,399		5,195,040	10,580	10,518	\$62	20	1.40	2
3	2 under 2.5 (est.)	24,597,793	22,361,630		2,236,163	3,355	3,169	166	27	1.18	3
4	2.5 under 3 (est.)	24,642,621	22,402,383		2,240,238	30,819	30,819		27	.99	4
5	3 under 4 (est.)	45,360,888	41,237,171		4,123,717	11,029	10,710	319	45	1.31	5
6	4 under 5 (est.)	32,427,827	29,366,807	\$113,036	2,947,984	87,535	87,535		83	1.87	6
7	5 under 6	27,958,518	24,456,577	964,875	2,537,066	39,815	36,196	3,619	129	2.35	7
8	6 under 7	24,036,210	19,306,679	2,549,395	2,180,136	12,372	11,247	1,125	187	2.89	8
9	7 under 8	22,498,683	15,740,189	4,719,542	2,038,952	34,945	49,950	4,995	270	3.62	9
10	8 under 9	21,374,177	13,290,546	6,145,263	1,938,368	28,714	34,884	3,489	366	4.32	10
11	9 under 10	21,107,437	11,840,712	7,352,616	1,914,109	35,373	34,884	7,577	473	4.99	11
12	10 under 11	19,901,680	10,221,478	7,876,010	1,804,192	96,712	96,712	7,577	593	5.66	12
13	11 under 12	19,358,542	9,170,142	8,432,872	1,755,528	16,222	14,747	1,475	722	6.28	13
14	12 under 13	18,262,640	8,051,492	8,554,689	1,656,459	54,102	49,184	4,918	863	6.92	14
15	13 under 14	17,720,508	7,310,679	9,801,831	1,607,998	57,104	51,914	5,190	1,013	7.52	15
16	14 under 15	17,357,959	6,741,560	9,041,909	1,574,490	86,115	78,286	7,829	1,176	8.12	16
17	15 under 20	80,119,954	26,484,723	46,364,476	7,270,755	874,933	798,311	76,627	1,713	9.96	17
18	20 under 25	65,119,822	16,817,331	42,393,453	5,909,033	7,810,274	7,101,615	708,659	3,006	13.50	18
19	25 under 30	42,031,404	8,811,915	29,407,327	3,812,162	23,103,858	21,006,362	2,097,496	4,679	17.15	19
20	30 under 40	62,252,482	10,699,551	45,919,427	5,633,504	47,116,980	42,833,949	4,283,031	7,394	21.52	20
21	40 under 50	43,386,333	6,220,799	33,243,491	3,922,043	44,343,271	40,314,643	4,028,628	11,754	26.43	21
22	50 under 60	31,616,516	3,947,329	24,804,562	2,864,625	37,901,566	34,464,900	3,436,606	16,731	30.64	22
23	60 under 70	23,365,145	2,622,763	18,623,076	2,119,306	32,962,281	29,972,384	2,989,897	22,107	34.20	23
24	70 under 80	18,999,091	1,968,710	15,368,214	1,722,158	26,316,047	23,932,502	2,383,545	27,886	37.35	24
25	80 under 90	15,512,360	1,501,457	12,607,416	1,403,487	24,065,230	21,882,639	2,182,591	33,654	39.81	25
26	90 under 100	11,250,493	1,029,302	9,201,073	1,020,118	20,077,390	18,265,042	1,812,348	40,113	42.36	26
27	100 under 150	31,820,205	2,602,507	26,339,987	2,877,711	73,516,991	66,922,629	6,594,362	56,451	47.03	27
28	150 under 200	12,682,393	922,687	10,613,133	1,146,573	43,966,237	40,140,579	3,825,658	90,493	52.79	28
29	200 under 250	8,777,035	600,223	7,458,742	718,070	24,707,068	22,663,439	2,043,629	122,652	55.04	29
30	250 under 300	5,159,436	342,289	4,444,919	402,228	21,215,674	19,597,037	1,618,637	158,114	57.87	30
31	300 under 400	7,329,708	464,672	6,358,755	506,281	26,987,001	25,154,302	1,832,699	206,727	60.35	31
32	400 under 500	3,404,942	208,424	2,983,195	213,323	20,056,670	18,768,258	1,288,412	272,809	60.32	32
33	500 under 750	5,536,335	326,142	4,914,836	295,297	23,019,547	21,610,670	1,399,877	361,467	61.15	33
34	750 under 1,000	4,833,485	273,432	4,559,949	250,104	12,698,527	11,952,004	746,523	532,788	64.00	34
35	1,000 under 1,500	3,550,296	193,865	3,211,171	145,260	17,668,382	16,650,267	1,018,115	757,810	63.44	35
36	1,500 under 2,000	1,355,680	72,047	1,233,666	49,967	8,233,761	7,846,187	387,574	1,198,680	70.44	36
37	2,000 under 3,000					10,028,492	9,682,848	345,644	1,671,415	71.23	37
38	3,000 under 4,000	2,425,342	125,489	2,220,375	70,478	8,168,187	7,931,072	237,115	2,648,382	78.80	38
39	4,000 under 5,000					6,281,573	6,080,635	200,937	3,140,786	77.64	39
40	5,000 and over					3,093,572	2,873,667	220,116	3,093,783	60.96	40
41	Total	876,111,796	381,277,216	416,563,346	78,271,234	564,855,348	519,054,925	45,800,423	194	6.19	41
42	With no net income ⁶					472,953	472,953		10,282		42
43	Total, taxable returns	876,111,796	381,277,216	416,563,346	78,271,234	565,328,301	519,527,878	45,800,423	194		43
44	Nontaxable individual returns:										
45	With net income: ¹⁰										
46	Under 1 (est.)										44
47	1 under 2 (est.)										45
48	2 under 2.5 (est.)										46
49	2.5 under 3 (est.)										47
50	3 under 4 (est.)										48
51	4 under 5 (est.)										49
52	5 under 6										50
53	Total										51
54	With no net income ⁴										52
55	Total, nontaxable returns										53
56	Grand total (43 plus 53, or 55 plus 56)	876,111,796	381,277,216	416,563,346	78,271,234	565,328,301	519,527,878	45,800,423	(14)		54
57	Individual returns with net income (41 plus 51)	876,111,796	381,277,216	416,563,346	78,271,234	564,855,348	519,054,925	45,800,423	99	3.97	55
58	Individual returns with no net income (42 plus 52)					472,953	472,953		(14)		56

For footnotes, see p. 190.

TABLE 2-A.—Individual returns with net income, not including fiduciary returns, taxable and nontaxable individual returns with no net income; and taxable returns surtax; and Part III, returns with alternative tax by returns with net long-term. Number of returns, net income, deficit, personal exemption, credit for dependents,

[For description of items and classifications, and methods

PART II—RETURNS WITH

	Number of returns	Net income	Personal exemption †	Credit for dependents	Earned income credit
(1)	(2)	(3)	(4)	(5)	(6)
Taxable individual returns with net income:					
1 Under 1 (est.)	528,781	\$482,597,711	\$303,890,232	\$375,143	\$48,259,772
2 1 under 2 (est.)	2,905,082	4,094,790,813	2,330,974,279	53,830,907	409,475,136
3 2 under 2.5 (est.)	914,048	2,083,852,957	1,288,994,172	26,594,283	208,384,659
4 2.5 under 3 (est.)	912,171	2,504,195,812	1,593,627,560	98,843,910	250,419,573
5 3 under 4 (est.)	1,014,619	3,474,773,199	1,831,906,248	273,229,123	335,627,161
6 4 under 5 (est.)	393,843	1,742,791,098	703,114,216	144,755,856	157,155,023
7 5 under 6	217,743	1,189,254,288	384,330,262	89,188,625	99,725,798
8 6 under 7	128,898	832,539,879	224,729,773	55,182,597	66,822,310
9 7 under 8	83,386	622,773,429	143,581,812	35,220,510	47,793,365
10 8 under 9	58,464	495,353,270	99,789,893	24,419,382	36,449,953
11 9 under 10	44,679	423,447,158	76,122,240	18,683,975	30,383,153
12 10 under 11	33,690	353,057,697	56,983,138	14,010,515	24,540,857
13 11 under 12	26,839	308,226,156	45,259,698	11,070,571	20,852,888
14 12 under 13	21,198	264,581,495	35,585,875	8,613,102	17,509,878
15 13 under 14	17,528	236,277,947	29,400,776	7,256,948	15,331,255
16 14 under 15	14,806	214,431,830	24,848,885	6,114,460	13,608,545
17 15 under 20	47,064	809,157,244	78,480,903	19,380,693	43,949,246
18 20 under 25	22,233	492,460,690	37,612,999	9,570,730	21,601,361
19 25 under 30	9,197	250,477,111	15,567,807	4,055,517	9,225,492
20 30 under 40	8,647	296,352,011	14,581,963	3,767,613	8,966,477
21 40 under 50	3,791	168,322,194	6,306,084	1,635,763	4,100,440
22 50 under 60	1,930	105,298,763	3,229,812	811,270	2,144,749
23 60 under 70	1,073	69,298,336	1,784,576	470,307	1,219,006
24 70 under 80	693	51,681,119	1,174,950	288,021	797,519
25 80 under 90	465	39,251,665	754,017	179,932	519,341
26 90 under 100	283	26,752,427	476,076	129,065	321,502
27 100 under 150	558	66,939,694	865,426	201,658	597,610
28 150 under 200	138	23,533,179	225,600	48,667	141,201
29 200 under 250	68	15,295,405	115,834	32,734	70,444
30 250 under 300	32	8,669,762	49,800	13,834	31,210
31 300 under 400	34	11,722,968	53,200	14,867	33,353
32 400 under 500	12	5,241,948	19,600	2,000	8,000
33 500 under 750	14	8,194,009	22,000	6,334	11,900
34 750 under 1,000	8	6,869,529	9,200	2,400	6,620
35 1,000 under 1,500	4	4,857,653	5,983	2,284	2,714
36 1,500 under 2,000	1	1,805,384	2,000	800	1,400
37 2,000 under 3,000					
38 3,000 under 4,000	1	3,140,642	2,000		1,400
39 4,000 under 5,000					
40 5,000 and over					
41 Total, individual returns with normal tax and surtax.	7,412,021	21,788,266,472	9,424,478,889	908,004,486	1,876,091,211

For footnotes, see p. 190.

1940, by taxable and nontaxable returns, and by net income classes; aggregates for by type of tax liability—Part I, all returns; Part II, returns with normal tax and capital gain and returns with net long-term capital loss, showing the tax computation: earned income credit, taxes, average tax and effective tax rate—Continued

of tabulating and estimating data, see pp. 4-7 and 8-9]

NORMAL TAX AND SURTAX †

Total tax (col. 9+11+12)	Tax				Defense 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)	(14)
\$1,752,417	528,781	\$1,593,106			\$159,311	\$3	0.36
57,145,439	2,905,082	51,950,399			5,195,040	20	1.40
24,597,793	914,048	22,361,630			2,236,163	27	1.18
24,642,621	912,171	22,402,383			2,240,238	27	.98
45,360,888	1,014,619	41,237,171			4,123,717	45	1.31
32,427,827	393,843	29,366,807	5,949	\$113,036	2,947,984	82	1.86
27,958,518	217,705	24,456,577	35,855	964,875	2,537,066	128	2.35
24,036,210	128,854	19,306,679	77,383	2,549,395	2,130,136	186	2.89
22,498,683	83,355	15,740,189	78,226	4,719,542	2,038,952	270	3.61
21,374,177	58,437	13,290,546	58,176	6,145,263	1,938,368	366	4.31
21,107,437	44,659	11,840,712	44,655	7,352,616	1,914,109	472	4.08
19,901,680	33,673	10,221,478	33,685	7,876,010	1,804,192	591	5.64
19,358,542	26,827	9,170,142	26,837	8,432,872	1,755,528	721	6.28
18,262,640	21,191	8,051,492	21,198	8,554,689	1,656,459	862	6.90
17,720,508	17,521	7,310,679	17,528	8,801,831	1,607,998	1,011	7.50
17,357,959	14,801	6,741,560	14,806	9,041,909	1,574,490	1,172	8.09
80,119,954	47,057	26,484,723	47,064	46,364,476	7,270,755	1,702	9.90
65,119,822	22,225	16,817,331	22,233	42,393,458	5,909,033	2,929	13.22
42,031,404	9,195	8,811,915	9,197	29,407,327	3,812,162	4,570	16.78
62,252,482	8,640	10,699,551	8,647	45,919,427	5,633,504	7,199	21.01
43,386,333	3,788	6,220,799	3,791	33,243,491	3,922,043	11,445	25.78
31,616,516	1,930	3,947,329	1,930	24,804,562	2,864,625	16,382	30.03
23,365,145	1,073	2,622,763	1,073	18,623,076	2,119,306	21,776	33.72
18,999,091	693	1,968,719	693	15,308,214	1,722,158	27,416	36.76
15,512,360	465	1,501,457	465	12,607,416	1,403,487	33,360	39.52
11,250,493	283	1,029,302	283	9,201,073	1,020,118	39,754	42.05
31,820,205	558	2,602,507	558	26,339,987	2,877,711	57,025	47.54
12,682,393	138	922,687	138	10,613,133	1,146,573	91,901	53.89
8,777,035	68	600,223	68	7,458,742	718,070	129,074	57.38
5,189,436	32	342,289	32	4,444,919	402,228	162,170	59.86
7,329,708	34	464,672	34	6,358,755	506,281	215,580	62.52
3,404,942	12	208,424	12	2,983,195	213,323	283,745	64.96
5,536,335	14	326,142	14	4,914,896	295,297	395,453	67.57
4,883,485	8	273,432	8	4,359,949	250,104	610,436	71.09
3,550,296	4	193,865	4	3,211,171	145,260	887,574	73.00
1,355,688	1	72,047	1	1,233,666	49,907	1,355,680	75.09
2,425,342	1	125,489	1	2,220,375	79,478	2,425,342	77.22
876,111,796	7,411,786	381,277,216	510,544	416,563,346	78,271,234	118	4.02

TABLE 2-A.—Individual returns with net income, not including fiduciary returns, 1940, by taxable and nontaxable returns, and by net income classes; aggregates for taxable and nontaxable individual returns with no net income; and taxable returns by type of tax liability—Part I, all returns; Part II, returns with normal tax and surtax; and Part III, returns with alternative tax by returns with net long-term capital gain and returns with net long-term capital loss, showing the tax computation: Number of returns, net income, deficit, personal exemption, credit for dependents, earned income credit, taxes, average tax and effective tax rate—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

PART III—RETURNS WITH ALTERNATIVE TAX *

Table with columns: Net income classes (Thousands of dollars), Number of returns (col. 5+19), Net income (col. 6+20), Total alternative and defense taxes (col. 16+30), and Computation of alternative tax (Returns with net long-term capital gain). Rows include taxable individual returns with net income (Under 1 to 60) and returns with no net income (70 under 80 to 5,000 and over).

For footnotes, see p. 190.

TABLE 2-A.—Individual returns with net income, not including fiduciary returns, 1940, by taxable and nontaxable returns, and by net income classes; aggregates for taxable and nontaxable individual returns with no net income; and taxable returns by type of tax liability—Part I, all returns; Part II, returns with normal tax and surtax; and Part III, returns with alternative tax by returns with net long-term capital gain and returns with net long-term capital loss, showing the tax computation: Number of returns, net income, deficit, personal exemption, credit for dependents, earned income credit, taxes, average tax and effective tax rate—Continued

[For description of items and classification, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

PART III—RETURNS WITH ALTERNATIVE TAX^a—Continued

Net income classes (Thousands of dollars)		Computation of alternative tax—Continued							
		Returns with net long-term capital gain—Continued							
		Credit for dependents	Earned income credit	Normal tax (item 10, Sch. F, Form 1040)	Surtax (item 11, Sch. F, Form 1040)	Tax			Average alternative and defense taxes (col. 16+5)	Effective tax rate, percent (returns with net income) (col. 16+6)
Alternative tax (col. 12 +13+30% of col. 7) (item 14, Sch. F, Form 1040)	Defense tax ^b					Total (col. 14+15)			
(1)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Taxable individual returns:									
With net income:									
1	Under 1 (est.)								
2	1 under 2 (est.)								
3	2 under 2.5 (est.)								
4	2.5 under 3 (est.)								
5	3 under 4 (est.)								
6	4 under 5 (est.)								
7	5 under 6								
8	6 under 7								
9	7 under 8								
10	8 under 9								
11	9 under 10								
12	10 under 11								
13	11 under 12								
14	12 under 13								
15	13 under 14								
16	14 under 15								
17	15 under 20								
18	20 under 25	\$22,667	\$216,028	\$266,743	\$786,331	\$1,096,930	\$110,068	\$1,206,998	\$3,881
19	25 under 30	466,046	1,355,091	1,488,380	4,895,772	6,896,929	688,126	7,585,055	4,776
20	30 under 40	737,297	1,933,348	2,587,214	10,660,443	14,795,040	1,479,248	16,274,288	7,327
21	40 under 50	441,632	1,259,832	2,046,205	10,423,272	14,169,601	1,416,993	15,586,594	11,327
22	50 under 60	306,952	793,534	1,523,271	9,009,880	12,248,672	1,222,130	13,470,802	15,792
23	60 under 70	227,684	576,144	1,282,186	8,603,833	11,373,838	1,134,573	12,508,411	20,744
24	70 under 80	135,055	360,158	945,139	6,983,477	9,007,797	899,048	9,906,845	26,002
25	80 under 90	111,326	306,272	875,831	7,004,014	9,027,323	902,703	9,930,026	31,825
26	90 under 100	78,143	208,200	680,684	5,789,611	7,248,691	724,808	7,973,499	37,086
27	100 under 150	180,950	520,048	2,100,794	20,230,896	26,055,703	2,602,532	28,658,235	51,636
28	150 under 200	82,583	232,724	1,293,625	14,285,407	17,931,927	1,763,464	19,695,391	83,103
29	200 under 250	41,873	107,509	741,739	8,822,020	11,202,624	1,054,057	12,256,681	110,421
30	250 under 300	30,000	68,430	587,301	7,445,135	9,343,099	845,669	10,188,768	143,504
31	300 under 400	21,316	57,582	611,181	8,036,882	10,234,447	829,799	11,064,246	181,381
32	400 under 500	14,601	34,332	396,134	5,420,953	7,577,095	590,395	8,167,490	233,357
33	500 under 750	9,734	28,983	583,106	8,447,899	11,661,887	882,217	12,544,104	313,603
34	750 under 1,000	6,800	12,700	237,487	3,639,104	5,319,673	413,680	5,733,353	441,027
35	1,000 under 1,500	4,400	12,183	501,182	8,033,505	10,872,380	733,796	11,606,176	682,716
36	1,500 under 2,000	800	2,871	204,146	3,402,691	4,084,208	251,122	4,335,330	1,083,833
37	2,000 under 3,000	400	2,000	190,817	3,237,248	3,876,252	145,524	4,021,776	1,340,592
38	3,000 under 4,000								
39	4,000 under 5,000	1,400	1,700	321,568	5,745,825	6,080,635	200,937	6,281,572	3,140,786
40	5,000 and over	400	1,400	121,129	2,139,692	2,873,667	220,116	3,093,783	3,093,783
41	Total	2,922,089	8,091,069	19,585,862	163,043,890	212,978,418	19,111,005	232,089,423	25,745
42	With no net income ^c								37.43
43	Total, individual returns with alternative tax.	2,922,089	8,091,069	19,585,862	163,043,890	212,978,418	19,111,005	232,089,423	25,745

^a For footnotes, see p. 190.

TABLE 2-A.—Individual returns with net income, not including fiduciary returns, 1940, by taxable and nontaxable returns, and by net income classes; aggregates for taxable and nontaxable individual returns with no net income; and taxable returns by type of tax liability—Part I, all returns; Part II, returns with normal tax and surtax; and Part III, returns with alternative tax by returns with net long-term capital gain and returns with net long-term capital loss, showing the tax computation: Number of returns, net income, deficit, personal exemption, credit for dependents, earned income credit, taxes, average tax and effective tax rate—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

PART III—RETURNS WITH ALTERNATIVE TAX^a—Continued

Net income classes (Thousands of dollars)		Computation of alternative tax—Continued							
		Returns with net long-term capital loss							
		Number of returns	Net income	Net long-term capital loss (item 10(b), p. 1, Form 1040)	Ordinary net income (col. 20+21) (item 3, Sch. F, Form 1040)	Personal exemption ^b	Credit for dependents	Earned income credit	Normal tax (item 10, Sch. F, Form 1040)
(1)	(20)	(21)	(22)	(23)	(24)	(25)	(26)		
Taxable individual returns:									
With net income:									
1	Under 1 (est.)	3	\$1,550	\$259,097	\$260,647	\$3,000	\$300	\$154	\$9,872
2	1 under 2 (est.)	4	5,551	280,753	286,304	6,800	800	4,500	10,966
3	2 under 2.5 (est.)	2	4,852	161,397	166,779	4,000		1,125	5,692
4	2.5 under 3 (est.)	3	8,305	323,013	331,318	4,050		839	12,211
5	3 under 4 (est.)	4	13,808	259,427	273,235	6,000	800	1,302	10,574
6	4 under 5 (est.)	1	4,628	312,360	316,988	2,000		300	12,570
7	5 under 6	8	42,893	577,857	620,750	11,600	2,400	2,643	23,409
8	6 under 7	4	26,818	224,960	251,778	3,000	400	1,566	9,559
9	7 under 8	9	67,093	625,663	692,756	14,000	2,800	6,465	26,102
10	8 under 9	9	75,457	459,527	534,984	16,900	1,200	4,496	20,258
11	9 under 10	7	66,060	423,333	489,393	9,850	1,167	3,309	18,767
12	10 under 11	11	116,148	740,654	856,802	17,500	2,367	8,980	32,649
13	11 under 12	4	46,578	185,210	231,788	1,600		2,748	8,996
14	12 under 13	19	236,240	777,623	1,013,863	15,400	2,267	8,773	38,131
15	13 under 14	20	270,253	826,680	1,096,933	30,167	4,400	13,956	40,021
16	14 under 15	25	361,999	988,296	1,350,295	23,600	5,200	17,385	50,907
17	15 under 20	225	4,077,269	6,136,103	10,213,372	281,567	32,199	143,514	381,645
18	20 under 25	1,714	40,108,744	11,962,806	52,071,550	2,297,316	302,397	1,308,445	1,897,243
19	25 under 30	3,135	85,675,152	12,272,536	97,947,688	4,987,028	1,012,307	2,835,993	3,521,872
20	30 under 40	3,924	135,103,703	17,570,487	152,674,190	6,193,405	1,344,044	3,597,572	5,537,749
21	40 under 50	2,297	102,260,004	12,132,583	114,392,587	3,684,523	796,555	2,173,174	4,256,174
22	50 under 60	1,372	75,045,382	7,716,540	82,761,922	2,218,674	503,155	1,325,683	3,117,554
23	60 under 70	872	56,384,656	5,297,877	61,682,533	1,406,892	305,554	856,065	2,345,300
24	70 under 80	551	41,177,482	4,047,463	45,224,945	881,900	183,300	546,771	1,734,463
25	80 under 90	394	33,329,850	2,948,143	36,277,993	638,083	135,000	392,393	1,393,875
26	90 under 100	283	26,838,886	2,283,663	29,122,549	440,067	106,000	272,644	1,124,239
27	100 under 150	753	90,120,823	6,215,093	96,335,916	1,208,283	260,282	762,760	3,731,259
28	150 under 200	251	42,773,061	3,593,553	46,366,614	412,300	88,665	236,052	1,816,504
29	200 under 250	94	21,016,784	972,343	21,989,127	139,600	22,267	79,462	865,078
30	250 under 300	64	17,565,705	1,313,953	18,879,658	108,800	15,000	53,579	746,005
31	300 under 400	71	24,340,251	1,931,213	26,271,464	116,700	25,733	62,933	1,038,801
32	400 under 500	39	17,765,249	730,600	18,495,849	66,800	9,566	31,885	734,444
33	500 under 750	25	15,002,442	775,610	15,778,052	39,600	4,399	21,510	626,711
34	750 under 1,000	12	9,658,640	385,827	10,044,467	19,600	5,200	5,012	400,096
35	1,000 under 1,500	7	8,216,545	76,253	8,292,828	10,400	1,200	3,200	331,017
36	1,500 under 2,000	3	5,103,619	183,557	5,287,176	4,900	400	2,000	211,010
37	2,000 under 3,000	3	7,807,794	54,717	7,862,511	3,800		3,100	314,224
38	3,000 under 4,000	3	10,302,237	562,330	10,864,567	5,000	2,167	2,000	431,023
39	4,000 under 5,000								
40	5,000 and over								
41	Total	16,225	871,022,541	106,589,630	977,612,171	25,339,705	5,179,991	14,797,288	36,936,970
42	With no net income ^c	46	2,550,665	9,474,716	6,924,051	66,800	5,200	33,702	266,940
43	Total, individual returns with alternative tax.	16,271	868,471,876	116,064,346	984,536,222	25,406,505	5,185,191	14,830,990	37,203,910

For footnotes, see p. 190.

TABLE 2-A.—Individual returns with net income, not including fiduciary returns, 1940, by taxable and nontaxable returns, and by net income classes; aggregates for taxable and nontaxable individual returns with no net income; and taxable returns by type of tax liability—Part I, all returns; Part II, returns with normal tax and surtax; and Part III, returns with alternative tax by returns with net long-term capital gain and returns with net long-term capital loss, showing the tax computation: Number of returns, net income, deficit, personal exemption, credit for dependents, earned income credit, taxes, average tax and effective tax rate—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

PART III—RETURNS WITH ALTERNATIVE TAX^a—Continued

(1)	Computation of alternative tax—Continued						(33)	(34)	
	Returns with net long-term capital loss—Continued								
	Surtax (item 11, Sch. F, Form 1040)	Tax			Average alternative and defense taxes (col. 30+19)	Effective tax rate, percent (returns with net income) (col. 30+20)			
		Alternative tax (col. 26+27—30% of col. 21) (item 14, Sch. F, Form 1040)	Defense tax ^b	Total (col. 28+29)					
(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)		
Taxable individual returns:									
With net income:									
1 Under 1 (est.)	\$86,766	\$18,909		\$18,909	\$6,303	1,219.94	\$6,303	1,219.94	1
2 1 under 2 (est.)	83,778	10,518	\$82	10,550	2,645	190.60	2,645	190.60	2
3 2 under 2.5 (est.)	46,046	3,169	166	3,335	1,668	68.31	1,668	68.31	3
4 2.5 under 3 (est.)	115,512	30,819		30,819	10,273	371.09	10,273	371.09	4
5 3 under 4 (est.)	77,964	10,710	319	11,029	2,757	79.87	2,757	79.87	5
6 4 under 5 (est.)	169,673	87,535		87,535	87,535	1,891.42	87,535	1,891.42	6
7 5 under 6	186,144	36,196	3,619	39,815	4,977	92.82	4,977	92.82	7
8 6 under 7	69,176	11,247	1,125	12,372	3,093	46.13	3,093	46.13	8
9 7 under 8	211,547	49,950	4,995	54,945	6,105	81.89	6,105	81.89	9
10 8 under 9	140,381	22,781	933	23,714	2,635	31.43	2,635	31.43	10
11 9 under 10	143,117	34,884	3,489	38,373	5,482	58.09	5,482	58.09	11
12 10 under 11	278,682	89,135	7,577	96,712	8,702	83.27	8,702	83.27	12
13 11 under 12	61,314	14,747	1,475	16,222	4,056	34.83	4,056	34.83	13
14 12 under 13	244,340	49,184	4,918	54,102	2,847	22.90	2,847	22.90	14
15 13 under 14	259,897	51,914	5,190	57,104	2,855	21.13	2,855	21.13	15
16 14 under 15	323,868	78,286	7,829	86,115	3,445	23.79	3,445	23.79	16
17 15 under 20	2,257,497	798,311	76,627	874,938	3,889	21.46	3,889	21.46	17
18 20 under 25	7,696,284	6,004,685	598,591	6,603,276	3,853	16.46	3,857	16.40	18
19 25 under 30	14,269,322	14,109,433	1,409,370	15,518,803	4,950	18.11	4,892	17.87	19
20 30 under 40	27,722,306	28,033,909	2,803,783	30,842,692	7,560	22.83	7,668	22.24	20
21 40 under 50	25,528,643	26,145,042	2,611,635	28,756,677	12,519	28.12	12,073	27.11	21
22 50 under 60	21,413,636	22,216,228	2,214,476	24,430,704	17,807	32.55	17,034	31.17	22
23 60 under 70	17,842,609	18,598,546	1,855,324	20,453,870	23,456	36.28	22,347	34.55	23
24 70 under 80	14,404,481	14,924,705	1,484,497	16,409,202	29,781	39.85	28,236	37.78	24
25 80 under 90	12,345,884	12,855,316	1,279,888	14,135,204	35,876	42.41	33,847	40.00	25
26 90 under 100	10,577,211	11,016,351	1,087,540	12,103,891	42,770	45.10	40,316	42.53	26
27 100 under 150	39,000,195	40,866,926	3,991,830	44,858,756	59,573	49.78	56,206	46.81	27
28 150 under 200	21,470,214	22,208,652	2,062,194	24,270,846	96,697	56.74	90,095	52.49	28
29 200 under 250	10,887,440	11,460,815	989,572	12,450,387	132,451	59.24	120,522	54.25	29
30 250 under 300	9,902,119	10,253,938	772,968	11,026,906	172,295	62.78	157,153	57.41	30
31 300 under 400	14,460,418	14,019,855	1,002,900	15,022,755	224,264	65.42	204,447	59.78	31
32 400 under 500	10,675,899	11,191,163	698,017	11,889,180	304,851	66.92	271,036	59.60	32
33 500 under 750	9,563,755	9,957,783	517,660	10,475,443	419,018	69.82	354,147	59.79	33
34 750 under 1,000	6,347,933	6,632,331	332,843	6,965,174	580,431	72.11	507,941	61.63	34
35 1,000 under 1,500	5,469,755	5,777,887	284,319	6,062,206	866,029	73.78	736,183	61.80	35
36 1,500 under 2,000	3,606,036	3,761,979	136,452	3,898,431	1,299,477	76.39	1,176,252	69.73	36
37 2,000 under 3,000	5,508,787	5,806,596	200,120	6,006,716	2,002,239	78.93	1,671,415	71.23	37
38 3,000 under 4,000	7,668,748	7,931,072	237,115	8,168,187	2,722,729	79.29	2,722,729	79.29	38
39 4,000 under 5,000							3,140,786	77.64	39
40 5,000 and over							3,693,783	60.96	40
41 Total	301,116,427	306,076,507	26,689,418	332,765,925	20,509	38.20	22,379	37.89	41
42 With no net income ^c	3,048,428	472,953		472,953	10,282		10,282		42
43 Total, individual returns with alternative tax.	304,164,855	306,549,460	26,689,418	333,238,878	20,481		22,357		43

For footnotes, see p. 190.

TABLE 2-B. (Table 10, Statistics of Income for 1939, Part 1.)—Taxable fiduciary returns with net income,¹⁵ 1940, by net income³ classes, and by type of tax liability—Part I, all returns; Part II, returns with normal tax and surtax; and Part III, returns with alternative tax by returns with net long-term capital gain and returns with net long-term capital loss, showing the tax computation: Number of returns, net income, personal exemption, taxes, average tax, and effective tax rate

[For description of items and classifications, and method of tabulating data, see pp. 4 and 6-9]

PART I—ALL RETURNS

Net income ³ classes (Thousands of dollars)	Number of returns	Net in- come ³	Personal exemp- tion ⁴	Tax									Average total tax (col. 5+2)	Effective tax rate, percent (col. 5÷3)
				Total tax (col. 6+10)	Returns with normal tax and surtax ⁷			Returns with alternative tax ⁸						
					Total (col. 7+8+9)	Normal tax	Surtax	Defense tax ⁹	Total (col. 11+12)	Alternative tax	Defense tax ⁹			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
Taxable fiduciary returns with net income: ¹														
Under 1.....	29,665	\$12,697,263	\$4,778,812	\$344,132	\$344,132	\$312,789		\$31,343					\$12	2.71
1 under 2.....	13,976	19,895,227	6,513,572	570,891	570,891	519,403		51,488					41	2.88
2 under 2.5.....	3,773	8,429,243	1,654,451	290,259	290,259	264,132		26,127					77	3.44
2.5 under 3.....	2,553	7,240,329	1,161,254	261,662	261,662	238,027		23,635					99	3.61
3 under 4.....	3,726	12,013,150	1,596,339	487,871	487,871	444,040		43,831					131	3.78
4 under 5.....	2,504	11,089,461	1,064,368	455,171	455,171	393,842		61,329					182	4.10
5 under 6.....	1,925	10,465,811	777,647	508,301	508,301	381,040		81,798					264	4.86
6 under 7.....	1,400	8,952,386	587,635	492,748	492,748	329,399		119,393					352	5.50
7 under 8.....	1,029	7,654,591	406,045	471,884	471,884	282,468		147,386					459	6.16
8 under 9.....	855	7,256,072	353,833	495,905	492,306	270,204		177,902		\$3,599	\$3,272	\$327	580	6.83
9 under 10.....	605	5,725,654	228,621	427,454	427,454	215,229		173,820					707	7.47
10 under 11.....	564	5,919,676	217,725	478,428	478,428	225,507		209,919					848	8.08
11 under 12.....	427	4,903,740	186,833	419,228	419,228	184,001		197,752					932	8.55
12 under 13.....	452	5,038,808	168,730	518,913	518,913	213,943		258,653					1,148	9.20
13 under 14.....	322	4,341,827	127,799	425,067	425,067	165,565		221,392					1,320	9.79
14 under 15.....	292	4,230,988	101,133	441,103	441,103	162,057		239,600					1,511	10.43
15 under 20.....	969	16,751,027	370,568	2,060,245	2,034,596	636,477		1,215,843		25,649	23,316	2,333	2,126	12.30
20 under 25.....	578	12,928,614	220,500	2,047,290	1,753,793	433,414		1,164,506		293,497	266,810	26,687	3,542	15.84
25 under 30.....	389	10,585,835	155,700	2,028,648	1,433,596	293,628		1,013,526		595,052	540,957	54,095	5,215	19.16
30 under 40.....	435	14,884,776	171,033	3,454,072	2,152,513	367,402		1,592,593		1,301,559	1,183,259	118,300	7,940	23.21
40 under 50.....	264	11,761,821	109,500	3,239,138	2,040,545	294,776		1,563,681		1,198,593	1,089,634	108,959	12,269	27.54
50 under 60.....	156	8,451,555	69,100	2,636,902	1,602,568	187,756		1,180,452		1,134,334	1,032,958	101,376	16,903	31.20
60 under 70.....	91	5,831,527	36,100	1,997,536	1,080,110	122,414		859,508		917,426	836,690	80,736	21,951	34.25
70 under 80.....	52	3,882,675	18,700	1,455,071	711,881	73,910		573,254		743,190	677,384	65,806	27,982	37.48
80 under 90.....	45	3,840,823	15,700	1,517,044	687,274	67,331		559,645		829,770	754,336	75,434	33,712	39.50
90 under 100.....	44	4,175,360	13,000	1,741,337	805,980	74,942		660,603		935,357	850,333	85,024	39,576	41.71
100 under 150.....	98	11,765,579	37,300	5,291,867	2,300,070	185,802		1,905,170		2,991,797	2,732,299	259,498	53,999	44.98
150 under 200.....	39	6,631,308	14,800	3,307,256	1,365,889	99,949		1,142,759		1,941,367	1,779,193	162,174	84,801	49.87
200 under 250.....	18	4,084,610	8,300	2,001,069	1,047,379	71,309		887,535		953,690	874,820	78,870	111,171	48.99
250 under 300.....	8	2,115,794	2,200	985,756	154,465	10,353		132,428		831,291	760,794	70,497	123,220	46.59
300 under 400.....	10	3,632,704	4,700	1,923,040	243,571	15,276		212,836		1,679,469	1,561,287	118,182	192,304	52.94
400 under 500.....	5	2,366,107	2,100	1,340,018						1,340,018	1,270,373	69,645	268,004	56.63
500 under 750.....	14	8,344,115	2,800	3,968,156	505,483	29,081		451,697		3,462,673	3,198,827	263,846	283,440	47.56
750 under 1,000.....	2	1,710,622	900	1,066,746	587,601	33,292		527,031		479,145	435,587	43,558	533,373	62.36
1,000 under 1,500.....	1	1,311,698	100	432,231						432,231	392,937	39,294	432,231	32.95
1,500 under 2,000.....	1	1,861,603	800	1,401,721	1,401,721	74,432		1,276,166					1,401,721	75.30
2,000 under 3,000.....														
3,000 under 4,000.....														
4,000 under 5,000.....	1	4,644,911	100	3,979,229						3,979,229	3,979,229		3,979,229	85.67
5,000 and over.....														
Total.....	67,388	278,827,290	21,168,798	54,963,289	28,894,353	7,673,190	18,767,184	2,453,979	26,068,936	24,244,295	1,824,641	816	19.71	

For footnotes, see p. 190.

TABLE 2-B. (Table 10, Statistics of Income for 1939, Part 1.)—Taxable fiduciary returns with net income,¹⁵ 1940, by net income³ classes, and by type of tax liability—Part I, all returns; Part II, returns with normal tax and surtax; and Part III, returns with alternative tax by returns with net long-term capital gain and returns with net long-term capital loss, showing the tax computation: Number of returns, net income, personal exemption, taxes, average tax, and effective tax rate—Continued

[For description of items and classifications, and method of tabulating data, see pp. 4 and 6-9]

PART II—RETURNS WITH NORMAL TAX AND SURTAX⁷

Net income ³ classes (Thousands of dollars)	Number of returns	Net income ³	Personal exemption ³	Tax						Average total tax (col. 5+2)	Effective tax rate, percent (col. 5+3)
				Total tax (col. 7+9+10)	Normal tax		Surtax		Defense tax ⁸		
					Number of returns	Amount	Number of returns	Amount			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Taxable fiduciary returns with net income:³											
Under 1.....	29,665	\$12,697,263	\$4,778,812	\$344,132	29,665	\$312,789			\$31,343	\$12	2.71
1 under 2.....	13,976	19,805,227	6,513,572	570,891	13,976	519,403			51,488	41	2.88
2 under 2.5.....	3,773	8,429,243	1,654,451	290,259	3,773	264,132			26,127	77	3.44
2.5 under 3.....	2,653	7,240,329	1,161,254	261,562	2,653	238,027			23,535	99	3.61
3 under 4.....	3,726	12,913,150	1,596,339	437,871	3,726	444,040			43,831	131	3.78
4 under 5.....	2,504	11,089,461	1,064,368	455,171	1,176	393,842	1,328	\$20,336	40,993	182	4.10
5 under 6.....	1,925	10,465,811	777,647	508,301	1,922	381,040	1,913	81,798	45,463	264	4.86
6 under 7.....	1,400	8,952,386	587,635	492,748	1,397	329,399	1,400	119,393	43,956	352	5.50
7 under 8.....	1,029	7,654,591	406,045	471,884	1,022	282,468	1,029	147,386	42,030	459	6.16
8 under 9.....	854	7,247,966	353,033	492,306	851	270,204	854	177,902	44,200	576	6.79
9 under 10.....	605	5,725,654	228,621	427,454	605	215,229	605	173,820	38,405	707	7.47
10 under 11.....	564	5,919,676	217,725	478,428	564	225,507	564	209,919	43,002	848	8.03
11 under 12.....	427	4,903,740	186,833	419,228	427	184,001	427	197,752	37,475	982	8.55
12 under 13.....	452	5,638,808	168,730	518,913	452	213,943	452	258,653	46,317	1,148	9.20
13 under 14.....	322	4,341,827	127,799	425,067	322	165,565	322	221,392	38,110	1,320	9.79
14 under 15.....	292	4,230,988	101,133	441,103	292	162,057	292	239,600	39,446	1,511	10.43
15 under 20.....	960	16,588,201	368,268	2,034,596	959	636,477	960	1,215,843	182,276	2,119	12.27
20 under 25.....	506	11,228,609	203,500	1,753,793	503	433,414	506	1,164,506	155,873	3,468	15.62
25 under 30.....	280	7,608,556	123,800	1,433,596	279	293,628	280	1,013,526	126,442	5,120	18.84
30 under 40.....	276	9,436,131	129,233	2,152,513	276	367,402	276	1,592,593	192,518	7,799	22.81
40 under 50.....	169	7,474,278	73,500	2,040,545	169	294,776	169	1,563,681	182,088	12,074	27.30
50 under 60.....	89	4,810,361	38,700	1,502,568	89	187,756	89	1,180,452	134,360	16,883	31.24
60 under 70.....	49	3,103,679	21,700	1,080,110	49	122,414	49	859,508	98,188	22,043	34.80
70 under 80.....	25	1,863,392	10,900	711,881	25	73,910	25	573,254	64,717	28,475	38.20
80 under 90.....	20	1,699,228	7,600	687,274	20	67,331	20	559,645	60,298	34,364	40.45
90 under 100.....	20	1,837,257	9,200	805,980	20	74,942	20	660,603	70,435	40,299	42.71
100 under 150.....	39	4,730,907	19,300	2,300,070	39	185,802	39	1,905,170	209,098	58,976	48.62
150 under 200.....	15	2,517,901	7,800	1,365,889	15	99,949	15	1,142,759	123,181	91,059	54.25
200 under 250.....	8	1,800,636	5,000	1,047,379	8	71,309	8	887,535	88,535	130,922	58.17
250 under 300.....	1	259,614	800	154,465	1	10,353	1	132,428	11,684	154,465	59.50
300 under 400.....	1	382,703	800	243,571	1	15,276	1	212,836	15,459	243,571	63.64
400 under 500.....											
500 under 750.....	1	727,824	800	505,483	1	29,081	1	451,697	24,705	505,483	69.45
750 under 1,000.....	1	833,093	800	587,601	1	33,292	1	527,031	27,278	587,601	70.53
1,000 under 1,500.....											
1,500 under 2,000.....	1	1,861,603	800	1,401,721	1	74,432	1	1,276,166	51,123	1,401,721	75.30
2,000 under 3,000.....											
3,000 under 4,000.....											
4,000 under 5,000.....											
5,000 and over.....											
Total.....	66,628	216,070,093	20,946,498	28,894,353	65,279	7,673,190	11,647	18,767,184	2,453,979	434	13.37

For footnotes, see p. 190.

498908-43-8

TABLE 3.—Individual returns and taxable fiduciary returns, with net income, 1940,¹ by net income classes: Simple and cumulative distribution of number of returns, net income, and total tax, with corresponding percentage distribution; also aggregate for individual returns with no net income.

For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

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

Net income ³ classes (1)	Number of 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)
Individual returns and taxable fiduciary returns ³ with net income:						
Under 1 (est.)	1,941,122	13.24	14,665,462	100.00	1,941,122	13.24
1 under 2 (est.)	5,026,595	34.27	12,724,340	86.76	6,967,717	47.51
2 under 2.5 (est.)	3,463,160	23.61	7,697,745	52.49	10,430,877	71.12
2.5 under 3 (est.)	1,801,891	12.29	4,234,585	28.88	12,232,768	83.41
3 under 4 (est.)	1,250,232	8.53	2,432,754	16.59	13,482,940	91.94
4 under 5 (est.)	402,593	2.74	1,182,522	8.06	13,885,533	94.68
5 under 6	219,814	1.50	779,929	5.32	14,105,347	96.18
6 under 7	130,302	.89	560,115	3.82	14,235,649	97.07
7 under 8	84,424	.58	429,813	2.93	14,320,073	97.65
8 under 9	59,328	.40	345,389	2.35	14,379,401	98.05
9 under 10	45,291	.31	286,061	1.95	14,424,692	98.36
10 under 11	34,265	.23	240,770	1.64	14,458,957	98.59
11 under 12	27,270	.19	206,505	1.41	14,486,227	98.78
12 under 13	21,669	.15	179,235	1.22	14,507,896	98.93
13 under 14	17,870	.12	157,566	1.07	14,525,766	99.05
14 under 15	15,123	.10	139,696	.95	14,540,889	99.15
15 under 20	48,258	.33	124,573	.85	14,589,147	99.48
20 under 25	24,836	.17	76,315	.52	14,613,983	99.65
25 under 30	14,309	.10	51,479	.35	14,628,292	99.75
30 under 40	15,227	.10	37,170	.25	14,643,519	99.85
40 under 50	7,728	.05	21,943	.15	14,651,247	99.90
50 under 60	4,311	.03	14,215	.10	14,655,558	99.93
60 under 70	2,639	.02	9,904	.07	14,658,197	99.95
70 under 80	1,677	.01	7,265	.05	14,659,874	99.96
80 under 90	1,221	.01	5,588	.04	14,661,095	99.97
90 under 100	825	.01	4,367	.03	14,661,920	99.98
100 under 150	1,964	.01	3,542	.02	14,663,884	99.99
150 under 200	665	(16)	1,578	.01	14,664,549	99.99
200 under 250	291	(16)	913	.01	14,664,840	99.99
250 under 300	175	(16)	622	(16)	14,665,015	99.99
300 under 400	176	(16)	447	(16)	14,665,191	99.99
400 under 500	91	(16)	271	(16)	14,665,282	99.99
500 under 750	93	(16)	180	(16)	14,665,375	99.99
750 under 1,000	35	(16)	87	(16)	14,665,410	99.99
1,000 under 1,500	29	(16)	52	(16)	14,665,439	99.99
1,500 under 2,000	9	(16)	23	(16)	14,665,448	99.99
2,000 under 3,000	6	(16)	14	(16)	14,665,454	99.99
3,000 under 4,000	4	(16)	8	(16)	14,665,458	99.99
4,000 under 5,000	3	(16)	4	(16)	14,665,461	99.99
5,000 and over	1	(16)	1	(16)	14,665,462	100.00
Total, individual returns and taxable fiduciary returns with net income	14,665,462	100.00				
Individual returns with no net income ⁴	112,697	(14)				
Grand total	14,778,159	(14)				

For footnote, see p. 190.

TABLE 3.—Individual returns and taxable fiduciary returns, with net income, 1940,¹ by net income classes: Simple and cumulative distribution of number of returns, net income, and total tax, with corresponding percentage distribution; also aggregate for individual returns with no net income—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

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

Net income ³ classes (1)	Net income ³					
	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)
Individual returns and taxable fiduciary returns ³ with net income:						
Under 1 (est.)	1,525,260	4.17	36,588,546	100.00	1,525,260	4.17
1 under 2 (est.)	7,361,338	20.12	35,063,285	95.83	8,886,598	24.29
2 under 2.5 (est.)	7,696,528	21.03	27,701,947	75.71	16,583,126	45.32
2.5 under 3 (est.)	4,887,104	13.36	20,005,419	54.68	21,470,231	58.08
3 under 4 (est.)	4,233,967	11.57	15,118,315	41.32	25,704,198	70.25
4 under 5 (est.)	1,780,801	4.87	10,884,848	29.75	27,484,999	75.12
5 under 6	1,200,495	3.28	9,103,547	24.88	28,685,493	78.40
6 under 7	841,519	2.30	7,603,052	21.00	29,527,013	80.70
7 under 8	630,495	1.72	7,061,533	19.30	30,157,508	82.42
8 under 9	502,685	1.38	6,431,038	17.58	30,660,192	83.80
9 under 10	429,239	1.17	5,928,353	16.20	31,089,431	84.97
10 under 11	359,094	.98	5,409,115	15.03	31,448,525	85.95
11 under 12	313,176	.86	5,140,021	14.05	31,761,701	86.81
12 under 13	270,457	.74	4,826,845	13.19	32,032,158	87.55
13 under 14	240,890	.66	4,556,388	12.45	32,273,048	88.21
14 under 15	219,025	.59	4,315,498	11.79	32,492,073	88.80
15 under 20	829,986	2.27	4,086,473	11.20	33,322,058	91.07
20 under 25	653,014	1.51	3,266,488	8.93	33,875,072	92.58
25 under 30	390,323	1.07	2,713,474	7.42	34,265,395	93.65
30 under 40	623,106	1.43	2,323,151	6.35	34,788,501	95.08
40 under 50	343,657	.94	1,800,045	4.92	35,132,158	96.02
50 under 60	235,360	.64	1,456,388	3.98	35,367,518	96.66
60 under 70	170,543	.47	1,221,028	3.34	35,638,061	97.13
70 under 80	125,212	.34	1,050,485	2.87	35,663,273	97.47
80 under 90	103,249	.28	925,273	2.53	35,766,521	97.75
90 under 100	78,131	.22	822,025	2.25	35,844,653	97.97
100 under 150	235,754	.64	743,893	2.03	36,080,406	98.61
150 under 200	113,932	.31	508,140	1.39	36,194,338	98.92
200 under 250	64,923	.18	394,208	1.08	36,259,261	99.10
250 under 300	47,741	.13	329,285	.90	36,307,002	99.23
300 under 400	60,496	.17	281,544	.77	36,367,498	99.40
400 under 500	41,260	.11	221,048	.60	36,408,758	99.51
500 under 750	55,040	.15	179,788	.49	36,463,798	99.60
750 under 1,000	29,184	.08	124,748	.34	36,492,982	99.74
1,000 under 1,500	34,757	.09	95,664	.26	36,527,739	99.83
1,500 under 2,000	15,475	.04	60,807	.17	36,543,214	99.87
2,000 under 3,000	14,079	.04	45,332	.13	36,557,293	99.91
3,000 under 4,000	13,443	.04	31,253	.09	36,570,736	99.95
4,000 under 5,000	12,735	.04	17,810	.05	36,583,471	99.99
5,000 and over	5,075	.01	5,075	.01	36,588,546	100.00
Total, individual returns and taxable fiduciary returns with net income	36,588,546	100.00				
Individual returns with no net income	311,385	(14)				

For footnote, see p. 190.

TABLE 3.—Individual returns and taxable fiduciary returns, with net income, 1940,¹ by net income classes: Simple and cumulative distribution of number of returns, net income, and total tax, with corresponding percentage distribution; also aggregate for individual returns with no net income—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

[Net income classes and money figures in thousands of dollars]						
Net income ³ classes (1)	Total tax ²					
	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 ² with net income:						
Under 1 (est.)	2,115	0.14	1,495,930	100.00	2,115	0.14
1 under 2 (est.)	57,727	3.86	1,493,815	99.86	59,842	4.00
2 under 2.5 (est.)	24,891	1.66	1,436,088	96.00	84,734	5.66
2.5 under 3 (est.)	24,935	1.67	1,411,197	94.34	109,669	7.33
3 under 4 (est.)	45,860	3.07	1,386,262	92.67	155,529	10.40
4 under 5 (est.)	32,971	2.20	1,340,402	89.60	188,499	12.60
5 under 6	28,507	1.91	1,307,431	87.40	217,006	14.51
6 under 7	24,541	1.64	1,278,925	85.49	241,547	16.15
7 under 8	23,026	1.54	1,254,383	83.85	264,573	17.69
8 under 9	21,804	1.46	1,231,358	82.31	286,466	19.15
9 under 10	21,573	1.44	1,209,464	80.85	308,040	20.59
10 under 11	20,477	1.37	1,187,891	79.41	328,516	21.96
11 under 12	19,704	1.32	1,167,414	78.04	348,310	23.28
12 under 13	18,836	1.26	1,147,620	76.72	367,146	24.54
13 under 14	18,203	1.22	1,128,784	75.46	385,349	25.76
14 under 15	17,885	1.20	1,110,582	74.24	403,234	26.96
15 under 20	83,055	5.55	1,092,696	73.04	486,289	32.51
20 under 25	74,977	5.01	1,009,641	67.49	561,266	37.52
25 under 30	67,164	4.49	934,664	62.48	628,430	42.01
30 under 40	112,824	7.54	867,500	57.99	741,254	49.55
40 under 50	90,969	6.08	754,677	50.45	832,223	55.63
50 under 60	72,155	4.82	663,708	44.37	904,378	60.45
60 under 70	58,325	3.90	591,553	39.55	962,703	64.35
70 under 80	46,770	3.13	533,228	35.65	1,009,473	67.48
80 under 90	41,095	2.75	486,458	32.52	1,050,567	70.23
90 under 100	33,069	2.21	445,363	29.77	1,083,637	72.44
100 under 150	110,629	7.39	412,294	27.56	1,194,266	79.83
150 under 200	59,956	4.01	301,665	20.17	1,254,222	83.84
200 under 250	35,485	2.38	241,709	16.16	1,289,707	86.22
250 under 300	27,391	1.83	206,224	13.78	1,317,098	88.05
300 under 400	36,240	2.42	178,833	11.95	1,353,337	90.47
400 under 500	24,802	1.66	142,593	9.53	1,378,139	92.13
500 under 750	32,524	2.17	117,791	7.87	1,410,663	94.50
750 under 1,000	18,649	1.25	85,267	5.70	1,429,312	95.30
1,000 under 1,500	21,651	1.45	66,619	4.45	1,450,963	97.50
1,500 under 2,000	10,991	.73	44,968	3.00	1,461,954	97.73
2,000 under 3,000	10,028	.67	33,977	2.27	1,471,982	98.40
3,000 under 4,000	10,594	.71	23,948	1.60	1,482,576	99.11
4,000 under 5,000	10,261	.68	13,355	.89	1,492,837	99.79
5,000 and over	3,094	.21	3,094	.21	1,495,930	100.00
Total, individual returns and taxable fiduciary returns with net income	1,495,930	100.00				
Individual returns with no net income (taxable) ³	473	(14)				
Grand total	1,496,403	(14)				

For footnote, see p. 190.

TABLE 3-A.—Individual returns with net income, not including fiduciary returns, 1940, by net income classes: Simple and cumulative distribution of number of returns, net income, and total tax, with corresponding percentage distribution; also aggregate for individual returns with no net income

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

[Net income classes and money figures in thousands of dollars]						
Net income classes (1)	Number of 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)
Individual returns with net income:						
Under 1 (est.)	1,911,457	13.09	14,598,074	100.00	1,911,457	13.09
1 under 2 (est.)	5,012,619	34.34	12,686,617	86.91	6,924,076	47.43
2 under 2.5 (est.)	3,459,387	23.70	7,673,998	52.57	10,383,463	71.13
2.5 under 3 (est.)	1,799,178	12.32	4,214,611	28.87	12,182,641	83.45
3 under 4 (est.)	1,246,506	8.54	2,415,433	16.55	13,429,147	91.99
4 under 5 (est.)	400,089	2.74	1,168,927	8.01	13,829,236	94.73
5 under 6	217,889	1.50	768,838	5.27	14,047,125	96.23
6 under 7	128,902	.88	550,949	3.77	14,176,027	97.11
7 under 8	83,395	.57	422,047	2.89	14,259,422	97.68
8 under 9	58,473	.41	338,652	2.32	14,317,895	98.09
9 under 10	44,686	.30	280,179	1.91	14,362,581	98.39
10 under 11	33,701	.23	235,493	1.61	14,396,282	98.62
11 under 12	26,843	.18	201,792	1.38	14,423,125	98.80
12 under 13	21,217	.15	174,949	1.20	14,444,342	98.95
13 under 14	17,548	.12	153,732	1.05	14,461,890	99.07
14 under 15	14,831	.10	136,184	.93	14,476,721	99.17
15 under 20	47,289	.32	121,353	.83	14,524,010	99.49
20 under 25	24,258	.17	74,064	.51	14,548,268	99.66
25 under 30	13,920	.10	49,806	.34	14,562,188	99.76
30 under 40	14,792	.10	35,886	.24	14,576,980	99.86
40 under 50	7,464	.05	21,094	.14	14,584,444	99.91
50 under 60	4,155	.02	13,630	.09	14,588,599	99.93
60 under 70	2,648	.02	9,475	.07	14,591,147	99.95
70 under 80	1,625	.01	6,927	.05	14,592,772	99.96
80 under 90	1,170	.01	5,302	.04	14,593,948	99.97
90 under 100	781	.01	4,126	.03	14,594,729	99.98
100 under 150	1,860	.01	3,345	.02	14,596,505	99.99
150 under 200	626	(16)	1,479	.01	14,597,221	99.99
200 under 250	273	(16)	853	(16)	14,597,494	99.99
250 under 300	167	(16)	580	(16)	14,597,661	99.99
300 under 400	166	(16)	413	(16)	14,597,827	99.99
400 under 500	86	(16)	247	(16)	14,597,913	99.99
500 under 750	79	(16)	161	(16)	14,597,992	99.99
750 under 1,000	33	(16)	82	(16)	14,598,025	99.99
1,000 under 1,500	28	(16)	49	(16)	14,598,053	99.99
1,500 under 2,000	8	(16)	21	(16)	14,598,061	99.99
2,000 under 3,000	6	(16)	13	(16)	14,598,067	99.99
3,000 under 4,000	4	(16)	7	(16)	14,598,071	99.99
4,000 under 5,000	2	(16)	3	(16)	14,598,073	99.99
5,000 and over	1	(16)	1	(16)	14,598,074	100.00
Total, individual returns with net income	14,598,074	100.00				
Individual returns with no net income ⁴	112,697	(14)				
Grand total	14,710,771	(14)				

For footnote, see p. 190.

TABLE 3-A.—Individual returns with net income, not including fiduciary returns, 1940, by net income classes: Simple and cumulative distribution of number of returns, net income, and total tax, with corresponding percentage distribution; also aggregate for individual returns with no net income—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

[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)
Individual returns with net income:						
Under 1 (est.)	1,512,563	4.17	36,309,719	100.00	1,512,563	4.17
1 under 2 (est.)	7,341,533	20.22	34,797,155	95.83	8,854,096	24.39
2 under 2.5 (est.)	7,688,099	21.17	27,455,623	75.61	16,542,195	45.56
2.5 under 3 (est.)	4,879,864	13.44	19,767,524	54.44	21,422,059	59.00
3 under 4 (est.)	4,221,054	11.62	14,887,660	41.00	25,643,113	70.62
4 under 5 (est.)	1,769,711	4.88	10,666,606	29.38	27,412,824	75.50
5 under 6	1,190,029	3.28	8,896,895	24.50	28,602,853	78.78
6 under 7	832,567	2.29	7,706,866	21.22	29,435,420	81.07
7 under 8	622,841	1.72	6,874,299	18.93	30,058,260	85.32
8 under 9	495,429	1.36	6,251,458	17.21	30,553,689	84.16
9 under 10	423,513	1.17	5,756,030	15.85	30,977,202	85.32
10 under 11	353,174	.97	5,332,516	14.68	31,330,376	86.29
11 under 12	308,273	.85	4,979,343	13.71	31,638,649	87.14
12 under 13	264,818	.73	4,671,070	12.86	31,903,466	87.87
13 under 14	236,548	.65	4,406,252	12.13	32,140,015	88.52
14 under 15	214,794	.59	4,169,704	11.48	32,354,809	89.11
15 under 20	813,235	2.24	3,954,910	10.89	33,168,043	91.35
20 under 25	540,085	1.49	3,141,676	8.65	33,708,128	92.84
25 under 30	379,737	1.04	2,601,590	7.16	34,087,866	93.88
30 under 40	508,221	1.40	2,221,853	6.12	34,596,087	95.28
40 under 50	331,895	.91	1,713,632	4.72	34,927,982	96.19
50 under 60	226,908	.63	1,381,737	3.81	35,154,890	96.82
60 under 70	164,712	.45	1,154,829	3.18	35,319,602	97.27
70 under 80	121,329	.34	990,117	2.73	35,440,931	97.61
80 under 90	99,408	.27	868,788	2.39	35,540,338	97.88
90 under 100	73,956	.20	769,380	2.12	35,614,294	98.08
100 under 150	223,988	.62	695,424	1.92	35,838,282	98.70
150 under 200	107,300	.30	471,436	1.30	35,945,583	99.00
200 under 250	60,839	.16	364,136	1.00	36,006,421	99.16
250 under 300	46,625	.13	303,297	.84	36,052,047	99.29
300 under 400	56,863	.16	257,672	.71	36,108,910	99.45
400 under 500	38,893	.10	200,809	.55	36,147,803	99.55
500 under 750	46,696	.13	161,915	.45	36,194,499	99.68
750 under 1,000	27,474	.08	115,219	.32	36,221,973	99.76
1,000 under 1,500	33,445	.09	87,746	.24	36,255,418	99.85
1,500 under 2,000	13,614	.04	54,301	.15	36,269,032	99.89
2,000 under 3,000	14,079	.04	40,687	.11	36,283,110	99.93
3,000 under 4,000	13,443	.03	26,608	.07	36,296,553	99.96
4,000 under 5,000	8,090	.03	13,165	.04	36,304,644	99.99
5,000 and over	5,075	.01	5,075	.01	36,309,719	100.00
Total, individual returns with net income	36,309,719	100.00				
Individual returns with no net income	311,385	(4)				

For footnotes, see p. 190.

TABLE 3-A.—Individual returns with net income, not including fiduciary returns, 1940, by net income classes: Simple and cumulative distribution of number of returns, net income, and total tax, with corresponding percentage distribution; also aggregate for individual returns with no net income—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

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

Net income classes (1)	Total tax ¹					
	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 with net income:						
Under 1 (est.)	1,771	0.12	1,440,967	100.00	1,771	0.12
1 under 2 (est.)	57,156	3.97	1,439,196	99.88	58,927	4.09
2 under 2.5 (est.)	24,601	1.71	1,382,040	95.91	83,528	5.80
2.5 under 3 (est.)	24,673	1.71	1,357,439	94.20	108,202	7.51
3 under 4 (est.)	45,372	3.15	1,332,765	92.49	153,574	10.66
4 under 5 (est.)	32,515	2.26	1,287,393	89.34	186,089	12.92
5 under 6	27,998	1.94	1,254,878	87.08	214,088	14.86
6 under 7	24,049	1.67	1,226,580	85.14	238,136	16.53
7 under 8	22,554	1.56	1,158,880	83.47	260,690	18.09
8 under 9	21,398	1.49	1,180,277	81.91	282,088	19.58
9 under 10	21,146	1.47	1,158,880	80.42	303,233	21.05
10 under 11	19,998	1.39	1,137,734	78.95	323,232	22.44
11 under 12	19,375	1.34	1,117,735	77.56	342,607	23.78
12 under 13	18,317	1.27	1,098,361	76.22	360,923	25.05
13 under 14	17,778	1.24	1,080,044	74.95	378,701	26.29
14 under 15	17,444	1.21	1,062,266	73.71	396,145	27.50
15 under 20	80,995	5.62	1,044,822	72.50	477,140	33.12
20 under 25	72,930	5.06	963,827	66.88	550,070	38.18
25 under 30	65,135	4.52	890,897	61.82	615,205	42.70
30 under 40	109,369	7.59	825,762	57.30	724,575	50.29
40 under 50	87,730	6.09	716,392	49.71	812,304	56.38
50 under 60	69,518	4.82	628,663	43.62	881,822	61.20
60 under 70	56,327	3.91	559,145	38.80	938,150	65.11
70 under 80	45,315	3.14	502,817	34.89	983,465	68.25
80 under 90	39,578	2.75	457,602	31.75	1,023,043	71.00
90 under 100	31,328	2.17	417,925	29.00	1,054,370	73.17
100 under 150	105,337	7.31	386,697	26.83	1,159,708	80.48
150 under 200	56,649	3.93	281,260	19.52	1,216,356	84.41
200 under 250	33,484	2.33	224,611	15.59	1,249,840	86.74
250 under 300	26,405	1.83	191,127	13.26	1,276,245	88.57
300 under 400	34,317	2.38	164,722	11.43	1,310,562	90.95
400 under 500	23,462	1.63	130,405	9.05	1,334,024	92.58
500 under 750	28,556	1.98	106,943	7.42	1,362,580	94.56
750 under 1,000	17,582	1.22	78,388	5.44	1,380,162	95.78
1,000 under 1,500	21,219	1.47	60,865	4.22	1,401,380	97.25
1,500 under 2,000	9,589	.67	39,587	2.75	1,410,970	97.92
2,000 under 3,000	10,028	.69	29,997	2.08	1,420,998	98.61
3,000 under 4,000	10,594	.74	19,969	1.39	1,431,592	99.35
4,000 under 5,000	6,282	.44	9,375	.65	1,437,873	99.79
5,000 and over	3,094	.21	3,094	.21	1,440,967	100.00
Total, individual returns with net income	1,440,967	100.00				
Individual returns with no net income (taxable) ²	473	(4)				
Grand total	1,441,440	(4)				

For footnotes, see p. 190.

TABLE 4.—Individual returns with net income, not including fiduciary returns, 1940, by States and Territories, and by sex and family relationship: Number of returns and net income

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-6, 8-9, and 12-13]

[Money figures in thousands of dollars]

States and Territories (1)	Total		Joint returns of husbands and wives, or of either husband or wife when no other return is filed	
	Number of returns	Net income	Number of returns	Net income
	(2)	(3)	(4)	(5)
Alabama	90,614	246,836	55,449	163,358
Alaska	13,949	31,355	7,165	20,288
Arizona	42,820	101,124	20,519	51,661
Arkansas	40,445	124,301	30,234	86,130
California	1,201,624	2,894,463	578,319	1,498,225
Colorado	108,701	264,963	58,271	161,306
Connecticut	329,592	846,773	144,623	440,229
Delaware	37,775	149,402	19,143	63,080
District of Columbia	161,540	426,908	62,785	214,406
Florida	138,998	396,140	75,189	233,060
Georgia	128,921	358,132	71,520	227,514
Hawaii	42,752	109,254	18,311	59,182
Idaho	43,361	83,428	21,121	44,544
Illinois	1,266,390	3,291,837	679,574	2,020,707
Indiana	351,410	809,926	186,770	510,684
Iowa	251,551	474,431	138,910	310,659
Kansas	128,950	265,046	72,898	175,134
Kentucky	131,428	319,545	68,514	196,137
Louisiana	128,052	324,035	69,690	156,661
Maine	70,296	156,065	32,435	88,354
Maryland	284,457	719,765	138,476	423,376
Massachusetts	665,007	1,692,141	301,817	886,939
Michigan	760,463	1,941,824	403,269	1,188,360
Minnesota	302,368	641,752	165,680	401,481
Mississippi	47,647	117,120	27,733	78,968
Missouri	327,567	795,443	165,856	472,078
Montana	65,879	144,739	35,116	94,091
Nebraska	105,878	226,120	59,017	151,007
Nevada	20,672	52,826	9,698	25,402
New Hampshire	53,379	117,130	24,656	67,212
New Jersey	732,008	1,836,481	371,951	1,108,648
New Mexico	29,119	15,065	7,165	38,460
New York	2,166,607	5,806,388	1,110,209	3,353,816
North Carolina	128,209	310,800	62,560	186,037
North Dakota	39,164	75,032	24,223	53,633
Ohio	901,785	2,259,570	492,965	1,422,066
Oklahoma	112,024	276,489	68,725	180,441
Oregon	123,321	274,810	59,889	167,063
Pennsylvania	1,221,442	3,034,846	591,313	1,723,917
Rhode Island	102,355	248,020	42,145	125,116
South Carolina	63,433	141,695	33,447	93,063
South Dakota	37,927	67,215	21,366	45,551
Tennessee	138,172	354,767	77,552	233,091
Texas	455,347	1,153,713	244,004	607,842
Utah	39,310	93,651	23,808	64,531
Vermont	34,291	73,875	17,977	45,670
Virginia	182,522	475,990	93,873	288,730
Washington	246,326	542,673	110,530	272,217
West Virginia	124,718	302,034	65,706	188,591
Wisconsin	330,992	722,720	179,768	459,698
Wyoming	28,516	66,171	16,580	44,632
Total, individual returns with net income.	14,598,074	36,309,719	7,456,432	21,213,046

For footnotes, see p. 190.

TABLE 4.—Individual returns with net income, not including fiduciary returns, 1940, by States and Territories, and by sex and family relationship: Number of returns and net income—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-6, 8-9, and 12-13]

[Money figures in thousands of dollars]

States and Territories (1)	Separate returns of husbands and wives ¹⁷				Community property returns ¹⁷			
	Men ¹⁸		Women ¹⁸		Men ¹⁸		Women ¹⁸	
	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	1,190	13,516	1,074	4,614				
Alaska	246	1,187	143	385				
Arizona	229	1,245	159	790	1,794	8,844	1,828	8,558
Arkansas	647	6,369	491	2,509				
California	8,023	36,237	8,370	30,233	32,053	238,154	32,735	216,652
Colorado	1,478	14,435	1,336	5,690				
Connecticut	4,933	69,889	4,042	28,634				
Delaware	902	33,461	1,042	13,580				
District of Columbia	2,996	26,292	2,763	9,856				
Florida	3,464	38,827	3,232	19,014				
Georgia	2,168	26,430	1,823	9,003				
Hawaii	864	8,650	659	2,904				
Idaho	188	447	155	234	1,967	7,436	1,915	7,416
Illinois	17,644	219,279	16,475	72,937				
Indiana	3,342	39,893	3,315	14,347				
Iowa	2,689	18,031	2,975	7,533				
Kansas	1,358	11,710	1,397	4,270				
Kentucky	1,862	18,569	1,690	6,570				
Louisiana	373	1,634	376	873	5,914	37,121	5,972	37,988
Maine	822	8,889	1,024	3,957				
Maryland	4,173	45,629	3,963	17,610				
Massachusetts	12,464	123,512	12,173	44,843				
Michigan	8,145	112,187	5,473	31,102				
Minnesota	3,352	34,526	2,916	12,918				
Mississippi	764	6,382	842	2,812				
Missouri	4,179	55,701	3,957	20,121				
Montana	543	3,712	458	1,546				
Nebraska	1,055	9,337	691	2,833				
Nevada	150	1,876	118	923	661	4,117	663	3,939
New Hampshire	670	6,709	693	2,941				
New Jersey	0,444	108,704	10,262	46,281				
New Mexico	122	618	170	944	1,301	6,550	1,271	6,274
New York	37,378	488,906	33,046	180,484				
North Carolina	2,354	23,403	2,978	10,103				
North Dakota	280	1,551	241	643				
Ohio	10,315	132,110	8,691	44,379				
Oklahoma	1,923	14,393	1,946	6,041	728	6,461	723	5,847
Oregon	1,621	13,348	1,418	4,954				
Pennsylvania	13,273	183,117	12,492	68,485				
Rhode Island	1,148	16,672	1,193	6,984				
South Carolina	916	7,551	768	2,285				
South Dakota	246	1,551	256	588				
Tennessee	1,607	22,399	1,618	7,715				
Texas	1,708	4,617	1,387	3,176	24,659	143,444	24,322	139,519
Utah	537	4,205	498	1,934				
Vermont	472	3,281	303	1,042				
Virginia	2,510	30,461	2,002	11,603				
Washington	864	2,842	805	2,199				
West Virginia	1,737	13,537	1,498	4,640	8,616	45,763	8,412	42,880
Wisconsin	5,355	43,125	4,388	13,529				
Wyoming	292	2,732	285	932				
Total, individual returns with net income.	184,983	2,118,585	170,070	795,394	77,593	497,880	77,841	469,072

For footnotes, see p. 190.

TABLE 4.—Individual returns with net income, not including fiduciary returns, 1940, by States and Territories, and by sex and family relationship: Number of returns and net income—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-6, 8-9, and 12-13]

[Money figures in thousands of dollars]

States and Territories (1)	Heads of families				Not heads of families			
	Single men and married men not living with wives		Single women and married women not living with husbands		Single men and married men not living with wives		Single women and married women not living with husbands	
	Number of returns (14)	Net income (15)	Number of returns (16)	Net income (17)	Number of returns (18)	Net income (19)	Number of returns (20)	Net income (21)
Alabama.....	6, 614	13, 657	3, 151	5, 553	18, 012	26, 518	14, 115	10, 619
Alaska.....	323	848	217	459	3, 867	5, 804	1, 088	2, 384
Arizona.....	2, 111	4, 122	1, 817	3, 352	8, 789	14, 215	5, 574	8, 337
Arkansas.....	2, 788	6, 472	1, 789	3, 239	6, 647	10, 189	6, 849	9, 192
California.....	47, 353	103, 982	59, 403	117, 422	239, 943	361, 160	195, 425	292, 397
Colorado.....	5, 285	11, 395	3, 369	6, 338	21, 180	35, 124	17, 782	30, 615
Connecticut.....	17, 071	38, 297	12, 339	23, 965	82, 021	138, 891	64, 563	106, 868
Delaware.....	1, 733	6, 442	1, 008	2, 480	8, 298	18, 415	5, 649	11, 945
District of Columbia.....	7, 273	18, 589	10, 142	20, 025	34, 494	64, 745	41, 087	72, 995
Florida.....	5, 526	14, 787	4, 201	9, 604	24, 460	41, 668	22, 926	39, 180
Georgia.....	5, 078	12, 687	5, 113	8, 928	20, 721	37, 908	22, 498	35, 571
Hawaii.....	2, 520	5, 012	1, 184	2, 650	15, 231	22, 053	3, 983	8, 743
Idaho.....	1, 892	3, 129	1, 174	1, 702	9, 831	12, 331	5, 118	6, 189
Illinois.....	58, 781	140, 629	35, 814	70, 873	276, 306	477, 683	181, 796	289, 727
Indiana.....	18, 424	38, 998	10, 840	18, 682	83, 977	125, 114	44, 733	62, 209
Iowa.....	10, 889	20, 366	6, 703	10, 486	50, 094	62, 062	39, 282	45, 294
Kansas.....	6, 567	12, 304	3, 731	5, 989	24, 339	32, 455	18, 660	23, 183
Kentucky.....	8, 078	16, 858	5, 055	8, 936	26, 805	43, 905	19, 424	28, 560
Louisiana.....	8, 014	16, 010	5, 411	9, 881	21, 939	34, 679	20, 363	29, 189
Maine.....	3, 064	6, 698	2, 222	4, 092	15, 715	22, 065	15, 014	22, 009
Maryland.....	16, 193	38, 901	6, 957	14, 520	78, 571	122, 323	36, 124	57, 405
Massachusetts.....	49, 087	110, 150	28, 701	56, 316	128, 531	233, 963	132, 234	236, 417
Michigan.....	36, 817	83, 132	15, 771	29, 620	208, 088	365, 127	82, 900	132, 296
Minnesota.....	12, 969	28, 129	7, 428	13, 481	68, 136	94, 064	41, 907	57, 153
Mississippi.....	2, 497	6, 016	1, 648	2, 933	7, 149	10, 765	7, 024	9, 244
Missouri.....	22, 223	47, 006	13, 961	24, 062	67, 338	103, 022	50, 043	73, 452
Montana.....	3, 306	6, 915	2, 031	3, 310	16, 419	24, 100	8, 006	11, 064
Nebraska.....	4, 286	8, 315	3, 188	5, 200	18, 609	25, 983	19, 032	23, 445
Nevada.....	619	2, 008	487	980	6, 132	10, 083	2, 144	3, 500
New Hampshire.....	2, 547	4, 767	1, 980	3, 425	12, 974	17, 043	9, 559	15, 032
New Jersey.....	48, 048	109, 549	25, 104	50, 022	155, 949	246, 450	111, 250	166, 827
New Mexico.....	1, 141	2, 590	919	1, 561	4, 875	7, 716	4, 255	6, 405
New York.....	140, 945	334, 829	71, 163	152, 277	444, 008	732, 985	329, 858	563, 092
North Carolina.....	5, 470	14, 065	3, 893	7, 100	20, 481	28, 356	30, 473	36, 735
North Dakota.....	1, 932	3, 593	818	1, 255	7, 875	9, 695	3, 815	4, 662
Ohio.....	40, 406	92, 336	24, 408	44, 701	202, 611	331, 724	122, 299	191, 995
Oklahoma.....	5, 431	12, 485	4, 379	7, 485	14, 726	23, 339	13, 443	18, 998
Oregon.....	5, 775	11, 365	3, 858	6, 178	34, 092	48, 277	16, 668	23, 625
Pennsylvania.....	77, 946	168, 094	45, 678	85, 527	278, 573	472, 341	202, 167	333, 366
Rhode Island.....	7, 626	15, 885	5, 577	9, 616	23, 862	39, 309	20, 804	34, 437
South Carolina.....	3, 068	6, 345	1, 851	3, 302	11, 984	15, 786	11, 399	13, 359
South Dakota.....	1, 025	3, 209	777	1, 118	7, 359	8, 463	5, 998	6, 734
Tennessee.....	5, 585	13, 648	5, 557	9, 387	24, 009	38, 735	22, 244	29, 791
Texas.....	12, 763	27, 739	14, 196	27, 198	69, 129	110, 715	63, 279	89, 464
Utah.....	2, 307	4, 953	1, 430	2, 514	6, 451	9, 355	4, 279	6, 160
Vermont.....	1, 730	3, 468	795	1, 293	8, 125	11, 370	4, 889	7, 151
Virginia.....	9, 142	20, 670	7, 178	13, 338	38, 418	66, 169	29, 300	45, 020
Washington.....	10, 190	20, 245	6, 471	11, 336	71, 894	104, 312	28, 540	40, 880
West Virginia.....	8, 135	16, 080	3, 436	6, 310	30, 501	51, 976	13, 705	20, 895
Wisconsin.....	12, 557	27, 866	6, 149	10, 708	65, 481	93, 637	57, 294	74, 156
Wyoming.....	1, 057	2, 374	801	1, 569	6, 158	9, 052	3, 343	4, 881
Total individual returns with net income.....	773, 207	1, 738, 209	491, 273	942, 366	3, 131, 177	5, 053, 307	2, 235, 498	3, 481, 851

For footnotes, see p. 190.

TABLE 5.—Individual returns with net income, not including fiduciary returns, 1940, by taxable and nontaxable returns, by net income classes, and by sex and family relationship: Number of returns, net income, personal exemption, and credit for dependents

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-9 and 12-13]

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

Net income classes (1)	Total				Joint returns of husbands and wives, or of either husband or wife when no other return is filed.			
	Number of returns (2)	Net income (3)	Personal exemption (4)	Credit for dependents (5)	Number of returns (6)	Net income (7)	Personal exemption (8)	Credit for dependents (9)
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Taxable individual returns with net income:								
Under 1 (est.).....	528, 784	482, 599	393, 893	376	400	299	217	3
1 under 2 (est.).....	2, 905, 035	4, 094, 796	2, 330, 981	53, 832	32, 340	53, 793	38, 879	670
2 under 2.5 (est.).....	914, 050	2, 083, 858	1, 288, 998	26, 594	451, 425	1, 057, 785	886, 975	2, 089
2.5 under 3 (est.).....	912, 174	2, 504, 204	1, 593, 632	95, 844	681, 101	1, 873, 736	1, 353, 703	77, 979
3 under 4 (est.).....	1, 014, 623	3, 474, 787	1, 831, 912	273, 230	794, 721	2, 720, 655	1, 584, 301	241, 076
4 under 5 (est.).....	393, 844	1, 742, 796	708, 116	144, 756	297, 056	1, 312, 507	592, 816	127, 175
5 under 6.....	217, 751	1, 189, 297	384, 342	89, 191	153, 968	840, 339	307, 314	75, 814
6 under 7.....	125, 902	832, 567	224, 733	55, 183	84, 720	546, 640	169, 119	45, 213
7 under 8.....	83, 395	622, 841	143, 596	35, 223	51, 222	382, 341	102, 200	27, 512
8 under 9.....	58, 473	495, 429	99, 807	24, 421	34, 064	288, 513	67, 978	18, 394
9 under 10.....	44, 630	423, 513	76, 132	18, 685	25, 192	238, 661	50, 242	13, 707
10 under 11.....	33, 701	353, 174	57, 001	14, 013	18, 108	189, 698	36, 108	9, 927
11 under 12.....	26, 843	305, 273	45, 261	11, 071	14, 017	160, 926	27, 982	7, 611
12 under 13.....	21, 217	264, 818	35, 601	8, 615	10, 577	131, 985	21, 090	5, 724
13 under 14.....	17, 548	236, 548	29, 431	7, 201	8, 555	115, 313	17, 048	4, 758
14 under 15.....	14, 831	214, 794	24, 877	6, 129	7, 026	101, 718	13, 983	3, 901
15 under 20.....	47, 289	813, 235	75, 762	19, 413	20, 019	353, 478	41, 100	11, 680
20 under 25.....	24, 258	540, 685	40, 321	9, 896	9, 151	205, 341	18, 265	5, 215
25 under 30.....	13, 020	379, 737	22, 599	5, 534	4, 527	123, 308	9, 015	2, 602
30 under 40.....	14, 792	568, 221	24, 183	5, 849	4, 163	142, 317	8, 288	2, 337
40 under 50.....	7, 464	331, 895	12, 123	2, 874	1, 734	76, 763	3, 457	981
50 under 60.....	4, 155	226, 908	6, 302	1, 621	858	46, 763	1, 705	466
60 under 70.....	2, 548	164, 712	4, 118	1, 004	453	29, 170	901	255
70 under 80.....	1, 625	121, 320	2, 641	606	294	21, 833	583	155
80 under 90.....	1, 176	99, 408	1, 832	426	170	14, 365	338	97
90 under 100.....	781	73, 956	1, 260	313	109	10, 294	218	73
100 under 150.....	1, 866	223, 988	2, 939	643	213	25, 436	423	95
150 under 200.....	626	107, 300	1, 015	220	62	10, 482	124	30
200 under 250.....	273	60, 339	426	97	21	4, 642	40	10
250 under 300.....	167	45, 625	282	59	15	4, 087	29	7
300 under 400.....	166	56, 863	273	62	16	5, 346	32	6
400 under 500.....	86	38, 893	144	26	2	900	4	.....
500 under 750.....	79	46, 696	122	20	5	2, 964	10	4
750 under 1,000.....	33	27, 474	50	14	.....	.....	.....	.....
1,000 under 1,500.....	28	33, 445	44	8	.....	.....	.....	.....
1,500 under 2,000.....	8	13, 614	13	2	.....	.....	.....	.....
2,000 under 3,000.....	6	14, 079	8	(19)	.....	.....	.....	.....
3,000 under 4,000.....	4	13, 443	7	2	.....	.....	.....	.....
4,000 under 5,000.....	2	8, 090	4	1	.....	.....	.....	.....
5,000 and over.....	1	5, 075	2	(19)	.....	.....	.....	.....
Total, taxable individual returns with net income.....	7, 437, 261	23, 279, 203	9, 463, 548	916, 107	2, 706, 903	11, 091, 825	5, 354, 536	685, 547
Nontaxable individual returns with net income: ¹⁰								
Under 1 (est.).....	1, 382, 673	1, 029, 964	1, 481, 341	126, 388	217, 930	141, 320	425, 740	58, 163
1 under 2 (est.).....	2, 107, 533	3, 246, 736	3, 927, 371	618, 841	1, 136, 068	1, 867, 366	2, 236, 858	291, 059
2 under 2.5 (est.).....	2, 545, 337	5, 604, 241	5, 083, 383	1, 155, 214	2, 336, 033	5, 144, 804	4, 670, 199	1, 063, 199
2.5 under 3 (est.).....	837, 004	2, 375, 690	1, 773, 621	719, 319	832, 767	2, 231, 244	1, 665, 912	679, 974
3 under 4 (est.).....	231, 883	746, 267	463, 889	284, 902	220, 859	710, 980	442, 225	272, 342
4 under 5 (est.).....	6, 245	26, 915	12, 531	14, 228	5, 752	24, 810	11, 578	13, 302
5 under 6.....	138	732	273	340	5, 120	636	239	320
Total, nontaxable individual returns with net income.....	7, 160, 813	13, 030, 516	12, 742, 414	2, 919, 232	4, 749, 529	10, 121, 221	9, 452, 759	2, 379, 258
Total, individual returns with net income.....	14, 598, 074	36, 309, 719	22, 205, 961	3, 835, 338	7, 456, 432	21, 213, 046	14, 807, 296	3, 064, 805

For footnotes, see p. 190.

TABLE 5.—Individual returns with net income, not including fiduciary returns, 1940, by taxable and nontaxable returns, by net income classes, and by sex and family relationship: Number of returns, net income, personal exemption, and credit for dependents—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-9 and 12-13]

[Net income classes and money figures in thousands of dollars]								
Net income classes (1)	Separate returns of husbands and wives ¹⁷							
	Men ¹⁸				Women ¹⁸			
	Number of returns (10)	Net income (11)	Personal exemption ^b (12)	Credit for dependents (13)	Number of returns (14)	Net income (15)	Personal exemption ^b (16)	Credit for dependents (17)
Taxable individual returns with net income:								
Under 1 (est.)	3,605	2,058	446	76	34,461	18,100	2,017	179
1 under 2 (est.)	16,738	25,961	13,679	770	37,596	54,611	15,023	823
2 under 2.5 (est.)	9,867	22,225	10,661	999	11,910	26,635	5,176	414
2.5 under 3 (est.)	9,195	25,152	11,673	1,016	9,178	25,160	4,902	534
3 under 4 (est.)	14,114	49,011	19,234	2,825	12,104	41,910	7,069	704
4 under 5 (est.)	10,288	46,249	14,883	2,564	6,745	30,334	4,573	538
5 under 6	11,390	62,632	18,417	3,307	3,303	34,967	4,939	656
6 under 7	9,918	64,321	17,207	3,263	4,457	38,853	3,595	531
7 under 8	8,183	61,251	14,553	3,003	3,478	26,007	2,952	442
8 under 9	6,726	57,065	12,021	2,519	2,670	22,647	2,373	378
9 under 10	5,321	55,225	10,554	2,236	2,150	20,377	1,822	311
10 under 11	6,019	52,615	9,191	2,007	1,743	18,281	1,622	253
11 under 12	4,257	48,011	7,794	1,683	1,461	16,776	1,303	236
12 under 13	3,683	46,131	6,836	1,516	1,267	15,828	1,172	182
13 under 14	3,189	42,745	5,880	1,336	1,050	14,148	1,028	178
14 under 15	3,018	42,740	5,618	1,272	939	13,590	894	163
15 under 20	10,681	184,816	19,992	4,591	3,047	52,449	3,024	531
20 under 25	6,615	147,793	12,512	2,905	1,798	40,026	1,902	353
25 under 30	4,272	116,598	8,181	1,894	1,172	32,072	1,247	225
30 under 35	5,026	173,184	9,649	2,354	1,295	44,447	1,458	261
35 under 40	2,876	128,202	5,474	1,283	710	31,609	837	164
40 under 50	1,680	91,655	3,240	806	425	23,265	504	83
50 under 60	1,098	71,193	2,099	533	278	17,918	325	80
60 under 70	685	51,127	1,319	303	158	11,813	182	41
70 under 80	522	44,194	1,003	224	133	11,226	160	27
80 under 90	352	33,319	681	161	80	7,583	90	13
90 under 100	870	104,685	1,661	363	214	25,633	246	51
100 under 150	291	50,067	569	112	70	11,872	103	21
150 under 200	130	28,811	251	54	33	7,338	42	14
200 under 250	78	21,265	152	34	24	6,610	43	6
250 under 300	77	26,692	149	37	27	9,036	42	9
300 under 400	43	19,427	82	14	20	9,038	38	9
400 under 500	36	21,188	71	13	12	7,227	15	—
500 under 750	18	14,763	34	12	2	1,949	—	(19)
750 under 1,000	13	14,902	26	3	4	4,811	7	2
1,000 under 1,500	5	8,574	10	2	—	—	—	—
1,500 under 2,000	2	5,753	3	—	1	2,075	2	(19)
2,000 under 3,000	3	10,414	5	1	1	3,029	2	1
3,000 under 4,000	1	4,069	2	1	1	4,021	2	1
4,000 under 5,000	1	5,075	2	(19)	—	—	—	—
5,000 and over	—	—	—	—	—	—	—	—
Total, taxable individual returns with net income	160,376	2,083,061	245,874	46,089	147,107	773,172	70,775	8,412
Nontaxable individual returns with net income: ¹⁰								
Under 1 (est.)	8,085	5,034	7,533	606	13,466	8,481	10,979	672
1 under 2 (est.)	9,653	14,004	13,854	2,033	8,337	10,980	10,497	1,339
2 under 2.5 (est.)	4,922	10,810	9,297	2,256	863	1,878	1,567	292
2.5 under 3 (est.)	1,326	3,581	2,483	1,079	152	409	284	70
3 under 4 (est.)	553	1,822	1,040	663	140	450	253	98
4 under 5 (est.)	62	268	122	157	3	14	2	2
5 under 6	1	5	2,000	—	2	11	4	(19)
Total, nontaxable individual returns with net income	24,607	35,525	34,330	6,793	22,963	22,222	23,586	2,473
Total, individual returns with net income	184,983	2,118,585	280,204	52,883	170,070	795,394	94,360	10,884

For footnotes, see p. 190.

TABLE 5.—Individual returns with net income, not including fiduciary returns, 1940, by taxable and nontaxable returns, by net income classes, and by sex and family relationship: Number of returns, net income, personal exemption, and credit for dependents—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-9 and 12-13]

[Net income classes and money figures in thousands of dollars]								
Net income classes (1)	Community property returns ¹⁷							
	Men ¹⁸				Women ¹⁸			
	Number of returns (18)	Net income (19)	Personal exemption ^b (20)	Credit for dependents (21)	Number of returns (22)	Net income (23)	Personal exemption ^b (24)	Credit for dependents (25)
Taxable individual returns with net income:								
Under 1 (est.)	175	112	32	3	472	287	65	1
1 under 2 (est.)	7,979	13,565	6,914	1,546	8,191	13,957	8,245	325
2 under 2.5 (est.)	6,633	14,852	5,915	2,162	7,240	16,190	7,675	506
2.5 under 3 (est.)	5,750	15,794	5,369	1,797	5,579	15,327	5,624	531
3 under 4 (est.)	13,500	47,439	12,665	3,594	13,769	48,025	14,339	1,127
4 under 5 (est.)	9,302	41,360	8,454	3,293	9,475	42,177	10,186	951
5 under 6	7,377	40,361	6,953	2,626	7,459	40,796	8,118	899
6 under 7	4,782	30,923	4,605	1,760	4,785	30,935	5,280	578
7 under 8	3,495	26,119	3,444	1,311	3,445	25,752	3,815	391
8 under 9	2,463	20,865	2,464	934	2,422	20,533	2,639	303
9 under 10	1,890	17,913	1,675	775	1,856	17,589	2,083	220
10 under 11	1,476	15,473	1,538	551	1,403	14,694	1,565	190
11 under 12	1,215	13,940	1,269	480	1,125	12,909	1,248	144
12 under 13	968	12,086	1,015	396	898	11,214	1,010	116
13 under 14	781	10,520	821	300	754	10,159	854	96
14 under 15	631	9,146	663	239	601	8,796	676	78
15 under 20	2,117	36,388	2,245	844	1,940	33,368	2,206	231
20 under 25	1,101	24,448	1,238	447	994	22,057	1,106	125
25 under 30	627	17,115	730	265	560	15,252	620	66
30 under 40	679	23,403	808	289	594	20,455	653	90
40 under 50	355	15,723	421	155	297	13,171	340	37
50 under 60	185	10,121	231	86	136	7,509	171	23
60 under 70	112	7,254	139	39	87	5,622	100	17
70 under 80	58	4,352	74	20	52	3,872	66	11
80 under 90	51	4,310	67	21	37	3,117	37	6
90 under 100	33	3,158	27	16	24	2,297	36	6
100 under 150	66	8,089	88	31	47	5,721	60	9
150 under 200	20	3,437	29	14	10	1,728	11	2
200 under 250	8	1,797	11	5	5	1,136	6	—
250 under 300	7	1,963	11	4	2	552	2	—
300 under 400	1	360	2	—	—	—	—	1
400 under 500	1	477	1	—	1	481	1	—
500 under 750	1	641	1	1	—	—	—	1
750 under 1,000	1	827	2	—	—	—	—	—
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, taxable individual returns with net income	73,906	494,282	70,134	24,003	74,251	465,589	79,137	7,078
Nontaxable individual returns with net income: ¹⁰								
Under 1 (est.)	2,082	1,291	1,870	290	2,168	1,350	2,109	123
1 under 2 (est.)	1,472	1,973	1,388	665	1,217	1,654	1,457	232
2 under 2.5 (est.)	88	195	93	83	189	431	281	118
2.5 under 3 (est.)	49	141	91	42	13	37	24	10
3 under 4 (est.)	1	3	2	1	3	10	5	3
4 under 5 (est.)	1	4	(19)	(19)	—	—	—	—
5 under 6	—	—	—	—	—	—	—	—
Total, nontaxable individual returns with net income	3,693	3,607	3,445	1,082	3,590	3,483	3,876	486
Total, individual returns with net income	77,599	497,889	73,579	25,085	77,841	469,072	83,013	7,564

For footnotes, see p. 190.

TABLE 5.—Individual returns with net income, not including fiduciary returns, 1940, by taxable and nontaxable returns, by net income classes, and by sex and family relationship: Number of returns, net income, personal exemption, and credit for dependents—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-9 and 12-13]

Net income classes (1)	[Net income classes and money figures in thousands of dollars]							
	Heads of families				Not heads of families			
	Single men and married men not living with wives		Single women and married women not living with husbands		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 ^s (28)	Credit for dependents (29)	Number of returns (30)	Net income (31)	Personal exemption ^s (32)	Credit for dependents (33)	
Taxable individual returns with net income:								
Under 1 (est.)	65	50	39	1	31	28	21	1
1 under 2 (est.)	3,416	5,729	3,849	348	2,390	3,811	2,677	166
2 under 2.5 (est.)	17,622	41,032	33,498	544	21,918	48,954	24,820	1,050
2.5 under 3 (est.)	29,499	81,661	58,091	5,878	12,185	33,858	24,047	2,831
3 under 4 (est.)	35,305	121,140	70,006	13,172	14,893	50,982	29,384	5,187
4 under 5 (est.)	13,789	61,258	27,414	6,181	5,473	24,241	10,796	2,119
5 under 6	8,351	45,631	16,575	3,719	2,955	16,111	5,840	1,161
6 under 7	5,186	33,525	10,300	2,431	2,004	12,944	3,968	770
7 under 8	3,426	25,679	6,834	1,568	1,325	9,579	2,645	532
8 under 9	2,482	21,038	4,929	1,118	1,009	8,530	1,997	418
9 under 10	1,834	17,377	3,648	837	796	7,546	1,577	315
10 under 11	1,355	14,198	2,680	628	550	5,765	1,090	209
11 under 12	1,085	12,457	2,155	525	469	5,395	928	200
12 under 13	898	10,442	1,661	392	340	4,250	672	145
13 under 14	671	9,047	1,335	307	316	4,272	630	146
14 under 15	538	7,790	1,072	267	250	3,615	492	95
15 under 20	1,713	29,452	3,401	801	833	14,359	1,622	338
20 under 25	865	19,249	1,715	433	392	8,711	774	187
25 under 30	466	12,675	929	223	272	7,411	536	122
30 under 40	492	16,882	972	240	267	9,163	525	114
40 under 50	216	9,644	429	106	127	5,619	252	63
50 under 60	145	7,927	288	79	59	3,224	117	29
60 under 70	80	5,109	156	52	36	2,337	72	17
70 under 80	55	4,101	110	31	39	2,916	78	23
80 under 90	42	3,544	82	22	14	1,183	28	8
90 under 100	26	2,434	52	14	11	1,045	22	10
100 under 150	50	5,956	101	22	26	3,207	51	14
150 under 200	14	2,381	27	8	21	3,600	42	18
200 under 250	5	1,121	10	4	7	1,561	14	3
250 under 300	5	1,376	10	4	5	1,356	10	2
300 under 400	7	2,318	14	2	2	697	4	3
400 under 500	1	473	2	2	1	469	2	(19)
500 under 750	4	2,336	8	2	1	754	2	(19)
750 under 1,000	2	1,632	4	1	1	1,310	2	
1,000 under 1,500	1	1,458	1	2				
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, taxable individual returns with net income	129,661	638,131	252,317	39,965	69,023	300,203	115,767	16,297
Nontaxable individual returns with net income:								
Under 1 (est.)	49,129	39,390	96,787	12,123	53,253	44,052	104,591	15,206
1 under 2 (est.)	398,682	602,319	847,008	112,103	303,759	439,315	602,076	86,146
2 under 2.5 (est.)	145,469	319,433	290,630	63,865	52,986	116,370	105,857	20,742
2.5 under 3 (est.)	41,277	109,025	82,530	30,596	10,782	28,593	21,579	6,818
3 under 4 (est.)	8,718	27,830	17,464	10,188	1,310	4,202	2,641	1,422
4 under 5 (est.)	264	1,144	526	609	144	593	287	157
5 under 6	7	37	14	16	7	38	14	4
Total, nontaxable individual returns with net income	643,546	1,100,078	1,335,859	229,500	422,250	633,163	837,045	130,494
Total, individual returns with net income	773,207	1,738,209	1,588,176	269,466	491,273	942,366	952,812	146,792

For footnotes, see p. 190.

TABLE 5.—Individual returns with net income, not including fiduciary returns, 1940, by taxable and nontaxable returns, by net income classes, and by sex and family relationship: Number of returns, net income, personal exemption, and credit for dependents—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-9 and 12-13]

Net income classes (1)	[Net income classes and money figures in thousands of dollars]							
	Heads of families				Not heads of families			
	Single men and married men not living with wives		Single women and married women not living with husbands		Single men and married men not living with wives		Single women and married women not living with husbands	
Number of returns (34)	Net income (35)	Personal exemption ^s (36)	Credit for dependents (37)	Number of returns (38)	Net income (39)	Personal exemption ^s (40)	Credit for dependents (41)	
Taxable individual returns with net income:								
Under 1 (est.)	258,835	244,281	206,798	46	230,740	217,384	184,259	67
1 under 2 (est.)	1,726,192	2,454,644	1,384,661	33,307	1,070,244	1,468,725	857,054	15,878
2 under 2.5 (est.)	255,474	563,825	207,963	14,130	131,961	292,360	106,404	4,702
2.5 under 3 (est.)	102,326	277,578	83,574	6,541	57,361	155,938	46,349	1,737
3 under 4 (est.)	68,432	232,568	56,118	3,924	47,739	163,057	38,706	1,622
4 under 5 (est.)	24,410	108,152	20,058	1,416	17,306	76,519	13,937	521
5 under 6	11,301	61,688	9,274	709	8,557	46,773	6,913	300
6 under 7	7,478	48,336	6,110	426	5,572	36,089	4,489	210
7 under 8	4,954	36,965	4,052	313	3,817	28,746	3,099	150
8 under 9	3,653	30,936	2,996	234	2,984	25,300	2,411	122
9 under 10	2,830	26,651	2,317	179	2,317	21,973	1,868	104
10 under 11	2,258	23,667	1,842	163	1,791	18,784	1,456	85
11 under 12	1,736	19,960	1,415	130	1,478	16,998	1,187	62
12 under 13	1,300	16,226	1,060	79	1,336	16,656	1,084	65
13 under 14	1,200	16,174	985	82	1,052	14,168	851	58
14 under 15	939	13,609	762	62	889	12,876	719	43
15 under 20	3,198	54,947	2,608	242	3,141	53,078	2,534	155
20 under 25	1,641	36,607	1,336	125	1,701	37,852	1,371	105
25 under 30	977	26,750	797	77	1,047	28,537	843	61
30 under 40	1,113	38,329	909	97	1,163	40,040	938	67
40 under 50	546	24,301	446	47	603	26,760	487	38
50 under 60	309	16,910	252	26	358	19,544	293	24
60 under 70	179	11,661	146	12	225	14,547	181	19
70 under 80	142	10,692	114	14	142	10,661	115	0
80 under 90	104	8,797	85	11	103	8,670	83	17
90 under 100	71	6,731	59	13	75	7,095	61	8
100 under 150	181	21,772	146	21	199	23,488	162	35
150 under 200	70	12,159	56	9	68	11,573	54	7
200 under 250	33	7,485	26	4	31	6,947	20	3
250 under 300	17	4,633	14	1	14	3,782	12	2
300 under 400	16	5,713	13	2	20	6,793	17	2
400 under 500	4	1,814	3	1	13	5,755	10	2
500 under 750	4	2,274	3	1	17	10,076	14	2
750 under 1,000	6	5,133	5	1	3	2,516	2	-----
1,000 under 1,500	3	3,918	2	2	5	5,859	4	-----
1,500 under 2,000	1	1,658	1	2	2	3,382	2	-----
2,000 under 3,000	2	4,009	2	1	1	2,152	1	-----
3,000 under 4,000								-----
4,000 under 5,000								-----
5,000 and over								-----
Total, taxable individual returns with net income	2,481,935	4,481,656	1,997,009	62,443	1,594,105	2,042,286	1,277,060	26,272
Nontaxable individual returns with net income:								
Under 1 (est.)	503,113	380,617	404,254	18,191	533,447	408,429	427,470	21,014
1 under 2 (est.)	141,554	180,727	123,595	74,892	106,791	128,398	89,738	49,472
2 under 2.5 (est.)	3,901	8,368	4,220	4,208	886	1,892	1,244	461
2.5 under 3 (est.)	510	1,377	607	686	128	353	112	45
3 under 4 (est.)	151	508	151	143	134	461	107	43
4 under 5 (est.)	13	55	10	(19)	6	27	5	-----
5 under 6					1	5	1	-----
Total, nontaxable individual returns with net income	649,242	571,652	532,837	98,120	641,393	539,565	518,677	71,024
Total, individual returns with net income	3,131,177	5,053,307	2,529,846	160,563	2,235,498	3,481,851	1,796,676	97,296

For footnotes, see p. 190.

TABLE 6.—Individual returns with net income and with no net income,¹ not including fiduciary returns, 1940, by States and Territories: Amount of each specific source of income and deduction, net income, and deficit

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-6, 8-9, and 14-17]

[Thousands of dollars]

States and Territories (1)	Sources of income							
	Salaries and other compensation		Dividends from domestic and foreign corporations ²⁰		Interest			
					Bank deposits, notes, mortgages, corporation bonds		Partially tax-exempt Government obligations (subject to sur-tax only) ²¹	
	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
(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Alabama	185,035	284	11,677	157	4,849	99	253	3
Alaska	24,107	43	735	134	355	5	2	
Arizona	70,762	159	5,259	113	2,433	58	184	5
Arkansas	80,772	193	6,327	75	2,061	28	337	5
California	2,032,293	5,129	219,234	6,237	76,798	1,968	5,151	140
Colorado	188,304	341	22,037	443	7,188	203	836	6
Connecticut	694,217	1,203	99,060	2,038	20,587	388	1,326	31
Delaware	81,996	135	38,892	2,234	3,847	182	136	1
District of Columbia	326,039	352	30,918	356	14,781	114	907	4
Florida	234,560	1,113	55,287	1,196	13,801	524	1,228	32
Georgia	206,922	520	28,875	293	5,012	116	502	18
Hawaii	81,307	95	9,741	81	1,155	23	90	5
Idaho	46,932	110	2,693	49	1,692	35	43	1
Illinois	2,571,717	3,581	222,626	3,161	59,112	1,263	5,605	77
Indiana	633,683	744	46,494	174	12,370	151	2,138	17
Iowa	269,936	415	24,138	481	14,308	127	939	10
Kansas	172,574	513	14,162	218	7,004	129	783	24
Kentucky	248,722	573	24,726	525	4,411	84	1,057	7
Louisiana	227,689	517	23,601	444	7,163	127	813	13
Maine	102,092	257	17,846	382	8,769	122	462	3
Maryland	552,605	881	59,418	1,003	22,162	269	2,230	23
Massachusetts	1,292,832	1,722	180,799	3,705	64,520	728	2,861	42
Michigan	1,649,823	1,652	116,233	2,054	23,396	594	1,625	24
Minnesota	456,994	622	43,908	413	15,479	249	1,031	18
Mississippi	81,972	336	5,881	85	2,106	95	102	8
Missouri	607,306	1,353	74,751	1,253	19,786	412	2,402	32
Montana	106,267	142	5,825	68	2,280	31	191	(10)
Nebraska	145,950	300	11,468	232	5,201	126	356	13
Nevada	34,136	52	5,735	119	1,135	36	67	(10)
New Hampshire	81,848	136	13,579	309	4,441	81	220	1
New Jersey	1,507,586	2,868	132,946	2,948	55,237	1,343	2,380	56
New Mexico	44,445	122	3,564	111	1,520	21	84	1
New York	4,557,006	12,502	594,856	23,596	223,122	7,194	12,405	320
North Carolina	239,038	416	34,500	242	2,843	74	398	2
North Dakota	47,735	122	1,776	74	1,241	37	64	3
Ohio	1,643,148	2,519	164,518	2,487	28,350	391	6,095	77
Oklahoma	198,772	755	18,764	448	5,697	214	1,123	19
Oregon	196,502	415	12,449	347	7,125	153	302	5
Pennsylvania	2,386,429	4,017	256,974	5,608	69,487	1,395	6,452	105
Rhode Island	185,239	342	29,493	479	9,138	123	519	7
South Carolina	109,055	211	7,015	111	2,546	77	206	2
South Dakota	43,564	74	2,739	92	1,062	37	81	3
Tennessee	267,651	573	23,058	364	4,622	63	518	5
Texas	744,285	2,198	68,927	1,358	20,216	731	2,482	28
Utah	73,985	91	6,410	64	1,781	23	77	1
Vermont	49,556	93	7,340	129	2,716	76	209	1
Virginia	377,072	438	42,149	613	7,977	165	763	22
Washington	400,448	694	29,328	561	11,875	185	432	10
West Virginia	250,459	325	19,190	227	2,651	40	512	19
Wisconsin	575,805	960	48,290	578	21,956	404	951	9
Wyoming	41,639	65	3,835	57	1,438	18	119	1
Total, individual returns	27,653,985	53,276	2,930,105	68,537	910,803	21,155	70,044	1,260

For footnotes, see p. 190.

TABLE 6.—Individual returns with net income and with no net income,¹ not including fiduciary returns, 1940, by States and Territories: Amount of each specific source of income and deduction, net income, and deficit—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-6, 8-9, and 14-17]

[Thousands of dollars]

States and Territories (1)	Sources of income—Continued							
	Partnership profit ²²		Income from fiduciaries ²¹		Rents and royalties		Business profit ²³	
	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	18,682	129	2,965	18	9,613	283	31,200	126
Alaska	2,078	11	966		15	4,362	23	4
Arizona	6,541	30	1,827	9	4,201	193	16,838	72
Arkansas	12,294	51	1,071	44	7,002	255	24,674	87
California	165,274	1,144	50,420	862	151,755	5,468	406,290	2,041
Colorado	14,298	36	3,906	51	10,071	270	41,474	130
Connecticut	19,803	166	28,830	479	18,422	642	64,942	242
Delaware	3,064	8	15,584	111	2,817	57	9,989	59
District of Columbia	12,515	28	8,126	54	16,360	226	30,593	73
Florida	20,533	173	18,838	483	21,147	968	59,251	293
Georgia	21,419	74	5,524	55	13,280	519	45,292	176
Hawaii	2,651	2	3,194	22	4,814	47	12,868	49
Idaho	5,624	18	301	3	2,885	60	26,217	77
Illinois	132,921	764	46,747	602	112,542	2,581	338,484	950
Indiana	28,805	85	7,920	62	26,181	585	98,171	251
Iowa	33,259	137	3,873	35	34,660	483	137,188	269
Kansas	15,404	152	2,319	24	20,385	673	55,295	299
Kentucky	16,236	174	4,784	51	11,319	313	36,987	168
Louisiana	24,419	361	1,938	71	20,235	781	41,947	218
Maine	4,558	25	6,229	158	5,005	106	24,688	61
Maryland	28,158	127	20,208	313	18,780	402	63,972	159
Massachusetts	44,280	257	59,945	788	24,326	838	153,524	459
Michigan	54,914	237	17,426	185	48,053	1,225	162,082	828
Minnesota	24,518	120	7,690	72	14,579	395	130,612	271
Mississippi	10,548	104	691	2	5,609	233	22,164	83
Missouri	33,076	254	14,737	196	28,233	1,057	92,763	334
Montana	8,367	28	826	4	5,109	88	31,279	68
Nebraska	13,123	61	1,476	9	11,022	387	64,522	183
Nevada	3,629	30	1,547	32	1,818	123	7,277	19
New Hampshire	3,560	6	3,767	85	3,483	46	15,854	59
New Jersey	43,993	399	42,318	627	31,407	1,290	153,945	818
New Mexico	5,598	56	1,256	10	3,243	115	15,463	76
New York	263,302	2,553	185,205	5,068	92,411	4,604	474,586	2,794
North Carolina	16,685	92	4,423	80	12,734	450	37,363	154
North Dakota	3,628	77	250	7	2,235	112	25,489	90
Ohio	69,807	277	36,517	317	58,793	1,333	214,109	468
Oklahoma	16,370	197	1,504	100	20,571	985	44,522	356
Oregon	20,437	63	1,712	90	8,699	336	46,115	168
Pennsylvania	116,941	537	85,040	1,422	65,596	1,894	278,463	1,183
Rhode Island	6,725	26	9,929	193	6,584	181	21,412	57
South Carolina	7,860	36	1,633	159	5,875	184	22,873	103
South Dakota	3,481	26	298	1	3,279	72	19,876	48
Tennessee	23,480	64	4,503	66	11,925	420	46,047	148
Texas	86,814	806	12,535	181	99,335	2,797	217,503	1,361
Utah	4,193	19	844	11	2,193	84	12,373	41
Vermont	2,490	9	1,765	37	1,866	45	13,542	23
Virginia	15,472	38	9,649	105	13,299	365	49,078	190
Washington	21,511	74	3,753	92	15,193	399	79,593	146
West Virginia	8,128	41	3,000	11	10,197	248	26,411	88
Wisconsin	22,701	70	6,751	85	21,499	462	90,058	291
Wyoming	4,508	8	845	22	2,780	56	15,446	32
Total, individual returns	1,548,670	10,259	756,369	13,564	1,146,484	35,813	4,145,171	16,742

For footnotes, see p. 190.

For footnotes, see p. 190.

TABLE 6.—Individual returns with net income and with no net income,¹ not including fiduciary returns, 1940, by States and Territories: Amount of each specific source of income and deduction, net income, and deficit—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-6, 8-9, and 14-17]

[Thousands of dollars]

States and Territories (1)	Sources of income—Continued							
	Capital gain ²⁶							
	Short-term ²⁷						Net long-term capital gain ²⁸	
	Net short-term capital gain included in total income and net income		Net short-term capital loss of preceding taxable year deducted ²⁸		Current year net short-term capital gain ²⁹			
	Returns with net income	Returns with no net income	Returns with net income	Returns with no net income	Returns with net income (col. 18+20)	Returns with no net income (col. 19+21)		
(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	
Alabama.....	555	16	12		568	16	1,627	90
Alaska.....	29				29		213	4
Arizona.....	209	15	6		215	15	487	22
Arkansas.....	371	6	12		383	6	954	8
California.....	10,211	510	362	35	10,574	545	18,347	549
Colorado.....	820	22	24	(19)	844	22	1,277	24
Connecticut.....	2,752	118	164	1	2,916	119	5,695	64
Delaware.....	341	1	52		393	1	6,909	59
District of Columbia.....	867	2	16		882	2	1,551	13
Florida.....	2,601	96	102	4	2,702	100	7,592	155
Georgia.....	954	23	56	1	1,010	24	4,037	56
Hawaii.....	194	2	5		200	2	424	4
Idaho.....	102	3	12		114	3	328	3
Illinois.....	8,070	213	270	29	8,340	242	17,104	194
Indiana.....	1,142	18	50		1,191	18	3,174	61
Iowa.....	821	23	13		834	23	1,320	15
Kansas.....	841	135	18		859	135	1,747	54
Kentucky.....	535	18	13	3	548	21	1,797	77
Louisiana.....	1,127	84	20	4	1,146	88	3,770	100
Maine.....	561	13	12	2	573	15	1,083	6
Maryland.....	1,897	54	141	3	2,039	57	4,513	33
Massachusetts.....	4,763	112	313	10	5,077	122	6,510	82
Michigan.....	3,974	119	147	5	4,121	124	7,536	91
Minnesota.....	1,189	31	28	2	1,217	33	2,426	20
Mississippi.....	257	4	12		269	4	603	35
Missouri.....	1,915	195	125	1	2,040	196	3,996	58
Montana.....	185	4	3		188	4	488	5
Nebraska.....	421	5	10		430	5	671	16
Nevada.....	160	11	14		174	11	526	12
New Hampshire.....	262	8	2	3	264	10	552	9
New Jersey.....	4,723	158	187	101	4,911	259	10,563	257
New Mexico.....	196	5	9		205	5	530	9
New York.....	26,135	1,450	1,716	82	27,852	1,532	40,643	939
North Carolina.....	807	8	42	(19)	849	8	1,673	29
North Dakota.....	82	3	2		84	3	126	3
Ohio.....	4,003	109	172	35	4,175	144	10,865	113
Oklahoma.....	1,184	155	26	1	1,210	156	2,753	132
Oregon.....	860	16	24	(19)	883	16	2,062	40
Pennsylvania.....	6,669	240	287	4	6,955	245	17,984	193
Rhode Island.....	583	77	19	(19)	602	77	1,100	10
South Carolina.....	299	5	7		306	5	551	15
South Dakota.....	43	(19)	1		45	(19)	141	2
Tennessee.....	829	23	43		872	23	2,158	35
Texas.....	5,318	314	143	9	5,461	323	12,900	731
Utah.....	142	6	1		144	6	361	(19)
Vermont.....	147	7	6		153	7	238	1
Virginia.....	1,180	30	47		1,227	30	4,194	55
Washington.....	1,546	31	19	1	1,565	32	3,426	64
West Virginia.....	478	7	12	(19)	490	7	947	4
Wisconsin.....	1,676	30	79	4	1,755	34	2,764	51
Wyoming.....	167	3	5		172	3	383	4
Total, individual returns.....	105,193	4,540	4,864	339	110,057	4,879	223,619	4,642

For footnotes, see pp. 190-191.

TABLE 6.—Individual returns with net income and with no net income,¹ not including fiduciary returns, 1940, by States and Territories: Amount of each specific source of income and deduction, net income, and deficit—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-6, 8-9, and 14-17]

[Thousands of dollars]

States and Territories (1)	Sources of income—Continued					
	Net gain from sales of property other than capital assets ³¹		Other income		Total 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)
Alabama.....	342	28	2744	93	209,541	1327
Alaska.....	61	1	715	1	33,652	218
Arizona.....	357	11	2,074	74	111,174	762
Arkansas.....	291	12	2,280	290	139,332	1,054
California.....	5,224	319	79,581	879	3,220,879	25,267
Colorado.....	517	23	5,055	30	296,685	1,581
Connecticut.....	466	133	9,114	75	935,212	5,579
Delaware.....	138	39	2,458	16	166,181	2,901
District of Columbia.....	737	18	23,167	52	466,665	1,292
Florida.....	942	52	14,493	219	450,272	5,305
Georgia.....	570	15	4,844	67	397,299	1,932
Hawaii.....	120	2	1,424	14	117,984	345
Idaho.....	303	8	1,520	18	90,641	385
Illinois.....	2,334	79	61,126	346	3,578,388	13,811
Indiana.....	1,357	35	22,945	111	883,479	2,601
Iowa.....	395	26	19,001	70	539,838	1,784
Kansas.....	423	46	12,098	185	303,035	2,453
Kentucky.....	320	13	4,520	106	355,414	2,109
Louisiana.....	818	48	5,852	211	359,351	2,976
Maine.....	204	5	4,075	44	175,572	1,243
Maryland.....	807	20	17,453	82	792,202	3,365
Massachusetts.....	1,038	33	38,218	140	1,873,617	8,915
Michigan.....	1,552	48	25,002	208	2,111,615	7,264
Minnesota.....	511	53	14,740	67	713,978	2,331
Mississippi.....	345	18	2,663	77	132,841	1,081
Missouri.....	863	46	13,527	172	893,355	5,401
Montana.....	353	38	2,028	36	157,199	512
Nebraska.....	365	14	4,940	44	248,614	1,389
Nevada.....	196	5	980	30	57,205	402
New Hampshire.....	164	5	2,433	25	130,163	847
New Jersey.....	821	82	43,322	242	2,029,241	11,087
New Mexico.....	215	8	1,456	29	77,571	565
New York.....	3,065	157	123,501	794	6,596,256	61,970
North Carolina.....	416	12	6,433	93	357,372	1,651
North Dakota.....	51	2	1,581	29	84,258	560
Ohio.....	1,860	50	26,409	264	2,464,473	8,405
Oklahoma.....	731	46	9,202	269	321,192	3,676
Oregon.....	695	14	5,312	68	301,181	1,716
Pennsylvania.....	1,647	71	49,424	418	3,341,066	17,084
Rhode Island.....	200	22	4,870	72	275,801	1,588
South Carolina.....	388	3	2,614	47	160,915	952
South Dakota.....	85	1	1,134	17	75,784	375
Tennessee.....	402	23	5,255	67	390,440	1,861
Texas.....	3,400	585	26,449	663	1,300,253	11,752
Utah.....	94	3	1,629	8	104,081	352
Vermont.....	127	1	1,655	20	61,651	442
Virginia.....	741	21	7,406	84	528,980	2,075
Washington.....	1,171	34	10,657	112	578,933	2,454
West Virginia.....	312	12	5,492	28	327,774	1,050
Wisconsin.....	933	20	12,307	298	805,691	3,259
Wyoming.....	197	3	971	11	72,328	278
Total individual returns.....	39,675	2,373	747,526	7,423	40,277,645	239,583

For footnotes, see pp. 190-191.

TABLE 6.—Individual returns with net income and with no net income,⁴ not including fiduciary returns, 1940, by States and Territories: Amount of each specific source of income and deduction, net income, and deficit—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-6, 8-9, and 14-17]

[Thousands of dollars]

States and Territories	Deductions							
	Partnership loss ²³		Business loss ²⁵		Net long-term capital loss ^{27, 28}		Net loss from sales of property other than capital assets ²¹	
	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)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
Alabama	150	249	884	1,690	1,113	622	222	158
Alaska	62	64	128	239	96	18	38	3
Arizona	120	113	881	1,322	635	386	204	140
Arkansas	245	54	656	1,095	506	178	139	80
California	3,195	2,779	14,887	15,975	29,201	16,481	3,996	4,527
Colorado	192	134	1,268	1,768	2,286	944	327	240
Connecticut	407	267	1,886	1,541	14,699	4,622	1,061	870
Delaware	127	14	851	206	1,462	8,268	129	106
District of Columbia	157	27	1,331	440	2,974	963	452	211
Florida	552	494	2,494	2,910	6,415	3,738	835	927
Georgia	300	190	1,529	1,691	1,769	991	341	456
Hawaii	30	17	356	320	496	165	915	34
Idaho	66	100	355	773	187	74	68	23
Illinois	3,035	1,148	11,303	8,184	28,232	11,471	3,198	2,525
Indiana	444	180	2,875	2,299	3,698	1,181	794	446
Iowa	289	196	2,515	2,888	2,404	813	418	228
Kansas	411	399	2,106	2,628	1,178	740	268	339
Kentucky	267	162	1,489	1,650	2,383	917	307	246
Louisiana	530	420	2,159	2,144	1,884	796	360	147
Maine	105	64	802	1,152	2,538	813	201	192
Maryland	458	405	2,548	1,603	7,446	3,058	892	323
Massachusetts	497	945	2,900	3,195	25,468	7,043	1,203	782
Michigan	957	401	6,454	3,041	11,533	4,946	1,710	1,325
Minnesota	387	180	2,058	1,893	5,239	1,385	733	488
Mississippi	249	223	903	1,815	510	145	135	66
Missouri	741	565	2,906	3,193	7,506	3,438	1,140	761
Montana	81	67	601	899	524	139	131	57
Nebraska	144	124	942	1,577	1,096	579	370	150
Nevada	92	46	343	304	508	203	67	72
New Hampshire	48	36	365	566	1,794	448	143	106
New Jersey	762	600	3,679	3,578	20,082	9,158	2,027	1,973
New Mexico	101	98	459	931	368	130	95	85
New York	6,019	6,595	17,142	14,739	108,812	53,772	5,575	6,423
North Carolina	191	151	1,332	1,116	1,543	608	362	122
North Dakota	54	30	401	671	215	144	57	61
Ohio	1,147	1,588	5,742	3,803	16,340	8,433	1,666	1,178
Oklahoma	680	608	1,958	2,526	1,448	895	353	734
Oregon	252	254	1,157	1,573	1,711	774	348	300
Pennsylvania	1,494	1,532	7,685	8,613	35,420	13,579	2,748	2,701
Rhode Island	224	61	764	571	3,699	1,737	434	296
South Carolina	63	27	741	911	556	419	119	161
South Dakota	49	43	514	749	221	264	90	46
Tennessee	351	248	1,457	1,191	1,773	608	401	162
Texas	1,829	2,876	8,659	9,495	5,018	3,397	1,578	1,089
Utah	102	84	342	279	542	246	67	27
Vermont	67	42	492	436	740	341	98	60
Virginia	267	178	2,486	1,644	3,325	1,020	379	297
Washington	216	159	1,029	2,214	3,259	1,804	521	373
West Virginia	264	47	952	912	1,327	651	186	90
Wisconsin	261	157	2,251	2,130	6,610	1,826	736	798
Wyoming	73	21	528	498	524	176	38	81
Total, individual returns	28,801	25,463	131,454	127,579	379,314	175,547	37,713	33,087

For footnotes, see pp. 190-191.

TABLE 6.—Individual returns with net income and with no net income,⁴ not including fiduciary returns, 1940, by States and Territories: Amount of each specific source of income and deduction, net income, and deficit—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-6, 8-9, and 14-17]

[Thousands of dollars]

States and Territories	Deductions—Continued							
	Contributions ²²		Interest paid ²³		Taxes paid ²³		Losses from fire, storm, etc. ²⁴ (Form 1040)	
	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)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)
Alabama	4,766	25	4,580	263	5,932	207	205	98
Alaska	489	1	414	10	355	38	38	13
Arizona	1,269	8	1,797	107	2,656	120	86	31
Arkansas	2,855	28	2,420	161	3,714	99	275	65
California	38,319	324	67,792	3,677	95,727	3,736	2,720	699
Colorado	3,998	25	5,158	118	11,804	218	231	44
Connecticut	18,527	87	17,150	815	23,963	684	1,187	114
Delaware	4,232	633	3,431	87	4,045	106	55	47
District of Columbia	8,196	17	10,021	196	11,285	153	158	47
Florida	7,472	80	10,117	633	13,843	865	491	198
Georgia	7,860	66	8,353	322	10,559	332	536	201
Hawaii	1,136	4	2,046	46	3,237	35	78	7
Idaho	915	11	1,206	34	1,979	33	108	24
Illinois	60,135	265	52,659	1,641	72,729	1,870	1,067	605
Indiana	12,962	94	11,989	308	24,881	408	413	45
Iowa	9,986	24	10,350	261	24,150	321	286	58
Kansas	5,350	53	5,495	300	12,048	413	293	144
Kentucky	6,796	57	7,136	240	11,876	274	303	101
Louisiana	5,479	62	6,460	350	9,062	351	187	298
Maine	3,213	27	3,103	116	6,433	155	187	17
Maryland	13,346	44	12,277	475	24,222	423	452	95
Massachusetts	36,317	158	28,069	897	69,036	1,385	649	180
Michigan	53,168	156	35,050	700	49,938	1,086	846	452
Minnesota	12,844	57	10,164	261	25,525	435	898	143
Mississippi	3,018	18	2,382	85	3,923	132	180	84
Missouri	17,604	110	18,709	1,094	31,632	1,017	582	206
Montana	1,681	6	1,918	52	3,767	44	130	7
Nebraska	3,809	33	4,200	244	6,070	194	161	90
Nevada	552	3	667	25	888	36	65	4
New Hampshire	2,069	17	2,013	95	4,892	149	75	74
New Jersey	39,869	375	32,872	1,151	64,925	1,506	1,259	182
New Mexico	881	7	1,182	57	1,497	41	100	11
New York	158,942	1,000	110,757	7,421	271,186	8,804	7,314	2,365
North Carolina	10,741	44	9,420	295	13,203	335	357	148
North Dakota	1,270	16	1,304	28	2,955	77	106	30
Ohio	39,579	229	43,385	1,270	69,732	954	1,044	209
Oklahoma	5,728	63	7,556	586	12,836	354	464	93
Oregon	3,179	21	5,085	250	9,776	231	155	79
Pennsylvania	66,689	594	57,062	2,368	93,772	1,984	1,375	707
Rhode Island	5,664	21	4,537	175	9,056	183	117	23
South Carolina	4,434	28	3,430	130	4,478	122	340	130
South Dakota	1,184	12	1,232	37	3,142	68	64	18
Tennessee	7,793	46	7,854	263	8,728	334	307	152
Texas	19,679	192	28,259	1,849	34,424	1,424	1,842	606
Utah	2,013	8	1,961	44	3,270	61	60	8
Vermont	1,393	7	1,263	305	2,251	61	73	10
Virginia	12,530	50	12,033	365	14,458	263	376	61
Washington	4,922	27	7,654	240	10,489	252	286	148
West Virginia	4,465	25	6,488	175	7,544	106	180	15
Wisconsin	14,563	41	17,634	480	25,226	432	519	86
Wyoming	742	4	1,080	37	1,247	22	64	36
Total, individual returns	734,645	5,347	710,687	30,899	1,235,611	33,237	30,516	9,005

For footnotes, see pp. 190-191

TABLE 6.—Individual returns with net income and with no net income,¹ not including fiduciary returns, 1940, by States and Territories: Amount of each specific source of income and deduction, net income, and deficit—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-6, 8-9, and 14-17]
[Thousands of dollars]

States and Territories	Deductions—Continued					Net income on returns with net income	Deficit on returns with no net income	
	Bad debts as (Form 1040)	Other deductions as	Total deductions as	Income on returns with net income	Deficit on returns with no net income			
(1)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)
Alabama	786	188	4,067	314	22,706	3,814	246,856	2,487
Alaska	76	134	573	18	2,298	499	31,355	281
Arizona	297	31	2,105	221	10,050	2,481	101,124	1,719
Arkansas	588	328	3,657	328	15,031	2,229	124,301	1,174
California	8,368	3,803	62,186	7,821	326,416	59,821	2,894,403	34,554
Colorado	866	198	5,652	433	31,781	4,112	264,903	2,531
Connecticut	2,034	888	7,519	1,306	88,439	11,204	846,773	5,624
Delaware	742	395	1,706	314	16,779	10,142	149,402	7,241
District of Columbia	636	305	4,545	278	30,757	2,637	396,140	1,945
Florida	1,019	1,187	10,295	1,881	84,132	12,415	358,132	7,110
Georgia	907	230	7,013	576	8,790	5,055	358,132	3,123
Hawaii	201	48	1,024	93	8,790	709	109,244	857
Idaho	227	38	6,102	134	7,214	1,242	83,428	424
Illinois	6,730	2,032	40,562	3,879	236,561	33,420	3,291,837	19,008
Indiana	1,407	487	14,031	829	73,534	6,297	809,925	3,697
Iowa	774	129	14,232	636	65,407	5,553	474,431	3,789
Kansas	774	143	9,465	912	37,989	6,072	205,046	3,619
Kentucky	750	243	4,895	880	35,898	4,471	319,545	2,227
Louisiana	307	442	7,537	1,303	35,316	6,203	324,035	3,227
Maine	186	232	4,527	180	12,408	2,573	156,005	2,573
Maryland	1,290	348	9,947	707	181,476	17,480	1,692,141	4,115
Massachusetts	2,612	1,972	14,006	1,780	109,791	17,481	1,941,824	10,321
Michigan	3,533	972	12,850	4,507	17,726	5,868	141,782	3,836
Minnesota	1,565	302	6,816	222	17,121	3,003	117,120	7,024
Mississippi	492	171	14,705	1,284	10,712	12,426	79,443	959
Missouri	2,298	758	8,120	1,457	22,494	3,612	226,120	2,224
Montana	404	45	6,120	114	4,571	1,559	62,826	453
Nebraska	580	183	6,120	114	13,074	1,783	117,130	911
Nevada	464	50	1,222	2,369	192,769	23,983	1,850,481	12,602
New Hampshire	185	122	2,707	40	6,388	1,085	71,018	1,237
New Jersey	292	40	23,866	2,369	12,076	1,850	806,388	67,302
New Mexico	3,419	227	83,059	13,302	789,848	129,502	5,806,388	2,028
New York	21,041	14,689	83,059	13,302	789,848	129,502	5,806,388	2,028
North Carolina	931	289	8,463	220	46,572	3,900	310,840	835
North Dakota	397	121	2,467	40	9,512	1,085	71,018	1,237
Ohio	3,982	1,305	22,287	1,024	204,420	20,026	2,239,970	12,838
Oklahoma	1,246	332	13,433	1,534	47,976	8,225	274,859	4,849
Oregon	680	258	6,030	511	27,471	3,702	274,810	2,596
Pennsylvania	5,461	4,366	34,543	511	300,250	38,719	3,034,816	21,085
Rhode Island	790	407	2,538	740	27,781	3,214	298,029	1,238
South Carolina	588	59	4,471	100	16,250	2,409	141,905	1,238
South Dakota	186	8	1,857	100	8,160	1,882	354,719	1,980
Tennessee	900	265	6,118	614	35,682	3,828	354,719	2,022
Texas	5,308	3,682	39,945	5,218	146,841	1,882	354,719	2,022
Vermont	221	20	1,841	81	10,429	1,108	75,951	489
Virginia	144	35	1,256	56	7,775	1,108	75,951	489
Washington	982	101	5,254	175	52,900	4,644	478,879	2,409
West Virginia	964	646	6,461	663	36,291	6,534	542,970	4,080
Wisconsin	483	131	3,842	805	25,740	2,950	302,034	1,809
Wyoming	787	675	13,395	851	82,971	7,476	722,971	4,218
Young	501	5	1,301	89	6,158	7,968	66,111	690
Total individual returns	92,457	45,885	586,738	65,219	3,957,926	550,968	36,309,719	311,385

For footnotes, see pp. 100-191.

TABLE 7.—Individual returns and taxable fiduciary returns, with net income, 1940,¹ by taxable and nontaxable returns, and by net income classes; also aggregates for taxable and nontaxable individual returns with no net income: Total number of returns, number of returns^{2b} and amount for each specific source of income and deduction; net income, and deficit

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-6, 8-9, and 14-17]

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

Net income ³ classes	Total number of returns	Sources of income							
		Salaries and other compensation (individual returns)		Dividends from domestic and foreign corporations ⁴		Interest		Partially tax-exempt Government obligations (subject to surtax only)	
		Number of returns ⁵	Amount ⁶	Number of returns ⁵	Amount ⁶	Number of returns ⁷	Amount ⁸	Number of returns ⁷	Amount ⁸
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Taxable individual and fiduciary returns: ³									
With net income:									
Under 1 (est.)	558,449	436,968	424,235	95,644	82,905		50,494		3,501
1 under 2 (est.)	2,919,062	2,004,678	3,774,657	472,736	178,597		124,218		2,909
2 under 2.5 (est.)	917,823	799,597	1,830,627	221,521	98,439		61,527		1,654
2.5 under 3 (est.)	914,827	785,529	1,522,106	238,678	108,963		64,496		1,668
3 under 4 (est.)	1,018,349	830,113	1,522,106	238,678	108,963		64,496		3,569
4 under 5 (est.)	396,348	298,194	771,347	175,135	141,384		59,218		4,032
5 under 6	219,676	152,474	384,979	104,021	115,041		83,688	8,419	3,577
6 under 7	130,302	88,165	501,151	68,122	97,122		52,630	31,120	3,210
7 under 8	84,424	57,360	47,456	35,274	33,454		36,400	25,201	2,868
8 under 9	59,328	37,550	270,094	27,899	73,720		26,551	20,998	2,574
9 under 10	29,291	22,950	229,026	17,899	66,583		20,951	18,616	2,410
10 under 11	34,291	27,827	184,137	22,273	62,240		16,584	15,767	2,076
11 under 12	27,870	16,972	157,521	18,029	56,521		13,445	13,626	1,838
12 under 13	21,669	13,372	133,199	14,998	53,853		11,072	12,538	1,877
13 under 14	17,870	11,020	116,120	12,535	48,257		9,308	10,844	1,705
14 under 15	15,123	9,467	106,557	10,846	46,227		8,222	9,935	1,425
15 under 20	48,259	29,843	382,239	36,098	193,082		27,120	38,639	5,849
20 under 25	24,836	15,356	238,549	10,605	148,560		14,821	24,373	3,536
25 under 30	14,309	8,824	159,221	11,800	116,783		9,131	17,193	2,258
30 under 40	15,227	9,331	198,212	12,857	178,185		22,394	2,759	4,590

For footnotes, see pp. 190-191.

TABLE 7.—Individual returns and taxable fiduciary returns, with net income, 1940,¹ by taxable and nontaxable returns, and by net income classes; also aggregates for taxable and nontaxable individual returns with no net income: Total number of returns, number of returns²⁰ and amount for each specific source of income and deduction, net income, and deficit—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-6, 8-9, and 14-17]

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

Net income ³ classes (1)	Total number of returns (2)	Sources of income								
		Salaries and other compensation (individual returns)		Dividends from domestic and foreign corporations ²⁰		Interest				
		Number of returns	Amount	Number of returns	Amount	Bank deposits, notes, mortgages, corporation bonds		Partially tax-exempt Government obligation (subject to surtax only)		
						Number of returns ²¹	Amount ²¹	Number of returns ²¹	Amount ²²	
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)			
Taxable individual and fiduciary returns ³ —Continued. With net income—Continued.										
21 40 under 50.....	7,728	4,812	123,053	6,712	127,040	5,410	13,613	1,564	2,708	21
22 50 under 60.....	4,311	2,729	78,831	3,882	97,549	3,118	7,926	934	1,672	22
23 60 under 70.....	2,639	1,660	51,886	2,435	73,661	2,002	6,289	592	1,016	23
24 70 under 80.....	1,677	1,090	38,891	1,529	57,517	1,234	4,137	406	625	24
25 80 under 90.....	1,221	757	29,047	1,122	48,139	931	3,304	308	754	25
26 90 under 100.....	825	529	21,266	770	40,216	647	2,508	209	402	26
27 100 under 150.....	1,964	1,238	58,522	1,861	128,095	1,607	7,279	485	1,580	27
28 150 under 200.....	665	415	22,320	636	69,281	557	2,978	167	504	28
29 200 under 250.....	291	180	11,448	281	38,854	236	1,544	67	406	29
30 250 under 300.....	175	110	7,147	168	31,284	145	1,015	53	225	30
31 300 under 400.....	176	100	6,910	165	37,883	147	867	34	108	31
32 400 under 500.....	91	45	3,518	88	30,581	81	830	20	28	32
33 500 under 750.....	93	50	2,169	87	31,216	74	1,142	22	81	33
34 750 under 1,000.....	35	23	941	35	19,227	33	644	12	183	34
35 1,000 under 1,500.....	29	14	632	26	13,709	24	685	4	7	35
36 1,500 under 2,000.....	9	6	376	9	14,994	9	215	4	(19)	36
37 2,000 under 3,000.....	6	5	238	6	11,030	6	154	-----	-----	37
38 3,000 under 4,000.....	4	3	178	4	11,302	4	113	-----	-----	38
39 4,000 under 5,000.....	3	1	33	3	17,803	2	215	-----	-----	39
40 5,000 and over.....	1	1	42	1	3,865	1	47	-----	-----	40
41 Total.....	7,504,649	6,263,269	16,483,794	2,005,487	3,044,341	²⁷ 356,134	²¹ 813,979	²⁷ 57,754	²² 68,898	41
42 Individual returns with no net income ⁴	46	29	778	46	6,053	42	404	15	47	42
43 Total, taxable returns.....	7,504,695	6,263,298	16,484,572	2,005,533	3,050,394	²⁷ 356,176	²¹ 814,382	²⁷ 57,769	²² 68,945	43

44 Nontaxable individual returns:										
45 With net income: ¹⁰										
46 Under 1 (est.).....	1,382,673	892,971	776,708	187,950	65,562	-----	55,405	-----	1,968	44
47 1 under 2 (est.).....	2,107,533	1,560,283	2,425,904	200,321	76,612	-----	64,430	-----	3,600	45
48 2 under 2.5 (est.).....	2,545,337	2,328,731	5,156,577	271,949	51,185	-----	40,157	-----	2,037	46
49 2.5 under 3 (est.).....	887,004	801,063	2,153,597	113,711	21,307	-----	13,463	-----	1,213	47
50 3 under 4 (est.).....	231,883	199,428	638,942	35,066	8,800	-----	4,687	-----	2,161	48
51 4 under 5 (est.).....	6,245	4,355	18,168	2,825	563	-----	327	-----	451	49
52 5 under 6.....	138	64	295	35	71	44	45	31	132	50
51 Total.....	7,160,813	5,786,895	11,170,191	871,857	224,099	²⁷ 44	²¹ 178,513	²⁷ 31	²² 11,561	51
52 Individual returns with no net income ⁴	112,651	21,747	52,498	28,930	62,484	26,176	20,761	2,213	1,213	52
53 Total, nontaxable returns.....	7,273,464	5,808,642	11,222,688	900,787	286,583	²⁷ 26,220	²¹ 199,265	²⁷ 2,244	²² 12,774	53
54 Grand total (43 plus 53, or 55 plus 56).....	14,778,159	12,071,940	27,707,261	2,906,320	3,336,977	²⁷ 382,396	²¹ 1,013,647	²⁷ 60,013	²² 81,719	54
55 Individual returns and taxable fiduciary returns with net income (41 plus 51).....	14,665,462	12,050,164	27,653,985	2,877,344	3,268,441	²⁷ 356,178	²¹ 992,492	²⁷ 57,785	²² 80,459	55
56 Individual returns with no net income (42 plus 52).....	112,697	21,776	53,276	28,976	68,537	26,218	21,155	2,228	1,260	56

For footnotes, see pp. 190-191.

TABLE 7.—Individual returns and taxable fiduciary returns, with net income, 1940,¹ by taxable and nontaxable returns, and by net income classes; also aggregates for taxable and nontaxable individual returns with no net income: Total number of returns, number of returns³⁰ and amount for each specific source of income and deduction, net income, and deficit—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-6, 8-9, and 14-17]

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

Net income ¹ classes (1)		Sources of income—Continued								
		Partnership profit ²³		Income from fiduciaries ²⁴		Rents and royalties		Business profit ²⁵		
		Number of returns ²⁷ (11)	Amount (12)	Number of returns ²⁷ (13)	Amount (14)	Number of returns ²⁷ (15)	Amount (16)	Number of returns ²⁷ (17)	Amount (18)	
Taxable individual and fiduciary returns:²										
With net income:										
1	Under 1 (est.)		5,917		3,569		22,450		21,902	1
2	1 under 2 (est.)		39,680		15,689		74,384		119,640	2
3	2 under 2.5 (est.)		34,397		10,582		53,614		143,308	3
4	2.5 under 3 (est.)		56,445		12,708		66,058		232,448	4
5	3 under 4 (est.)		124,049		28,618		102,388		438,323	5
6	4 under 5 (est.)		92,763		26,566		63,182		250,526	6
7	5 under 6	25,488	100,212	12,763	31,196	48,098	51,091	48,529	226,182	7
8	6 under 7	17,459	81,489	9,014	26,723	30,180	37,157	30,279	166,184	8
9	7 under 8	12,309	65,974	6,652	23,103	19,857	28,604	19,360	121,679	9
10	8 under 9	9,328	57,678	5,319	21,799	14,376	22,862	13,407	94,835	10
11	9 under 10	7,387	49,579	4,426	19,708	10,834	18,625	10,010	78,591	11
12	10 under 11	5,938	43,785	3,526	17,324	8,742	17,381	7,322	62,728	12
13	11 under 12	4,892	39,891	3,043	16,651	7,003	14,163	5,593	51,541	13
14	12 under 13	3,944	34,074	2,542	14,580	5,604	12,096	4,318	43,201	14
15	13 under 14	3,444	32,038	2,235	14,116	4,712	10,610	3,525	37,859	15
16	14 under 15	2,808	28,099	1,953	12,944	3,900	8,807	2,846	32,982	16
17	15 under 20	9,631	112,641	6,777	55,655	12,943	34,398	8,775	117,195	17
18	20 under 25	5,139	77,554	3,994	41,840	6,818	22,063	4,082	69,474	18
19	25 under 30	2,922	53,062	2,656	34,373	4,011	14,078	2,088	42,484	19
20	30 under 40	3,122	70,555	3,123	50,041	4,323	20,985	2,063	50,867	20
21	40 under 50	1,681	46,830	1,728	36,874	2,242	13,437	921	28,127	21
22	50 under 60	934	30,322	1,016	25,300	1,254	7,385	483	18,273	22
23	60 under 70	600	23,957	675	18,777	810	6,108	269	10,853	23
24	70 under 80	331	15,002	450	14,838	490	4,427	149	7,598	24
25	80 under 90	259	14,418	349	13,108	356	3,096	113	5,569	25
26	90 under 100	164	8,898	243	10,565	238	1,952	53	3,054	26
27	100 under 150	333	20,591	623	33,611	588	5,884	140	10,622	27
28	150 under 200	111	9,774	239	19,074	227	2,093	41	3,007	28
29	200 under 250	37	3,737	97	11,320	79	968	12	946	29
30	250 under 300	23	2,538	67	8,722	51	426	14	962	30
31	300 under 400	22	3,615	71	11,683	60	1,132	10	2,127	31
32	400 under 500	9	1,412	47	8,071	30	134	1	3	32
33	500 under 750	12	856	49	15,544	25	356	3	20	33
34	750 under 1,000	2	64	15	4,747	13	931	4	1,938	34
35	1,000 under 1,500	2	1,301	18	13,816	9	52	1	(19)	35
36	1,500 under 2,000			4	3,438	5	63			36
37	2,000 under 3,000			5	4,859	1	(10)			37
38	3,000 under 4,000			2	5,493					38
39	4,000 under 5,000			2	4					39
40	5,000 and over			1	15					40
41	Total	²⁷ 113,331	1,383,211	²⁷ 73,724	737,643	²⁷ 187,879	743,440	²⁷ 164,416	2,525,049	41
42	Individual returns with no net income ⁶	7	175	16	1,151	13	41	2	33	42
43	Total, taxable returns	²⁷ 118,338	1,383,386	²⁷ 73,740	738,794	²⁷ 187,892	743,481	²⁷ 164,418	2,525,081	43
Nontaxable individual returns:										
With net income: ¹⁰										
44	Under 1 (est.)		20,360		8,318		122,806		181,647	44
45	1 under 2 (est.)		54,343		10,662		179,172		706,883	45
46	2 under 2.5 (est.)		54,743		6,135		86,287		417,624	46
47	2.5 under 3 (est.)		30,079		3,457		37,391		217,434	47
48	3 under 4 (est.)		13,661		1,501		13,974		101,049	48
49	4 under 5 (est.)		1,296		238		1,042		6,927	49
50	5 under 6	14	49	9	83	43	51	55	258	50
51	Total	²⁷ 14	174,530	²⁷ 9	30,394	²⁷ 43	450,694	²⁷ 55	1,631,521	51
52	Individual returns with no net income ⁴	4,098	10,081	4,135	12,413	29,857	35,772	10,199	16,710	52
53	Total, nontaxable returns	²⁷ 4,112	184,614	²⁷ 4,144	42,807	²⁷ 29,900	486,467	²⁷ 10,254	1,648,231	53
54	Grand total (43 plus 53, or 55 plus 56)	²⁷ 122,450	1,568,000	²⁷ 77,884	781,601	²⁷ 217,792	1,229,948	²⁷ 174,672	4,173,312	54
55	Individual returns and taxable fiduciary returns with net income (41 plus 51)	²⁷ 118,345	1,557,741	²⁷ 73,733	768,037	²⁷ 187,922	1,194,134	²⁷ 164,474	4,156,570	55
56	Individual returns with no net income (42 plus 52)	4,105	10,259	4,151	13,564	29,870	35,813	10,201	16,742	56

For footnotes, see pp. 190-191.

TABLE 7.—Individual returns and taxable fiduciary returns, with net income, 1940,¹ by taxable and nontaxable returns, and by net income classes; also aggregates for taxable and nontaxable individual returns with no net income: Total number of returns, number of returns²⁶ and amount for each specific source of income and deduction, net income, and deficit—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-6, 8-9, and 14-17]

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

(1)	Sources of income—Continued												(30)
	Capital gain ²⁶					Net gain from sales of property other than capital assets ³¹		Other income		Total income			
	Short-term ²⁷				Current year net short-term capital gain ²⁹ (col. 20+22)	Net long-term capital gain ³⁰		Net gain from sales of property other than capital assets ³¹			Other income		
	Net short-term capital gain included in total income and net income		Net short-term capital loss of preceding taxable year deducted ²⁸			Number of returns ²⁷	Amount	Number of returns ²⁷	Amount		Number of returns ²⁷	Amount	
	Number of returns ²⁷	Amount	Number of returns ²⁷	Amount									
(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)			
Taxable individual and fiduciary returns: ²													
With net income:													
Under 1 (est.)		1,843		35	1,870		4,625		411		18,477	640,329	
1 under 2 (est.)		4,688		143	4,831		6,434		2,068		127,435	4,470,399	
2 under 2.5 (est.)		3,237		122	3,359		4,845		1,489		50,331	2,294,049	
2.5 under 3 (est.)		3,814		168	3,982		5,680		2,465		66,664	2,763,514	
3 under 4 (est.)		8,694		307	9,000		10,628		4,418		75,940	3,873,792	
4 under 5 (est.)		7,442		203	7,645		8,769		3,657		38,119	1,975,058	
5 under 6	10,937	7,150	430	279	7,428	12,942	9,251	2,731	2,757	17,827	13,472	1,372,329	
6 under 7	7,799	5,550	327	204	5,754	9,324	7,657	1,818	2,127	11,434	9,626	969,117	
7 under 8	6,044	4,823	255	176	4,999	7,023	6,619	1,237	1,445	7,888	7,027	728,054	
8 under 9	4,734	4,156	218	149	4,306	5,400	6,034	909	1,235	6,073	6,101	497,610	
9 under 10	3,957	3,716	162	96	3,812	4,622	5,422	718	1,097	4,647	4,205	583,037	
10 under 11	3,310	3,362	164	127	3,489	3,636	4,916	566	827	3,627	3,867	418,411	
11 under 12	2,785	3,013	147	117	3,129	3,103	4,497	456	786	3,021	3,640	363,687	
12 under 13	2,276	2,534	122	83	2,618	2,658	4,313	375	613	2,501	3,137	316,016	
13 under 14	2,029	2,502	128	120	2,622	2,302	3,655	329	585	2,113	2,755	281,048	
14 under 15	1,768	2,266	104	93	2,359	2,072	3,339	277	513	1,840	2,565	255,659	
15 under 20	6,278	10,410	394	436	10,846	7,076	14,673	951	1,772	6,338	8,529	975,084	
20 under 25	3,628	5,868	294	359	6,227	4,060	9,794	496	1,174	3,646	5,450	648,847	
25 under 30	2,285	4,233	188	219	4,451	2,690	8,831	275	540	2,291	3,644	457,568	
30 under 40	2,576	5,602	212	412	6,014	2,914	10,821	275	548	2,657	5,553	618,355	
40 under 50	1,346	3,081	124	175	3,256	1,659	9,389	147	293	1,416	3,650	408,095	
50 under 60	787	2,435	79	131	2,596	952	7,309	76	241	810	2,439	279,681	
60 under 70	526	1,671	65	142	1,813	674	6,262	47	61	537	1,708	202,260	
70 under 80	299	1,046	36	30	1,076	425	4,696	29	45	362	1,257	150,078	
80 under 90	240	824	17	14	838	348	4,764	23	173	274	846	124,012	
90 under 100	145	608	11	33	641	239	3,173	9	137	183	648	93,427	
100 under 150	405	2,160	55	76	2,223	594	15,234	44	50	474	2,034	285,653	
150 under 200	135	1,157	32	76	1,233	254	9,151	12	27	175	846	140,212	
200 under 250	69	609	11	9	618	121	6,826	8	247	83	624	77,529	
250 under 300	32	188	6	13	201	76	5,324	4	1	54	829	58,659	
300 under 400	43	1,044	6	26	1,070	67	6,473	4	4	52	808	72,655	
400 under 500	24	31	4	(19)	31	40	6,436			27	394	51,437	
500 under 750	21	523	5	15	539	53	13,566	2	1	30	271	65,744	
750 under 1,000	14	241	4	4	145	14	5,166	1	(19)	16	157	34,139	
1,000 under 1,500	6	41	2	6	29	18	9,102	1	(19)	6	19	39,348	
1,500 under 2,000	5	359			359	4	1,591			5	41	21,077	
2,000 under 3,000						3	1,494			4	174	17,949	
3,000 under 4,000										1	45	17,132	
4,000 under 5,000										2	18	18,115	
5,000 and over						1	2,043			2	18	6,012	
Total	²⁷ 64,503	110,793	²⁷ 3,591	4,595	115,388	²⁷ 75,366	258,895	²⁷ 11,820	31,805	²⁷ 80,414	463,349	28,665,197	
Individual returns with no net income. ⁶	10	14	2	5	19			1	(19)	13	67	8,761	
Total, taxable returns	²⁷ 64,513	110,807	²⁷ 3,593	4,601	115,407	²⁷ 75,366	258,895	²⁷ 11,821	31,805	²⁷ 80,427	463,416	26,673,959	
Nontaxable individual returns:													
With net income: ¹⁰													
Under 1 (est.)		2,638		108	2,747		2,910		1,655		62,547	1,302,552	
1 under 2 (est.)		3,392		196	3,588		4,700		3,036		110,357	3,643,693	
2 under 2.5 (est.)		2,723		23	2,797		2,726		2,067		75,895	5,908,154	
2.5 under 3 (est.)		1,802		23	1,825		1,519		1,067		30,120	2,512,419	
3 under 4 (est.)		944		39	984		555		801		11,676	798,751	
4 under 5 (est.)		73		6	79		70		87		542	29,785	
5 under 6	5	6		6	11	8	3	2	7		24	1,018	
Total	²⁷ 5	11,579		440	12,019	²⁷ 8	12,494	²⁷ 2	9,644	²⁷ 7	291,161	14,196,373	
Individual returns with no net income. ⁴	3,821	4,526	136	334	4,860	2,970	4,642	1,506	2,373	9,165	7,356	230,822	
Total, nontaxable returns	²⁷ 3,826	16,105	²⁷ 136	775	16,879	²⁷ 2,978	17,127	²⁷ 1,508	12,018	²⁷ 9,172	298,517	14,427,195	
Grand total (43 plus 53, or 55 plus 56).	²⁷ 68,339	126,911	²⁷ 3,729	5,375	132,286	²⁷ 78,344	276,022	²⁷ 13,329	43,823	²⁷ 89,599	761,933	41,101,154	
Individual returns and taxable fiduciary returns with net income (41 plus 51).	²⁷ 64,503	122,372	²⁷ 3,591	5,036	127,408	²⁷ 75,374	271,380	²⁷ 11,822	41,450	²⁷ 80,421	751,511	40,861,570	
Individual returns with no net income (42 plus 52).	3,831	4,540	138	339	4,879	2,970	4,642	1,507	2,373	9,178	7,423	239,583	

For footnotes, see pp. 190-191.

TABLE 7.—Individual returns and taxable fiduciary returns, with net income, 1940,¹ by taxable and nontaxable returns, and by net income classes, also aggregates for taxable and nontaxable individual returns with no net income: Total number of returns, number of returns³⁰ and amount for each specific source of income and deduction, net income, and deficit—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-6, 8-9, and 14-17]

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

Net income ² classes (1)	Deductions											
	Partnership loss ²³		Business loss ²⁵		Net long-term capital loss ^{26 30}		Net loss from sales of property other than capital assets ³¹		Contributions ³² (individual returns)		Interest paid ³³	
	Number of returns ²⁷ (31)	Amount (32)	Number of returns ²⁷ (33)	Amount (34)	Number of returns ²⁷ (35)	Amount (36)	Number of returns ²⁷ (37)	Amount (38)	Number of returns ²⁷ (39)	Amount (40)	Number of returns ²⁷ (41)	Amount (42)
Taxable individual and fiduciary returns: ³ With net income ⁴												
Under 1 (est.)		272		1,008		4,939		450		13,813		6,130
1 under 2 (est.)		895		4,138		14,888		1,469		109,865		35,374
2 under 2.5 (est.)		802		3,125		9,348		999		44,262		32,244
2.5 under 3 (est.)		866		4,283		11,815		1,350		52,472		48,045
3 under 4 (est.)		1,869		7,769		23,125		2,892		72,127		77,883
4 under 5 (est.)		1,449		5,217		19,504		2,144		36,892		42,054
5 under 6	1,555	1,450	3,779	4,421	16,108	18,408	2,167	1,620	183,439	25,923	114,148	35,265
6 under 7	1,092	1,154	2,505	3,606	11,826	15,273	1,508	1,488	109,476	18,429	68,332	24,874
7 under 8	798	800	1,757	2,919	9,090	13,410	991	1,005	71,365	13,621	44,088	17,615
8 under 9	593	633	1,292	2,223	7,370	11,815	825	834	50,304	11,154	31,274	14,520
9 under 10	551	777	1,079	1,966	6,096	10,630	633	671	38,638	9,505	23,959	12,104
10 under 11	404	534	882	1,676	5,102	9,670	525	647	29,152	7,989	18,058	9,748
11 under 12	412	519	760	1,683	4,395	8,076	443	587	23,405	6,989	14,531	8,210
12 under 13	324	474	659	1,653	3,741	8,246	356	552	18,473	6,037	11,546	6,802
13 under 14	260	394	533	1,296	3,200	6,967	301	459	15,473	5,365	9,666	6,207
14 under 15	222	312	494	1,195	2,852	6,805	262	287	13,144	4,873	8,090	5,419
15 under 20	790	1,194	1,719	5,266	10,149	26,830	945	1,590	41,932	19,050	26,008	20,004
20 under 25	531	1,042	997	3,600	6,075	18,883	542	954	21,754	13,271	13,478	12,508
25 under 30	312	604	635	2,464	3,811	13,476	334	623	12,601	9,773	7,910	8,213
30 under 40	364	935	794	3,762	4,515	18,796	394	912	13,446	14,092	8,472	10,353
40 under 50	207	568	512	2,810	2,547	12,594	213	657	6,921	10,016	4,511	7,235
50 under 60	142	554	279	1,778	1,477	8,013	114	287	3,833	7,061	2,594	4,383
60 under 70	75	337	205	1,242	921	5,465	88	231	2,395	5,777	1,577	2,880
70 under 80	62	250	126	994	578	4,112	44	168	1,514	4,368	1,023	2,729
80 under 90	48	240	111	1,213	419	3,016	30	109	1,118	4,058	757	1,811
90 under 100	45	179	73	811	299	2,312	32	101	745	3,003	527	1,262
100 under 150	93	460	200	2,985	773	6,406	67	261	1,782	10,251	1,284	5,229
150 under 200	33	221	72	1,028	258	3,648	20	100	603	5,940	439	2,366
200 under 250	22	88	36	513	94	972	11	44	268	3,255	199	1,600
250 under 300	10	887	24	298	74	1,814	4	34	156	2,549	124	637
300 under 400	11	124	21	585	74	1,955	8	52	160	2,891	135	909
400 under 500	7	62	11	369	39	731	7	187	77	3,817	66	724
500 under 750	3	6	19	994	25	776	4	90	77	3,008	66	428
750 under 1,000	2	5	10	248	12	386	2	84	33	2,243	28	252
1,000 under 1,500	1	1	10	486	7	76			27	1,144	24	431
1,500 under 2,000	2	3	3	89	3	154			8	1,907	0	94
2,000 under 3,000			3	1,579	3	55	1	3	6	1,034	4	193
3,000 under 4,000					3	562		(19)	4	1,325	3	87
4,000 under 5,000			1	23	1	957			2	717	3	362
5,000 and over			1	35					1	719	1	41
Total	²⁷ 8,976	20,960	²⁷ 19,601	81,348	²⁷ 101,920	324,240	²⁷ 10,875	24,041	²⁷ 662,388	570,478	²⁷ 412,939	467,292
Individual returns with no net income ⁶	3	3	4	77	46	9,475	2	10	29	255	33	442
Total, taxable returns	²⁷ 8,979	20,964	²⁷ 19,605	81,425	²⁷ 101,975	333,715	²⁷ 10,877	24,051	²⁷ 662,417	570,733	²⁷ 412,972	467,735
Nontaxable individual returns: With net income: ¹⁰												
Under 1 (est.)		3,700		23,886		27,331		5,264		27,505		40,766
1 under 2 (est.)		2,691		18,929		19,701		4,986		50,781		82,225
2 under 2.5 (est.)		1,036		6,083		8,154		2,258		51,701		76,905
2.5 under 3 (est.)		407		2,648		4,231		1,095		24,489		37,490
3 under 4 (est.)		243		967		2,323		431		9,183		14,781
4 under 5 (est.)		12		286		114		43		486		544
5 under 6	1	1	4	18	7	89	3	1	97	23	62	70
Total	²⁷ 1	8,090	²⁷ 4	50,817	²⁷ 7	61,942	²⁷ 3	14,077	²⁷ 97	164,167	²⁷ 62	252,780
Individual returns with no net income ⁶	6,099	25,460	68,546	127,602	19,990	166,072	6,517	33,077	32,013	5,092	28,870	30,457
Total, nontaxable returns	²⁷ 6,100	33,550	²⁷ 68,550	178,318	²⁷ 19,997	228,014	²⁷ 6,520	47,154	²⁷ 32,110	169,259	²⁷ 28,832	283,237
Grand total (43 plus 53, or 55 plus 56)	²⁷ 15,079	54,513	²⁷ 88,155	259,744	²⁷ 121,972	561,728	²⁷ 17,397	71,205	²⁷ 694,527	739,992	²⁷ 441,904	750,972
Individual returns and taxable fiduciary returns with net income (41 plus 51)	²⁷ 8,977	29,050	²⁷ 19,605	132,165	²⁷ 101,936	386,181	²⁷ 10,878	38,118	²⁷ 662,485	734,645	²⁷ 413,001	720,073
Individual returns with no net income (42 plus 52)	6,102	25,463	68,550	127,579	20,036	175,547	6,519	33,087	32,042	5,347	28,903	30,899

For footnotes, see pp. 190-191.

TABLE 7.—Individual returns and taxable fiduciary returns, with net income, 1940,¹ by taxable and nontaxable returns, and by net income classes, also aggregates for taxable and nontaxable individual returns with no net income: Total number of returns, number of returns³⁸ and amount for each specific source of income and deduction, net income, and deficit—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-6, 8-9, and 14-17]
 [Net income classes and money figures in thousands of dollars]

Net income ³ classes (1)		Deductions—Continued								Total deductions ³⁸ (51)	Amount distributable to beneficiaries (fiduciary returns) (52)	Net income ³ (53)
		Taxes paid ³⁸		Losses from fire, storm, etc. ^{33,34} (individual returns, Form 1040)		Bad debts ³³ (individual returns, Form 1040)		Other deductions ³⁸				
		Number of returns ³⁷ (43)	Amount (44)	Number of returns ³⁷ (45)	Amount (46)	Number of returns ³⁷ (47)	Amount (48)	Number of returns ³⁷ (49)	Amount (50)			
Taxable individual and fiduciary returns: ³												
With net income:												
1	Under 1 (est.)		18,925		258		498		13,804	60,097	84,935	495,297
2	1 under 2 (est.)		111,031		1,088		2,573		45,525	326,846	28,952	4,114,602
3	2 under 2.5 (est.)		69,430		1,049		2,379		28,739	192,375	9,387	2,002,287
4	2.5 under 3 (est.)		85,512		1,128		3,100		35,471	244,845	7,224	2,511,444
5	3 under 4 (est.)		124,199		2,360		6,699		58,738	374,661	11,431	3,437,700
6	4 under 5 (est.)		67,272		1,707		5,514		31,293	212,956	8,216	1,753,885
7	5 under 6	190,862	49,622	7,324	1,478	8,684	4,553	51,743	23,599	166,346	6,221	1,199,763
8	6 under 7	114,383	36,198	4,474	1,086	6,013	3,544	31,947	16,838	122,540	5,058	841,519
9	7 under 8	74,551	26,902	2,987	864	4,240	2,978	21,613	13,405	93,518	4,041	630,495
10	8 under 9	52,793	22,814	2,169	705	3,096	2,428	15,625	9,540	76,665	3,687	502,685
11	9 under 10	40,735	19,287	1,690	539	2,522	2,247	12,180	8,018	65,845	2,526	429,239
12	10 under 11	30,843	16,327	1,302	499	2,028	2,236	9,470	6,937	56,244	3,073	359,094
13	11 under 12	24,683	14,514	1,051	416	1,623	1,853	7,827	5,781	48,632	2,373	313,176
14	12 under 13	19,677	12,587	817	349	1,323	1,537	6,451	5,151	43,388	2,171	270,457
15	13 under 14	16,324	11,326	742	565	1,109	1,498	5,388	4,255	38,372	1,786	240,890
16	14 under 15	13,860	10,262	624	290	954	1,206	4,642	3,915	34,563	2,071	219,025
17	15 under 20	44,418	39,723	2,092	1,333	3,474	4,893	15,477	14,920	134,772	10,326	829,936
18	20 under 25	23,065	28,680	1,192	891	2,045	3,685	8,872	9,926	91,440	4,393	553,014
19	25 under 30	13,370	13,959	692	610	1,326	2,003	5,290	6,535	63,969	3,267	390,323
20	30 under 40	14,265	27,050	896	991	1,478	3,227	6,127	9,417	89,593	5,712	523,106
21	40 under 50	7,300	17,453	476	526	869	2,003	3,371	6,475	60,347	4,081	343,657
22	50 under 60	4,121	12,136	285	453	504	2,336	1,984	4,375	41,331	2,941	255,360
23	60 under 70	2,501	8,471	197	390	345	1,145	1,236	3,392	29,330	2,358	170,543
24	70 under 80	1,613	6,413	125	221	228	869	850	2,942	23,067	1,800	125,212
25	80 under 90	1,170	5,778	92	223	157	641	635	2,002	19,092	1,701	103,249
26	90 under 100	791	4,108	73	99	128	519	464	1,372	13,765	1,531	78,131
27	100 under 150	1,899	12,720	262	626	312	1,765	1,116	5,037	45,741	4,159	235,754
28	150 under 200	647	6,169	79	306	126	1,527	427	2,573	23,879	2,401	113,932
29	200 under 250	282	3,046	31	73	48	426	187	1,297	11,314	1,292	64,923
30	250 under 300	170	2,674	27	84	31	177	116	1,591	10,246	672	47,741
31	300 under 400	170	2,775	21	152	32	764	124	1,457	11,725	434	60,496
32	400 under 500	88	1,837	13	58	14	313	66	1,506	8,194	1,384	41,269
33	500 under 750	85	2,059	15	128	18	227	77	988	10,112	592	55,040
34	750 under 1,000	34	1,212	6	129	8	79	27	317	4,955		29,184
35	1,000 under 1,500	28	1,699	5	137	8	138	22	396	4,508	83	34,737
36	1,500 under 2,000	9	629	2	2	3	276	9	369	3,553	2,048	15,475
37	2,000 under 3,000	6	800	2	9	2	32	4	165	3,870		14,079
38	3,000 under 4,000	4	566	2	36	2	259	2	852	3,689		13,443
39	4,000 under 5,000	3	191			1	76	3	270	2,697	2,783	12,735
40	5,000 and over	1	66	1	8	1	5	1	63	938		5,075
41	Total	37 694,751	901,032	37 29,618	21,910	37 42,872	72,887	37 213,373	386,325	2,870,514	236,653	23,558,030
42	Individual returns with no net income ⁶	46	642	7	49	7	87	32	272	11,312		11 2,551
43	Total, taxable returns	37 694,797	901,675	37 29,625	21,959	37 42,879	72,975	37 213,405	386,597	2,881,826	236,653	23,555,480
44	Nontaxable individual returns:											
45	With net income: ¹⁰											
46	Under 1 (est.)		71,866		2,447		6,417		63,407	272,588		1,029,964
47	1 under 2 (est.)		118,373		3,647		7,498		90,126	390,957		3,246,736
48	2 under 2.5 (est.)		103,679		1,398		3,302		49,308	303,913		5,604,241
49	2.5 under 3 (est.)		41,075		691		1,333		20,297	136,760		2,375,660
50	3 under 4 (est.)		10,144		362		595		7,157	52,484		746,267
51	4 under 5 (est.)		617		59		116		594	2,870		26,915
52	5 under 6	97	40	4	2	7	5	30	30	286		732
53	Total	37 97	354,801	37 4	8,006	37 7	19,570	37 30	231,003	1,165,858		13,030,516
54	Individual returns with no net income ⁴	45,355	32,595	2,576	8,956	5,155	45,498	24,840	64,947	539,056		11 308,834
55	Total, nontaxable returns	37 45,452	387,396	37 2,580	17,962	37 5,162	65,068	37 24,870	295,955	1,705,514		12 12,721,682
56	Grand total (43 plus 53, or 55 plus 56)	37 740,249	1,289,071	37 32,205	39,921	37 48,041	138,043	37 238,275	682,552	4,587,340	236,653	36,277,161
57	Individual returns and taxable fiduciary returns with net income (41 plus 51)	37 694,848	1,255,834	37 29,622	30,516	37 42,879	92,457	37 213,403	617,333	4,036,372	236,653	36,588,546
58	Individual returns with no net income (42 plus 52)	45,401	33,237	2,583	9,005	5,162	45,585	24,872	65,219	550,968		11 311,355

For footnotes, see pp. 190-191.

TABLE 7-A.—Individual returns with net income, not including fiduciary returns, 1940, by taxable and nontaxable returns, and by net income classes; also aggregates for taxable and nontaxable individual returns with no net income: Total number of returns, number of returns³⁰ and amount for each specific source of income and deduction, net income, and deficit

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-6, 8-9, and 14-17]
 [Net income classes and money figures in thousands of dollars]

	Net income classes (1)	Total number of returns (2)	Sources of income						
			Salaries and other compensation		Dividends from domestic and foreign corporations ³⁰		Interest		
			Number of returns (3)	Amount (4)	Number of returns (5)	Amount (6)	Number of returns ³⁷ (7)	Amount ³¹ (8)	
Taxable individual returns:									
With net income:									
1	Under 1 (est.)	528,784	436,968	424,235	75,626	26,588		17,760	1
2	1 under 2 (est.)	2,905,086	2,604,678	3,774,657	462,802	150,938		112,507	2
3	2 under 2.5 (est.)	914,050	799,597	1,830,627	218,696	87,885		57,801	3
4	2.5 under 3 (est.)	912,174	785,529	2,152,106	236,630	100,122		61,786	4
5	3 under 4 (est.)	1,014,623	830,113	2,789,790	337,165	176,500		91,873	5
6	4 under 5 (est.)	393,844	298,194	1,249,399	173,069	128,980		56,040	6
7	5 under 6	217,751	152,476	771,347	102,467	104,751	82,113	38,140	7
8	6 under 7	128,902	86,165	501,151	68,958	51,497	55,816	29,078	8
9	7 under 8	83,395	54,300	357,259	46,580	75,901	35,570	23,804	9
10	8 under 9	58,473	37,350	270,994	34,533	60,857	25,880	19,593	10
11	9 under 10	44,686	28,555	229,026	27,363	61,049	20,494	17,593	11
12	10 under 11	33,701	21,328	184,137	21,792	55,816	16,206	14,946	12
13	11 under 12	20,843	16,972	157,521	17,652	52,090	13,147	12,803	13
14	12 under 13	21,217	13,372	133,199	14,598	49,100	10,730	11,637	14
15	13 under 14	17,548	11,023	116,120	12,266	44,172	9,082	10,220	15
16	14 under 15	14,821	9,467	106,557	10,580	41,770	7,990	9,214	16
17	15 under 20	47,289	29,843	382,239	35,230	174,854	26,404	36,008	17
18	20 under 25	24,288	15,356	238,549	19,103	135,957	14,369	23,143	18
19	25 under 30	13,920	8,824	159,221	11,443	107,058	8,833	15,697	19
20	30 under 40	13,792	9,331	198,212	12,464	162,530	9,633	21,006	20
21	40 under 50	7,464	4,812	123,053	6,477	115,990	5,222	12,734	21
22	50 under 60	4,155	2,729	78,831	3,738	88,594	2,999	7,501	22
23	60 under 70	2,548	1,660	51,886	2,346	67,733	1,944	5,916	23
24	70 under 80	1,625	1,000	38,891	1,478	52,931	1,201	3,987	24
25	80 under 90	1,176	757	29,047	1,081	44,490	904	2,919	25
26	90 under 100	781	529	21,266	726	35,813	608	2,267	26
27	100 under 150	1,866	1,238	58,522	1,774	116,010	1,524	6,714	27
28	150 under 200	620	415	22,320	598	61,705	524	2,746	28
29	200 under 250	273	180	11,448	263	34,522	221	1,319	29
30	250 under 300	167	110	7,147	160	20,508	140	1,008	30
31	300 under 400	166	100	6,910	156	34,950	141	826	31
32	400 under 500	86	45	3,518	83	26,900	77	706	32
33	500 under 750	79	50	2,169	73	27,393	70	1,115	33
34	750 under 1,000	33	23	941	33	17,795	31	633	34
35	1,000 under 1,500	28	14	632	26	13,709	23	592	35
36	1,500 under 2,000	8	6	376	8	11,387	8	162	36
37	2,000 under 3,000	6	5	238	6	11,030	6	154	37
38	3,000 under 4,000	4	3	178	4	11,302	4	113	38
39	4,000 under 5,000	2	1	83	2	9,267	2	215	39
40	5,000 and over	1	1	42	1	3,865	1	47	40
41	Total	7,437,261	6,263,269	16,483,794	1,956,055	2,706,006	373,476	2,173,290	41
42	With no net income ⁶	46	29	778	46	6,053	42	404	42
43	Total, taxable returns	7,437,307	6,263,298	16,484,572	1,956,101	2,712,059	373,469	2,173,693	43
Nontaxable individual returns:									
With net income ¹⁰ :									
44	Under 1 (est.)	1,382,673	892,971	776,708	187,950	65,562		55,405	44
45	1 under 2 (est.)	2,107,533	1,560,283	2,425,904	260,321	76,612		64,430	45
46	2 under 2.5 (est.)	2,545,337	2,328,731	5,156,577	271,949	51,185		40,157	46
47	2.5 under 3 (est.)	887,094	801,063	2,153,597	113,711	21,307		13,463	47
48	3 under 4 (est.)	231,883	199,428	638,942	35,065	8,800		4,687	48
49	4 under 5 (est.)	6,245	4,355	18,168	2,825	563		327	49
50	5 under 6	138	64	295	35	71	44	45	50
51	Total	7,160,813	5,786,895	11,170,191	871,857	224,099	3744	2,178,513	51
52	With no net income ¹¹	112,651	21,747	52,498	28,930	62,484	26,176	20,751	52
53	Total, nontaxable returns	7,273,464	5,808,642	11,222,688	900,787	286,583	37,620	2,199,265	53
54	Grand total (43 plus 53, or 55 plus 56)	14,710,771	12,071,940	27,707,261	2,856,888	2,998,642	37,373	2,193,958	54
55	Individual returns with net income (41 plus 51)	14,598,074	12,050,164	27,653,985	2,827,912	2,930,105	37,347	2,191,803	55
56	Individual returns with no net income (42 plus 52)	112,697	21,776	53,276	28,976	68,537	26,218	21,155	56

For footnotes, see pp. 190-191.

TABLE 7-A.—Individual returns with net income, not including fiduciary returns, 1940, by taxable and nontaxable returns, and by net income classes; also aggregates for taxable and nontaxable individual returns with no net income: Total number of returns, number of returns³⁶ and amount for each specific source of income and deduction, net income, and deficit—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-6, 8-9, and 14-17]

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

(1)	Sources of income—Continued											
	Interest—Continued		Partnership profit ²³		Income from fiduciaries ²⁴		Rents and royalties		Business profit ²⁵			
	Partially tax-exempt Government obligations (subject to surtax only)		Number of returns ²⁷	Amount ²²	Number of returns ²⁷	Amount	Number of returns ²⁷	Amount	Number of returns ²⁷	Amount	Number of returns ²⁷	Amount
	Number of returns ²⁷	Amount ²²										
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)			
Taxable individual returns:												
With net income:												
Under 1 (est.)		231		5,669		2,127		12,965			21,164	
1 under 2 (est.)		1,632		39,144		14,772		66,276			118,112	
2 under 2.5 (est.)		1,170		34,179		10,219		51,159			142,795	
2.5 under 3 (est.)		1,347		56,267		12,431		64,044			231,988	
3 under 4 (est.)		3,087		123,557		27,930		99,233			437,499	
4 under 5 (est.)		3,692		92,511		26,190		69,740			279,728	
5 under 6	8,005	3,254	25,395	99,781	12,647	30,847	47,584	48,937	48,437	225,737		
6 under 7	6,225	2,898	17,370	81,075	8,924	26,349	29,817	35,501	30,186	165,596		
7 under 8	4,781	2,519	12,252	65,569	6,575	22,757	19,598	27,414	19,298	121,259		
8 under 9	3,869	2,297	9,302	57,438	5,239	21,361	14,158	21,748	13,398	94,535		
9 under 10	3,371	2,218	7,361	49,376	4,392	19,537	10,719	17,793	9,985	78,327		
10 under 11	2,657	1,951	5,913	43,630	3,491	17,115	8,620	16,407	7,300	62,462		
11 under 12	2,323	1,677	4,880	39,829	3,009	16,431	6,881	13,377	5,571	51,314		
12 under 13	2,045	1,614	3,917	33,824	2,509	14,363	5,487	11,261	4,302	43,027		
13 under 14	1,799	1,582	3,420	31,773	2,212	13,878	4,622	10,060	3,509	37,720		
14 under 15	1,580	1,311	2,794	27,943	1,930	12,818	3,840	8,501	2,833	32,809		
15 under 20	5,595	5,362	9,594	112,117	6,704	54,883	12,664	32,022	8,737	116,579		
20 under 25	3,407	3,931	5,096	76,826	3,961	41,425	6,683	20,939	4,053	68,888		
25 under 30	2,162	2,856	2,906	52,667	2,628	33,961	3,927	13,359	2,072	42,216		
30 under 40	2,628	4,310	3,107	70,052	3,082	49,204	4,225	20,230	2,050	50,453		
40 under 50	1,506	2,586	1,063	46,326	1,695	35,861	2,170	12,267	906	27,632		
50 under 60	886	1,476	924	29,981	1,005	24,948	1,213	6,788	480	17,969		
60 under 70	576	973	597	23,907	668	18,600	786	5,000	256	10,799		
70 under 80	392	591	329	14,846	445	14,723	479	3,862	146	7,331		
80 under 90	299	674	253	13,673	346	13,099	344	2,818	112	5,510		
90 under 100	197	386	190	8,613	239	10,364	229	1,703	53	3,054		
100 under 150	473	1,415	330	20,292	617	33,203	563	5,287	138	10,363		
150 under 200	160	482	108	9,750	237	19,064	218	2,064	40	2,769		
200 under 250	61	388	37	3,797	97	11,320	76	966	12	946		
250 under 300	50	225	23	2,538	71	8,525	51	426	14	299		
300 under 400	33	108	21	3,615	60	11,683	59	1,131	10	962		
400 under 500	18	27	9	1,412	47	8,071	28	111	3	2,127		
500 under 750	18	63	12	856	49	15,544	25	356	1	30		
750 under 1,000	12	183	2	64	15	4,747	13	931	3	2		
1,000 under 1,500	4	7	2	1,301	18	13,816	9	52	4	1,933		
1,500 under 2,000	3	(19)			4	3,438	5	63	1	(19)		
2,000 under 3,000					5	4,859	1					
3,000 under 4,000					2	5,493						
4,000 under 5,000					2	4						
5,000 and over					1	15						
Total	³⁷ 55,135	²² 58,483	³⁷ 117,782	1,374,140	³⁷ 72,932	725,975	³⁷ 185,094	695,789	³⁷ 163,883	2,513,650		
With no net income ⁶	15	47	7	175	16	1,151	13	41	2	33		
Total, taxable returns	³⁷ 55,150	²² 58,530	³⁷ 117,789	1,374,315	³⁷ 72,948	727,126	³⁷ 185,107	695,830	³⁷ 163,885	2,513,683		
Nontaxable individual returns:												
With net income ¹⁰												
Under 1 (est.)		1,968		20,360		8,318		122,806			181,647	
1 under 2 (est.)		3,600		54,343		10,662		179,172			706,583	
2 under 2.5 (est.)		2,037		54,743		6,135		96,287			417,624	
2.5 under 3 (est.)		1,213		30,079		3,457		37,361			217,434	
3 under 4 (est.)		2,161		13,661		1,501		13,974			101,049	
4 under 5 (est.)		451		1,296		238		1,042			6,927	
5 under 6	31	132	14	49	9	83	43	51	55	258		
Total	³⁷ 31	²² 11,561	³⁷ 14	174,530	³⁷ 9	30,394	³⁷ 43	450,694	³⁷ 55	1,631,521		
With no net income ⁴	2,213	1,213	4,098	10,084	4,135	12,413	29,857	35,772	10,199	16,710		
Total, nontaxable returns	³⁷ 2,244	²² 12,774	³⁷ 4,112	184,614	³⁷ 4,144	42,807	³⁷ 29,900	486,467	³⁷ 10,254	1,648,231		
Grand total (43 plus 53, or 55 plus 56)	³⁷ 57,394	²² 71,304	³⁷ 121,901	1,558,929	³⁷ 77,092	769,933	³⁷ 215,007	1,182,297	³⁷ 174,139	4,161,913		
Individual returns with net income (41 plus 51)	³⁷ 55,166	²² 70,044	³⁷ 117,796	1,548,670	³⁷ 72,941	756,369	³⁷ 185,137	1,146,484	³⁷ 163,938	4,145,171		
Individual returns with no net income (42 plus 52)	2,228	1,260	4,105	10,259	4,151	13,564	29,870	35,813	10,201	16,742		

For footnotes, see pp. 190-191.

TABLE 7-A.—Individual returns with net income, not including fiduciary returns, 1940, by taxable and nontaxable returns, and by net income classes; also aggregates for taxable and nontaxable individual returns with no net income: Total number of returns, number of returns ²⁶ and amount for each specific source of income and deduction, net income, and deficit—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-6, 8-9, and 14-17]

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

Net income classes		Sources of income—Continued											Total income			
		Capital gain ²⁶					Net gain from sales of property other than capital assets ²⁶		Other income							
		Short-term ²⁷				Current year net short-term capital gain ²⁸ (col. 20+) 22)	Net long-term capital gain ²⁹		Number of returns ²⁷	Amount		Number of returns ²⁷		Amount	Number of returns ²⁷	Amount
		Net short-term capital gain included in total income and net income		Net short-term capital loss of preceding taxable year deducted ²⁸			Number of returns ²⁷	Amount								
		Number of returns ²⁷	Amount	Number of returns ²⁷	Amount											
(1)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)				
Taxable individual returns:																
With net income:																
1	Under 1 (est.)		584	16	600		604		210		17,530	529,667	1			
2	1 under 2 (est.)		3,341	121	3,462		3,297		1,787		126,262	4,412,775	2			
3	2 under 2.5 (est.)		2,735	111	2,846		3,450		1,407		50,045	2,273,472	3			
4	2.5 under 3 (est.)		3,331	157	3,488		4,594		2,387		56,361	2,746,765	4			
5	3 under 4 (est.)		7,791	290	8,081		8,604		4,282		75,451	3,845,597	5			
6	4 under 5 (est.)		6,752	189	6,950		7,459		3,547		37,792	1,952,740	6			
7	5 under 6	10,570	6,534	414	265	6,800	12,412	7,874	2,675	2,611	17,585	13,171	1,352,986	7		
8	6 under 7	7,513	5,046	321	203	5,249	8,936	6,495	1,775	2,034	11,257	9,263	952,680	8		
9	7 under 8	5,819	4,361	252	165	4,527	6,736	5,651	1,220	1,415	7,749	6,794	714,703	9		
10	8 under 9	4,543	3,645	209	144	3,789	5,149	5,140	887	1,180	5,945	5,688	570,476	10		
11	9 under 10	3,827	3,454	160	96	3,550	4,442	4,725	700	1,057	4,574	4,097	488,223	11		
12	10 under 11	3,195	3,075	152	127	3,201	3,485	4,169	552	763	3,555	3,769	403,245	12		
13	11 under 12	2,702	2,759	145	116	2,874	2,982	3,797	444	747	2,955	3,535	355,881	13		
14	12 under 13	2,166	2,191	119	81	2,272	2,527	3,530	367	593	2,449	3,026	307,444	14		
15	13 under 14	1,958	2,241	125	119	2,360	2,205	3,255	313	534	2,081	2,657	274,220	15		
16	14 under 15	1,699	1,975	102	93	2,098	1,974	2,840	270	494	1,801	2,466	248,689	16		
17	15 under 20	6,063	8,029	385	416	8,445	6,737	12,291	924	1,633	6,199	8,290	944,307	17		
18	20 under 25	3,517	5,213	286	336	5,649	3,881	8,508	487	1,169	3,562	5,234	629,771	18		
19	25 under 30	2,201	3,756	185	218	3,974	2,546	7,385	265	518	2,227	3,453	442,147	19		
20	30 under 40	2,453	4,544	208	408	4,952	2,782	9,201	270	531	2,594	5,297	555,582	20		
21	40 under 50	1,291	2,620	122	174	2,791	1,573	7,969	139	224	1,365	3,450	390,713	21		
22	50 under 60	751	2,066	78	129	2,195	895	6,395	71	239	784	2,396	267,183	22		
23	60 under 70	501	1,153	64	141	1,294	643	5,451	45	61	536	1,636	193,137	23		
24	70 under 80	234	880	36	30	910	407	3,740	28	43	356	1,240	143,064	24		
25	80 under 90	232	633	17	14	647	323	4,227	21	173	268	812	118,075	25		
26	90 under 100	133	492	13	33	525	222	2,696	8	80	175	477	87,212	26		
27	100 under 150	384	1,770	65	73	1,843	555	12,413	42	48	462	1,984	265,013	27		
28	150 under 200	125	787	32	76	863	237	7,843	9	25	163	781	130,336	28		
29	200 under 250	64	596	11	9	605	111	5,463	7	245	78	589	71,537	29		
30	250 under 300	61	187	6	13	200	71	4,369	4	54	829	55,726	30			
31	300 under 400	40	860	6	26	886	61	5,288	4	4	49	805	68,305	31		
32	400 under 500	24	31	4	(19)	31	35	5,867			25	387	47,032	32		
33	500 under 750	18	10	5	15	26	40	8,770	2	1	27	250	56,546	33		
34	750 under 1,000	14	141	1	4	145	13	4,810	1	(19)	16	157	32,349	34		
35	1,000 under 1,500	6	24	2	6	29	17	7,792	1	(19)	6	19	37,945	35		
36	1,500 under 2,000	4	8			8	4	1,591			5	41	17,066	36		
37	2,000 under 3,000						3	1,494			4	174	17,949	37		
38	3,000 under 4,000										1	45	17,132	38		
39	4,000 under 5,000						2	44			2	18	9,590	39		
40	5,000 and over						1	2,043					6,012	40		
41	Total	²⁷ 62,131	93,614	²⁷ 3,515	4,424	98,038	²⁷ 72,023	211,135	²⁷ 11,531	30,031	²⁷ 78,907	456,365	26,031,272	41		
42	With no net income ⁴	10	14	2	5	19			1	(19)	13	67	8,761	42		
43	Total, taxable returns	²⁷ 62,141	93,628	²⁷ 3,517	4,429	98,057	²⁷ 72,023	211,135	²⁷ 11,532	30,031	²⁷ 78,920	456,432	26,030,033	43		
Nontaxable individual returns:																
With net income ¹⁰ :																
44	Under 1 (est.)		2,638	108	2,747		2,910		1,655		62,547	1,302,552	44			
45	1 under 2 (est.)		3,392	196	3,588		4,700		3,936		110,357	3,613,693	45			
46	2 under 2.5 (est.)		2,723	75	2,797		2,726		2,067		75,995	5,908,154	46			
47	2.5 under 3 (est.)		1,802	23	1,825		1,519		1,067		30,120	2,512,419	47			
48	3 under 4 (est.)		944	39	984		555		801		11,676	793,751	48			
49	4 under 5 (est.)		73		73		70		87		542	29,785	49			
50	5 under 6	5	6		6	8	3		2		7	24	1,018	50		
51	Total	²⁷ 5	11,579	440	12,019	²⁷ 8	12,484	²⁷ 2	9,644	²⁷ 7	291,161	14,196,373	51			
52	With no net income ⁴	3,821	4,526	136	334	4,860	2,970	4,642	1,506	2,373	9,165	7,356	230,822	52		
53	Total, nontaxable returns	²⁷ 3,826	16,105	²⁷ 136	775	16,879	²⁷ 2,978	17,127	²⁷ 1,509	12,018	²⁷ 9,172	298,517	14,427,195	53		
54	Grand total (43 plus 53, or 55 plus 56)	²⁷ 65,967	109,732	²⁷ 3,653	5,204	114,936	²⁷ 75,001	228,262	²⁷ 13,040	42,048	²⁷ 88,092	754,949	40,517,228	54		
55	Individual returns with net income (41 plus 51)	²⁷ 62,136	105,193	²⁷ 3,515	4,864	110,057	²⁷ 72,031	223,619	²⁷ 11,533	39,675	²⁷ 78,914	747,526	40,277,645	55		
56	Individual returns with no net income (42 plus 52)	3,831	4,540	138	339	4,879	2,970	4,642	1,507	2,373	9,178	7,423	239,583	56		

For footnotes, see pp. 190-191.

TABLE 7-A.—Individual returns with net income, not including fiduciary returns, 1940, by taxable and nontaxable returns, and by net income classes; also aggregates for taxable and nontaxable individual returns with no net income: Total number of returns, number of returns ³⁰ and amount for each specific source of income and deduction, net income, and deficit—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-6, 8-9, and 14-17]

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

Net income classes		Deductions											
		Partnership loss ²²		Business loss ²³		Net long-term capital loss ^{26 30}		Net loss from sales of property other than capital assets ³¹		Contributions ²⁷		Interest paid ³¹	
		Number of returns ²⁷	Amount	Number of returns ²⁷	Amount	Number of returns ²⁷	Amount	Number of returns ²⁷	Amount	Number of returns ²⁷	Amount	Number of returns ²⁷	Amount
(1)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	
Taxable individual returns:													
With net income:													
1		244		974		4,244		384		13,813		5,091	
2	Under 1 (est.)	861		4,067		14,295		1,403		109,865		34,206	
3	1 under 2 (est.)	795		3,097		9,123		982		44,262		31,009	
4	2 under 2.5 (est.)	862		4,262		11,417		1,335		52,472		47,778	
5	3 under 3 (est.)	1,849		7,716		22,766		2,888		72,127		77,350	
6	4 under 5 (est.)	1,437		5,200		19,242		2,115		36,802		41,516	
7	5 under 6	1,536	1,438	3,759	4,379	15,920	18,129	2,140	1,598	183,438	25,923	113,732	
8	6 under 7	1,082	1,147	2,485	3,516	11,675	15,007	1,495	1,463	109,476	18,429	67,983	
9	7 under 8	792	789	1,746	2,906	8,984	13,204	983	999	71,365	13,621	43,825	
10	8 under 9	593	632	1,280	2,162	7,267	11,576	820	828	50,304	11,154	31,028	
11	9 under 10	547	773	1,073	1,945	6,018	10,461	626	766	38,638	9,505	23,787	
12	10 under 11	403	534	877	1,667	5,034	9,511	521	643	29,152	7,969	17,910	
13	11 under 12	405	493	756	1,666	4,342	8,026	437	583	23,405	6,989	14,402	
14	12 under 13	322	470	655	1,640	3,684	8,187	353	548	18,473	6,037	11,401	
15	13 under 14	247	394	531	1,294	3,152	6,901	296	462	15,473	5,365	9,568	
16	14 under 15	222	312	491	1,190	2,806	6,689	257	282	13,144	4,873	7,991	
17	15 under 20	782	1,183	1,709	5,214	10,020	26,434	934	1,569	41,982	19,050	25,668	
18	20 under 25	522	1,033	992	3,506	5,985	18,674	537	949	21,754	13,271	13,232	
19	25 under 30	310	600	632	2,453	3,753	13,212	325	612	12,601	9,773	7,753	
20	30 under 40	361	926	701	3,758	4,430	18,424	381	898	13,446	14,092	8,207	
21	40 under 50	203	531	508	2,796	2,502	12,438	207	639	6,921	10,016	4,382	
22	50 under 60	142	554	276	1,769	1,448	7,908	112	283	3,833	7,061	2,528	
23	60 under 70	74	332	205	1,242	907	5,377	86	230	2,395	5,777	1,544	
24	70 under 80	62	250	123	985	567	4,060	43	145	1,514	4,368	1,007	
25	80 under 90	47	238	110	1,211	414	2,974	30	109	1,118	4,058	736	
26	90 under 100	44	178	73	811	291	2,293	30	93	745	3,003	503	
27	100 under 150	93	460	193	2,976	753	6,215	61	260	1,732	10,251	1,239	
28	150 under 200	32	221	72	1,023	251	3,594	20	100	603	5,910	424	
29	200 under 250	22	88	36	513	94	972	10	44	233	3,255	191	
30	250 under 300	10	887	24	293	64	1,314	4	34	155	2,519	122	
31	300 under 400	11	121	21	555	71	1,931	7	52	160	2,891	123	
32	400 under 500	7	62	10	358	39	731	7	187	84	3,033	63	
33	500 under 750	3	6	19	994	25	776	4	90	77	3,817	63	
34	750 under 1,000	2	5	10	213	12	333	2	81	33	2,243	26	
35	1,000 under 1,500	1	1	10	436	7	76				1,144	23	
36	1,500 under 2,000	2	3	2	80	3	184				8	8	
37	2,000 under 3,000			3	1,579	3	55	1	3	6	1,034	4	
38	3,000 under 4,000					3	562	1	(19)	4	1,325	3	
39	4,000 under 5,000			1	23			1		2	717	2	
40	5,000 and over			1	35					1	719	1	
41	Total	²⁷ 8,879	20,711	²⁷ 19,479	89,637	²⁷ 103,524	317,373	²⁷ 10,733	23,636	²⁷ 662,333	570,478	²⁷ 409,624	
42	With no net income ⁸	3	3	4	77	46	9,475	2	10	29	255	33	
43	Total, taxable returns	²⁷ 8,882	20,714	²⁷ 19,483	89,715	²⁷ 103,570	323,818	²⁷ 10,735	23,645	²⁷ 662,417	570,733	²⁷ 409,657	
Nontaxable individual returns:													
With net income: ¹⁰													
44	Under 1 (est.)		3,700		23,886		27,331		5,261		27,595		40,766
45	1 under 2 (est.)		2,691		16,929		19,701		4,956		50,781		82,225
46	2 under 2.5 (est.)		1,036		6,033		8,154		2,238		51,701		76,935
47	2.5 under 3 (est.)		407		2,613		4,231		1,035		24,489		37,490
48	3 under 4 (est.)		243		967		2,323		431		9,183		14,781
49	4 under 5 (est.)		12		236		114		43		450		544
50	5 under 6	1	1	4	18	7	89	3	1	97	23	62	70
51	Total	²⁷ 1	8,090	²⁷ 4	50,817	²⁷ 7	61,912	²⁷ 3	14,077	²⁷ 97	164,167	²⁷ 62	252,780
52	With no net income ⁴	6,099	23,460	68,546	127,502	19,990	163,072	6,517	33,077	32,013	5,092	28,870	30,457
53	Total, nontaxable returns	²⁷ 6,100	33,550	²⁷ 68,550	178,318	²⁷ 19,997	228,014	²⁷ 6,520	47,154	²⁷ 32,110	169,259	²⁷ 28,932	283,237
54	Grand total (43 plus 53, or 55 plus 56)	²⁷ 14,982	54,264	²⁷ 88,033	259,033	²⁷ 120,567	554,861	²⁷ 17,255	70,800	²⁷ 694,527	739,992	²⁷ 438,589	741,586
55	Individual returns with net income (41 plus 51)	²⁷ 8,880	28,801	²⁷ 19,483	131,454	²⁷ 100,531	379,314	²⁷ 10,736	37,713	²⁷ 662,455	734,645	²⁷ 409,686	710,637
56	Individual returns with no net income (42 plus 52)	6,102	25,463	68,550	127,579	20,036	175,547	6,519	33,087	32,042	5,347	29,903	30,899

For footnotes, see pp. 190-191.

TABLE 7-A.—Individual returns with net income, not including fiduciary returns, 1940, by taxable and nontaxable returns, and by net income classes; also aggregates for taxable and nontaxable individual returns with no net income: Total number of returns, number of returns ³⁶ and amount for each specific source of income and deduction, net income, and deficit—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-6, 8-9, and 14-17]
 [Net Income classes and money figures in thousands of dollars]

	Net income classes (1)	Deductions—Continued								Total deductions ³⁵ (51)	Net income (52)
		Taxes paid ³³		Losses from fire, storm, etc. ^{33 31} (Form 1040)		Bad debts ³³ (Form 1040)		Other deductions ³³			
		Number of returns ³⁷ (43)	Amount (44)	Number of returns ³⁷ (45)	Amount (46)	Number of returns ³⁷ (47)	Amount (48)	Number of returns ³⁷ (49)	Amount (50)		
1	Taxable individual returns:										
2	With net income:										
3	Under 1 (est.)		14,011		258		498		6,650	47,068	482,599
4	1 under 2 (est.)		108,048		1,033		2,373		41,572	317,978	4,094,798
5	2 under 2.5 (est.)		68,462		1,049		2,379		27,552	159,615	2,033,838
6	2.5 under 3 (est.)		85,724		1,123		3,160		34,434	212,561	2,504,204
7	3 under 4 (est.)		122,994		2,330		6,699		54,032	370,810	3,474,787
8	4 under 5 (est.)		66,313		1,707		5,514		30,097	229,944	1,742,736
9	5 under 6	189,643	48,816	7,324	1,478	8,684	4,558	50,613	22,477	163,689	1,182,297
10	6 under 7	113,496	35,537	4,474	1,086	6,013	3,544	31,117	15,924	120,113	832,567
11	7 under 8	73,877	26,435	2,937	854	4,240	2,978	21,002	12,671	91,862	622,841
12	8 under 9	52,223	22,350	2,169	705	3,095	2,423	15,116	8,942	75,047	495,429
13	9 under 10	40,342	18,971	1,690	539	2,522	2,247	11,805	7,580	64,710	423,613
14	10 under 11	30,480	15,982	1,302	499	2,023	2,233	9,120	6,406	55,071	353,174
15	11 under 12	24,389	14,221	1,051	416	1,623	1,858	7,548	5,255	47,608	308,273
16	12 under 13	19,373	12,336	817	349	1,323	1,537	6,148	4,830	42,623	264,818
17	13 under 14	16,119	11,130	742	565	1,169	1,493	5,187	3,944	37,672	233,543
18	14 under 15	13,649	10,078	624	290	954	1,203	4,431	3,641	33,893	214,794
19	15 under 20	43,766	38,870	2,092	1,333	3,474	4,833	14,814	13,267	131,072	813,235
20	20 under 25	22,675	25,212	1,192	891	2,045	3,635	8,497	9,231	89,693	540,085
21	25 under 30	13,087	18,530	692	640	1,326	2,692	5,019	5,930	62,410	379,737
22	30 under 40	13,952	26,451	806	994	1,478	3,227	5,808	8,462	87,361	508,221
23	40 under 50	7,109	16,932	476	536	839	2,003	3,179	5,961	58,813	331,895
24	50 under 60	4,000	11,749	285	453	564	2,336	1,835	3,933	40,275	226,908
25	60 under 70	2,445	8,235	197	390	345	1,145	1,170	2,839	25,425	164,712
26	70 under 80	1,576	6,304	125	221	223	869	811	2,011	21,735	121,329
27	80 under 90	1,141	5,653	92	223	157	641	595	1,843	13,668	99,408
	90 under 100	762	3,910	73	99	128	519	428	1,181	13,255	73,956
	100 under 150	1,826	12,118	202	626	312	1,765	1,040	4,499	44,025	223,988
28	150 under 200	617	5,893	79	306	126	1,527	401	2,212	23,035	107,300
29	200 under 250	270	2,978	31	173	45	426	170	1,098	10,699	60,830
30	250 under 300	164	2,589	27	84	31	177	110	1,534	10,101	45,625
31	300 under 400	161	2,632	21	152	32	176	116	1,351	11,442	56,853
32	400 under 500	84	1,748	13	53	14	313	61	1,082	8,138	38,893
33	500 under 750	78	2,524	15	128	19	227	65	911	9,850	46,096
34	750 under 1,000	32	1,155	6	129	8	79	25	293	4,866	27,474
35	1,000 under 1,500	28	1,699	5	137	8	79	22	336	4,500	33,445
36	1,500 under 2,000	8	614	4	2	3	276	4	289	3,453	13,614
37	2,000 under 3,000	6	800	2	9	2	32	4	165	3,689	14,079
38	3,000 under 4,000	4	566	2	36	2	259	2	852	3,689	13,443
39	4,000 under 5,000	2	183			1	76	2	127	1,489	8,090
40	5,000 and over	1	66	1	8	1	5	1	63	933	5,075
41	Total	³⁷ 687,385	830,910	³⁷ 29,618	21,910	³⁷ 42,872	72,887	³⁷ 206,294	355,720	2,802,069	23,279,203
42	With no net income ⁶	46	642	7	49	7	87	32	272	11,312	11 2,551
43	Total, taxable returns	³⁷ 687,431	\$81,452	³⁷ 29,625	21,959	³⁷ 42,879	72,975	³⁷ 206,326	355,992	2,813,381	12 23,276,652
44	Nontaxable individual returns:										
45	With net income: ¹⁰										
46	Under 1 (est.)		71,896		2,447		6,417		63,407	272,588	1,029,964
47	1 under 2 (est.)		118,373		3,647		7,495		90,126	396,937	3,246,736
48	2 under 2.5 (est.)		103,679		1,398		3,302		49,308	303,913	5,604,241
49	2.5 under 3 (est.)		44,075		691		1,333		29,297	136,760	2,375,660
50	3 under 4 (est.)		16,144		362		895		7,157	52,484	746,267
	4 under 5 (est.)		617		59		116		594	2,870	26,015
	5 under 6	97	46	4	2	7	5	30	30	236	732
51	Total	³⁷ 97	354,801	³⁷ 4	8,606	³⁷ 7	19,570	³⁷ 30	231,008	1,165,858	13,030,516
52	With no net income ⁴	45,355	32,595	2,576	8,956	5,155	45,498	24,810	64,917	539,656	11 308,834
53	Total, nontaxable returns	³⁷ 45,452	387,396	³⁷ 2,580	17,562	³⁷ 5,162	65,068	³⁷ 24,870	295,955	1,705,514	12 12,721,682
54	Grand total (43 plus 53, or 55 plus 56)	³⁷ 732,883	1,268,848	³⁷ 32,205	39,521	³⁷ 48,041	138,043	³⁷ 231,196	651,947	4,518,894	12 35,998,334
55	Individual returns with net income (41 plus 51)	³⁷ 687,482	1,235,611	³⁷ 29,622	30,516	³⁷ 42,879	92,457	³⁷ 206,324	586,728	3,967,926	36,309,719
56	Individual returns with no net income (42 plus 52)	45,401	33,237	2,583	9,005	5,162	45,586	24,872	65,219	550,968	11 311,385

For footnotes, see pp. 190-191.

TABLE 7-B. (Table 11, Statistics of Income for 1939, Part 1.)—Taxable fiduciary number of returns ³⁶ and amount for each specific source of income and deduction, fiduciary

[For description of items and classifications, and

[Net income classes and money

Net income ³ classes (1)	Total number of returns (2)	Sources of income			
		Dividends from domestic and foreign corporations ²⁰		Interest	
		Number of returns	Amount	Number of returns ³⁷	Amount ²¹
(3)	(4)	(5)	(6)		
Taxable fiduciary returns with net income: ²					
Under 1.....	29,665	20,018	56,316	-----	32,734
1 under 2.....	13,976	9,984	27,658	-----	11,711
2 under 2.5.....	3,773	2,825	10,553	-----	3,726
2.5 under 3.....	2,653	2,048	8,841	-----	2,710
3 under 4.....	3,726	2,925	14,680	-----	4,322
4 under 5.....	2,504	2,066	12,404	-----	3,178
5 under 6.....	1,925	1,554	10,290	1,573	2,911
6 under 7.....	1,400	1,104	8,927	1,133	2,042
7 under 8.....	1,029	876	7,553	830	1,398
8 under 9.....	855	736	6,864	665	1,405
9 under 10.....	605	536	5,534	457	1,083
10 under 11.....	564	481	6,424	378	821
11 under 12.....	427	377	4,431	298	823
12 under 13.....	452	400	4,753	342	901
13 under 14.....	322	269	4,085	226	624
14 under 15.....	292	266	4,467	232	721
15 under 20.....	969	868	18,228	716	2,632
20 under 25.....	578	502	12,603	452	1,230
25 under 30.....	389	357	9,725	298	1,497
30 under 40.....	435	393	15,654	303	1,388
40 under 50.....	264	235	11,050	197	878
50 under 60.....	156	144	8,955	119	425
60 under 70.....	91	89	5,927	58	373
70 under 80.....	52	51	4,586	33	150
80 under 90.....	45	41	3,648	27	385
90 under 100.....	44	44	4,403	39	240
100 under 150.....	98	87	12,086	60	565
150 under 200.....	39	38	7,576	33	232
200 under 250.....	18	18	4,333	15	225
250 under 300.....	8	8	1,775	5	7
300 under 400.....	10	9	2,923	6	42
400 under 500.....	5	5	3,681	4	124
500 under 750.....	14	14	3,823	4	27
750 under 1,000.....	2	2	1,433	2	11
1,000 under 1,500.....	1	-----	-----	-----	93
1,500 under 2,000.....	1	1	3,607	1	53
2,000 under 3,000.....	-----	-----	-----	-----	-----
3,000 under 4,000.....	-----	-----	-----	-----	-----
4,000 under 5,000.....	1	1	8,536	-----	-----
5,000 and over.....	-----	-----	-----	-----	-----
Total.....	67,388	49,432	338,335	³⁷ 8,507	²¹ 81,689

For footnotes, see pp. 190-191.

returns with net income,¹⁵ 1940, by net income ³ classes: Total number of returns, balance income,³⁹ amount distributable to beneficiaries, and net income taxable to the method of tabulating and see pp. 4-6, 8-9, and 14-17]

figures in thousands of dollars]

Sources of income—Continued									
Interest—Continued		Partnership profit ²³		Income from fiduciaries ²⁴		Rents and royalties		Business profit ²⁵	
Number of returns ²⁷	Amount ²²	Number of returns ²⁷	Amount	Number of returns ²⁷	Amount	Number of returns ²⁷	Amount	Number of returns ²⁷	Amount
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
-----	3,270	-----	249	-----	1,442	-----	9,485	-----	738
-----	1,228	-----	536	-----	918	-----	8,108	-----	1,527
-----	484	-----	217	-----	362	-----	2,455	-----	513
-----	321	-----	178	-----	276	-----	2,014	-----	461
-----	482	-----	492	-----	687	-----	3,155	-----	824
-----	431	-----	252	-----	376	-----	2,442	-----	799
414	324	93	430	116	349	514	2,154	92	445
317	312	89	414	90	374	363	1,656	93	588
234	349	57	405	77	346	259	1,190	64	420
212	277	26	241	80	438	218	1,114	41	300
162	192	26	203	34	172	115	832	25	264
102	126	25	155	35	208	122	973	22	266
115	161	12	62	34	220	122	786	22	227
102	264	27	250	33	217	117	834	16	104
71	123	24	265	23	239	90	550	16	130
87	115	14	156	23	127	60	306	13	173
254	489	37	524	73	772	279	2,376	38	616
129	216	43	729	33	415	135	1,124	29	586
96	259	16	395	28	412	84	719	16	298
131	280	15	492	41	837	98	755	13	414
58	122	13	504	33	1,012	72	1,171	15	495
48	196	10	341	11	353	41	597	8	304
16	43	3	60	7	177	24	1,107	3	54
14	34	2	156	5	115	11	565	3	208
9	80	6	745	3	9	12	277	1	59
12	16	4	285	4	201	9	240	-----	-----
12	165	3	309	6	408	25	597	2	259
7	22	3	24	2	10	9	29	1	238
6	17	-----	-----	-----	-----	3	3	-----	-----
3	(¹⁹)	-----	-----	1	106	-----	-----	-----	-----
1	(¹⁹)	1	(¹⁹)	-----	-----	1	2	-----	-----
2	2	-----	-----	-----	-----	2	23	-----	-----
4	17	-----	-----	-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
1	(¹⁹)	-----	-----	-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
²⁷ 2,619	²² 10,415	²⁷ 549	9,071	²⁷ 792	11,668	²⁷ 2,785	47,650	²⁷ 533	11,399

TABLE 7-B. (Table 11, Statistics of Income for 1939, Part 1.)—Taxable fiduciary number of returns ²⁶ and amount for each specific source of income and deduction, fiduciary—Continued

[For description of items and classifications, and method

[Net income classes and money

Net income ³ classes (1)	Sources of income—Continued				
	Capital gain ²⁶				
	Short-term ²⁷				
	Net short-term capital gain included in total income and net income		Net short-term capital loss of preceding taxable year deducted ²⁸		Current year net short-term capital gain ²⁹ (col. 18+20)
Number of returns ²⁷	Amount	Number of returns ²⁷	Amount		
(17)	(18)	(19)	(20)	(21)	
Taxable fiduciary returns with net income ³ :					
Under 1.....		1,259	19	1,278	
1 under 2.....		1,347	23	1,369	
2 under 2.5.....		502	11	514	
2.5 under 3.....		482	12	494	
3 under 4.....		903	17	920	
4 under 5.....		690	5	695	
5 under 6.....	367	615	16	629	
6 under 7.....	286	504	6	505	
7 under 8.....	225	462	3	473	
8 under 9.....	191	511	9	517	
9 under 10.....	130	262	2	262	
10 under 11.....	112	287	2	287	
11 under 12.....	83	254	2	255	
12 under 13.....	110	344	3	346	
13 under 14.....	71	261	3	262	
14 under 15.....	69	291	2	291	
15 under 20.....	215	2,381	9	2,401	
20 under 25.....	111	655	8	678	
25 under 30.....	84	477	3	477	
30 under 40.....	123	1,058	4	1,062	
40 under 50.....	55	461	2	462	
50 under 60.....	36	370	1	371	
60 under 70.....	25	518	1	519	
70 under 80.....	15	167		167	
80 under 90.....	8	191		191	
90 under 100.....	12	116		116	
100 under 150.....	21	380		380	
150 under 200.....	10	370		370	
200 under 250.....	5	13		13	
250 under 300.....	1	(¹⁹)		(¹⁹)	
300 under 400.....	3	185		185	
400 under 500.....					
500 under 750.....	3	513		513	
750 under 1,000.....					
1,000 under 1,500.....					
1,500 under 2,000.....	1	351		351	
2,000 under 3,000.....					
3,000 under 4,000.....					
4,000 under 5,000.....					
5,000 and over.....					
Total.....	²⁷ 2,372	17,179	²⁷ 76	172	17,351

For footnotes, see pp. 190-191.

returns with net income, ¹⁵ 1940, by net income ³ classes: Total number of returns, balance income, ³¹ amount distributable to beneficiaries, and net income taxable to the

of tabulating data, see pp. 4-6, 8-9, and 14-17]

figures in thousands of dollars]

Net long-term capital gain ³⁰	Sources of income—Continued						Deductions				
	Net gain from sales of property other than capital assets ³¹		Other income		Total income	Partnership loss ²³		Business loss ²⁵			
	Number of returns ²⁷	Amount	Number of returns ²⁷	Amount		Number of returns ²⁷	Amount	Number of returns ²⁷	Amount		
	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
	4,021		200		947	110,662					
	3,137		281		1,173	57,625		28			34
	1,395		82		287	20,577		34			72
	1,086		77		303	16,748		7			27
	2,024		136		489	28,195		4			27
	1,310		109		327	22,318		19			53
	530	1,377	56	147	242	301	19,344	12			16
	388	1,162	43	94	177	363	16,437	13		20	42
	287	967	17	30	139	233	13,351	10		7	90
	251	943	22	54	128	413	12,562	6		11	12
	180	697	18	40	73	108	9,386	5		1	12
	151	748	14	58	72	99	10,166	4		6	9
	121	700	12	39	66	105	7,806	7	(¹⁹)	5	9
	131	783	8	20	52	41	8,572	2	25	4	17
	94	401	16	51	32	98	6,828	13	4	2	13
	98	498	7	28	39	99	6,970	(¹⁹)	2	2	5
	339	2,382	27	139	139	239	30,777	8	11	10	52
	179	1,287	9	15	84	217	19,076	9	9	5	94
	144	1,445	10	22	64	190	15,411	2	4	3	12
	132	1,620	5	17	63	258	22,774	3	9	3	4
	81	1,420	8	68	48	200	17,382	4	37	4	14
	54	914	5	2	26	43	12,498			3	9
	31	811	2	(¹⁹)	11	50	9,123	1	6		
	18	955	1	1	6	17	7,014			3	10
	20	538	2	(¹⁹)	6	34	5,966	1	2	1	2
	17	477	1	58	8	6	6,215	(¹⁹)			
	39	2,821	2	2	12	50	17,640	1	(¹⁹)	2	8
	17	1,308	3	2	7	66	9,877				
	10	1,363	1	2	5	36	5,992	1	(¹⁹)		
	5	955					2,933				
	6	1,185			3	3	4,349				
	5	569			2	7	4,406			1	11
	13	4,797			3	21	9,198				
	1	356					1,799				
	1	1,310					1,403				
							4,010				
						8,536					
²⁷ 3,343	47,760	²⁷ 289	1,775	²⁷ 1,507	6,985	583,926	²⁷ 97	250	²⁷ 122		711

TABLE 8. (Tables 9 and 9-A, Statistics of Income for 1939, Part 1.) — Individual returns with net income, 1940, by taxable and nontaxable returns, and by net income classes; also aggregates for taxable and nontaxable individual returns with no net income and for taxable fiduciary returns with net income, by States and Territories: Number of returns, net income, deficit, and total tax; also totals for prior years ⁴¹

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

Net income classes (Thousands of dollars)	Alabama			Alaska			Arizona			Arkansas		
	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²
Taxable individual returns:												
With net income:												
1 Under 1 (est.)	5,692	\$5,200,217	\$16,382	1,179	\$1,096,764	\$2,931	1,086	\$1,012,973	\$2,902	1,644	\$1,496,897	\$4,242
2 Under 2 (est.)	15,494	21,023,884	264,926	3,032	3,943,454	46,859	8,971	13,119,514	183,807	5,750	7,661,937	93,576
3 Under 2.5 (est.)	5,782	13,321,327	101,690	842	1,915,615	18,548	2,673	6,052,801	77,064	2,521	5,855,045	38,353
4 Under 3 (est.)	6,499	17,920,434	133,048	1,042	2,875,033	22,215	2,766	7,557,554	82,978	3,180	8,718,033	61,963
5 Under 4 (est.)	6,246	21,302,255	243,173	917	3,125,003	37,674	3,708	12,742,607	189,361	3,302	11,229,497	122,467
6 Under 5 (est.)	2,257	10,023,030	176,300	352	1,553,290	29,224	1,449	6,430,485	137,611	1,352	5,994,034	107,366
7 Under 6	1,640	8,962,339	202,426	180	932,634	23,635	716	3,918,285	108,732	865	4,740,053	109,087
8 Under 7	976	6,295,834	171,499	105	683,330	20,271	331	2,127,945	73,170	548	3,540,258	98,847
9 Under 8	617	4,612,333	161,177	63	467,938	17,126	197	1,469,705	63,189	349	2,607,301	89,937
10 Under 9	454	3,859,052	163,099	48	404,938	19,161	121	1,030,933	55,810	223	1,892,319	79,193
11 Under 10	338	3,198,800	156,742	39	368,246	19,759	82	780,288	46,602	217	2,059,850	101,335
12 Under 11	244	2,561,109	140,363	27	264,254	17,858	69	726,815	47,807	155	1,287,240	81,733
13 Under 12	210	2,413,749	147,119	23	264,254	17,858	56	641,900	44,910	112	1,086,640	72,095
14 Under 13	145	1,811,698	123,934	13	163,330	10,814	52	648,984	51,328	87	1,021,134	74,525
15 Under 14	118	1,586,848	118,033	14	187,803	13,782	32	429,140	35,270	76	956,080	76,433
16 Under 15	113	1,639,254	129,094	12	175,367	14,517	23	318,397	28,581	66	3,334,646	321,839
17 Under 20	347	5,080,519	587,241	31	536,282	53,660	83	1,427,401	154,929	195	2,364,057	319,713
18 Under 25	170	3,772,678	492,114	8	173,324	23,446	40	888,793	125,706	106	1,351,549	233,142
19 Under 30	98	2,672,243	446,124	3	80,555	11,766	28	772,462	136,258	51	1,919,479	407,954
20 Under 40	111	3,823,049	806,098	8	282,182	61,930	24	852,743	183,436	56	841,044	218,243
21 Under 50	53	2,333,431	607,706	2	87,007	22,698	11	481,784	125,256	19	547,966	163,683
22 Under 60	17	947,640	234,174	1	57,745	18,702	7	377,450	112,416	10	350,708	112,781
23 Under 70	11	713,817	235,074							5	297,298	108,502
24 Under 80	14	1,042,998	391,966	1	78,235	29,224	1	71,919	25,854	4	254,293	99,813
25 Under 90	6	615,640	205,534							3	95,219	40,554
26 Under 100	5	462,971	184,030							1	326,278	145,840
27 100 under 150	11	1,348,000	604,008							3		
28 150 under 200	2	368,797	202,510									
29 200 under 250	1	226,436	92,865									
30 250 under 300												
31 300 under 400												
32 400 under 500												
33 500 under 750												
34 750 under 1,000												
35 1,000 under 1,500												
With no net income ⁶:												
Total	47,671	149,954,382	7,588,518	7,942	19,787,369	551,576	22,528	64,062,090	2,181,800	20,900	73,468,657	3,475,810
Total, taxable individual returns.	47,671	149,954,382	7,588,518	7,942	19,787,369	551,576	22,528	64,062,090	2,181,800	20,900	73,468,657	3,475,810
Nontaxable individual returns:												
With net income: ¹⁰												
1 Under 1 (est.)	8,798	6,790,552		1,184	764,196		3,305	2,234,700		5,713	4,127,225	
2 Under 2 (est.)	14,735	22,005,770		1,456	2,425,222		7,114	11,155,793		9,362	14,278,932	
3 Under 2.5 (est.)	19,609	43,280,378		1,925	4,301,029		6,841	15,125,569		8,932	19,691,143	
4 Under 3 (est.)	6,880	18,552,855		1,256	3,421,753		2,336	6,266,278		3,545	9,517,803	
5 Under 4 (est.)	1,853	5,955,349		184	645,332		672	2,175,030		975	3,138,837	
6 Under 5 (est.)	67	291,537		2	9,684		24	104,959		17	73,154	
7 Under 6	1	5,376								1	5,732	
Total	51,943	96,881,815		6,007	11,567,216		20,292	37,062,329		28,545	50,832,826	
With no net income ⁴:	865	112,487,123		110	11,280,709		678	11,719,315		677	11,174,461	
Total, nontaxable individual returns.	52,808	109,368,938		6,117	12,687,925		20,970	48,781,644		29,222	62,007,287	
Grand total individual returns (43 plus 53, or 55 plus 56).	100,479	259,323,320	7,588,518	14,059	32,475,294	551,576	43,498	112,773,734	2,181,800	50,122	135,475,944	3,475,810
Individual returns with net income (41 plus 51).	99,614	246,836,197	7,588,518	13,949	31,354,585	551,576	42,820	101,124,419	2,181,800	49,445	124,301,483	3,475,810
Individual returns with no net income (42 plus 52).	865	112,487,123		110	11,280,709		678	11,719,315		677	11,174,461	
Taxable fiduciary returns with net income. ³	376	1,439,468	185,778	7	27,908	1,216	112	351,983	24,953	163	485,284	26,512
Total, individual returns with net income and taxable fiduciary returns with net income (55 plus 57).	99,990	248,275,665	7,774,296	13,956	31,382,493	552,792	42,932	101,476,402	2,206,813	49,608	124,786,767	3,502,322
Summary for prior years: ⁴¹												
1939	49,243	150,021,429	3,788,876	6,982	17,669,165	307,789	26,073	69,347,814	1,289,518	23,203	75,668,690	1,902,359
1938	39,261	116,163,358	2,715,111	(13)	(13)	(13)	20,532	56,563,874	1,048,176	19,720	63,377,344	1,576,931
1937	39,959	130,127,271	4,155,993	(12)	(12)	(12)	20,809	62,432,053	1,542,167	18,502	64,054,308	1,934,035
1936	31,712	106,647,588	3,434,836	(13)	(13)	(13)	16,842	51,444,492	1,429,247	16,587	61,156,625	2,073,666
1935	26,141	80,443,944	1,701,523	(13)	(13)	(13)	13,941	38,298,031	647,859	14,085	43,351,163	796,832
1934	23,072	69,229,199	1,407,104	(13)	(13)	(13)	11,378	29,802,959	391,723	13,318	38,885,556	677,515
1933	19,962	53,673,478	978,404	(13)	(13)	(13)	8,558	20,851,766	265,635	11,427	29,306,515	370,943
1932	20,680	54,020,284	769,932	(13)	(13)	(13)	8,900	23,354,960	305,405	10,350	24,716,119	215,937
1931	19,532	70,309,297	640,467	(13)	(13)	(13)	8,035	28,745,823	247,280	9,873	29,256,385	107,830
1930	22,605	93,900,510	1,353,584	(12)	(12)	(12)	10,590	42,775,084	584,274	12,490	43,282,986	241,787

For footnotes, see pp. 190-191.

TABLE 8. (Tables 9 and 9-A, Statistics of Income for 1939, Part 1.)—Individual returns with net income, 1940, by taxable and nontaxable returns, and by net income classes; also aggregates for taxable and nontaxable individual returns with no net income and for taxable fiduciary returns with net income, by States and Territories: Number of returns, net income, deficit, and total tax; also totals for prior years⁴¹—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

Net income classes (Thousands of dollars)	California			Colorado			Connecticut			Delaware		
	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²
Taxable individual returns:												
With net income:												
Under 1 (est.)	56,877	\$52,061,220	\$143,488	981	\$822,281	\$6,817	10,684	\$9,827,388	\$35,573	1,614	\$1,448,692	\$9,237
1 under 2 (est.)	253,191	349,549,220	4,540,518	21,769	31,641,344	472,099	89,493	127,468,084	1,840,450	7,449	10,400,464	143,400
2 under 2.5 (est.)	86,071	197,164,480	1,879,335	5,619	12,701,265	209,105	19,933	45,119,673	662,834	2,367	5,453,314	59,790
2.5 under 3 (est.)	88,210	242,472,828	2,131,460	6,767	18,516,398	231,410	19,188	52,533,169	584,470	2,910	8,013,065	87,076
3 under 4 (est.)	91,629	313,598,811	4,209,276	8,151	27,917,521	331,222	22,133	75,731,016	992,932	3,069	10,404,329	132,152
4 under 5 (est.)	34,234	151,827,547	3,099,231	3,783	16,778,339	308,978	7,856	34,602,712	619,095	1,140	5,073,407	94,379
5 under 6 (est.)	22,923	125,064,515	3,290,147	1,591	8,685,892	203,667	4,582	24,773,060	599,172	683	3,723,793	90,128
6 under 7	11,848	76,303,072	2,513,921	979	6,334,063	182,369	2,865	18,531,923	542,185	392	2,540,394	73,023
7 under 8	6,535	48,744,373	2,094,577	563	4,209,032	147,873	1,976	14,742,152	528,224	297	2,213,343	70,162
8 under 9	4,072	34,476,995	1,762,785	411	3,480,568	147,454	1,434	12,141,122	523,782	196	1,666,402	71,881
9 under 10	3,047	28,883,915	1,473,972	309	2,925,520	146,994	1,110	10,510,142	522,364	150	1,428,630	71,642
10 under 11	2,308	24,150,763	1,553,018	233	2,439,939	133,093	859	9,007,261	510,537	133	1,391,725	77,203
11 under 12	1,814	20,847,221	1,473,610	171	1,967,096	123,493	671	7,711,171	493,088	123	1,469,453	93,693
12 under 13	1,503	18,752,370	1,441,219	136	1,695,827	120,525	541	6,763,936	466,145	100	1,245,810	85,952
13 under 14	1,198	16,164,116	1,344,685	120	1,615,741	120,663	450	6,066,602	458,333	75	1,011,744	75,551
14 under 15	942	13,657,557	1,220,248	85	1,232,669	99,753	386	5,593,420	449,506	74	1,053,947	84,397
15 under 20	3,055	52,463,820	5,614,240	290	5,002,705	492,348	1,273	21,912,874	2,220,717	239	4,117,460	401,051
20 under 25	1,697	37,610,804	5,331,859	161	3,610,929	483,523	709	15,740,233	2,113,395	121	2,698,874	369,799
25 under 30	969	26,393,532	4,678,556	67	1,820,236	310,307	429	11,720,230	2,026,430	74	2,037,451	352,822
30 under 40	986	33,952,520	7,457,381	72	2,431,320	509,370	455	15,643,939	3,422,730	88	3,027,549	640,394
40 under 50	486	21,707,035	5,784,171	44	1,964,114	531,874	271	12,146,820	3,275,166	60	2,064,322	702,770
50 under 60	257	14,105,717	4,321,312	19	1,019,799	302,375	151	8,201,593	2,527,757	41	2,282,317	686,591
60 under 70	157	10,154,629	3,477,024	18	1,154,097	392,721	86	5,524,200	1,837,113	34	897,533	325,993
70 under 80	101	7,550,945	2,805,857	11	820,874	308,137	62	4,048,146	1,761,771	13	955,115	359,148
80 under 90	79	6,662,932	2,630,817	8	682,730	271,949	45	3,792,654	1,510,613	11	933,031	367,089
90 under 100	45	4,295,003	1,815,771	5	480,653	206,592	34	3,200,734	1,390,994	9	873,848	364,890
100 under 150	129	15,522,473	7,313,197	8	912,296	423,053	70	8,265,792	3,956,839	51	6,253,290	2,997,591
150 under 200	31	5,331,557	2,755,064	4	716,253	392,658	24	4,022,313	2,123,321	13	2,222,817	1,198,775
200 under 250	9	1,969,147	1,051,569	1	235,899	152,730	9	2,043,653	1,073,164	7	3,152,705	1,725,104
250 under 300	9	2,507,955	1,440,278	2	535,997	330,237	3	779,361	441,316	14	1,916,329	1,137,393
300 under 400	3	1,004,207	583,307	—	—	—	13	4,606,452	2,660,848	8	2,804,518	1,638,339
400 under 500	2	957,982	343,529	2	887,511	577,678	4	1,809,474	1,186,080	7	3,035,440	1,728,337
500 under 750	1	641,242	239,118	—	—	—	—	—	—	0	5,555,434	3,457,967
750 under 1,000	—	—	—	—	—	—	1	767,878	594,232	2	2,592,518	1,892,518
1,000 under 1,500	—	—	—	—	—	—	—	—	—	7	8,108,216	5,332,293
1,500 under 2,000	—	—	—	—	—	—	—	—	—	2	3,507,512	2,377,852
2,000 under 3,000	—	—	—	—	—	—	—	—	—	1	2,044,020	923,668
3,000 under 4,000	—	—	—	—	—	—	—	—	—	—	—	—
4,000 under 5,000	—	—	—	—	—	—	—	—	—	—	—	—
5,000 and over	—	—	—	—	—	—	—	—	—	—	—	—
Total	674,418	1,957,450,203	92,055,405	52,380	165,239,813	8,731,077	187,761	586,007,912	43,990,742	21,569	120,273,737	30,283,957
With no net income ⁴	—	—	—	—	—	—	—	—	—	1	22,197	15,253
Total, taxable individual returns	674,418	1,957,450,203	92,055,405	52,380	165,239,813	8,731,077	187,761	586,007,912	43,990,742	21,570	120,251,540	30,299,210
Nontaxable individual returns:												
With net income: ¹⁰												
Under 1 (est.)	106,449	76,173,451	11,886	8,310,286	25,430	19,858,976	3,044	2,236,086	16,206	29,127,994	51	
1 under 2 (est.)	167,374	261,349,449	17,970	28,061,047	39,471	59,351,745	5,142	8,020,763	184	11,218,410	52	
2 under 2.5 (est.)	183,673	405,646,102	18,183	39,075,061	56,303	123,794,020	6,084	13,433,587	16,390	14,908,775	53	
2.5 under 3 (est.)	56,792	152,113,576	6,477	17,464,545	16,597	44,669,827	1,554	4,183,148	13,736	25,218,817	54	
3 under 4 (est.)	12,639	40,524,677	1,751	5,627,220	3,953	12,859,812	373	1,215,589	10,620	55,073,452	55	
4 under 5 (est.)	27	1,185,011	54	2,627,934	74	315,177	8	33,532	11,371	64,759,925	56	
5 under 6 (est.)	3	15,069	—	—	3	15,848	1	5,239	10,620	55,073,452	57	
Total	527,206	937,012,935	56,321	99,663,593	141,831	269,764,345	16,206	29,127,994	184	11,218,410	52	
With no net income ⁴	13,392	34,533,528	1,359	2,531,193	1,677	5,624,319	185	7,240,607	15,253	—	—	
Total, nontaxable individual returns	540,598	971,546,463	57,680	102,194,786	143,508	275,388,664	16,390	36,368,601	20,439	22,437,420	53	
Grand total individual returns (43 plus 53, or 55 plus 56)	1,215,016	2,928,996,666	149,735,485	110,060	267,434,599	10,262,154	331,269	1,041,148,438	88,930,742	37,960	142,161,121	30,299,210
Individual returns with net income (41 plus 51)	1,201,624	2,894,463,133	148,385,485	108,701	264,903,406	10,262,154	329,592	1,040,772,757	88,930,742	37,775	149,401,731	30,283,957
Individual returns with no net income (42 plus 52)	13,392	34,533,528	1,359	2,531,193	1,677	5,624,319	185	7,240,607	15,253	—	—	—
Taxable fiduciary returns with net income³	4,229	17,254,415	2,968,618	525	1,024,688	335,130	2,135	8,678,813	1,548,172	647	7,471,868	2,702,987
Total, individual returns with net income and taxable fiduciary returns with net income (55 plus 57)	1,205,853	2,911,717,553	151,354,003	109,226	266,428,594	10,607,284	331,727	1,049,451,570	88,488,914	38,422	156,873,599	32,986,944
Summary for prior years:⁴¹												
1939	631,218	1,892,885,029	30,313,285	55,274	164,977,772	6,133,523	167,869	527,467,309	27,683,915	20,658	113,680,148	28,063,602
1938	526,593	1,585,719,800	30,127,190	42,132	130,642,002	5,783,308	132,395	409,629,026	20,903,630	17,061	85,394,790	14,338,660
1937	510,224	1,677,450,067	74,835,666	45,371	156,162,264	9,010,669	145,363	484,984,394	31,890,703	16,836	104,341,692	25,218,817
1936	436,128	1,494,599,201	76,428,350	40,332	146,498,541	8,634,634	121,805	439,105,953	35,932,854	13,739	96,694,780	25,538,755
1935	367,757	1,172,303,199	42,033,332	33,475	108,379,317	4,057,259	100,893	340,303,213	17,227,337	11,371	64,759,925	11,401,715
1934	315,766	963,067,116	33,350,393	31,232	94,502,319	3,281,520	91,352	288,693,183	12,325,678	10,620	55,073,452	9,312,466
1933	286,580	785,354,006	21,444,162	28,275	74,445,866	1,710,477	81,850	2				

TABLE 8. (Tables 9 and 9-A, Statistics of Income for 1939, Part 1.)—Individual returns with net income, 1940, by taxable and nontaxable returns, and by net income classes; also aggregates for taxable and nontaxable individual returns with no net income and for taxable fiduciary returns with net income, by States and Territories: Number of returns, net income, deficit, and total tax; also totals for prior years⁴¹—Continued
 [For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

	Net income classes (Thousands of dollars)	District of Columbia			Florida			Georgia			Hawaii		
		Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²
1	Taxable individual returns:												
2	With net income:												
3	Under 1 (est.)	5,377	\$4,899,768	\$14,881	6,504	\$5,792,601	\$22,305	1,718	\$1,456,986	\$9,329	1,023	\$1,782,448	\$5,863
4	1 under 2 (est.)	45,427	65,902,354	951,544	21,041	28,577,162	362,495	22,785	33,280,774	486,251	9,594	13,394,446	182,091
5	2 under 2.5 (est.)	14,753	33,615,306	455,929	7,827	18,030,931	130,304	7,237	16,362,374	249,387	2,811	6,346,497	103,837
6	2.5 under 3 (est.)	14,364	39,412,645	445,799	9,373	25,790,612	209,100	8,617	23,739,106	240,402	2,272	6,285,504	74,153
7	3 under 4 (est.)	16,198	55,326,481	797,267	9,696	33,182,445	378,799	12,432	42,841,971	507,972	3,148	10,984,777	138,800
8	4 under 5 (est.)	6,154	27,546,585	556,143	4,208	18,688,284	348,724	5,104	22,453,016	376,825	2,100	9,301,258	161,781
9	5 under 6	3,582	19,544,664	462,291	2,923	15,991,327	376,774	2,408	13,159,023	296,405	919	5,009,840	110,889
10	6 under 7	1,956	12,616,022	366,523	1,785	11,540,130	329,168	1,494	9,656,295	268,344	559	3,599,004	95,432
11	7 under 8	1,175	8,763,569	316,993	1,303	9,725,663	349,827	1,028	7,680,523	268,971	300	2,237,160	75,130
12	8 under 9	769	6,433,804	277,139	980	8,290,839	352,004	751	6,363,325	263,233	211	1,791,123	76,580
13	9 under 10	519	4,916,354	244,186	697	6,698,487	324,226	556	5,290,947	255,899	148	1,402,222	66,579
14	10 under 11	417	4,372,618	243,568	547	5,742,274	325,508	433	4,535,853	248,276	105	1,099,447	60,498
15	11 under 12	325	3,732,863	236,050	393	4,575,559	298,012	319	3,665,510	227,896	82	944,221	58,817
16	12 under 13	241	3,007,804	207,078	339	4,238,263	290,484	276	3,445,960	232,694	74	921,787	64,002
17	13 under 14	192	2,592,831	194,560	285	3,840,340	291,114	224	3,013,950	222,109	49	662,200	49,864
18	14 under 15	164	2,373,767	195,246	238	3,445,121	275,546	173	2,510,863	197,904	56	812,314	63,888
19	15 under 20	522	9,009,495	890,241	769	13,207,887	1,304,064	612	10,582,760	1,043,788	155	2,647,518	259,806
20	20 under 25	276	6,153,343	882,858	370	8,220,036	1,118,917	308	6,808,564	897,672	82	1,819,858	236,104
21	25 under 30	159	4,338,637	733,271	233	6,462,538	1,108,958	174	4,759,395	806,901	54	1,482,659	252,512
22	30 under 40	191	6,501,740	1,371,441	233	8,001,727	1,689,110	164	5,571,750	1,160,541	51	1,774,218	378,520
23	40 under 50	91	4,048,603	890,921	120	5,291,256	1,398,080	74	3,256,051	838,416	23	1,066,594	279,559
24	50 under 60	48	2,642,029	805,404	66	3,590,655	1,089,945	33	1,802,533	517,320	10	550,469	165,670
25	60 under 70	30	1,921,291	640,600	42	2,728,079	906,188	25	1,633,097	550,231	13	857,566	299,139
26	70 under 80	18	1,347,234	498,348	41	3,061,176	1,129,005	14	1,036,689	380,467	8	143,192	51,599
27	80 under 90	11	938,026	375,561	23	1,914,204	728,071	11	933,346	360,994	8	685,967	273,727
28	90 under 100	6	568,369	237,436	12	1,148,365	501,462	12	1,122,876	465,520	5	476,169	200,538
29	100 under 150	23	2,750,907	1,287,898	35	4,041,792	1,942,373	22	2,711,277	1,307,386	5	524,981	232,193
30	150 under 200	6	1,047,176	579,411	13	2,265,265	1,143,454	5	841,554	412,811	2	332,251	177,697
31	200 under 250	2	542,232	325,336	11	2,340,479	1,345,907	4	893,048	461,817	1	242,004	141,684
32	250 under 300	1	374,560	235,872	5	1,405,288	833,651	2	540,090	171,954	1	—	—
33	300 under 400	1	—	—	7	1,358,855	841,457	2	697,460	224,536	—	—	—
34	400 under 500	—	—	—	1	3,119,674	1,890,149	—	—	—	—	—	—
35	500 under 750	—	—	—	2	1,071,243	712,301	1	500,542	164,812	—	—	—
36	750 under 1,000	—	—	—	1	851,741	613,875	—	—	—	—	—	—
37	1,000 under 1,500	—	—	—	2	2,343,404	775,648	—	—	—	—	—	—
38	1,500 under 2,000	—	—	—	1	1,785,279	1,337,456	—	—	—	—	—	—
39	2,000 under 3,000	—	—	—	—	—	—	—	—	—	—	—	—
40	3,000 under 4,000	—	—	—	—	—	—	—	—	—	—	—	—
41	4,000 under 5,000	—	—	—	—	—	—	—	—	—	—	—	—
42	5,000 and over	—	—	—	—	—	—	—	—	—	—	—	—
43	Total	112,987	337,241,137	15,834,785	70,137	278,255,961	27,064,531	67,018	243,117,508	14,121,563	24,762	79,177,683	4,336,972
44	With no net income ⁴	1	11,095	7,437	—	—	—	—	—	—	—	—	—
45	Total, taxable individual returns	112,988	337,230,042	15,842,222	70,137	278,255,961	27,064,531	67,018	243,117,508	14,121,563	24,762	79,177,683	4,336,972
46	Nontaxable individual returns:												
47	With net income: ¹⁰												
48	Under 1 (est.)	7,801	5,831,630	—	17,385	12,917,050	—	11,163	8,540,639	—	5,466	4,203,232	—
49	1 under 2 (est.)	18,486	28,771,756	—	21,562	32,812,050	—	17,913	27,044,363	—	5,323	7,852,277	—
50	2 under 2.5 (est.)	13,659	30,423,145	—	19,784	43,610,124	—	21,205	46,616,926	—	4,435	9,818,113	—
51	2.5 under 3 (est.)	6,180	16,633,411	—	7,649	20,430,570	—	9,085	24,546,210	—	1,752	4,736,051	—
52	3 under 4 (est.)	2,372	7,759,741	—	2,417	7,832,644	—	2,498	8,092,704	—	932	3,105,604	—
53	4 under 5 (est.)	55	247,122	—	61	264,936	—	37	162,247	—	79	345,350	—
54	5 under 6 (est.)	—	—	—	3	16,578	—	2	10,945	—	3	15,523	—
55	Total	48,553	89,666,855	—	68,861	117,883,952	—	61,903	115,014,034	—	17,990	30,076,150	—
56	With no net income ⁴	511	1,333,425	—	2,225	17,109,587	—	1,176	3,122,967	—	252	1,424,422	—
57	Total, nontaxable individual returns	49,064	88,333,430	—	71,086	110,774,365	—	63,079	111,891,067	—	18,242	29,651,728	—
58	Grand total individual returns (43 plus 53, or 55 plus 56)	162,052	425,563,472	15,842,222	141,223	389,030,326	27,064,531	130,097	355,008,575	14,121,563	43,004	108,829,411	4,336,972
59	Individual returns with net income (41 plus 51)	161,540	426,907,992	15,834,785	138,998	396,139,913	27,064,531	128,921	358,131,542	14,121,563	42,752	109,253,833	4,336,972
60	Individual returns with no net income (42 plus 52)	512	1,344,520	7,437	2,225	17,109,587	—	1,176	3,122,967	—	252	1,424,422	—
61	Taxable fiduciary returns with net income ³	555	1,993,300	297,605	788	4,633,285	831,822	490	2,522,415	511,316	200	1,025,171	197,213
62	Total, individual returns with net income and taxable fiduciary returns with net income (55 plus 57)	162,095	428,901,292	16,132,390	139,786	400,773,198	27,896,353	129,411	360,653,957	14,632,879	42,952	110,279,004	4,534,185
63	Summary for prior years ⁴¹ :												
64	1939	115,081	346,904,594	10,655,301	71,514	264,894,771	17,521,019	69,914	237,106,692	8,580,794	22,873	73,190,340	2,591,262
65	1938	113,869	321,127,649	9,696,058	56,401	218,938,342	16,004,888	58,309	194,543,384	6,903,764	19,048	62,683,790	2,631,872
66	1937	110,658	329,915,913	11,629,939	52,417	234,630,523	21,286,514	56,768	205,053,443	8,370,285	17,394	64,824,869	3,709,136
67	1936	108,863	327,467,666	13,290,899	44,048	197,705,207	18,608,221	49,512	181,626,423	8,478,922	15,214	58,737,567	4,408,203
68	1935	95,271	268,667,106	7,175,849	38,021	144,693,408	8,933,457	46,702	150,963,172	4,149,454	13,262	46,901,822	2,396,253
69	1934	82,871	234,925,250	5,653,864	32,550	112,102,614	5,597,287	38,137	122,612,284	3,140,301	11,252	37,615,719	1,563,069
70	1933	69,967	192,795,436	4,625,042	28,775	84,718,099	2,671,623	32,229	94,892,852	2,062,780	10,835	34,357,940	1,140,546
71	1932	73,501	213,475,879	5,115,177	29,303	88,451,612	2,557,631	31,730	82,852,516	1,692,089	12,192	37,277,185	1,101,535
72	1931	51,920	200,628,347										

TABLE 8. (Tables 9 and 9-A, Statistics of Income for 1939, Part 1.)—Individual returns with net income, 1940, by taxable and nontaxable returns, and by net income classes; also aggregates for taxable and nontaxable individual returns with no net income and for taxable fiduciary returns with net income, by States and Territories: Number of returns, net income, deficit, and total tax; also totals for prior years¹¹—Continued
 [For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

Net income classes (Thousands of dollars)	Idaho			Illinois			Indiana			Iowa		
	Number of returns	Net income	Total tax ¹	Number of returns	Net income	Total tax ¹	Number of returns	Net income	Total tax ¹	Number of returns	Net income	Total tax ¹
Taxable individual returns:												
With net income:												
Under 1 (est.)	1,850	\$1,742,342	\$4,133	37,202	\$33,484,731	\$137,149	13,501	\$12,353,062	\$42,806	12,267	\$11,146,707	\$36,763
1 under 2 (est.)	8,656	11,863,179	145,783	249,554	359,293,508	5,276,743	71,138	99,582,181	1,370,960	37,213	49,713,950	627,306
2 under 2.5 (est.)	2,283	5,201,330	51,775	88,457	201,047,329	2,755,624	21,483	49,018,065	506,494	9,749	22,411,705	205,981
2.5 under 3 (est.)	2,303	6,309,406	65,430	83,226	228,679,181	2,504,468	20,730	56,814,593	498,483	8,741	23,963,531	204,444
3 under 4 (est.)	2,070	7,094,679	115,137	100,531	344,417,602	4,600,786	18,563	63,038,349	797,732	10,034	34,213,934	404,679
4 under 5 (est.)	768	3,418,898	75,760	39,014	172,138,511	3,148,408	6,703	29,671,062	537,241	3,826	16,900,286	300,989
5 under 6	491	2,631,585	73,031	18,844	102,877,015	2,345,022	3,892	21,237,692	450,213	2,288	12,375,913	286,328
6 under 7	208	1,340,375	48,247	11,262	72,764,832	2,013,700	2,344	15,151,864	421,617	1,419	9,167,346	253,864
7 under 8	122	913,891	42,715	7,641	57,095,907	1,869,665	1,086	9,201,173	383,087	888	6,626,524	231,522
8 under 9	57	481,574	25,409	5,349	45,305,907	1,930,372	834	7,916,036	380,612	417	3,950,055	194,575
9 under 10	63	593,032	35,278	4,203	39,838,559	1,869,614	668	6,990,987	384,459	320	3,350,297	187,309
10 under 11	51	535,902	35,434	2,545	29,245,828	1,791,733	547	6,281,120	380,357	212	2,427,987	151,820
11 under 12	28	318,163	23,730	2,063	25,739,568	1,724,698	401	5,011,285	338,031	183	2,281,451	153,549
12 under 13	24	297,939	23,377	1,676	22,607,397	1,653,721	321	4,320,072	320,323	164	2,216,833	162,794
13 under 14	22	294,092	23,210	1,452	21,033,939	1,669,443	290	4,193,749	331,900	128	1,855,276	148,735
14 under 15	12	173,509	15,793	1,362	80,115,352	7,793,512	923	15,885,900	1,543,917	396	6,791,133	660,791
15 under 20	39	655,481	70,121	4,657	52,523,001	6,953,017	402	8,977,784	1,197,007	213	4,720,798	621,420
20 under 25	16	360,078	53,512	2,362	37,196,432	6,289,436	267	7,265,669	1,252,719	101	2,753,429	464,958
25 under 30	9	247,260	44,228	1,440	49,466,379	10,505,249	246	8,492,664	1,801,135	87	2,969,314	627,152
30 under 40	8	258,803	54,375	740	32,858,500	8,613,889	133	5,948,782	1,547,463	28	1,203,707	297,619
40 under 50	2	82,866	21,296	407	22,110,649	6,642,031	87	4,705,984	1,389,310	22	1,184,602	351,995
50 under 60	4	227,686	72,504	250	16,191,571	5,562,892	41	2,667,583	914,467	11	717,424	249,402
60 under 70				136	10,150,557	3,746,922	26	1,924,047	692,165	6	448,717	168,773
70 under 80				99	8,397,423	3,280,492	17	1,413,281	556,570	4	340,325	135,828
80 under 90				75	7,130,283	3,029,880	18	1,678,630	704,143	2	180,210	74,446
90 under 100				178	21,211,464	9,864,582	26	3,021,515	1,414,298	3	355,026	168,234
100 under 150				68	11,513,827	6,016,592	9	1,540,649	830,329	2	327,916	173,253
150 under 200				18	3,920,342	2,164,645	3	678,376	390,495	2	428,634	243,552
200 under 250				19	5,217,721	3,051,625	1	266,692	158,694	1	294,098	179,968
250 under 300				14	4,769,862	2,903,476	1	370,255	233,678			
300 under 400				4	1,880,195	1,227,559						
400 under 500				7	4,072,065	2,346,779	1	584,500	383,493			
500 under 750				4	3,334,608	2,376,870	2	1,576,509	1,104,831			
750 under 1,000				1	1,046,439	798,040						
1,000 under 1,500												
1,500 under 2,000												
2,000 under 3,000												
3,000 under 4,000												
Total	19,086	45,097,081	1,122,287	668,010	2,161,675,257	130,454,668	166,217	469,050,268	23,676,128	89,317	230,408,142	8,184,599
With no net income ⁶				5	60,736	19,944						
Total, taxable individual returns	19,086	45,097,081	1,122,287	668,015	2,161,614,521	130,474,612	166,217	469,050,268	23,676,128	89,317	230,408,142	8,184,599
Nontaxable individual returns:												
With net income: ¹⁰												
Under 1 (est.)	6,674	4,621,514		101,921	74,522,486		31,705	23,487,040		49,214	34,159,159	
1 under 2 (est.)	9,537	14,572,262		159,027	247,670,677		54,497	84,265,470		66,790	101,674,174	
2 under 2.5 (est.)	5,780	12,602,493		220,694	487,843,690		72,895	159,671,419		34,733	75,906,476	
2.5 under 3 (est.)	1,737	4,649,570		98,067	258,982,777		20,271	54,412,962		9,273	24,992,004	
3 under 4 (est.)	520	1,683,150		18,093	58,709,252		5,632	18,168,976		2,135	6,925,708	
4 under 5 (est.)	27	111,851		574	2,410,736		191	869,499		89	364,454	
5 under 6				4	21,740		2	10,271				
Total	24,275	38,330,840		598,380	1,130,161,358		185,193	340,875,637		162,234	244,022,975	
With no net income ⁴	713	857,170		8,229	19,547,697		2,279	3,696,755		3,359	3,769,271	
Total, nontaxable individual returns	24,988	37,473,670		606,609	1,110,613,661		187,472	337,178,882		165,593	240,253,704	
Grand total individual returns (43 plus 53, or 55 plus 56)	44,074	82,570,751	1,122,287	1,274,624	3,272,228,182	130,474,612	353,689	806,229,150	23,676,128	254,910	470,661,846	8,184,599
Individual returns with net income (41 plus 51)	43,361	83,427,921	1,122,287	1,266,350	3,291,836,615	130,454,668	351,410	809,925,905	23,676,128	251,551	474,431,117	8,184,599
Individual returns with no net income (42 plus 52)	713	857,170		8,234	19,608,433	19,944	2,279	3,696,755		3,359	3,769,271	
Taxable fiduciary returns with net income³	69	250,395	16,149	6,175	23,533,523	3,798,833	772	3,486,081	550,941	1,087	3,177,919	316,227
Total, individual returns with net income and taxable fiduciary returns with net income (55 plus 57)	43,430	83,678,316	1,138,436	1,272,565	3,315,370,138	134,253,501	352,182	813,411,986	24,227,069	252,638	477,609,036	8,500,826
Summary for prior years:¹¹												
1939	16,917	41,982,669	623,249	614,599	1,988,296,321	81,395,696	156,404	448,824,356	14,781,662	95,830	241,287,424	4,695,424
1938	13,245	34,271,316	442,079	498,614	1,626,760,418	69,736,533	122,018	344,430,550	10,242,508	75,514	191,016,764	3,497,739
1937	15,683	43,335,468	693,336	605,050	1,804,785,237	103,228,427	132,218	401,914,365	15,705,078	72,359	196,770,959	4,886,074
1936	14,201	41,692,504	752,433	418,303	1,599,035,105	102,035,920	103,303	332,021,225	15,648,048	67,345	184,118,468	4,840,561
1935	11,005	29,803,013	351,103	345,857	1,171,833,651	51,134,158	82,436	245,979,617	8,487,456	57,788	148,525,910	2,790,513
1934	8,932	23,636,891	281,770	310,456	1,006,927,934	40,398,845	69,623	198,442,985	6,881,939	47,871	119,454,155	2,005,786
1933	6,072	14,582,154	130,027	282,360	848,918,593	28,596,559	61,675	161,600,241	3,965,454	40,329	96,835,681	1,441,695
1932	5,788	13,688,578	97,113	286,888	872,941,170	23,914,230	63,722	168,607,693	3,311,606	42,624	109,841,833	1,403,991
1931	5,684	18,350,071	46,045	270,759	1,182,411,350	22,502,123	54,534	204,130,790	2,540,943	29,850	119,218,130	1,137,299
1930	7,852	27,757,374	128,290	327,631	1,630,447,207	43,703,471	65,679	280,940,214	5,109,577	39,917	174,965,757	2,355,567

For footnotes, see pp. 190-191.

TABLE 8. (Tables 9 and 9-A. Statistics of Income for 1939, Part 1.)—Individual returns with net income, 1940, by taxable and nontaxable returns, and by net income classes; also aggregates for taxable and nontaxable individual returns with no net income and for taxable fiduciary returns with net income, by States and Territories: Number of returns, net income, deficit, and total tax; also totals for prior years¹¹—Continued
 [For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9.]

	Kansas			Kentucky			Louisiana			Maine		
	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²
Taxable individual returns:												
With net income:												
1 Under 1 (est.)	5,061	\$4,575,036	\$16,121	1,206	\$1,010,346	\$8,000	6,503	\$6,076,831	\$14,061	5,091	\$4,666,642	\$13,643
2 Under 2 (est.)	18,358	24,943,490	350,376	24,620	35,476,901	521,631	21,322	29,291,221	386,652	12,574	16,789,392	211,039
3 Under 2.5 (est.)	6,899	15,457,347	145,753	5,761	12,994,577	198,520	7,469	17,079,409	160,924	3,603	8,240,293	75,341
4 Under 3 (est.)	5,556	15,239,547	129,900	6,492	17,785,324	194,213	8,113	22,278,446	190,813	2,912	8,054,147	70,434
5 Under 4 (est.)	6,742	23,128,388	298,399	9,735	33,679,408	448,132	10,519	36,226,100	506,266	3,195	10,977,226	145,900
6 Under 5 (est.)	2,893	12,766,236	233,228	4,831	21,227,817	368,204	4,536	20,147,496	407,682	1,633	7,229,663	145,219
7 Under 6	1,388	7,581,026	177,947	1,801	9,854,304	226,887	2,970	15,941,657	416,601	910	4,983,624	120,845
8 Under 7	840	5,417,480	151,864	1,120	7,221,933	204,671	1,527	9,832,475	335,289	646	4,177,389	124,321
9 Under 8	528	3,947,449	140,407	732	5,465,796	192,606	856	6,384,999	279,158	416	3,108,643	113,231
10 Under 9	382	3,239,031	143,308	507	4,297,302	182,485	551	4,688,115	244,404	299	2,533,130	102,935
11 Under 10	290	2,748,592	134,787	407	3,840,811	186,178	426	4,035,917	238,057	214	2,032,693	104,794
12 Under 11	195	2,049,870	116,066	263	2,758,109	152,425	294	3,050,361	201,925	155	1,618,840	91,761
13 Under 12	189	2,171,473	135,474	225	2,576,721	160,738	253	2,901,257	206,392	111	1,271,538	80,253
14 Under 13	116	1,451,091	101,325	162	2,019,293	136,538	184	2,292,334	178,393	96	1,196,326	83,219
15 Under 14	105	1,413,133	104,059	139	1,870,781	136,153	171	2,305,919	195,808	80	1,078,170	83,539
16 Under 15	73	1,053,430	84,530	128	1,856,517	150,647	101	1,463,587	122,808	75	1,082,980	86,210
17 Under 20	244	4,178,820	408,104	378	6,499,147	647,847	407	6,979,957	762,934	214	3,644,229	354,966
18 Under 25	133	2,942,270	389,414	195	4,329,192	530,623	184	4,110,570	508,706	112	2,491,074	335,760
19 Under 30	60	1,616,621	271,247	104	2,825,822	484,801	129	3,502,784	620,148	56	1,530,351	269,120
20 Under 40	53	1,854,593	394,129	109	3,691,388	783,098	138	4,735,336	1,044,267	65	2,184,168	459,196
21 Under 50	29	1,247,072	309,159	57	2,524,746	656,515	67	2,960,208	778,556	32	1,432,685	388,038
22 Under 60	12	656,231	196,579	29	1,598,502	484,610	31	1,676,160	517,082	17	939,390	290,144
23 Under 70	10	635,776	204,555	15	859,063	322,267	11	790,349	238,435	12	780,868	270,596
24 Under 80	7	523,869	191,603	9	673,235	246,678	10	755,236	273,028	9	661,774	241,416
25 Under 90				4	336,774	135,492	6	501,546	181,554	2	166,840	66,967
26 Under 100	1	95,889	30,360	2	769,827	324,377	10	951,261	383,150	2	185,846	77,361
27 Under 150	5	560,128	237,881	10	1,184,624	500,105	13	1,644,297	628,644	6	758,477	351,246
28 Under 200				3	511,199	275,588	3	518,390	285,659	3	464,088	246,911
29 Under 250	1	239,402	75,107				5	1,153,800	626,399	1	245,964	145,482
30 Under 300							1	252,925	83,188			
31 Under 400												
32 Under 500												
33 Under 500										1	504,489	359,124
34 Under 750												
35 Under 1,000												
36 Under 1,500												
37 Under 2,000												
38 Under 3,000												
39 Under 4,000												
40 Under 5,000												
41 Under 5,000 and over												
42 Total	49,970	141,733,310	5,152,044	59,020	189,839,549	8,969,489	66,765	214,470,143	11,096,893	32,542	95,028,769	5,518,035
43 With no net income ⁶												
44 Total, taxable individual returns	49,970	141,733,310	5,152,044	59,020	189,839,549	8,969,489	66,765	214,470,143	11,096,893	32,542	95,028,769	5,518,035
Nontaxable individual returns:												
With net income:¹⁰												
1 Under 1 (est.)	21,486	14,672,197		14,216	11,071,810		12,971	9,899,987		11,244	8,458,431	
2 Under 2 (est.)	32,020	49,608,321		25,336	33,544,784		18,023	27,130,481		12,172	18,515,801	
3 Under 2.5 (est.)	20,215	44,253,025		25,730	56,543,784		21,059	46,451,492		10,369	22,762,369	
4 Under 3 (est.)	4,167	11,149,161		7,638	21,008,957		6,966	18,752,865		2,635	7,962,131	
5 Under 4 (est.)	1,035	3,391,282		2,215	7,210,478		2,174	7,445,643		991	3,204,863	
6 Under 5 (est.)	56	232,475		68	299,122		61	263,672		40	176,641	
7 Under 6	1	5,736		5	26,919		3	15,686		3	15,738	
8 Total	78,980	123,312,197		72,408	159,705,854		61,287	109,564,826		37,754	61,035,974	
9 With no net income ¹¹	2,339	3,619,345		1,047	2,362,191		1,289	3,226,691		819	1,630,284	
10 Total, nontaxable individual returns	81,319	119,692,862		73,455	127,343,663		62,576	106,338,135		38,573	59,466,258	
45 Grand total individual returns (43 plus 53, or 55 plus 56)	131,289	261,426,162	5,152,044	132,475	317,183,212	8,969,489	129,341	320,808,278	11,096,893	71,115	154,434,459	5,518,035
46 Individual returns with net income (41 plus 51)	128,950	265,045,507	5,152,044	131,428	319,545,403	8,969,489	128,052	324,034,969	11,096,893	70,296	156,064,743	5,518,035
47 Individual returns with no net income (42 plus 52)	2,339	3,619,345		1,047	2,362,191		1,289	3,226,691		819	1,630,284	
48 Taxable fiduciary returns with net income, ³	523	1,418,444	114,409	481	1,519,852	205,504	150	640,988	64,639	480	1,480,105	170,581
49 Total, individual returns with net income and taxable fiduciary returns with net income (55 plus 57)	129,473	266,463,951	5,266,453	131,909	321,065,255	9,174,993	128,202	324,675,957	11,161,532	70,776	157,544,848	5,688,616
Summary for prior years:¹¹												
50 1939	60,527	157,366,483	2,962,121	64,748	185,600,615	4,904,542	70,752	228,245,691	7,304,222	32,296	96,704,495	3,689,831
51 1938	52,027	133,806,179	2,657,650	53,701	159,635,556	4,529,682	59,127	192,257,703	6,512,924	27,001	97,911,061	8,058,579
52 1937	53,182	154,317,290	4,051,195	51,192	168,058,619	5,773,251	54,519	191,658,737	8,172,372	28,123	95,165,166	5,222,014
53 1936	47,374	145,617,405	3,944,602	45,189	157,007,367	6,581,929	43,728	160,054,669	8,394,930	25,057	88,859,221	5,181,283
54 1935	39,422	111,464,165	2,041,689	39,763	125,101,173	3,742,279	40,123	122,882,017	3,065,551	21,826	69,455,451	2,567,514
55 1934	35,600	91,867,863	1,499,250	35,353	107,389,715	2,726,672	36,871	108,168,279	2,296,812	20,584	63,204,584	2,207,930
56 1933	30,738	71,777,244	1,018,001	32,332	90,753,614	2,624,772	33,094	86,809,253	1,497,560	19,435	55,819,365	1,865,414
57 1932	29,643	73,547,043	1,223,811	32,454	89,484,542	1,534,630	33,974	92,164,323	1,423,510	20,897	62,981,334	1,597,284
58 1931	27,495	91,616,462	880,318	26,941	103,179,556	1,012,557	28,934	107,673,824	891,912	16,213	74,771,180	1,827,436
59 1930	32,660	127,629,176	1,480,343	31,021	135,098,479	1,926,048	32,979	138,836,043	1,599,639	17,829	90,690,507	1,827,849

For footnotes, see pp. 190-191.

TABLE 8. (Tables 9 and 9-A, Statistics of Income for 1939, Part 1)—Individual returns with net income, 1940, by taxable and nontaxable returns, and by net income classes; also aggregates for taxable and nontaxable individual returns with no net income and for taxable fiduciary returns with net income, by States and Territories: Number of returns, net income, deficit, and total tax; also totals for prior years ⁴¹—Continued
 [For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

Net income classes (Thousands of dollars)	Maryland			Massachusetts			Michigan			Minnesota		
	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²
Taxable individual returns:												
With net income:												
Under 1 (est.)	15,324	\$14,071,142	\$44,074	17,615	\$14,935,013	\$99,505	4,471	\$3,944,843	\$20,901	14,974	\$13,873,001	\$44,966
1 under 2 (est.)	65,073	88,980,085	1,159,129	138,594	199,285,258	2,951,855	185,951	284,075,863	4,547,250	58,614	80,281,822	1,066,555
2 under 2.5 (est.)	18,383	41,932,335	446,041	51,039	115,493,134	1,862,569	48,606	109,067,535	1,918,666	17,283	39,477,675	393,016
2.5 under 3 (est.)	19,458	53,475,268	500,930	41,953	114,792,831	1,393,294	45,876	126,085,603	1,596,140	14,293	39,001,260	356,124
3 under 4 (est.)	10,325	66,089,459	799,459	47,221	161,664,699	2,327,382	58,137	198,770,773	2,584,339	12,276	41,924,721	541,167
4 under 5 (est.)	9,152	40,879,123	734,480	18,445	81,741,002	1,581,208	18,901	82,898,800	1,430,364	4,794	21,306,600	390,769
5 under 6	5,905	32,251,126	725,599	8,727	47,706,150	1,131,452	9,248	50,464,559	1,110,723	3,126	17,068,172	381,790
6 under 7	3,220	20,744,768	576,259	5,470	35,351,771	1,024,649	5,488	35,428,503	967,691	1,911	12,367,679	337,771
7 under 8	1,917	14,310,730	504,491	3,792	28,346,957	1,020,554	3,579	26,708,034	907,126	1,232	9,222,895	317,052
8 under 9	1,285	10,888,355	469,272	2,719	23,016,616	987,699	2,505	21,223,634	875,531	1,006	7,679,914	315,052
9 under 10	918	8,697,183	430,921	2,210	20,949,050	1,043,089	1,938	18,371,601	869,916	647	6,111,989	290,356
10 under 11	673	7,044,965	393,833	1,686	17,674,424	991,256	1,447	15,162,572	814,374	477	4,997,724	273,239
11 under 12	520	5,968,886	374,081	1,335	15,321,282	954,206	1,236	14,188,401	861,735	395	4,533,461	274,448
12 under 13	455	5,679,477	390,708	1,063	13,281,201	923,962	917	11,448,859	760,074	300	3,740,445	250,006
13 under 14	362	4,887,047	361,536	918	12,394,106	925,687	754	10,166,519	746,566	269	3,618,855	263,540
14 under 15	288	4,173,435	336,759	746	10,802,614	876,377	584	8,456,333	670,583	228	3,299,388	261,013
15 under 20	975	16,770,620	1,675,653	2,433	41,818,707	4,155,461	2,139	36,724,284	3,573,064	677	11,655,397	1,165,420
20 under 25	507	11,253,749	1,509,916	1,241	27,791,676	3,754,180	1,080	24,060,233	3,189,639	337	7,554,450	1,009,930
25 under 30	291	7,945,512	1,339,208	750	20,510,236	3,561,881	671	18,260,739	3,066,999	177	4,802,241	831,781
30 under 40	304	10,414,395	2,210,186	808	27,799,555	6,047,933	684	23,505,219	4,956,166	181	6,231,151	1,320,306
40 under 50	140	6,273,088	1,642,895	408	18,129,533	4,917,665	359	15,939,509	4,142,745	91	4,048,444	1,052,800
50 under 60	86	4,728,140	1,443,674	215	11,768,742	3,637,254	191	10,393,138	3,125,185	52	2,850,536	867,942
60 under 70	48	3,119,738	1,100,392	141	9,136,040	3,232,910	135	8,788,239	2,975,123	28	1,827,348	613,657
70 under 80	47	3,503,104	1,312,036	86	6,430,530	2,416,089	75	5,612,265	2,069,232	9	665,057	234,906
80 under 90	22	1,874,369	753,890	60	5,093,529	2,028,791	56	4,757,568	1,911,345	14	1,195,395	493,977
90 under 100	15	1,403,363	547,756	39	3,688,398	1,661,012	46	4,344,571	1,790,947	14	1,330,323	580,884
100 under 150	38	4,666,237	2,159,318	67	7,898,950	3,787,861	121	14,609,815	6,859,666	25	3,058,862	1,422,147
150 under 200	11	1,845,482	848,417	30	5,188,354	2,046,301	31	5,394,317	2,821,081	5	839,753	470,318
200 under 250	7	1,548,443	779,489	12	6,080,849	1,429,933	20	4,455,399	2,475,001	1	220,811	125,263
250 under 300	1	251,898	148,417	12	3,198,936	1,334,535	9	2,446,811	1,414,948	3	793,054	472,604
300 under 400	4	1,337,911	616,530	3	929,323	571,488	12	4,183,259	2,570,855	2	697,859	435,328
400 under 500							3	1,204,059	838,683			
500 under 750	2	1,169,255	797,522				3	1,725,110	1,156,026			
750 under 1,000	1	918,183	652,618									
1,000 under 1,500							1	1,138,971	826,086			
1,500 under 2,000							1	1,623,670	1,223,175			
2,000 under 3,000							1	2,932,531	2,275,718			
3,000 under 4,000							1	3,483,889	2,706,420			
4,000 under 5,000												
5,000 and over												
Total	164,757	499,105,811	27,788,552	349,838	1,104,819,396	66,078,328	395,277	1,212,143,025	76,654,093	133,341	356,332,242	16,854,037
With no net income ⁹	2	11 9,581	13,905	4	11 60,572	57,459	1	11 166,162	25,603			
Total, taxable individual returns	164,759	499,096,230	27,802,457	349,842	1,104,758,824	66,135,787	395,278	1,211,976,866	76,679,696	133,341	356,332,242	16,854,037
Nontaxable individual returns:												
With net income: ¹⁰												
Under 1 (est.)	21,267	16,217,809		52,632	38,543,694		47,228	35,231,673		38,973	27,129,101	
1 under 2 (est.)	36,273	56,135,068		89,225	138,257,000		94,039	147,657,751		58,252	90,708,963	
2 under 2.5 (est.)	44,071	96,948,922		123,479	270,731,002		131,517	290,386,492		55,129	120,830,595	
2.5 under 3 (est.)	13,885	37,504,096		39,602	106,128,962		75,898	202,922,457		13,364	35,869,610	
3 under 4 (est.)	4,041	13,163,686		9,901	32,220,635		16,291	52,526,113		3,195	10,386,137	
4 under 5 (est.)	163	689,274		319	1,351,787		202	897,778		110	474,620	
5 under 6				11	58,934		11	58,490		4	20,985	
Total	119,700	220,658,855		315,169	587,322,014		365,186	729,680,754		169,027	285,420,011	
With no net income ⁴	1,354	11 4,105,506		3,362	11 8,516,254		2,891	11 10,154,840		2,361	11 5,336,465	
Total, nontaxable individual returns	121,054	224,764,361		318,531	595,838,268		368,077	739,835,594		171,388	290,756,476	
Grand total individual returns (43 plus 53, or 55 plus 56)	285,813	723,860,591	27,802,457	668,373	1,700,597,084	66,135,787	763,355	1,951,812,360	76,679,696	304,729	647,088,718	16,854,037
Individual returns with net income (41 plus 51)	284,457	719,764,666	27,788,552	665,007	1,692,141,410	66,078,328	760,463	1,941,823,782	76,654,093	302,368	641,752,253	16,854,037
Individual returns with no net income (42 plus 52)	1,356	11 4,115,087	13,905	3,366	11 8,576,826	57,459	2,892	11 10,321,002	25,603	2,361	11 5,336,465	
Taxable fiduciary returns with net income: ³	1,172	3,736,629	501,103	5,690	19,105,467	2,689,723	2,303	11,327,346	1,911,994	1,566	5,617,634	889,451
Total, individual returns with net income and taxable fiduciary returns with net income (55 plus 57)	285,629	723,501,295	28,289,655	670,697	1,711,246,877	68,768,051	762,766	1,953,151,128	78,566,087	303,934	647,369,887	17,743,488
Summary for prior Years: ⁴¹												
1939	161,367	516,644,083	18,564,866	378,791	1,141,825,236	42,412,146	374,013	1,046,908,614	40,142,387	131,798	364,367,683	11,121,493
1938	135,800	423,887,924	15,225,066	302,590	868,958,070	23,746,229	275,425	807,129,521	29,511,649	108,506	299,991,730	8,870,398
1937	133,183	457,051,802	21,500,438	314,390	1,053,822,664	52,381,623	308,486	984,735,767	51,434,533	107,560	321,717,314	11,908,597
1936	105,673	391,588,573	21,594,419	284,320	938,903,808	58,876,192	239,363	862,577,726	60,302,647	86,294	296,978,853	13,676,938
1935	82,550	316,888,322	12,013,217	257,495	825,327,457	31,804,163	173,799	568,269,799	28,319,046	67,298	222,817,905	6,672,968
1934	84,395	282,624,171	11,040,490	242,728	737,044,541	24,624,216	139,329	418,569,373	14,866,008	67,297	196,345,236	5,257,595
1933	76,409	244,613,015	8,488,451	231,960	682,666,696	19,765,997	127,053	293,131,080	6,660,804	59,803	163,770,734	3,817,982
1932	83,223	265,618,871	7,978,435	249,766	735,390,899	15,619,149	112,515	349,806,109	8,380,316	61,810	173,772,099	3,477,895
1931	60,893	277,129,170	5,528,213	193,594	800,923,153	12,380,194	119,623	481,017,650	11,028,018	52,853	213,530,771	2,445,441
1930	68,426	354,627,248	9,79									

TABLE 8. (Tables 9 and 9-A, Statistics of Income for 1939, Part 1.)—Individual returns with net income, 1940, by taxable and nontaxable returns, and by net income classes; also aggregates for taxable and nontaxable individual returns with no net income and for taxable fiduciary returns with net income, by States and Territories: Number of returns, net income, deficit, and total tax; also totals for prior years ⁴¹—Con.

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

Net income classes (Thousands of dollars)	Mississippi			Missouri			Montana			Nebraska		
	Number of returns	Net income	Total tax ¹	Number of returns	Net income	Total tax ¹	Number of returns	Net income	Total tax ¹	Number of returns	Net income	Total tax ¹
Taxable individual returns:												
With net income:												
1 Under 1 (est.)	1,798	\$1,628,474	\$7,888	17,435	\$16,099,722	\$49,150	1,597	\$1,476,150	\$4,497	3,804	\$3,511,066	\$8,627
2 Under 2 (est.)	6,222	8,628,482	116,683	54,474	74,325,039	980,515	14,287	20,221,917	238,298	17,227	23,259,693	313,937
3 2 under 2.5 (est.)	2,157	4,936,897	47,799	21,537	49,668,480	351,879	3,535	7,997,370	99,792	4,626	10,623,929	101,122
4 2.5 under 3 (est.)	2,421	6,658,010	58,891	20,415	55,895,005	481,401	3,706	10,149,239	103,950	4,965	13,666,239	120,729
5 3 under 4 (est.)	3,749	12,892,541	148,871	17,903	61,173,085	794,557	4,418	15,137,464	191,922	5,761	19,341,738	246,317
6 4 under 5 (est.)	1,581	6,999,458	121,871	6,553	29,074,570	540,605	1,734	7,712,407	134,411	2,458	10,794,422	195,036
7 5 under 6	782	4,261,939	95,354	4,798	28,218,730	605,393	802	4,394,893	100,882	1,321	7,225,681	141,578
8 6 under 7	468	3,028,344	84,749	3,127	20,204,711	545,141	454	2,934,522	80,044	789	5,101,864	104,168
9 7 under 8	347	2,596,347	87,216	2,058	15,606,814	572,021	305	2,275,699	79,113	512	3,825,737	133,379
10 8 under 9	208	1,762,844	71,163	1,430	12,125,780	514,545	228	1,925,733	79,581	359	3,043,441	128,095
11 9 under 10	191	1,814,722	89,316	1,104	10,465,093	510,801	142	1,343,503	64,834	230	2,399,739	114,465
12 10 under 11	131	1,371,408	75,183	853	8,944,697	501,943	104	1,055,578	60,221	201	2,095,567	113,100
13 11 under 12	100	1,148,455	69,913	739	8,483,431	523,789	63	781,531	47,154	150	1,723,834	104,168
14 12 under 13	92	1,150,793	76,698	561	6,992,942	477,978	64	798,292	54,639	129	1,608,625	109,290
15 13 under 14	61	821,295	61,047	434	5,831,261	423,803	45	608,275	44,432	116	1,563,148	117,385
16 14 under 15	60	868,198	68,985	400	5,796,778	470,434	48	693,104	53,673	79	1,144,437	89,932
17 15 under 20	185	3,146,267	306,650	1,225	21,145,539	2,099,330	117	2,013,596	106,157	253	4,326,489	416,337
18 20 under 25	83	1,856,349	243,880	637	14,171,681	1,898,855	39	856,207	116,040	122	2,703,487	269,619
19 25 under 30	34	923,821	154,554	329	8,963,545	1,531,032	27	730,893	129,549	56	1,533,820	452,206
20 30 under 40	41	1,376,021	284,614	382	13,124,143	2,829,936	18	605,448	124,276	64	2,166,722	482,018
21 40 under 50	18	794,825	196,558	198	8,793,459	2,301,244	6	259,409	66,539	24	1,078,933	276,492
22 50 under 60	10	552,717	170,044	84	4,559,997	1,333,711	6	332,150	119,731	19	1,027,804	307,070
23 60 under 70	4	257,520	87,830	61	3,950,822	1,349,121	2	133,493	44,542	8	510,976	153,421
24 70 under 80	4	298,063	106,180	41	3,071,337	1,176,939	1	71,039	25,534	3	227,817	84,593
25 80 under 90				31	2,609,469	1,014,673	1	83,351	32,018	1	84,564	33,317
26 90 under 100				24	2,275,151	968,284	1	92,036	39,130	2	189,231	80,310
27 100 under 150				43	5,141,533	2,461,880	1	131,823	64,934	2	236,997	114,454
28 150 under 200				10	1,651,603	902,354						
29 200 under 250				3	661,845	339,643						
30 250 under 300				3	859,772	429,473						
31 300 under 400				2	699,241	322,285						
32 400 under 500				2	901,695	607,784						
33 500 under 750				1	570,691	229,555						
34 750 under 1,000				1	773,189	540,589						
35 1,000 under 1,500												
36 1,500 under 2,000												

37 2,000 under 3,000												
38 3,000 under 4,000												
39 4,000 under 5,000												
40 5,000 and over												
41 Total	20,747	69,772,845	2,827,537	156,928	500,797,497	30,865,649	31,736	84,845,074	2,436,640	43,291	125,496,995	4,737,504
42 With no net income ⁶										1	11,324	7,194
43 Total, taxable individual returns	20,747	69,772,845	2,827,537	156,928	500,797,497	30,865,649	31,736	84,845,074	2,436,640	43,292	125,496,671	4,744,698
Nontaxable individual returns:												
With net income: ¹⁰												
44 Under 1 (est.)	5,937	4,350,479		34,380	25,331,779		7,200	5,003,573		17,981	12,620,523	
45 1 under 2 (est.)	8,309	12,895,936		64,421	98,097,231		12,012	18,867,431		21,542	32,912,759	
46 2 under 2.5 (est.)	8,958	19,771,697		50,464	111,217,321		10,152	22,527,566		16,121	35,588,443	
47 2.5 under 3 (est.)	3,023	8,106,629		17,641	47,380,277		3,480	9,312,342		5,601	15,059,132	
48 3 under 4 (est.)	649	2,119,878		3,656	11,771,353		1,255	4,036,336		1,272	4,127,412	
49 4 under 5 (est.)	24	102,508		73	326,072		34	140,262		68	294,765	
50 5 under 6				4	21,113		1	5,816		2	10,271	
51 Total	26,900	47,347,177		170,639	294,645,146		34,143	59,893,740		62,537	100,623,305	
52 With no net income ⁴	1,002	11,981,833		2,827	11,704,434		659	11,959,268		1,701	11,223,364	
53 Total, nontaxable individual returns	27,902	59,329,010		173,466	316,349,580		34,802	71,853,008		64,238	111,846,669	
54 Grand total individual returns (43 plus 53, or 55 plus 50)	48,649	129,101,855	2,827,537	330,394	817,147,077	30,865,649	66,538	156,708,082	2,436,640	107,580	237,343,674	4,744,698
55 Individual returns with net income (41 plus 51)	47,647	111,202,022	2,827,537	327,567	795,442,643	30,865,649	65,879	144,738,814	2,436,640	105,878	226,120,300	4,737,504
56 Individual returns with no net income (42 plus 52)	1,002	11,981,833		2,827	11,704,434		659	11,959,268		1,702	11,223,688	7,194
57 Taxable fiduciary returns with net income ³	85	282,638	16,436	1,771	6,198,299	979,441	106	409,477	37,829	333	966,932	122,294
58 Total, individual returns with net income and taxable fiduciary returns with net income (55 plus 57)	47,732	111,484,660	2,843,973	329,338	801,640,942	31,845,090	65,985	145,148,291	2,474,469	106,211	227,087,232	4,859,798
Summary for prior years: ⁴¹												
59 1939	24,260	73,095,660	1,547,500	168,793	525,689,002	20,422,602	36,277	94,462,635	1,456,442	47,610	134,125,086	2,711,425
60 1938	19,881	57,872,070	1,138,139	144,996	452,816,402	18,766,176	28,037	71,826,749	1,019,928	39,393	111,243,317	2,328,080
61 1937	17,823	55,867,577	1,542,247	145,457	491,815,453	23,083,037	30,468	79,583,027	1,228,334	40,629	120,277,461	2,951,028
62 1936	16,296	54,516,977	1,740,121	130,521	462,884,942	24,210,538	23,916	68,787,896	1,410,820	35,887	115,137,721	3,222,455
63 1935	13,570	36,878,747	870,027	110,370	358,068,146	12,426,293	19,924	56,710,731	981,165	31,253	93,113,326	1,785,640
64 1934	12,507	32,578,332	479,717	98,125	306,041,392	9,383,651	16,825	46,594,430	636,102	26,781	77,236,225	1,438,974
65 1933	10,868	24,020,766	271,063	93,303	271,748,278	6,848,926	11,511	29,877,422	403,837	24,939	65,022,543	1,133,297
66 1932	10,548	21,534,610	133,566	95,808	290,701,858	6,374,748	10,037	23,221,605	498,685	25,503	66,007,036	970,563
67 1931	9,888	27,146,285	87,221	90,356	331,482,726	4,747,522	9,722	34,667,097	209,809	23,940	86,120,131	723,426
68 1930	12,147	40,556,389	251,781	85,507	419,648,187	8,750,374	11,635	45,495,235	461,295	27,271	118,934,843	1,381,310

For footnotes, see pp. 190-191.

TABLE 8. (Tables 9 and 9-A, Statistics of Income for 1939, Part 1.)—Individual returns with net income, 1940, by taxable and nontaxable returns, and by net income classes; also aggregates for taxable and nontaxable individual returns with no net income and for taxable fiduciary returns with net income, by States and Territories: Number of returns, net income, deficit, and total tax; also totals for prior years¹—Con.

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

Net income classes (Thousands of dollars)	Nevada			New Hampshire			New Jersey			New Mexico		
	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²
Taxable individual returns:												
With net income:												
Under 1 (est.)	948	\$593,052	\$2,359	4,434	\$4,094,465	\$11,184	32,217	\$29,239,271	\$121,682	800	\$332,957	\$1,998
1 under 2 (est.)	5,356	7,677,828	104,745	9,902	12,911,811	158,296	136,295	188,149,559	2,481,413	5,418	7,660,547	96,612
2 under 2.5 (est.)	1,377	3,166,720	31,230	2,698	6,141,413	56,719	55,012	126,331,375	1,178,196	1,847	4,203,406	44,828
2.5 under 3 (est.)	1,554	4,231,010	37,314	2,607	7,107,842	62,832	54,014	148,200,685	1,293,571	2,108	5,791,286	50,084
3 under 4 (est.)	1,699	5,803,794	84,510	2,588	8,850,865	120,008	53,211	181,408,353	2,223,703	2,507	8,589,801	114,477
4 under 5 (est.)	545	2,431,933	55,962	1,067	4,741,399	96,279	19,357	85,466,073	1,519,301	926	4,111,102	83,301
5 under 6	340	1,853,447	48,878	681	3,717,364	87,650	10,929	59,655,165	1,331,030	594	3,244,938	89,869
6 under 7	139	897,966	31,720	378	2,446,378	72,003	6,625	42,781,232	1,161,926	293	1,690,461	57,646
7 under 8	115	855,609	37,595	269	2,016,719	75,160	4,462	33,337,404	1,136,573	156	1,167,735	49,172
8 under 9	84	714,006	37,382	199	1,684,020	73,319	3,195	27,048,253	1,105,393	128	1,083,119	56,696
9 under 10	54	515,322	30,936	141	1,339,120	67,417	2,338	22,169,094	1,058,634	60	565,696	32,236
10 under 11	31	327,131	21,713	109	1,140,071	65,907	1,831	19,199,997	1,039,789	71	744,831	48,730
11 under 12	25	286,503	21,566	89	987,271	62,342	1,338	15,916,551	965,986	34	389,736	27,305
12 under 13	26	322,983	25,387	64	796,821	57,595	1,084	13,525,208	905,650	34	424,826	32,022
13 under 14	14	135,896	11,197	59	795,758	60,190	896	12,088,677	885,776	30	405,686	31,623
14 under 15	14	203,531	18,391	47	680,827	54,985	750	10,859,545	832,222	33	475,390	42,631
15 under 20	40	837,847	89,891	154	2,646,032	275,837	2,307	39,690,280	3,865,797	76	1,302,261	140,059
20 under 25	33	730,613	100,351	66	1,474,976	195,136	1,190	26,502,782	3,541,852	27	587,481	79,897
25 under 30	21	565,858	100,973	49	1,062,976	187,138	696	18,133,588	3,069,647	9	241,743	43,993
30 under 40	25	867,986	101,250	32	1,453,561	315,409	645	22,036,879	4,685,654	13	453,871	102,250
40 under 50	10	442,345	116,978	13	576,481	149,652	321	14,257,189	3,744,535	9	387,053	100,455
50 under 60	8	430,051	130,828	13	708,973	230,914	182	10,016,357	3,102,275	7	388,802	118,539
60 under 70	6	384,746	142,577	6	385,487	123,437	101	6,529,366	2,242,891	3	203,277	72,152
70 under 80	4	303,038	116,744	5	380,326	148,187	60	5,124,539	1,863,186	—	—	—
80 under 90	5	416,388	165,169	4	333,482	145,496	45	3,807,178	1,508,848	—	—	—
90 under 100	1	95,780	40,679	4	372,791	145,776	28	2,645,360	1,132,689	—	—	—
100 under 150	1	119,100	43,755	6	694,095	309,407	73	8,739,701	4,039,397	—	—	—
150 under 200	4	693,663	370,476	3	516,772	294,003	25	4,402,833	2,389,766	1	152,188	90,492
200 under 250	—	—	—	—	—	—	12	2,715,942	1,465,107	1	243,552	144,235
250 under 300	1	290,769	176,579	—	—	—	6	1,698,569	941,141	—	—	—
300 under 400	1	316,693	159,877	—	—	—	8	2,812,426	1,704,370	1	325,649	199,770
400 under 500	—	—	—	—	—	—	2	962,132	647,583	—	—	—
500 under 750	—	—	—	—	—	—	3	1,728,049	998,791	—	—	—
750 under 1,000	1	762,127	532,382	—	—	—	2	1,543,332	799,948	—	—	—
1,000 under 1,500	—	—	—	—	—	—	4	5,436,455	3,465,250	—	—	—
1,500 under 2,000	—	—	—	—	—	—	—	—	—	—	—	—
2,000 under 3,000	—	—	—	—	—	—	—	—	—	—	—	—
3,000 under 4,000	—	—	—	—	—	—	2	6,169,786	4,767,025	—	—	—
4,000 under 5,000	—	—	—	—	—	—	—	—	—	—	—	—
5,000 and over	—	—	—	—	—	—	—	—	—	—	—	—
Total	12,487	37,603,765	3,079,444	25,654	70,057,732	3,703,278	389,295	1,200,323,169	39,269,507	15,248	45,831,552	2,018,476
With no net income⁴	—	—	—	—	—	—	3	197,172	32,000	—	—	—
Total, taxable individual returns	12,487	37,603,765	3,079,444	25,654	70,057,732	3,703,278	389,298	1,200,128,997	39,301,507	15,248	45,831,552	2,018,476
Nontaxable individual returns:												
With net income:¹⁰												
Under 1 (est.)	1,517	1,095,958	—	7,335	5,693,437	—	63,600	49,509,764	—	2,516	1,763,078	—
1 under 2 (est.)	2,204	3,441,248	—	8,101	12,011,117	—	93,865	143,821,595	—	4,302	6,655,358	—
2 under 2.5 (est.)	3,119	6,888,963	—	8,456	18,607,927	—	125,466	276,965,148	—	4,640	10,193,359	—
2.5 under 3 (est.)	1,005	2,704,098	—	3,092	8,295,505	—	48,478	129,049,944	—	1,910	5,143,903	—
3 under 4 (est.)	335	1,069,354	—	711	2,334,383	—	10,968	35,325,995	—	431	1,376,820	—
4 under 5 (est.)	5	23,033	—	28	124,114	—	340	1,450,535	—	12	53,682	—
5 under 6	—	—	—	1	5,368	—	6	31,457	—	—	—	—
Total	8,185	15,222,654	—	27,725	47,071,851	—	142,713	636,154,438	—	13,871	25,186,209	—
With no net income⁴	208	1,453,137	—	518	1,910,606	—	4,340	12,404,419	—	548	1,237,446	—
Total, nontaxable individual returns	8,393	14,769,517	—	28,243	46,161,245	—	147,053	622,750,019	—	14,419	23,948,703	—
Grand total individual returns (43 plus 53, or 55 plus 56)	20,880	52,373,282	3,079,444	53,897	116,218,977	1,703,278	736,351	1,823,879,016	39,301,507	29,667	69,780,315	2,018,476
Individual returns with net income (41 plus 51)	20,672	52,826,419	3,079,444	53,379	117,129,583	1,703,278	732,008	1,836,480,607	39,269,507	29,119	71,017,761	2,018,476
Individual returns with no net income (42 plus 52)	208	1,453,137	—	518	1,910,606	—	4,343	12,601,591	32,000	548	1,237,446	—
Taxable fiduciary returns with net income³	44	413,415	114,205	255	655,222	60,824	2,284	14,123,455	5,452,162	49	132,337	7,034
Total individual returns with net income and taxable fiduciary returns with net income (55 plus 57)	20,716	53,239,834	3,193,649	53,634	117,784,805	1,764,102	734,292	1,850,604,062	74,721,669	29,168	71,150,098	2,025,510
Summary for prior years:¹¹												
1939	11,089	34,247,513	1,927,659	26,010	73,902,180	2,625,513	388,932	1,185,305,330	47,478,736	17,178	49,685,489	1,360,595
1938	8,987	28,129,319	1,718,719	21,118	59,704,177	1,855,212	302,957	925,770,742	36,805,520	13,726	39,485,828	829,246
1937	8,944	31,635,125	2,439,872	21,641	68,046,171	3,230,495	397,053	1,001,637,297	51,563,673	13,598	42,469,435	1,141,400
1936	7,564	27,045,172	2,226,219	19,694	62,819,698	3,059,299	360,328	923,153,400	34,995,019	11,222	34,952,836	799,507
1935	6,441	20,631,384	1,363,651	17,657	51,553,939	1,435,182	253,489	737,154,952	34,603,809	9,272	25,399,832	364,772
1934	5,321	15,236,981	628,009	16,785	48,267,423	1,348,492	210,693	686,065,373	29,121,247	7,647	20,107,880	277,567
1933	3,622	9,772,417	380,800	15,458	41,555,501	833,674	202,190	618,361,894	23,092,182	5,577	14,266,551	165,971
1932	4,102	10,857,743	362,378	15,735	43,854,575	746,847	217,812	689,687,207	22,079,975	5,574	14,666,467	173,605
1931	3,431	14,044,657	349,026	12,477	49,243,306	563,289	178,754	785,764,184	13,971,291	5,389	18,231,469	117,336
1930	4,006	16,688,195	472,636	13,927	60,014,739	952,064	187,943	956,732,849	23,219,240	6,288	24,970,971	222,459

For footnotes, see pp. 190-191.

TABLE 8. (Tables 9 and 9-A, Statistics of Income for 1939, Part 1.)—Individual returns with net income, 1940, by taxable and nontaxable returns, and by net income classes; also aggregates for taxable and nontaxable individual returns with no net income and for taxable fiduciary returns with net income, by States and Territories: Number of returns, net income, deficit, and total tax; also totals for prior years¹¹—Con.

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

Net income classes (Thousands of dollars)	New York			North Carolina			North Dakota			Ohio		
	Number of returns	Net income	Total tax ¹	Number of returns	Net income	Total tax ¹	Number of returns	Net income	Total tax ¹	Number of returns	Net income	Total tax ¹
Taxable individual returns:												
With net income:												
Under 1 (est.)	103,630	\$94,598,006	\$374,262	8,154	\$7,406,558	\$25,499	490	\$447,639	\$2,013	24,675	\$22,511,294	\$34,173
1 under 2 (est.)	337,225	531,799,847	7,030,864	19,510	25,652,859	309,999	5,331	7,601,821	109,082	133,475	269,619,934	3,867,730
2 under 2.5 (est.)	136,565	313,639,999	3,005,888	5,858	13,470,250	107,190	1,145	2,595,408	36,663	55,805	129,403,519	1,629,493
2.5 under 3 (est.)	147,365	404,376,471	3,633,719	6,399	17,518,858	136,351	1,445	3,938,872	42,333	57,659	158,196,037	1,510,592
3 under 4 (est.)	144,810	494,915,933	6,187,367	7,647	26,410,999	290,439	1,978	6,797,331	81,661	60,259	205,239,301	2,613,993
4 under 5 (est.)	54,295	240,722,817	4,567,377	3,202	14,243,662	242,823	763	3,334,332	57,818	21,832	96,651,393	1,731,836
5 under 6	36,166	197,512,197	4,517,009	1,968	10,755,655	233,323	303	1,652,361	35,353	11,731	64,092,234	1,448,250
6 under 7	22,317	144,242,895	4,016,901	1,195	7,714,311	210,523	187	1,209,030	31,105	7,193	46,510,330	1,300,775
7 under 8	14,914	111,434,172	3,903,310	853	6,356,493	217,152	115	854,291	29,131	4,795	35,132,531	1,221,668
8 under 9	10,772	91,297,303	3,816,217	596	5,037,463	205,849	63	531,934	22,137	3,393	21,203,865	1,169,761
9 under 10	8,394	79,533,845	3,873,602	437	4,623,655	221,567	52	491,904	24,142	2,666	25,237,003	1,218,043
10 under 11	6,305	66,090,957	3,649,518	322	3,371,484	181,015	39	410,109	22,143	2,021	21,203,865	1,169,761
11 under 12	4,956	56,920,094	3,502,752	257	3,297,885	193,133	29	390,467	20,780	1,611	18,505,090	1,135,039
12 under 13	4,003	49,950,468	3,402,553	225	2,803,053	189,402	23	235,133	19,612	1,210	15,431,451	1,051,021
13 under 14	3,358	45,243,440	3,335,590	193	2,600,353	190,571	15	200,635	19,979	991	13,331,509	932,891
14 under 15	2,894	41,879,551	3,337,178	139	2,003,818	155,233	13	231,733	29,374	922	13,353,188	1,032,499
15 under 20	9,116	157,157,728	15,599,176	479	8,250,055	793,621	25	418,535	33,271	2,842	48,779,494	4,753,737
20 under 25	4,776	108,536,368	14,401,815	274	6,071,232	793,815	13	238,518	37,576	1,474	32,871,372	4,375,369
25 under 30	2,796	76,235,573	13,090,289	143	3,891,435	652,652	8	222,320	37,435	802	21,913,753	3,733,250
30 under 40	3,019	103,913,528	22,601,298	149	5,118,770	1,033,874	4	147,816	32,122	903	31,294,653	6,693,992
40 under 50	1,491	66,442,442	17,811,913	56	2,506,930	644,894	1	40,273	9,721	476	21,151,200	5,541,532
50 under 60	1,960	52,441,513	16,456,233	44	2,410,982	723,407	—	—	—	265	14,434,184	4,357,251
60 under 70	586	37,826,441	13,011,713	21	1,325,074	437,503	1	66,722	23,232	144	9,320,414	3,131,533
70 under 80	380	28,452,042	10,852,558	14	1,053,018	331,852	—	—	—	90	6,667,923	2,433,330
80 under 90	291	24,555,244	9,934,833	12	1,024,123	411,407	—	—	—	75	6,343,648	2,503,045
90 under 100	177	16,783,038	7,149,192	10	940,815	402,442	—	—	—	43	4,023,865	1,642,324
100 under 150	453	54,282,944	25,859,579	11	1,234,712	563,405	—	—	—	125	15,235,953	7,191,201
150 under 200	163	28,054,173	14,911,114	7	1,208,062	640,469	—	—	—	40	5,123,223	2,738,076
200 under 250	70	15,797,645	8,873,161	2	437,431	232,695	—	—	—	22	4,813,614	2,769,746
250 under 300	49	13,443,523	7,976,057	3	840,750	453,940	—	—	—	12	1,031,128	611,455
300 under 400	37	12,429,894	7,595,732	5	1,713,833	1,029,996	—	—	—	4	4,222,662	2,596,930
400 under 500	29	13,210,125	7,941,393	2	869,695	446,279	—	—	—	6	1,682,899	862,343
500 under 750	27	16,307,445	10,284,452	2	1,240,530	847,936	—	—	—	4	3,375,191	1,872,731
750 under 1,000	12	10,215,594	6,332,864	—	—	—	—	—	—	—	—	—
1,000 under 1,500	9	10,531,679	7,140,572	—	—	—	—	—	—	2	2,321,573	1,685,855
1,500 under 2,000	4	6,607,135	4,650,958	—	—	—	—	—	—	—	—	—
2,000 under 3,000	1	2,819,498	2,172,159	—	—	—	—	—	—	—	—	—
3,000 under 4,000	1	3,789,204	3,120,094	—	—	—	—	—	—	—	—	—
4,000 under 6,000	—	—	—	—	—	—	—	—	—	—	—	—
With no net income:												
Total	1,112,414	3,822,135,771	310,056,252	58,239	193,433,834	13,706,265	12,051	32,180,337	747,718	453,511	1,399,056,021	32,652,496
Total, taxable individual returns	1,112,435	3,820,282,462	310,251,121	58,239	193,433,834	13,706,265	12,051	32,180,337	747,718	453,515	1,398,963,184	32,721,466
Nontaxable individual returns:												
With net income:												
Under 1 (est.)	194,237	148,509,806	—	20,555	16,593,816	—	7,444	4,594,088	—	69,494	53,316,822	—
1 under 2 (est.)	285,475	439,991,205	—	19,405	29,076,128	—	10,661	16,508,421	—	110,482	170,139,806	—
2 under 2.5 (est.)	370,022	815,955,632	—	20,539	46,003,919	—	6,149	13,585,536	—	187,643	413,424,771	—
2.5 under 3 (est.)	146,218	394,750,510	—	7,291	19,577,141	—	2,118	5,681,154	—	66,112	176,132,543	—
3 under 4 (est.)	57,185	180,622,172	—	1,755	5,652,932	—	699	2,301,773	—	14,113	45,604,179	—
4 under 5 (est.)	1,040	4,439,479	—	103	449,650	—	41	174,855	—	426	1,895,147	—
5 under 6	16	83,792	—	2	11,214	—	1	5,436	—	20,421	20,421	—
Total	1,054,193	1,984,252,596	—	69,970	117,365,830	—	27,113	42,351,253	—	448,274	860,503,689	—
With no net income	16,436	65,408,287	—	882	2,028,631	—	799	837,937	—	3,971	12,417,324	—
Total, nontaxable individual returns	1,070,629	1,918,844,309	—	70,852	119,394,461	—	27,912	43,189,190	—	452,245	872,921,013	—
Grand total individual returns (43 plus 53, or 55 plus 56)	2,183,064	5,739,125,771	310,251,121	129,091	312,828,287	13,706,265	39,963	74,193,663	747,718	905,780	2,247,049,549	32,721,466
Individual returns with net income (41 plus 51)	2,166,607	5,806,388,357	310,056,252	128,209	310,799,714	13,706,265	39,164	75,031,600	747,718	901,785	2,250,569,710	32,652,496
Individual returns with no net income (42 plus 52)	16,457	67,261,596	194,869	882	2,028,531	—	799	837,937	—	3,975	12,520,161	68,970
Taxable fiduciary returns with net income³	14,342	57,991,290	12,038,368	373	2,065,573	315,691	71	163,719	6,543	3,377	18,340,874	3,998,655
Total, individual returns with net income and taxable fiduciary returns with net income (55 plus 57)	2,180,949	5,864,379,657	323,154,620	128,582	312,865,287	14,021,956	39,235	75,195,319	754,261	905,162	2,272,910,584	36,651,151
Summary for prior years:⁴¹												
1939	1,294,244	4,226,671,066	215,922,746	61,019	193,275,116	9,162,604	13,958	32,695,345	342,058	442,048	1,315,131,522	48,737,911
1938	1,065,103	3,426,113,310	186,356,667	50,481	163,558,414	7,773,536	11,457	27,446,660	280,185	345,903	1,013,713,152	36,374,856
1937	1,070,623	3,875,605,654	296,063,358	48,645	175,405,057	10,592,369	11,408	28,351,977	358,874	334,077	1,228,084,956	59,702,803
1936	976,939	3,864,452,725	348,687,146	42,075	156,362,462	10,439,380	10,809	26,705,284	352,260	308,759	1,078,936,270	53,476,868
1935	852,076	3,106,263,965	202,971,449	35,813	124,880,237	6,419,410	10,039	23,077,405	181,412	246,888	766,528,630	28,981,842
1934	807,818	2,811,720,784	166,789,731	32,305	112,913,710	6,281,451	9,733	22,351,926	183,955	209,689	631,348,370	19,761,006
1933	748,054	2,598,890,660	137,414,061	29,462	91,673,065	4,121,232	8,359	16,799,800	115,100	151,212	511,694,014	13,237,425
1932	798,685	2,764,354,206	109,593,059	25,972	76,989,708	4,107,702	8,889	18,182,308	110,561	188,141	556,313,005	12,297,627
1931	634,057	3,108,633,729	77,975,788	22,625	88,042,580	2,030,395	7,013	18,469,626	42,519	164,809	689,352,135	9,742,860
1930	711,56											

TABLE 8. (Tables 9 and 9-A, Statistics of Income for 1939, Part 1.)—Individual returns with net income, 1940, by taxable and nontaxable returns, and by net income classes; also aggregates for taxable and nontaxable, individual returns with no net income and for taxable fiduciary returns with net income, by States and Territories: Number of returns, net income, deficit, and total tax; also totals for prior years⁴¹—Continued

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

Net income classes (Thousands of dollars)	Oklahoma			Oregon			Pennsylvania			Rhode Island		
	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²
Taxable individual returns:												
With net income:												
Under 1 (est.)	2,060	\$1,770,895	\$11,558	5,014	\$4,592,104	\$13,560	22,616	\$20,377,337	\$96,709	3,252	\$2,951,596	\$10,500
1 under 2 (est.)	15,105	21,698,772	303,552	31,810	43,401,993	581,328	276,793	398,582,544	5,874,598	23,352	32,913,771	469,985
2 under 2.5 (est.)	4,607	10,635,351	103,150	7,646	17,356,419	194,623	70,095	157,756,769	2,468,651	5,658	12,801,948	186,700
2.5 under 3 (est.)	5,999	16,629,439	151,117	6,884	18,815,426	164,435	65,434	179,780,678	2,068,773	5,080	13,929,145	156,163
3 under 4 (est.)	8,470	29,265,239	355,266	6,714	22,899,076	294,615	85,115	292,576,247	3,979,768	5,699	19,458,551	273,479
4 under 5 (est.)	3,271	14,557,272	265,994	2,742	12,242,194	230,654	33,691	148,976,754	2,711,965	2,571	11,363,545	219,818
5 under 6	1,810	9,887,009	227,012	1,607	8,776,189	199,789	15,384	84,137,321	1,937,559	1,186	6,505,076	157,742
6 under 7	1,083	7,003,152	198,684	984	6,366,610	177,353	9,677	62,602,467	1,769,419	797	5,176,255	146,197
7 under 8	762	5,697,298	202,444	664	4,965,174	177,486	6,487	48,466,828	1,716,519	544	4,054,980	144,899
8 under 9	490	4,150,891	178,499	467	3,957,991	168,276	4,671	39,563,787	1,668,113	424	3,603,600	156,542
9 under 10	402	3,811,817	186,329	311	2,956,968	143,918	3,509	33,260,523	1,632,278	319	3,027,137	153,957
10 under 11	233	2,492,309	140,190	238	2,490,038	137,343	2,713	28,482,406	1,588,886	241	2,526,055	139,591
11 under 12	209	2,401,400	150,560	191	2,193,359	136,041	2,133	24,585,085	1,522,309	199	2,284,979	142,955
12 under 13	153	1,967,063	136,635	144	1,799,344	121,418	1,760	21,952,455	1,501,124	169	2,103,335	145,555
13 under 14	129	1,735,122	127,244	104	1,400,706	104,574	1,426	19,226,837	1,444,425	124	1,671,606	124,780
14 under 15	106	1,536,393	126,950	120	1,707,117	137,438	1,228	17,793,269	1,445,125	117	1,696,087	136,592
15 under 20	338	5,716,272	565,459	302	5,159,969	498,379	3,915	67,372,567	6,673,975	351	6,016,072	592,636
20 under 25	185	4,120,658	550,695	148	3,250,317	432,589	1,974	43,942,148	5,922,974	178	3,933,286	538,583
25 under 30	96	2,600,883	439,970	85	2,295,708	392,044	1,177	32,132,289	5,503,800	106	2,890,595	518,793
30 under 40	82	2,803,444	494,771	93	3,174,380	665,165	1,177	43,344,306	9,365,596	132	4,559,162	981,536
40 under 50	39	1,714,807	461,003	38	1,715,107	445,583	671	29,851,919	7,871,344	83	3,751,623	1,045,280
50 under 60	37	2,035,435	615,455	21	1,140,312	337,384	335	18,300,109	5,603,574	27	1,484,561	455,406
60 under 70	20	1,812,988	444,728	9	573,402	182,817	266	17,087,169	5,853,033	19	1,219,669	423,726
70 under 80	10	742,457	268,119	7	512,506	184,251	148	11,019,947	4,151,236	22	1,620,673	607,224
80 under 90	6	508,361	201,309	4	347,205	133,801	93	7,836,176	3,119,436	9	760,042	295,604
90 under 100	3	284,571	119,615	3	282,826	117,473	62	5,875,601	2,524,654	7	659,564	277,935
100 under 150	9	1,045,672	458,468	2	230,755	104,602	155	18,712,654	8,669,443	21	2,558,701	1,212,133
150 under 200	4	672,176	363,468	2	357,731	171,997	67	11,536,602	5,986,154	7	1,196,158	652,396
200 under 250				2	415,679	128,133	20	4,369,840	2,420,408	4	886,200	522,036
250 under 300	1	281,070	88,407				14	3,737,814	2,149,723	3	823,110	505,831
300 under 400	1	347,870	219,018				21	7,102,943	4,533,528	1	363,944	228,905
400 under 500							13	5,959,709	3,647,039	2	937,463	631,181
500 under 750							11	6,472,647	3,925,991			
750 under 1,000							4	3,311,038	1,589,787			
1,000 under 1,500							2	2,518,344	1,194,929			
1,500 under 2,000												
2,000 under 3,000							2	4,207,191	3,127,210			
3,000 under 4,000							2	8,090,442	6,281,572			
4,000 under 5,000												
5,000 and over												
Total	45,730	159,226,142	8,261,558	66,356	175,437,202	6,775,119	612,952	1,930,873,353	133,525,734	50,704	159,722,935	12,254,305
With no net income⁶							2	23,934	15,294			
Total, taxable individual returns	45,730	159,226,142	8,261,558	66,356	175,437,202	6,775,119	612,954	1,930,849,419	133,541,028	50,704	159,722,935	12,254,305
Nontaxable individual returns:												
With net income:¹⁰												
Under 1 (est.)	11,585	7,752,856		10,829	7,978,807		117,611	90,581,765		13,011	10,434,827	
1 under 2 (est.)	26,022	40,577,122		20,096	31,028,603		162,647	247,531,778		15,540	23,317,606	
2 under 2.5 (est.)	20,717	45,526,014		20,214	44,244,230		253,643	556,214,926		16,601	36,264,584	
2.5 under 3 (est.)	6,303	16,897,332		4,842	12,933,900		58,962	157,946,355		5,084	13,621,597	
3 under 4 (est.)	1,614	5,275,544		978	3,159,452		14,923	48,639,059		1,393	4,555,869	
4 under 5 (est.)	45	190,507		4	17,032		690	2,955,275		2	91,360	
5 under 6	8	43,246		2	10,676		14	73,431		20	10,767	
Total	66,294	116,262,621		56,965	99,372,600		608,490	1,103,972,589		51,651	88,296,610	
With no net income⁴	1,809	4,549,228		1,211	2,596,227		6,739	21,660,972		559	2,625,866	
Total, nontaxable individual returns	68,103	120,811,849		58,176	101,968,827		615,229	1,125,633,561		52,210	90,922,476	
Grand total individual returns (43 plus 53, or 55 plus 56)	113,833	279,938,091	8,261,558	124,532	277,406,029	6,775,119	1,228,183	3,056,513,080	133,541,028	102,914	250,645,411	12,254,305
Individual returns with net income (41 plus 51)	112,024	275,488,763	8,261,558	123,321	274,809,802	6,775,119	1,221,442	3,034,845,942	133,525,734	102,355	248,019,545	12,254,305
Individual returns with no net income (42 plus 52)	1,809	4,549,228		1,211	2,596,227		6,741	21,684,906	15,294	559	2,625,866	
Taxable fiduciary returns with net income,³	393	2,651,584	550,373	314	876,048	69,962	5,801	22,264,542	4,432,120	916	2,874,257	433,558
Total, individual returns with net income and taxable fiduciary returns with net income (55 plus 57)	112,417	278,140,347	8,811,931	123,635	275,685,850	6,845,081	1,227,243	3,057,110,484	137,957,854	103,271	250,893,802	12,687,863
Summary for prior years:⁴¹												
1939	65,009	188,767,262	4,886,474	66,478	169,617,500	3,252,522	633,833	1,858,299,904	85,926,395	51,297	156,470,599	7,524,150
1938	56,083	170,403,396	5,267,186	53,807	135,376,385	2,423,702	505,491	1,562,159,923	63,253,811	41,590	122,134,507	5,012,419
1937	55,323	190,524,308	8,265,541	51,802	144,034,458	3,251,763	576,291	1,892,696,555	97,339,290	43,273	151,295,024	10,066,754
1936	51,277	170,786,455	6,632,281	37,778	118,060,934	3,213,027	470,511	1,604,324,714	104,979,166	38,424	141,967,609	10,755,927
1935	44,909	139,147,683	3,433,003	33,273	91,305,901	1,625,697	389,994	1,278,383,247	57,052,813	33,009	113,640,801	6,002,036
1934	39,279	120,030,049	3,416,992	27,253	71,076,619	1,084,638	342,308	1,067,788,870	44,423,725	31,255	104,193,731	5,232,124
1933	33,224	89,908,905	1,608,377	27,572	66,190,038	795,893	323,960	970,250,517	32,872,779	29,459	92,559,659	3,452,893
1932	31,832	83,367,347	1,203,868	25,845	60,619,751	670,442	334,471	1,023,234,341	39,904,410	30,581	101,863,121	3,839,178
1931	28,242	93,593,901	861,871	20,181	73,154,659	474,055	267,848	1,193,400,020	24,854,558	22,375	111,159,397	2,598,619
1930	32,526	157,410,693	3,416,992	26,047	106,076,107	1,073,686	322,503	1,620,314,109	46,825,528	23,862	136,571,363	4,114,526

For footnotes, see pp. 190-191.

TABLE 8. (Tables 9 and 9-A, Statistics of Income for 1939, Part 1.)—Individual returns with net income, 1940, by taxable and nontaxable returns, and by net income classes; also aggregates for taxable and nontaxable individual returns with no net income and for taxable fiduciary returns with net income, by States and Territories: Number of returns, net income, deficit, and total tax; also totals for prior years⁴¹—Con.

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

Net income classes (Thousands of dollars)	South Carolina			South Dakota			Tennessee			Texas		
	Number of returns	Net income	Total tax ¹	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ¹	Number of returns	Net income	Total tax ¹
Taxable individual returns:												
With net income:												
Under 1 (est.)	3,975	\$3,668,207	\$11,411	1,729	\$1,023,473	\$4,503	5,472	\$4,940,739	\$18,112	16,949	\$15,890,692	\$37,875
1 under 2 (est.)	9,517	12,311,559	144,924	5,442	7,115,401	84,683	21,501	29,531,462	339,886	64,057	89,658,498	1,143,581
2 under 2.5 (est.)	2,936	6,706,660	57,160	1,209	2,768,255	24,569	7,390	17,035,594	153,658	23,336	65,045,101	628,221
2.5 under 3 (est.)	3,497	9,651,226	64,832	1,388	3,808,368	30,466	8,637	23,833,917	199,272	29,950	82,442,948	752,455
3 under 4 (est.)	3,470	11,898,500	130,154	1,249	4,271,593	48,259	10,753	36,964,354	428,619	38,482	132,253,664	1,911,524
4 under 5 (est.)	1,465	6,486,426	109,406	444	1,973,378	33,970	4,400	19,362,105	323,735	17,002	75,187,732	1,572,702
5 under 6	917	5,003,023	110,320	312	1,707,415	33,708	2,190	11,956,287	293,558	8,958	48,754,986	1,322,157
6 under 7	566	3,656,436	96,062	187	1,298,444	33,161	1,335	8,950,037	249,169	4,580	29,501,073	1,021,404
7 under 8	339	2,531,807	86,211	109	818,379	23,406	920	6,867,366	240,438	2,581	19,244,162	860,958
8 under 9	259	2,204,219	88,571	78	657,125	26,577	655	5,547,577	229,473	1,738	14,701,008	779,650
9 under 10	174	1,654,075	77,603	61	580,657	27,052	470	4,455,170	219,527	1,324	12,559,243	759,032
10 under 11	149	1,561,107	84,920	35	364,780	19,323	388	4,062,309	222,562	943	9,891,233	658,659
11 under 12	101	1,161,603	70,772	40	458,493	29,636	321	3,652,852	219,566	845	9,702,855	705,315
12 under 13	75	933,250	61,329	27	335,961	22,310	220	2,749,865	188,097	604	7,547,264	598,600
13 under 14	82	1,105,578	80,629	29	389,901	27,831	193	2,604,474	189,405	551	7,419,345	631,592
14 under 15	45	654,928	50,774	12	175,903	13,059	180	2,608,657	207,044	453	6,575,266	601,915
15 under 20	171	2,947,570	280,378	40	694,148	67,933	474	8,161,083	789,864	1,411	24,285,796	2,663,278
20 under 25	75	1,664,766	213,472	21	465,530	62,276	239	5,316,288	709,162	725	16,168,065	2,343,215
25 under 30	47	1,239,395	211,976	7	198,223	35,915	130	3,529,041	585,957	406	11,086,612	1,993,064
30 under 40	37	1,250,226	250,722	4	131,565	27,283	187	6,493,000	1,390,019	519	17,851,855	3,921,484
40 under 50	23	1,020,698	249,442	7	309,920	79,394	89	3,949,578	1,023,414	265	11,717,641	3,096,038
50 under 60	10	539,874	159,459	1	55,695	17,043	50	2,740,156	820,322	115	6,341,114	1,959,244
60 under 70	3	193,022	65,222				24	1,557,699	612,732	80	5,149,466	1,708,980
70 under 80	3	225,285	84,571	1	70,092	24,506	15	1,136,424	407,003	45	3,371,915	1,251,743
80 under 90	4	341,710	135,371				10	854,427	336,433	31	2,628,642	1,034,068
90 under 100	1	99,065	48,519				7	671,935	276,455	16	1,535,334	654,968
100 under 150	5	583,944	275,095				10	1,194,360	518,293	37	4,452,152	2,076,131
150 under 200	2	353,613	192,015				3	462,398	210,164	12	2,018,713	998,026
200 under 250	1	230,047	133,667							9	2,035,612	1,026,131
250 under 300							1	295,229	179,798	1	253,734	98,814
300 under 400							3	1,068,784	670,321	1	390,237	240,021
400 under 500							2	861,800	561,099			
500 under 750							1	645,054	436,835			
750 under 1,000										1	826,945	581,448
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	27,949	81,927,816	3,625,017	12,432	30,182,699	806,920	66,370	224,091,021	13,174,462	221,007	736,467,893	39,695,308
With no net income ⁶												
Total taxable individual returns	27,949	81,927,816	3,625,017	12,432	30,182,699	806,920	66,370	224,091,021	13,174,462	221,007	736,467,893	39,695,308
Nontaxable individual returns:												
With net income: ¹⁰												
Under 1 (est.)	9,447	7,278,990		8,703	5,817,927		14,755	11,806,265		49,660	37,007,592	
1 under 2 (est.)	11,284	17,235,823		9,808	14,857,646		19,689	29,825,675		70,110	107,006,948	
2 under 2.5 (est.)	10,509	23,244,667		5,304	11,745,678		26,571	58,608,581		80,500	177,127,262	
2.5 under 3 (est.)	3,322	8,952,126		1,253	3,380,055		8,305	22,349,861		27,204	73,071,712	
3 under 4 (est.)	507	2,958,045		347	1,135,179		2,399	7,728,197		6,663	21,583,765	
4 under 5 (est.)	12	51,814		19	89,880		80	341,926		186	831,574	
5 under 6	3	15,637		1	5,269		3	15,525		3	16,040	
Total	35,484	59,767,107		25,495	37,032,434		71,802	130,676,030		234,340	417,244,593	
With no net income ⁴	563	1,257,550		833	1,979,701		849	1,022,300		5,736	11,075,305	
Total nontaxable individual returns	36,047	61,024,657		26,328	39,012,135		72,651	131,698,330		240,076	428,319,898	
Grand total individual returns (43 plus 53, or 55 plus 56)	63,996	142,952,473	3,625,017	38,760	69,194,834	806,920	139,021	355,789,351	13,174,462	461,083	1,164,764,491	39,695,308
Individual returns with net income (41 plus 51)	63,433	141,694,923	3,625,017	37,927	67,215,133	806,920	138,172	354,767,051	13,174,462	456,347	1,163,712,786	39,695,308
Individual returns with no net income (42 plus 52)	563	1,257,550		833	1,979,701		849	1,022,300		5,736	11,075,305	
Taxable fiduciary returns with net income ³	152	700,011	86,011	91	210,041	9,452	430	2,997,735	1,116,456	1,789	8,565,007	1,355,918
Total individual returns with net income and taxable fiduciary returns with net income (55 plus 57)	63,585	142,394,934	3,711,028	38,018	67,425,174	816,372	138,602	357,764,786	14,290,918	457,136	1,174,787,793	41,051,226
Summary for prior years: ⁴¹												
1939	29,709	83,913,503	1,855,174	14,526	34,284,574	483,109	71,606	229,797,922	8,193,196	237,742	753,069,713	24,570,598
1938	24,097	67,056,883	1,315,342	11,801	28,073,557	331,776	58,132	185,395,193	6,637,134	206,210	691,247,447	25,144,104
1937	23,316	70,917,003	2,001,311	11,323	27,870,379	377,107	58,598	195,529,330	7,567,646	196,415	725,591,822	33,918,378
1936	19,975	61,786,732	1,653,997	10,724	27,755,966	431,114	48,048	173,317,393	7,342,668	156,855	569,444,419	27,265,553
1935	16,826	47,010,243	802,720	9,582	24,693,550	345,333	42,941	135,557,076	3,937,433	131,447	439,162,588	19,498,410
1934	14,937	41,023,968	735,471	8,302	20,105,511	225,300	37,938	115,785,720	3,596,105	118,500	366,713,939	11,312,971
1933	12,686	32,131,067	450,922	7,553	16,519,323	133,033	33,464	93,395,213	1,987,598	102,960	299,577,627	7,160,953
1932	11,002	29,080,638	312,924	8,356	17,956,077	137,503	31,543	88,515,162	1,699,321	102,966	279,533,400	5,743,838
1931	10,536	33,858,781	197,943	7,387	22,130,693	105,602	28,117	107,251,482	1,413,609	99,158	333,673,467	4,634,359
1930	12,179	42,714,132	304,596	9,449	31,453,988	178,379	32,682	140,422,521	1,955,201	105,058	448,849,717	8,633,146

For footnotes, see pp. 190-191.

TABLE 8. (Tables 9 and 9-A, Statistics of Income for 1939, Part 1.)—Individual returns with net income, 1940, by taxable and nontaxable returns, and by net income classes; also aggregates for taxable and nontaxable individual returns with no net income and for taxable fiduciary returns with net income, by States and Territories: Number of returns, net income, deficit, and total tax; also totals for prior years ⁴¹—Con.
[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

Net income classes (Thousands of dollars)	Utah			Vermont			Virginia			Washington *		
	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²	Number of returns	Net income	Total tax ²
Taxable individual returns:												
With net income:												
Under 1 (est.)	1,374	\$1,251,632	\$4,126	2,076	\$1,931,460	\$5,578	1,041	\$872,370	\$8,671	11,259	\$10,574,051	\$26,727
1 under 2 (est.)	6,270	8,634,383	115,718	5,697	7,666,629	99,747	38,242	56,199,099	851,086	63,506	88,239,889	1,171,431
2 under 2.5 (est.)	1,685	3,873,193	35,605	1,535	3,534,596	34,776	8,552	19,129,980	327,027	17,333	39,530,738	427,666
2.5 under 3 (est.)	1,903	5,224,754	43,592	1,701	4,677,573	47,257	10,949	30,201,498	330,292	16,651	45,535,146	435,476
3 under 4 (est.)	2,304	7,893,476	91,892	1,698	5,770,395	75,150	18,304	63,097,933	834,052	16,163	55,223,665	819,502
4 under 5 (est.)	830	3,690,401	60,321	737	3,272,363	63,324	7,340	32,403,937	564,999	6,283	27,819,110	626,562
5 under 6	570	3,114,918	67,476	396	2,160,586	51,395	2,833	15,482,319	350,326	3,400	18,590,834	499,529
6 under 7	338	2,188,985	59,125	233	1,511,155	43,822	1,704	11,390,346	314,637	1,668	10,754,955	369,547
7 under 8	223	1,667,224	54,368	171	1,272,877	45,591	1,117	8,340,977	301,628	918	6,853,590	305,736
8 under 9	141	1,193,159	45,965	107	908,222	40,338	774	6,564,279	274,384	588	4,989,914	261,910
9 under 10	122	1,155,414	53,587	90	853,959	43,900	608	5,766,702	280,115	434	4,119,696	246,516
10 under 11	83	863,213	47,163	59	621,607	35,467	477	4,993,293	271,470	374	3,922,125	254,582
11 under 12	55	630,271	37,186	46	531,205	34,109	389	4,462,549	217,723	243	2,790,702	203,251
12 under 13	57	712,803	49,771	37	462,561	31,277	274	3,427,437	231,540	180	2,331,827	181,205
13 under 14	47	634,838	44,840	41	551,623	41,375	222	2,994,290	220,957	156	2,033,115	170,074
14 under 15	20	290,268	22,781	17	245,649	20,249	204	2,956,538	236,646	114	1,646,901	146,777
15 under 20	103	1,771,044	172,072	77	1,314,877	130,479	569	9,802,292	953,322	489	8,407,618	917,735
20 under 25	55	1,221,776	158,565	39	860,105	120,003	274	6,128,651	831,742	213	4,739,329	680,256
25 under 30	26	709,215	120,174	23	639,634	112,799	157	4,315,408	732,504	92	2,505,032	450,309
30 under 40	22	760,990	180,929	15	523,619	113,570	151	5,148,675	1,098,997	92	3,177,450	704,328
40 under 50	17	724,738	182,395	6	273,722	74,105	71	3,145,140	814,659	56	2,429,470	636,526
50 under 60	5	269,217	84,771	6	337,248	107,261	47	2,551,859	778,714	30	1,630,274	499,924
60 under 70	2	127,428	42,721	4	266,551	94,977	28	1,824,778	615,958	16	1,048,139	351,120
70 under 80	1	70,507	25,421	5	362,500	141,588	11	826,953	304,136	8	617,893	234,019
80 under 90	3	252,431	88,484	2	173,597	71,108	18	1,517,347	593,929	10	857,885	340,423
90 under 100				3	282,178	119,392	7	668,437	286,673	6	565,177	231,551
100 under 150	1	103,602	45,604	5	633,357	320,817	18	2,239,109	1,087,637	9	1,027,729	453,270
150 under 200							3	513,952	277,693	0	1,033,341	487,404
200 under 250							2	511,009	300,969			
250 under 300							4	1,233,913	758,374			
300 under 400							1	493,510	324,846			
400 under 500							1	502,346	342,419			
500 under 750												
750 under 1,000												
1,000 under 1,500												
1,500 under 2,000												
2,000 under 3,000							1	2,074,634	1,524,737			
3,000 under 4,000												
4,000 under 5,000							1	5,074,832	3,093,783			
5,000 and over												
Total	16,257	49,029,880	1,914,712	14,826	41,639,958	2,120,454	94,455	317,057,967	20,508,019	140,299	353,394,068	12,319,355
With no net income ⁶												
Total, taxable individual returns.	16,257	49,029,880	1,914,712	14,826	41,639,958	2,120,454	94,455	317,057,967	20,508,019	140,299	353,394,068	12,319,355
Nontaxable individual returns:												
With net income: ¹⁰												
Under 1 (est.)	2,799	1,955,829		5,445	3,904,460		17,663	13,827,725		21,245	15,413,479	
1 under 2 (est.)	7,319	11,431,959		5,732	8,633,513		26,853	40,705,078		31,205	47,901,765	
2 under 2.5 (est.)	8,446	18,571,171		5,980	13,191,631		29,725	65,479,970		39,450	85,562,839	
2.5 under 3 (est.)	3,469	9,300,331		1,851	4,959,820		10,810	29,118,978		11,324	30,409,884	
3 under 4 (est.)	1,005	3,297,509		426	1,394,049		2,955	9,523,542		2,739	8,727,360	
4 under 5 (est.)	15	64,771		31	131,582		59	266,591		64	263,105	
5 under 6							2	10,297				
Total	23,053	44,621,566		19,465	32,235,055		88,067	158,932,181		105,027	189,278,432	
With no net income ⁴	236	489,353		364	666,220		1,081	2,568,807		2,022	4,079,579	
Total, nontaxable individual returns.	23,289	45,110,919		19,829	32,901,275		89,148	161,500,988		107,049	193,358,011	
Grand total individual returns (43 plus 53, 55 plus 56).	39,546	93,162,093	1,914,712	34,655	73,208,793	2,120,454	183,603	478,421,341	20,508,019	247,348	546,752,079	12,319,355
Individual returns with net income (41 plus 51).	39,310	93,651,446	1,914,712	34,291	73,875,013	2,120,454	182,522	475,990,148	20,508,019	246,326	542,672,500	12,319,355
Individual returns with no net income (42 plus 52).	236	489,353		364	666,220		1,081	2,568,807		2,022	4,079,579	
Taxable fiduciary returns with net income. ³	150	583,192	97,697	163	601,217	160,802	767	1,928,298	196,346	808	3,021,194	502,090
Total, individual returns with net income and taxable fiduciary returns with net income (55 plus 57).	39,460	94,234,638	2,012,409	34,454	74,476,230	2,281,256	183,289	477,918,446	20,704,365	247,134	545,693,694	12,821,445
Summary for prior years: ⁴¹												
1939	23,573	63,010,259	1,180,014	15,893	44,833,737	1,264,806	90,413	286,121,481	11,040,284	126,577	323,346,938	6,357,209
1938	19,278	53,219,070	1,059,037	13,683	36,660,627	777,312	72,625	228,428,434	7,828,571	106,982	276,900,100	5,167,854
1937	19,592	59,614,157	1,619,567	13,874	40,647,118	1,231,377	71,645	245,434,150	12,378,744	104,386	295,685,148	8,315,210
1936	16,262	50,926,789	1,458,140	12,193	37,146,202	1,195,856	62,449	218,974,309	11,790,932	88,640	259,649,969	7,875,628
1935	14,088	39,902,816	686,084	10,903	30,293,579	503,958	54,835	171,203,815	5,268,764	69,919	197,923,584	3,868,053
1934	11,458	32,016,329	468,653	9,824	26,565,697	435,666	47,814	139,932,355	3,665,810	60,151	153,639,057	2,551,738
1933	10,807	26,933,168	349,519	9,375	23,937,326	339,220	42,920	117,634,811	2,399,350	54,539	131,639,579	1,646,568
1932	10,624	27,180,193	366,273	10,439	27,542,982	406,645	43,136	122,328,476	2,220,452	56,434	133,697,243	1,557,558
1931	9,785	31,863,637	198,095	7,803	29,853,410	264,753	34,659	129,365,027	1,323,722	51,781	174,888,452	1,238,044
1930	11,777	45,369,199	447,953	8,635	39,259,341	626,874	37,915	156,272,484	2,050,554	63,129	238,857,983	2,750,143

For footnotes, see pp. 190-191.

* Includes Alaska prior to 1939.

TABLE 8. (Tables 9 and 9-A, Statistics of Income for 1939, Part 1.)—Individual returns with net income, 1940, by taxable and nontaxable returns, and by net income classes; also aggregates for taxable and nontaxable individual returns with no net income and for taxable fiduciary returns with net income, by States and Territories: Number of returns, net income, deficit, and total tax; also totals for prior years ¹¹—Con.

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 4-7 and 8-9]

Table with columns for Net Income classes (Thousands of dollars), West Virginia, Wisconsin, and Wyoming. Rows include Taxable individual returns (Under 1 to 750+), Nontaxable individual returns (Under 1 to 5000+), and Summary for prior years (1939-1930).

For footnotes, see pp. 190-191.

TABLE 9. (Table 14, Statistics of Income for 1939, Part 1.)—Individual returns with net income of \$5,000 and over, and with wholly and partially tax-exempt Government obligations, not including fiduciary returns, 1940, by net income classes, and by type of obligation: Amount owned and interest received

[For description of items and classifications, and methods of tabulating and estimating data, see pp. 8-9 and 41-42]

[Net income classes and money figures in thousands of dollars]								
Net income classes	Amount owned at end of year							
	Total	Wholly tax-exempt obligations				Partially tax-exempt obligations		
		Total	Obligations of States, Territories, or political subdivisions thereof, District of Columbia, and United States possessions	Obligations issued under Federal Farm Loan Act or such Act as amended	Treasury notes, Treasury bills, Treasury certificates of indebtedness, and United States obligations issued on or before Sept. 1, 1917	Total	United States savings bonds and Treasury bonds	Obligations of instrumentalities of the United States other than those in column 5
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
5 under 6.....	206,087	90,145	69,161	9,827	11,157	115,942	106,925	9,017
6 under 7.....	183,217	86,328	65,234	11,528	9,565	96,890	89,004	7,885
7 under 8.....	146,653	68,315	55,327	6,102	6,887	78,337	72,036	6,301
8 under 9.....	139,774	68,603	55,761	6,699	6,143	71,172	65,294	5,877
9 under 10.....	135,216	66,920	53,441	6,915	6,564	68,296	62,985	5,311
10 under 11.....	115,796	54,451	41,275	7,194	5,981	61,345	56,935	4,411
11 under 12.....	103,349	54,896	44,966	5,231	4,688	48,464	45,235	3,229
12 under 13.....	106,472	58,796	49,101	5,925	3,769	47,676	44,160	3,517
13 under 14.....	102,175	56,463	44,144	4,955	7,304	45,712	41,957	3,755
14 under 15.....	90,913	51,859	41,509	5,531	4,820	39,053	35,730	3,324
15 under 20.....	375,657	219,385	175,246	21,297	22,841	156,273	144,678	11,595
20 under 25.....	316,364	208,394	168,425	18,518	21,451	107,070	99,939	8,031
25 under 30.....	250,418	175,789	141,254	17,564	16,970	74,630	69,981	4,649
30 under 40.....	452,335	332,117	265,552	23,687	40,879	120,217	112,136	8,082
40 under 50.....	311,824	244,979	189,008	19,942	36,029	66,845	63,414	3,431
50 under 60.....	222,238	180,650	141,028	12,871	26,751	41,588	39,342	2,246
60 under 70.....	171,314	144,108	109,562	12,856	21,690	27,205	26,014	1,191
70 under 80.....	138,580	121,336	93,226	10,184	17,925	17,244	16,035	1,210
80 under 90.....	117,520	98,240	74,674	6,166	17,400	19,280	17,684	1,597
90 under 100.....	99,578	87,913	60,672	10,107	17,134	11,665	10,579	1,086
100 under 150.....	328,938	280,823	224,762	17,329	47,732	39,115	36,764	2,351
150 under 200.....	176,487	158,351	122,688	8,036	27,627	18,136	17,797	339
200 under 250.....	109,504	95,786	69,936	4,480	21,370	13,718	12,455	1,263
250 under 300.....	131,407	126,284	92,631	4,394	29,258	5,124	3,661	1,462
300 under 400.....	138,670	134,171	93,910	4,332	35,929	4,504	3,568	936
400 under 500.....	50,759	49,336	34,867	3,733	10,735	1,424	1,381	42
500 under 750.....	115,704	114,427	58,517	4,846	51,064	1,277	884	393
750 under 1,000.....	84,892	81,437	45,645	5,614	30,178	3,395	3,378	17
1,000 under 1,500.....	27,535	26,865	19,791	150	6,924	670	668	2
1,500 under 2,000.....	5,918	5,882	4,379	423	1,080	36	36	
2,000 under 3,000.....	7,883	7,877	3,407	2,690	1,780	6	6	
3,000 under 4,000.....	123,039	123,039	26,342		96,697			
4,000 under 5,000.....	872	872	372		500			
5,000 and over.....								
Total.....	5,087,033	3,683,824	2,735,814	281,126	666,884	1,403,209	1,300,660	102,549

For footnotes, see pp. 190-191.

TABLE 9. (Table 14, Statistics of Income for 1939, Part 1.)—Individual returns with net income of \$5,000 and over, and with wholly and partially tax-exempt Government obligations, not including fiduciary returns, 1940, by net income classes, and by type of obligation: Amount owned and interest received—Continued

[For description of items and classifications, and method of tabulating data, see pp. 8-9 and 41-42]

[Net income classes and money figures in thousands of dollars]								
Net income classes	Interest received or accrued during the year							
	Total	Wholly tax-exempt obligations				Partially tax-exempt obligations		
		Total	Obligations of States, Territories, or political subdivisions thereof, District of Columbia, and United States possessions	Obligations issued under Federal Farm Loan Act or such Act as amended	Treasury notes, Treasury bills, Treasury certificates of indebtedness, and United States obligations issued on or before Sept. 1, 1917	Total ^a	United States savings bonds and Treasury bonds ^b	Obligations of instrumentalities of the United States other than those in column 5 ^c
(1)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
5 under 6.....	8,874	4,851	4,068	436	347	4,023	3,570	453
6 under 7.....	7,546	4,317	3,631	357	330	3,228	2,877	351
7 under 8.....	6,679	3,769	3,150	363	256	2,910	2,484	426
8 under 9.....	6,568	4,015	3,511	300	205	2,551	2,300	250
9 under 10.....	6,460	4,091	3,449	284	358	2,368	2,161	208
10 under 11.....	5,431	3,214	2,652	322	240	2,217	2,001	216
11 under 12.....	5,925	4,156	3,142	799	216	1,769	1,581	188
12 under 13.....	5,877	4,217	3,457	555	206	1,690	1,420	140
13 under 14.....	5,751	4,114	3,538	250	326	1,637	1,482	156
14 under 15.....	4,892	3,555	2,635	271	650	1,337	1,198	139
15 under 20.....	19,191	13,148	11,306	951	891	6,042	5,564	478
20 under 25.....	16,931	12,729	10,935	1,267	1,427	4,202	3,861	341
25 under 30.....	12,486	9,625	8,344	811	470	2,862	2,668	194
30 under 40.....	21,966	17,517	15,417	1,095	1,005	4,450	4,094	355
40 under 50.....	16,801	14,193	12,361	963	869	2,608	2,438	170
50 under 60.....	11,047	9,575	8,380	588	606	1,472	1,377	95
60 under 70.....	7,749	6,750	5,769	548	433	999	953	46
70 under 80.....	6,148	5,663	4,795	414	354	686	546	39
80 under 90.....	5,322	4,689	3,859	268	561	633	593	40
90 under 100.....	4,200	3,838	3,140	401	296	302	321	42
100 under 150.....	16,037	15,177	12,920	1,112	1,139	1,460	1,374	86
150 under 200.....	9,272	8,762	7,774	410	578	510	500	10
200 under 250.....	4,265	3,885	3,402	189	204	380	348	32
250 under 300.....	4,831	4,600	4,120	131	350	231	187	44
300 under 400.....	5,491	5,372	4,723	178	470	119	110	9
400 under 500.....	2,826	2,793	2,455	154	184	33	32	1
500 under 750.....	4,200	4,154	3,370	177	607	46	41	4
750 under 1,000.....	3,955	3,770	2,900	299	370	185	183	2
1,000 under 1,500.....	1,290	1,282	1,192	5	85	8	7	
1,500 under 2,000.....	486	486	391	43	62	1	1	
2,000 under 3,000.....	337	337	181	81	76			
3,000 under 4,000.....	2,349	2,349	1,091	91	1,258			
4,000 under 5,000.....	16	16	9		7			
5,000 and over.....								
Total.....	241,799	190,910	161,175	14,018	15,718	50,889	46,375	4,513

For footnotes, see pp. 190-191.

TABLE 10. (Table 16, Statistics of Income for 1939, Part 1.)—Taxable fiduciary returns with net income,³ showing balance income of \$5,000 and over^{4b} and with wholly and partially tax-exempt Government obligations, 1940, by net income³ classes, and by type of obligation: Amount owned and interest received

[For description of items and classifications, and method of tabulating data, see pp. 8-9 and 41-42]

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

Net income ³ classes	Amount owned at end of year							
	Total	Wholly tax-exempt obligations			Partially tax-exempt obligations			
		Total	Obligations of States, Territories, or political subdivisions thereof, District of Columbia, and United States possessions	Obligations issued under Federal Farm Loan Act or such Act as amended	Treasury notes, Treasury bills, Treasury certificates of indebtedness, and United States obligations issued on or before Sept. 1, 1917	Total	United States savings bonds and Treasury bonds	Obligations of instrumentalities of the United States other than those in column 5
Under 5	441,299	330,218	261,810	29,093	48,316	102,081	93,279	8,801
5 under 6	42,092	33,238	25,366	1,649	6,224	8,854	8,111	743
6 under 7	59,308	50,360	37,095	733	12,532	8,948	8,443	505
7 under 8	34,808	24,904	22,505	835	1,594	9,404	8,340	1,064
8 under 9	36,487	27,665	20,819	1,335	5,411	8,923	8,538	385
9 under 10	12,443	7,352	5,816	571	965	5,091	4,768	323
10 under 11	13,766	10,922	7,342	1,445	2,135	2,845	2,514	32
11 under 12	14,850	11,301	8,898	659	1,644	3,560	3,304	245
12 under 13	22,344	17,574	15,385	1,107	1,083	4,770	4,610	160
13 under 14	10,557	8,161	4,504	1,072	2,585	2,396	2,042	354
14 under 15	7,482	4,483	3,705	329	329	2,979	2,733	246
15 under 20	51,149	37,860	29,805	1,863	6,192	13,289	11,985	1,304
20 under 25	28,779	21,698	15,808	1,345	4,544	7,081	4,550	2,531
25 under 30	21,976	15,663	12,534	1,163	1,565	6,414	6,207	206
30 under 40	30,556	24,439	15,879	4,454	4,107	6,116	5,230	837
40 under 50	30,832	28,167	22,142	892	5,133	2,665	2,059	605
50 under 60	31,969	28,577	23,959	630	3,988	3,392	3,029	363
60 under 70	28,711	26,829	19,399	962	6,478	1,882	1,870	13
70 under 80	18,381	17,035	15,181	1,250	1,205	746	726	F 20
80 under 90	4,124	2,948	2,725	78	145	1,177	1,102	75
90 under 100	17,054	16,437	13,050	680	2,708	617	466	F151
100 under 150	41,859	38,518	24,538	6,370	7,610	3,341	3,190	F151
150 under 200	15,957	13,731	8,896	681	4,152	2,225	345	1,880
200 under 250	3,554	3,428	311	140	3,117	126	126	.....
250 under 300	1,258	1,038	898	.....	.....	220	220	.....
300 under 400	2,414	2,404	1,386	.....	1,018	10	10	.....
400 under 500	111	111	61	.....	50	67	57	.....
500 under 750	10,983	9,778	9,425	.....	353	1,205	1,205	10
750 under 1,000	.....	.....	.....	.....	.....	.....	.....	.....
1,000 under 1,500	1,123	1,048	973	.....	75	75	75	.....
1,500 under 2,000	.....	.....	.....	.....	.....	.....	.....	.....
2,000 under 3,000	.....	.....	.....	.....	.....	.....	.....	.....
3,000 under 4,000	.....	.....	.....	.....	.....	.....	.....	.....
4,000 under 5,000	5	.....	.....	.....	.....	5	5	.....
5,000 and over	.....	.....	.....	.....	.....	.....	.....	.....
Total	1,035,778	825,285	630,615	59,442	135,227	210,492	189,189	21,303

For footnotes, see pp. 190-191.

TABLE 10. (Table 16, Statistics of Income for 1939, Part 1.)—Taxable fiduciary returns with net income,³ showing balance income of \$5,000 and over^{4b} and with wholly and partially tax-exempt Government obligations, 1940, by net income³ classes, and by type of obligation: Amount owned and interest received—Con.

[For description of items and classifications, and method of tabulating data, see pp. 8-9 and 41-42]

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

Net income ³ classes	Interest received or accrued during the year							
	Total	Wholly tax-exempt obligations			Partially tax-exempt obligations			
		Total	Obligations of States, Territories, or political subdivisions thereof, District of Columbia, and United States possessions	Obligations issued under Federal Farm Loan Act or such Act as amended	Treasury notes, Treasury bills, Treasury certificates of indebtedness, and United States obligations issued on or before Sept. 1, 1917	Total	United States savings bonds and Treasury bonds	Obligations of instrumentalities of the United States other than those in column 5 ⁴
Under 5	20,474	16,465	14,152	1,130	1,383	4,010	3,635	374
5 under 6	1,782	1,485	1,318	63	104	297	271	27
6 under 7	2,115	1,804	1,630	56	119	311	293	18
7 under 8	1,310	988	916	26	46	322	288	35
8 under 9	1,275	806	766	56	105	308	285	24
9 under 10	683	495	438	29	28	189	177	11
10 under 11	646	531	439	54	39	114	101	13
11 under 12	799	666	598	23	45	133	123	10
12 under 13	1,113	928	777	39	112	185	172	13
13 under 14	401	299	247	17	35	102	86	16
14 under 15	326	217	187	19	11	109	94	15
15 under 20	3,293	2,859	2,392	256	210	434	394	41
20 under 25	1,109	892	749	51	92	218	151	67
25 under 30	1,210	976	886	36	53	234	225	10
30 under 40	1,363	1,152	890	187	75	211	178	33
40 under 50	1,088	995	863	45	87	93	87	6
50 under 60	1,374	1,212	1,112	19	81	162	146	15
60 under 70	1,320	1,262	1,098	103	61	57	57	1
70 under 80	609	593	513	49	30	16	16	(19)
80 under 90	449	209	154	2	53	239	239	1
90 under 100	616	604	550	26	27	13	8	5
100 under 150	1,601	1,433	1,002	237	194	168	167	1
150 under 200	440	413	314	26	72	28	24	3
200 under 250	188	121	82	11	28	17	16	1
250 under 300	36	36	32	.....	(19)	(19)	(19)	.....
300 under 400	68	67	55	(19) 4	13	(19)	(19)	.....
400 under 500	5	4	4	.....	2	2	2	(19)
500 under 750	938	921	849	3	69	18	18	.....
750 under 1,000	.....	.....	.....	.....	.....	.....	.....	.....
1,000 under 1,500	4	4	4	.....	(19)	(19)	(19)	.....
1,500 under 2,000	110	110	107	.....	3	(19)	(19)	.....
2,000 under 3,000	.....	.....	.....	.....	.....	.....	.....	.....
3,000 under 4,000	.....	.....	.....	.....	.....	.....	.....	.....
4,000 under 5,000	459	459	187	.....	271	(19)	(19)	.....
5,000 and over	.....	.....	.....	.....	.....	.....	.....	.....
Total	47,157	39,166	33,352	2,569	3,245	7,991	7,252	739

For footnotes, see pp. 190-191.

Footnotes for basic tables 1-10, pages 72-189

(Facsimiles of Forms 1040, 1040A, and 1041, to which references are made, appear on pages 262-270)

¹ Table 1 contains data for individual returns with net income and with no net income shown in basic table 1-A and taxable fiduciary returns with net income. Table 2 contains data for individual returns with net income and with no net income shown in basic table 2-A and taxable fiduciary returns with net income shown in basic table 2-B. Table 3 contains data for individual returns with net income and with no net income shown in basic table 3-A and taxable fiduciary returns with net income shown in Part 1 of basic table 2-B. Table 7 contains data for individual returns with net income and with no net income shown in basic table 7-A and taxable fiduciary returns with net income shown in basic table 7-B.

² Aggregate of normal tax, surtax, alternative tax, and defense tax. For returns with normal tax and surtax, see note 7. For returns with alternative tax, see note 8.

³ For taxable fiduciary returns with net income in basic tables 1, 2, 2-B, 3, 7, 7-B, 8, and 10, the net income used for classification and tabulation is the net income taxable to the fiduciary after distribution to beneficiaries (item 17, page 1, Form 1041).

⁴ Total deductions equal or exceed total income.

⁵ For 1940, the personal exemption allowed the head of a family and a married person living with husband or wife for the entire taxable year was reduced from \$2,500 to \$2,000, and that for a single person, a married person not living with husband or wife, and an estate, was reduced from \$1,000 to \$800. Similar to 1939, a trust is allowed, in lieu of the personal exemption, a credit of \$100 against net income.

⁶ An alternative tax is reported on 46 individual returns with no net income due to net long-term capital loss, on which the partial tax computed on net income before the deduction of net long-term capital loss exceeds 30 percent of the net long-term capital loss. The distribution of these 46 returns with alternative tax, by States, is shown in basic table 8.

⁷ Returns with normal tax and surtax are (1) returns without net long-term capital gain or loss and (2) returns with net long-term capital gain or loss, which are subject to normal tax and surtax instead of alternative tax (see note 8).

⁸ The alternative tax is reported on (1) 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 (2) 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.

⁹ Defense tax is 10 percent of the total income tax before deducting any credit, but not in excess of 10 percent of the amount by which the net income exceeds such income tax.

¹⁰ Exemptions and credits exceed net income. A negligible number of nontaxable individual returns in net income classes of \$6,000 and over are tabulated with taxable returns.

¹¹ Deficit.

¹² Net income less deficit.

¹³ Not available.

¹⁴ In tables 2 and 2-A average total tax not computed. In tables 3 and 3-A percentage not computed.

¹⁵ Data for taxable fiduciary returns include data for estates and trusts with net income, incorrectly filed on Form 1040. An adjustment was made for these incorrectly filed 1940 returns, Form 1040, whereby "Amount distributable to beneficiaries" (if any) was removed from "Other deductions" and from "Total deductions" and tabulated as such in basic tables 7 and 7-B.

¹⁶ Less than one-hundredth of 1 percent.

¹⁷ See text, pages 12-13.

¹⁸ An unequal number of separate returns is the result of (1) use of the sample as the basis for estimating data for returns in net income classes under \$5,000, when the net income of one spouse is under \$5,000 and that of the other spouse is \$5,000 or over (see pages 4-5), and (2) certain cases in which incomplete or inaccurate answers to questions 4 and 5 on page 4, Form 1040, and on page 1, Form 1040A, make it impossible to identify the returns as separate returns.

¹⁹ Less than \$500.

²⁰ Excludes dividends received through partnerships and fiduciaries and dividends received on share accounts in Federal savings and loan associations.

²¹ Unlike previous years, "Interest on bank deposits, notes, mortgages, and corporation bonds" excludes interest on partially tax-exempt Government obligations reported on returns with net income under \$5,000.

²² Interest on partially tax-exempt Government obligations received from United States savings bonds and Treasury bonds owned in excess of \$5,000, and obligations of instrumentalities of the United States other than those issued under the Federal Farm Loan Act or such Act as amended, including amounts received through partnerships and fiduciaries. For the first time, such interest, reported on returns with net income under \$5,000, is included in the amounts shown, and is tabulated by net income classes in tables 7, 7-A, and 7-B.

²³ Partnership profit or loss, as reported on the income tax return of the partner, excludes (1) interest on partially tax-exempt Government obligations, (2) net gain or loss from sales or exchanges of capital assets, each of which is reported in its respective source of income, and (3) dividends on share accounts in Federal savings and loan associations which are reported in "Other income." Charitable contributions and the net operating loss deduction, not being deductible in computing partnership profit or loss, are reported on the partner's income tax return in "Contributions" and "Other deductions," respectively.

²⁴ Income from fiduciaries, as reported on the return of the beneficiary, excludes (1) interest on partially tax-exempt Government obligations and (2) net gain or loss from sales or exchanges of capital assets received from common trust funds, each of which is reported in its respective source of income, and (3) dividends on share accounts in Federal savings and loan associations which are reported in "Other income." The net operating loss deduction, not being deductible in computing income from common trust funds, is reported on the beneficiary's income tax return in "Other deductions," however, the net operating loss deduction is deducted from all other fiduciary income reported on the beneficiary's return.

²⁵ Current year business profit or loss. The net operating loss deduction is reported in "Other deductions."

²⁶ The tabulated amounts of "Net short-term capital gain," "Net long-term capital gain," and "Net long-term capital loss" include each participant's share of net capital gain or loss to be taken into account from partnerships and "Common trust funds." The term "Capital assets" means property held by the taxpayer (whether or not connected with his trade or business), but not (1) stock in trade or other property which would properly be included in inventory if on hand at the close of the taxable year, (2) property held primarily for sale to customers in the ordinary course of trade or business, and (3) property used in trade or business of a character which is subject to the allowance for depreciation.

²⁷ "Short-term" applies to capital assets held 18 months or less.

Footnotes for basic tables 1-10, pages 72-189—Continued

²⁸ Net short-term capital loss of preceding taxable year is the amount deducted under the net short-term loss carry-over provision of the Internal Revenue Code. The amount carried over cannot exceed the net income for the year in which the loss is sustained, and can be deducted only to the extent of the net short-term capital gain of the current year.

²⁹ Current year net short-term capital gain before deducting net short-term capital loss of preceding taxable year. This amount would have been reported for computation of net income if the net short-term capital loss of preceding taxable year had not been deductible.

³⁰ "Long-term" applies to capital assets held over 18 months. Losses from worthless stocks and bonds which are capital assets are deducted in computing "Net long-term capital gain" and "Net long-term capital loss."

³¹ Net gain or loss from sales of property used in trade or business of a character which is subject to the allowance for depreciation.

³² Include each partner's share of the charitable contributions of partnerships.

³³ Excludes amounts reported in schedule for (1) income from rents and royalties, and (2) profit or loss from business.

³⁴ Losses from fire, storm, shipwreck, or other casualty, or from theft, not compensated for by insurance or otherwise.

³⁵ Include net operating loss deduction reported on Form 1040, and losses from fire, storm, etc., and bad debts, reported on Form 1040A.

³⁶ For returns with net income under \$5,000, the number of returns on which specific sources of income and deductions are reported is available only for "Salaries and other compensation" (tables 7 and 7-A) and "Dividends from domestic and foreign corporations" (tables 7, 7-A, and 7-B). For returns with net income of \$5,000 and over, the number of returns is available for each specific source of income and deduction and for the information item "Net short-term capital loss of preceding taxable year deducted" (tables 7, 7-A, and 7-B).

³⁷ The number of returns with net income under \$5,000, which is not available, is excluded from the total in this column. For "Business profit" and "Business loss" these figures represent the number of returns on which a net profit or a net loss was reported for the computation of net income. Consequently, for returns on which data for two or more businesses are reported in the business schedule, these figures do not reflect the number of businesses in which sole proprietors are engaged.

³⁸ Include net operating loss deduction reported on Forms 1040 and 1041, and losses from fire, storm, etc., and bad debts, reported on Forms 1040A and 1041.

³⁹ Balance income (item 15, page 1, Form 1041) is the net income before deduction of amount distributable to beneficiaries and is equal to total income less total deductions (items 10 and 14, respectively, page 1, Form 1041).

⁴⁰ Include (1) losses from fire, storm, shipwreck, or other casualty, or from theft not compensated for by insurance or otherwise, not reported in schedules for income from rents and royalties and profit or loss from business, (2) bad debts, and (3) net operating loss deduction.

⁴¹ These historical data relate to income tax returns for individuals and for estates and trusts with net income. Data for 1931 through 1936 are tabulated from Forms 1040 and 1040A filed for individuals and for estates and trusts. Data for 1937 through 1939 are tabulated from Forms 1040 and 1040A filed for individuals, taxable Forms 1041 filed for estates and trusts, and Forms 1040 incorrectly filed for estates and trusts, except that for 1938 through 1939 there are excluded nontaxable Forms 1040 with net income, incorrectly filed for estates and trusts. Changes in the revenue acts affecting the comparability of statistical data from income tax returns are summarized on pages 242-251.

⁴² Revised. See Statistics of Income for 1935, Part 1, page 31, note 6.

⁴³ Includes interest on United States savings bonds and Treasury bonds on a principal amount not in excess of \$5,000 which is wholly exempt from normal tax and surtax. (Data in table 9, tabulated from line (e), column 3, schedule B, page 2, Form 1040; data in table 10, tabulated from line (e), columns 3 (a) and (b), schedule B, page 2, Form 1041.) Such interest received on a principal amount in excess of \$5,000, which is subject to surtax only, is reported in item 5, page 1, Form 1040, or in item 4, page 1, Form 1041, and tabulated in the tables of this report showing sources of income as "Interest on partially tax-exempt Government obligations."

⁴⁴ Interest on obligations of instrumentalities of the United States other than obligations issued under the Federal Farm Loan Act, or such Act as amended, is subject to surtax only. (Data in table 9, tabulated from line (f), column 3, schedule B, page 2, Form 1040; data in table 10, tabulated from line (f), columns 3 (a) and (b), schedule B, page 2, Form 1041.) Such interest is reported in item 5, page 1, Form 1040, or in item 4, page 1, Form 1041, and tabulated in the tables of this report showing sources of income as "Interest on partially tax-exempt Government obligations."

⁴⁵ Includes returns for estates and trusts incorrectly filed on Form 1040, which have net income taxable to the fiduciary and balance income of \$5,000 and over, after an adjustment was made whereby the "Amount distributable to beneficiaries" (if any) was removed from "Other deductions" and from "Total deductions" and the "Balance income" was computed.

ESTATE TAX RETURNS

ESTATE TAX RETURNS

SUMMARY DATA

There were 17,122 estate tax returns filed during the calendar year of 1941, on which there is reported total gross estate of \$2,793,439,358, net estate of \$1,575,768,142, and Federal estate tax liability of \$293,398,930. As compared with returns filed during the preceding calendar year, there is an increase of 246 returns, or 1.5 percent; gross estate increase of \$145,240,475, or 5.5 percent; net estate increase of \$82,584,247, or 5.5 percent; and tax liability increase of \$41,843,167, or 16.6 percent.

Of the 17,122 estate tax returns, 15,977 are for estates of citizens and resident aliens and 1,145 are for estates of nonresident aliens (including estates of nonresident citizens who died prior to May 11, 1934). Of the 15,977 returns for estates of citizens and resident aliens, 15,910 are filed under the requirements of the various revenue acts in effect on or after August 31, 1935 (Revenue Act of 1935). The remaining 67 returns include 24 filed under the Revenue Act of 1934, 24 under the Revenue Act of 1932, 12 under the Revenue Act of 1926, and 7 under the Revenue Act of 1924 or prior acts.

The 15,977 returns filed for estates of citizens and resident aliens show gross estate of \$2,777,656,643, of which \$199,342,473 is reported on the 2,641 nontaxable returns. The 13,336 taxable returns show gross estate of \$2,578,314,170, net estate of \$1,115,920,133 subject to basic tax and \$1,560,650,403 subject to additional tax, and total tax liability of \$291,757,956. The total tax liability consists of \$14,506,620 net basic tax, \$267,673,615 net additional tax, and \$9,577,731 defense tax. Tax credits for State inheritance taxes and Federal gift taxes of \$53,965,913 are claimed against basic tax, and a credit for Federal gift taxes of \$382,661 is claimed against additional tax. The combined tax credits represent 16.2 percent of the aggregate basic and additional taxes before credits.

FILING REQUIREMENTS

The Federal estate tax is imposed upon the transfer of the entire net estate, and not upon any particular legacy, devise, or distributive share. A return is required for the estate of an individual whose gross estate, as defined by statute, exceeds in value the amount specified under the act in effect at date of death. Beginning August 31, 1935, the estate tax return is due 15 months after date of death; however, an extension of time for filing may be granted by the Commissioner. Regardless of when the return is filed, the estate is subject to the statutory provisions in effect at date of death. Approximately 89 percent of the returns filed during 1941 for estates of citizens and resident aliens were filed without extensions of time.

Since August 31, 1935, the effective date of the estate tax provisions of the Revenue Act of 1935, an estate tax return has been required for the estate of a citizen or resident alien if the value of the gross

estate at date of death exceeds \$40,000. The Revenue Act of 1934 requires a return if the gross estate exceeds \$50,000. Earlier acts require a return for the estate of a resident citizen and resident alien if the value thereof exceeds \$50,000 under the 1932 act; \$100,000 under the 1926 act; and \$50,000 under the 1924 or prior acts.

An estate tax return is required for the estate of a nonresident alien any part of whose estate, regardless of value, is situated in the United States at date of death. Estates of nonresident citizens were subject to the same requirements prior to the 1934 act.

The major changes in the Revenue Act of 1941 affecting estate taxes are the repeal of the defense tax, and an increase in the tentative tax rates on estates of individuals who died on or after September 21, 1941. A résumé of Federal tax laws, with rates, credits, and specific exemptions applicable from September 8, 1916, through 1941, is shown on pages 252-255.

DATA TABULATED

Data for the estate tax returns are tabulated from each such return filed during the calendar year of 1941, regardless of the date of death or the revenue act under which the estate is taxed.

The statistics are taken from the estate tax returns as filed prior to revisions which may be made as a result of audit by the Bureau of Internal Revenue. The total estate tax liability tabulated does not correspond with the collections of such taxes during 1941 because payment of tax liability reported in 1941 may be deferred until a later period; changes resulting from audit may be made during 1941; and back taxes, interest, and penalties are excluded from the tax liability shown in this report.

DESCRIPTION OF ITEMS

Gross estate consists of real estate, tangible personal property, and intangible personal property. Under each category there is tabulated 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 has been 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. "Transfers during decedent's life" consist of gifts made in contemplation of death and gifts made to take effect at or after death. "Transfers under powers of appointment" consist of property over which the decedent had received a general power of appointment and not property over which the decedent gave a power of appointment. "Property previously taxed" consists of property subjected to the Federal estate or gift taxes within the five years preceding death of the recipient.

For estates of individuals who died on or after August 31, 1935, the value of gross estate may be determined, at the election of the executor, either as of the date of death or as of the date one year after death (optional value). If the optional value is elected, property distributed, sold, exchanged, or otherwise disposed of within the year following death must be valued as of the date of disposition. For individuals who died prior to August 31, 1935, the value of the gross estate must be determined as of the date of death.

The amount tabulated as total gross estate includes only the taxable life insurance. However, the entire amount of life insurance and the amount tax-exempt (not includible in gross estate) are tabulated as an information item.

Specific exemption tabulated for estates filed under the provisions of the Revenue Act of 1932 and subsequent acts is the specific exemption allowed for computation of the additional tax. The specific exemption thus allowed is \$40,000 under the Revenue Act of 1935, and is \$50,000 under the 1932 act or that act as amended by the 1934 act. A specific exemption of \$100,000 under the provisions of the 1926 act (basic tax) has remained in effect since the effective date of that act. Under the 1924 act or prior acts, the specific exemption is \$50,000. No specific exemption is authorized for the estates of nonresident aliens.

Property previously taxed, net deduction, tabulated for returns filed under the provisions of the Revenue Act of 1932 and subsequent acts, is the net deduction allowed in computing the additional tax. In order to claim this deduction, a Federal estate tax or gift tax must actually have been paid within five years on the property included in the gross estate. The value of such property is that finally determined in the case of the previous owner, or in the estate of the recipient, whichever is lower. Subject to certain conditions and limitations, this net deduction for property previously taxed is the value thus determined less a proportionate reduction which is that portion of total deductions, except previously taxed property, which the value of property previously taxed bears to gross estate.

Net estate for additional tax is the excess of gross estate over the sum of deductions and specific exemption allowed under the 1932 act or subsequent acts, *Net estate for basic tax* is the excess of gross estate over the sum of deductions and specific exemption allowed under the 1926 act, or under the basic tax provision of the Internal Revenue Code. For returns subject to both basic tax and additional tax, each of the two net estates is tabulated.

Basic tax is levied under the 1926 act, or that act as amended, or under the Internal Revenue Code. In computing the basic tax a specific exemption of \$100,000 is allowed in the case of a citizen or resident of the United States.

Additional tax is levied under the 1932 act, or that act as amended, or under the Internal Revenue Code, and is in addition to the basic tax. The additional tax is the excess of a tentative tax, computed at rates provided in the effective act, over the basic tax. In computing the additional tax a specific exemption of \$40,000 is allowed under the 1935 and subsequent acts, and \$50,000 is allowed under the 1932 act, or that act as amended by the 1934 act, in the case of a citizen or resident of the United States.

Tax credits are allowable against both the basic tax and the additional tax. The gift tax credit deductible from the basic tax is the total gift tax paid under the Revenue Act of 1924 on property included in gross estate and that portion of the gift tax paid under the Revenue Act of 1932 which does not exceed the proportion of the basic tax that the value of included gifts bears to gross estate. The gift tax credit deductible from the additional tax, for gift tax paid under the Revenue Act of 1932, can not exceed the proportion of additional tax that the value of included gifts bears to gross estate, and can not exceed the balance of the gift tax not already credited

in connection with the basic tax. No credit is allowed against the additional tax for gift tax paid under the 1924 act. The credit for estate, inheritance, legacy, or succession taxes paid to States, Territories, District of Columbia, or (after June 29, 1939) United States possessions is deductible only from the basic tax, and can not exceed 80 percent of the basic tax after deducting the gift tax credit.

Defense tax is imposed by the Revenue Act of 1940, applicable to estates of individuals who died within the period June 25, 1940, through September 20, 1941. The amount of the defense tax is 10 percent of the net tax otherwise payable.

Total tax liability as tabulated in this report is the sum of net basic tax, net additional tax, and defense tax.

CLASSIFICATION OF RETURNS

Estate tax returns are classified as returns for the estates of citizens and resident aliens or nonresident aliens. Returns for the estates of citizens and resident aliens are classified (1) as taxable or nontaxable, (2) by the applicable revenue acts, (3) by geographic divisions, and (4) by gross estate classes. The taxable returns are further classified by net estate before specific exemption classes. Data are presented by these classifications in the estate tax tables, but not all tabulated items are available for every classification.

Citizens and resident aliens, or nonresident aliens.—Returns of citizens and resident aliens exclude returns for nonresident citizens who died prior to May 11, 1934, when nonresident citizens were taxed under provisions applicable to nonresident aliens.

Taxable or nontaxable.—This classification is based on the existence or nonexistence of a tax liability, either for basic tax or additional tax or for both.

Applicable revenue acts.—Estate tax returns are classified according to the revenue act in effect at date of death, the provisions of which apply to the estate, without regard to the filing date. The revenue acts in effect September 9, 1916, through 1941 are consolidated into five groups for this classification. The act of 1924 and prior acts are combined into one group; the remaining four groups are governed by the predominating acts of 1926, 1932, 1934, and 1935.

Geographic divisions.—This classification consists of 48 States, Alaska, Hawaii, and District of Columbia. The segregation of returns by States and Territories is determined by the location of the collection district in which the return is filed, except for the two divisions, Alaska and District of Columbia, the segregation of which is determined by the residence of the individual at time of death.

Gross estate classes.—Returns are segregated into 17 gross estate classes. This classification, applied only to returns filed under the Revenue Act of 1935 and subsequent acts, is based on the value of gross estate defined to include tax-exempt insurance, not to exceed in aggregate \$40,000 for any one estate, receivable by beneficiaries other than the estate.

Net estate before specific exemption classes.—Taxable returns are segregated into 30 net estate before specific exemption classes. The basis for this classification, applied only to returns filed under the Revenue Act of 1935 and subsequent acts, is the sum of the net estate for additional tax and the specific exemption of \$40,000 allowed in computing such tax.

TABLES

Estate tax tables 1 through 5 present data for estates of citizens and resident aliens. Data for estates of nonresident aliens are shown in aggregate in table 6, which is a historical summary for all estate tax returns filed from September 9, 1916, through 1941.

Data for estates of all citizens and resident aliens are tabulated in table 1, by applicable revenue acts, and by taxable and nontaxable returns; and in table 5 by States and Territories. Data in tables 2 and 3 for taxable returns, and data in table 4 for nontaxable returns, are limited to the returns filed for estates of citizens and resident aliens who died on or after August 31, 1935.

There is no analysis of the total value of real estate reported on returns filed in 1941, corresponding to that tabulated in estate tax table 6, published in Statistics of Income for 1939.

TABLE 1.—Estate tax returns filed during 1941 for estates of citizens¹ and resident aliens, by taxable and nontaxable returns under the applicable acts: Number of returns, items of gross estate, deduct

[Money in figures in

		All acts		
		Total	Taxable	Nontaxable
1	Number of returns	15,977	13,336	2,641
2	Gross estate, total	2,777,657	2,578,314	199,342
3	Real estate, ³ total	438,416	370,122	68,293
4	Real estate not included in items 5-8	366,859	398,215	58,645
5	Jointly owned	41,119	34,056	7,063
6	Transfers during decedent's life	14,828	12,766	2,062
7	Transfers under power of appointment	764	750	14
8	Previously taxed	14,844	14,335	509
9	Tangible personal property, total	36,323	31,431	4,892
10	Tangible personal property not included in items 11-14	34,885	30,153	4,732
11	Jointly owned	515	444	72
12	Transfers during decedent's life	251	176	75
13	Transfers under power of appointment	1	(1) ³	(1) ³
14	Previously taxed	671	658	13
15	Intangible personal property, total	2,302,918	2,176,761	126,157
16	Stocks and bonds, total	1,645,300	1,569,223	76,077
17	Bonds, total	497,366	478,484	18,883
	Federal Government bonds:			
18	Wholly tax-exempt ⁴	52,107	51,585	522
19	Partially tax-exempt ⁴	108,557	101,813	6,744
20	Taxable ⁴	251	240	11
21	State and municipal bonds	189,550	186,201	3,349
22	All other bonds	146,901	138,645	8,256
23	Capital stock in corporations	1,147,934	1,090,740	57,195
24	Mortgages, notes, and cash ⁵	465,214	434,194	31,020
25	Taxable insurance (60 less 61)	70,359	63,233	7,126
26	Other intangibles ⁶	122,044	110,110	11,934
27	Deductions, total	1,275,618	1,017,099	258,519
28	Funeral and administrative expenses	131,967	120,673	11,294
29	Debts of decedent; mortgages and liens	269,178	167,835	101,343
30	Net losses during administration	389	252	138
31	Support of dependents ⁷	11,377	10,183	1,195
32	Charitable, public, and similar bequests, total	175,072	136,860	38,212
	Educational, scientific, or literary institutions:			
33	Publicly owned	10,903	7,405	3,498
34	Privately endowed	25,653	21,640	4,013
35	Religious	12,835	7,712	5,123
36	Charitable and all other gifts	125,680	100,103	25,578
37	Property previously taxed, net deduction ⁸	47,284	47,156	127
38	Specific exemption ⁹	640,350	534,140	106,210
	Net estate:			
39	Under 1924 act or prior acts	170	170	
40	For basic tax (under 1926 act or Internal Revenue Code, or either, as amended)	1,115,920	1,115,920	
41	For additional tax (under 1932 act or that act as amended or Internal Revenue Code)	1,560,650	1,560,650	

For footnotes, see p. 223.

aliens, by taxable and nontaxable returns under the applicable acts: Number of returns, ions, net estate, and tax

thousands of dollars)

Applicable acts									
Act of 1932 as amended by 1935 and subsequent acts, ¹ the Internal Revenue Code, and the Code as amended (effective for estates of individuals who died on or after Aug. 31, 1935)		Act of 1932 as amended by 1934 act, ² (effective for estates of individuals who died in period May 11, 1934, through Aug. 30, 1935)		Act of 1932 ³ (effective for estates of individuals who died in period 5 p. m. June 6, 1932, through May 10, 1934)		Act of 1926 and that act as amended (effective for estates of individuals who died in period 10:25 a. m. Feb. 26, 1926, through 4:59 p. m. June 6, 1932)		Act of 1924, and prior acts (effective for estates of individuals who died before 10:25 a. m. Feb. 26, 1926)	
Taxable	Nontaxable	Taxable	Nontaxable	Taxable	Nontaxable	Taxable	Nontaxable	Taxable	Nontaxable
13,296	2,614	12	12	17	7	6	6	5	2
2,573,488	196,614	1,016	1,191	2,186	489	1,151	947	473	103
368,022	67,027	366	615	1,253	324	316	267	166	60
306,569	57,500	254	517	1,036	315	199	252	158	60
33,812	6,942	42	97	119	9	75	15	8	
12,636	2,062	71		17		42			
750	14								
14,255	509			81					
31,375	4,856	10	19	8	5	25	10	14	2
30,097	4,696	10	19	(1) ³	5	25	10	14	2
176	72								
(1) ³	(1) ³			(1) ³					
658	13								
2,174,092	124,731	640	557	926	159	810	670	293	40
1,568,237	75,241	292	406	144	81	511	349	40	
478,217	18,780	162	51	46	36	59	15	1	
51,573	522	11							
101,758	6,740	15	1	38	3	1		1	
240	11								
186,165	3,326	32	22	4	1				
138,480	8,181	103	28	4	32	57	15		
1,090,020	56,461	130	355	98	45	452	334	40	
433,562	30,676	242	119	326	39	40	186	25	1
62,620	7,054	33	14	387	30	193	28		
109,673	11,759	73	18	69	9	67	107	228	40
1,013,843	254,617	732	1,428	1,465	597	756	1,756	303	120
120,481	11,184	51	45	88	22	38	36	16	6
167,210	99,383	55	778	426	224	115	948	29	10
251	138	(1) ³				(1) ³			
10,138	1,190	22	4	15	(1) ³		1	8	
136,781	38,035	1	2	76		3	172		4
7,405	3,489			(1) ³			9		
21,640	3,893					(1) ³	119		
7,707	5,097	1	1	4		(1) ³	23		3
100,029	25,555		1	71		3	21		1
47,142	127	3		11					37
531,840	104,560	600	600	850	350	600	600	250	100
								170	
1,115,211		13		301		395			
1,559,645		284		721					

TABLE 1.—Estate tax returns filed during 1941 for estates of citizens¹ and resident items of gross estate, deductions,

[Money figures in

		All acts		
		Total	Taxable	Nontaxable
42	Basic tax before tax credits (including tax under 1924 act or prior acts).....	68,473	68,473	-----
43	Tax credit for Federal gift taxes.....	330	330	-----
44	Tax credit for inheritance, etc., taxes ¹⁰	53,636	53,636	-----
45	Net basic tax (42 less 43 and 44).....	14,507	14,507	-----
46	Additional tax before tax credit.....	268,056	268,056	-----
47	Tax credit for Federal gift taxes.....	383	383	-----
48	Net additional tax (46 less 47).....	267,674	267,674	-----
49	Defense tax ¹¹	9,578	9,578	-----
50	Total tax liability (45 plus 48 and 49).....	291,758	291,758	-----
Information items:				
51	Intangible personal property, total.....	2,302,918	2,176,761	126,157
Intangible personal property not included in items 56-59:				
52	Stocks and bonds.....	1,497,374	1,425,720	71,653
53	Mortgages, notes, and cash ⁸	401,852	373,939	27,913
54	Taxable insurance (60 less 61).....	70,359	63,233	7,126
55	Other miscellaneous intangibles ⁹	105,766	94,450	11,315
56	Jointly owned.....	55,064	52,276	2,788
57	Transfers during decedent's life.....	86,419	83,642	2,778
58	Transfers under power of appointment.....	22,840	22,452	388
59	Previously taxed.....	63,243	61,148	2,096
60	Gross insurance.....	169,282	147,240	22,042
61	Tax-exempt insurance ¹²	98,922	84,006	14,916

For footnotes, see p. 223.

aliens, by taxable and nontaxable returns under the applicable acts: Number of returns, net estate, and tax—Continued

thousands of dollars]

Applicable acts									
Act of 1932 as amended by 1935 and subsequent acts, ² the Internal Revenue Code, and the Code as amended (effective for estates of individuals who died on or after Aug. 31, 1935)		Act of 1932 as amended by 1934 act ² (effective for estates of individuals who died in period May 11, 1934, through Aug. 30, 1935)		Act of 1932 ² (effective for estates of individuals who died in period 5 p. m. June 6, 1932, through May 10, 1934)		Act of 1926 and that act as amended (effective for estates of individuals who died in period 10:25 a. m. Feb. 26, 1926, through 4:59 p. m. June 6, 1932)		Act of 1924, and prior acts (effective for estates of individuals who died before 10:25 a. m. Feb. 26, 1926)	
Taxable	Nontaxable	Taxable	Nontaxable	Taxable	Nontaxable	Taxable	Nontaxable	Taxable	Nontaxable
68,458	-----	(13)	-----	5	-----	7	-----	2	-----
330	-----	-----	-----	(13)	-----	-----	-----	-----	-----
53,629	-----	(13)	-----	2	-----	4	-----	(13)	-----
14,499	-----	(13)	-----	3	-----	3	-----	2	-----
268,019	-----	7	-----	30	-----	-----	-----	-----	-----
383	-----	-----	-----	-----	-----	-----	-----	-----	-----
267,637	-----	7	-----	30	-----	-----	-----	-----	-----
9,578	-----	-----	-----	-----	-----	-----	-----	-----	-----
291,713	-----	7	-----	33	-----	3	-----	2	-----
2,174,092	124,731	640	557	926	159	810	670	293	40
1,424,788	70,849	238	406	144	50	511	349	40	-----
373,446	27,576	191	112	238	39	40	186	25	(13)
62,620	7,054	33	14	387	30	193	28	-----	-----
94,030	11,146	56	18	69	9	67	102	228	40
52,149	2,777	39	(13) 7	88	-----	-----	5	-----	-----
83,499	2,846	43	-----	-----	32	-----	-----	-----	-----
22,452	388	-----	-----	-----	-----	-----	-----	-----	-----
61,108	2,096	39	-----	-----	-----	-----	-----	-----	-----
146,379	21,942	86	35	540	31	233	33	1	-----
83,759	14,888	53	21	153	1	40	5	1	-----

TABLE 2.—Taxable estate tax returns filed during 1941 for estates of citizens and resident aliens who died on or after August 31, 1935, by net estate before specific exemption classes: ¹⁴ Number of returns, items of gross estate, deductions, net estate, and tax

[Net estate before specific exemption classes and money figures in thousands of dollars]

	Net estate (before specific exemption) classes ¹⁴									
	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.....	13,296	2,969	2,023	2,426	1,424	1,730	824	792	1
2	Gross estate, total.....	2,573,488	167,112	137,837	209,751	153,691	254,695	174,200	240,994	2
3	Real estate, ³ total.....	368,022	48,592	38,449	51,644	33,059	48,355	29,786	34,086	3
4	Real estate not included in items 5-8.....	306,569	38,635	31,685	42,593	26,916	40,374	25,088	27,909	4
5	Jointly owned.....	33,812	4,281	3,932	5,198	3,707	4,993	2,844	3,134	5
6	Transfers during decedent's life.....	12,636	1,669	1,265	2,084	1,241	1,455	635	1,590	6
7	Transfers under power of appointment.....	750	6	23	70	158	61	115	122	7
8	Previously taxed.....	14,255	4,000	1,545	1,698	1,037	1,473	1,104	1,330	8
9	Tangible personal property, total.....	31,375	3,304	2,591	4,064	2,119	3,749	2,115	2,299	9
10	Tangible personal property not included in items 11-14.....	30,097	3,117	2,414	3,905	2,055	3,567	2,071	2,188	10
11	Jointly owned.....	444	65	38	95	36	14	13	16	11
12	Transfers during decedent's life.....	176	27	38	9	6	48	5	4	12
13	Transfers under power of appointment.....	(¹⁵)					(¹⁵)			13
14	Previously taxed.....	658	95	101	55	21	120	26	91	14
15	Intangible personal property, total.....	2,174,092	115,216	96,796	154,043	118,514	202,590	142,299	204,609	15
16	Stocks and bonds, total.....	1,568,237	60,441	54,199	86,584	71,456	129,327	97,313	146,682	16
17	Bonds, total.....	478,217	16,874	15,536	24,909	21,638	39,242	27,730	43,832	17
	Federal Government bonds:									
18	Wholly tax-exempt ⁴	51,573	398	405	681	757	896	684	2,009	18
19	Partially tax-exempt ⁴	101,758	6,656	5,662	9,252	7,052	12,749	8,997	10,947	19
20	Taxable ⁴	240	30	16	100	55	4	25	8	20
21	State and municipal bonds.....	186,165	2,127	2,270	3,556	3,914	7,201	6,090	11,829	21
22	All other bonds.....	138,480	7,664	7,182	11,319	9,860	18,392	11,934	19,039	22
23	Capital stock in corporations.....	1,090,020	43,566	38,683	61,676	49,818	90,085	69,583	102,850	23
24	Mortgages, notes, and cash ⁵	433,562	43,397	32,210	48,636	34,488	50,397	31,204	39,134	24
25	Taxable insurance (60 less 61).....	62,620	3,462	3,545	6,473	5,090	8,871	5,316	8,182	25
26	Other intangibles ⁶	109,673	7,917	6,842	12,350	7,480	14,086	8,466	10,612	26
27	Deductions, total.....	1,013,843	153,242	108,163	139,825	83,659	114,385	65,328	81,680	27
28	Funeral and administrative expenses.....	120,481	9,102	7,112	10,888	7,986	12,757	8,538	12,089	28
29	Debts of decedent; mortgages and liens.....	167,210	14,154	12,262	16,369	9,650	16,054	11,588	16,645	29
30	Net losses during administration.....	251	50	25	8	18	21	3	13	30
31	Support of dependents ⁷	10,138	891	746	1,136	787	1,449	962	1,290	31
32	Charitable, public, and similar bequests, total.....	136,781	4,393	3,445	8,883	5,218	8,958	7,069	14,662	32
	Educational, scientific, or literary institutions:									
33	Publicly owned.....	7,405	337	874	806	202	494	106	568	33
34	Privately endowed.....	21,640	504	403	2,012	517	1,071	1,595	2,839	34
35	Religious.....	7,707	803	495	945	605	1,201	763	671	35
36	Charitable and all other gifts.....	100,029	2,749	1,673	5,120	3,895	6,191	4,606	10,584	36
37	Property previously taxed, net deduction ⁸	47,142	5,891	3,654	5,502	3,039	5,946	4,208	5,300	37
38	Specific exemption (\$40,000).....	531,840	118,760	80,920	97,040	56,960	69,200	32,960	31,680	38
39	Net estate:									
39	Before specific exemption (2 less 27 plus 38).....	2,091,485	132,630	110,594	166,966	126,992	209,510	141,832	190,994	39
40	For basic tax (under 1926 act or Internal Revenue Code, or either as amended).....	1,115,211	49	117	423	919	38,670	60,430	112,753	40
41	For additional tax (under 1932 act as amended by 1935 act and subsequent acts, or under the Internal Revenue Code).....	1,559,645	13,870	29,674	69,926	70,032	140,310	108,872	159,314	41
42	Basic tax before tax credits.....	68,458	(¹²)	1	4	9	390	798	2,195	42
43	Tax credit for Federal gift taxes.....	330					1	4	9	43
44	Tax credit for inheritance, etc., taxes ¹⁰	53,629	(¹²)	1	3	7	303	623	1,708	44
45	Net basic tax (42 less 43 and 44).....	14,499	(¹²)	(¹²)	1	2	86	171	478	45
46	Additional tax before tax credit.....	268,019	278	783	2,844	4,219	11,748	11,612	19,344	46
47	Tax credit for Federal gift taxes.....	353	(¹²)	(¹²)	1	5	11	23	9	47
48	Net additional tax (46 less 47).....	267,637	278	783	2,842	4,214	11,737	11,586	19,335	48
49	Defense tax ¹¹	9,578	16	44	151	222	589	568	850	49
50	Total tax liability (45 plus 48 and 49).....	291,713	294	826	2,994	4,438	12,413	12,323	20,663	50
51	Information items:									
51	Intangible personal property, total.....	2,174,092	115,216	96,796	154,043	118,514	202,590	142,299	204,609	51
	Intangible personal property not included in items 56-59:									
52	Stocks and bonds.....	1,424,788	49,725	45,140	75,550	63,347	114,629	86,093	134,376	52
53	Mortgages, notes, and cash ⁵	373,446	33,503	25,764	40,569	28,419	42,784	27,267	33,349	53
54	Taxable insurance (60 less 61).....	62,620	3,462	3,545	6,473	5,090	8,871	5,316	8,182	54
55	Other miscellaneous intangibles ⁶	94,030	6,135	6,059	10,302	6,548	12,433	7,769	9,542	55
56	Jointly owned.....	52,149	6,335	6,485	8,014	5,876	7,773	4,741	4,836	56
57	Transfers during decedent's life.....	83,499	3,648	3,072	5,300	4,310	7,932	5,486	7,188	57
58	Transfers under power of appointment.....	22,452	367	349	264	972	982	949	1,474	58
59	Previously taxed.....	61,108	11,543	6,382	7,571	3,952	7,186	4,677	5,662	59
60	Gross insurance.....	146,379	14,659	12,150	19,774	13,852	22,172	12,995	16,359	60
61	Tax-exempt insurance ¹²	83,759	11,197	8,605	13,302	8,762	13,302	7,678	8,177	61

For footnotes, see p. 223.

TABLE 2.—Taxable estate tax returns filed during 1941 for estates of citizens and resident aliens who died on or after August 31, 1935, by net estate before specific exemption classes: ¹⁴ Number of returns, items of gross estate, 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 ¹⁴ —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 1,500	
1 Number of returns.....	364	194	129	73	57	48	31	80	1
2 Gross estate, total.....	147,358	107,975	82,817	58,306	50,579	47,378	33,823	118,033	2
3 Real estate, ³ total.....	18,495	12,713	6,985	7,188	4,668	2,394	3,561	6,199	3
4 Real estate not included in items 5-8.....	16,057	11,375	5,961	6,078	3,794	1,728	3,148	5,506	4
5 Jointly owned.....	1,587	1,001	591	874	213	112	330	514	5
6 Transfers during decedent's life.....	562	102	132	100	623	201	.....	83	6
7 Transfers under power of appointment.....	34	.....	2	105	39	13	.....	.....	7
8 Previously taxed.....	255	234	300	30	.....	341	84	96	8
9 Tangible personal property, total.....	1,224	1,085	704	655	512	650	350	1,175	9
10 Tangible personal property not included in items 11-14.....	1,193	1,026	679	652	511	592	349	1,153	10
11 Jointly owned.....	11	1	13	1	1	1	.....	.....	11
12 Transfers during decedent's life.....	5	10	6	.....	.....	.....	.....	17	12
13 Transfers under power of appointment.....	.....	.....	.....	.....	.....	.....	.....	.....	13
14 Previously taxed.....	16	48	6	2	.....	56	1	5	14
15 Intangible personal property, total.....	127,639	94,177	75,127	50,463	45,399	44,335	29,912	110,659	15
16 Stocks and bonds, total.....	94,606	71,272	58,301	38,904	35,241	34,812	22,840	90,197	16
17 Bonds, total.....	27,515	20,550	17,219	14,432	10,335	11,728	6,340	25,858	17
18 Federal Government bonds:									
19 Wholly tax-exempt ⁴	1,174	1,149	1,068	1,633	697	405	581	3,339	18
20 Partially tax-exempt ⁴	7,909	5,943	3,942	2,349	1,622	2,162	528	4,312	19
21 Taxable ⁴	3	.....	.....	.....	.....	.....	.....	.....	20
22 State and municipal bonds.....	7,237	5,725	6,443	7,299	5,052	6,375	3,842	12,739	21
23 All other bonds.....	11,193	7,734	5,766	3,150	2,965	2,786	1,388	4,067	22
24 Capital stock in corporations.....	67,091	50,722	41,082	24,472	24,906	23,034	16,501	64,839	23
25 Mortgages, notes, and cash ⁵	23,119	14,490	10,199	8,948	7,654	5,574	4,838	12,415	24
26 Taxable insurance (60 less 61).....	4,286	3,038	2,416	773	1,044	717	647	3,242	25
Other intangibles ⁶	5,627	5,377	4,211	1,840	1,460	3,231	1,587	4,805	26
27 Deductions, total.....	35,795	29,033	17,806	13,594	10,299	8,648	5,566	24,984	27
28 Funeral and administrative expenses.....	6,888	5,136	3,836	2,407	2,175	2,052	1,627	4,863	28
29 Debts of decedent; mortgages and liens.....	7,904	9,177	3,878	3,611	3,051	2,534	1,678	7,651	29
30 Net losses during administration.....	1	24	.....	15	.....	.....	1	.....	30
31 Support of dependents ⁷	589	438	397	204	167	78	170	369	31
32 Charitable, public, and similar bequests, total.....	4,011	5,474	2,944	3,938	2,626	1,197	328	6,422	32
33 Educational, scientific, or literary institutions:									
34 Publicly owned.....	741	1,377	39	35	57	6	.....	239	33
35 Privately endowed.....	321	417	1,599	2,617	491	717	62	378	34
36 Religious.....	348	376	121	211	219	151	52	163	35
37 Charitable and all other gifts.....	2,602	3,304	1,185	1,076	1,859	322	214	5,441	36
38 Property previously taxed, net deduction ⁸	1,843	1,024	1,589	410	.....	867	521	2,479	37
Specific exemption (\$40,000).....	14,560	7,760	5,160	2,920	2,280	1,920	1,240	3,200	38
39 Net estate:									
40 Before specific exemption (2 less 27 plus 38).....	126,123	86,702	70,171	47,632	42,560	40,650	29,498	96,250	39
41 For basic tax (under 1926 act or Internal Revenue Code, or either as amended).....	89,927	67,427	57,364	40,364	36,860	35,899	26,426	88,323	40
42 For additional tax (under 1932 act as amended by 1935 act and subsequent acts, or under the Internal Revenue Code).....	111,563	78,942	65,011	44,712	40,280	38,730	28,258	93,050	41
43 Basic tax before tax credits.....	2,323	2,018	1,901	1,471	1,442	1,506	1,183	4,557	42
44 Tax credit for Federal gift taxes.....	12	4	6	6	7	.....	(13)	2	43
45 Tax credit for inheritance, etc., taxes ¹⁰	1,839	1,584	1,467	1,109	1,125	1,188	940	3,663	44
Net basic tax (42 less 43 and 44).....	472	431	428	355	310	318	243	592	45
46 Additional tax before tax credit.....	15,146	11,267	9,775	7,001	6,557	6,503	4,922	17,432	46
47 Tax credit for Federal gift taxes.....	40	11	11	7	20	.....	.....	6	47
48 Net additional tax (46 less 47).....	15,105	11,256	9,764	6,994	6,537	6,503	4,922	17,426	48
49 Defense tax ¹¹	606	452	389	334	276	242	165	590	49
50 Total tax liability (45 plus 48 and 49).....	16,183	12,138	10,581	7,683	7,123	7,063	5,331	19,008	50
51 Information items:									
Intangible personal property, total.....	127,639	94,177	75,127	50,463	45,399	44,335	29,912	110,659	51
52 Intangible personal property not included in items 50-59:									
53 Stocks and bonds.....	86,076	66,979	53,119	35,801	34,515	30,437	21,678	81,710	52
54 Mortgages, notes, and cash ⁵	20,424	13,197	8,760	8,128	7,245	5,102	4,488	11,505	53
55 Taxable insurance (60 less 61).....	4,286	3,038	2,416	773	1,044	717	647	3,242	54
56 Other miscellaneous intangibles ⁶	4,988	3,083	2,750	1,768	1,458	2,915	1,566	3,895	55
57 Jointly owned.....	2,510	870	871	310	205	209	55	827	56
58 Transfers during decedent's life.....	6,478	3,626	5,535	2,818	335	3,678	957	6,707	57
59 Transfers under power of appointment.....	1,001	2,243	10	435	598	708	.....	.....	58
Previously taxed.....	1,866	1,142	1,066	430	.....	568	521	2,774	59
60 Gross insurance.....	8,400	5,050	3,937	1,524	1,580	1,288	1,085	4,455	60
61 Tax-exempt insurance ¹²	4,114	2,012	1,521	751	536	571	438	1,213	61

For footnotes, see p. 223.

TABLE 2.—Taxable estate tax returns filed during 1941 for estates of citizens and resident aliens who died on or after August 31, 1935, by net estate before specific exemption classes: ¹⁴ Number of returns, items of gross estate, 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 ¹⁴ —Continued								
		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	4,500 under 5,000	5,000 under 6,000	
1	Number of returns.....	53	29	13	4	6	4	5	3	1
2	Gross estate, total.....	112,966	82,793	38,775	14,604	27,263	18,623	35,190	18,889	2
3	Real estate, ³ total.....	8,733	3,493	588	996	376	1,148	1,501	404	3
4	Real estate not included in items 5-8.....	8,316	2,709	588	941	358	803	1,377	219	4
5	Jointly owned.....	103	113		55		34	1		5
6	Transfers during decedent's life.....	271				3	311	123	185	6
7	Transfers under power of appointment.....	1								7
8	Previously taxed.....	42	671			15				8
9	Tangible personal property, total.....	930	494	330	306	52	505	117	133	9
10	Tangible personal property not included in items 11-14.....	918	485	330	306	44	505	112	132	10
11	Jointly owned.....	8	5					5	2	11
12	Transfers during decedent's life.....									12
13	Transfers under power of appointment.....									13
14	Previously taxed.....	3	3			8				14
15	Intangible personal property, total.....	103,303	78,806	37,857	13,302	26,835	16,970	33,572	18,351	15
16	Stocks and bonds, total.....	84,591	68,161	32,951	9,797	22,198	14,873	27,043	13,173	16
17	Bonds, total.....	25,801	20,404	8,348	2,864	9,830	5,686	7,880	5,839	17
	Federal Government bonds:									
18	Wholly tax-exempt ⁴	3,303	3,371	651	50	3,304	114	1,669	49	18
19	Partially tax-exempt ⁴	2,800	1,998	391	32	1,891	8	24	22	19
20	Taxable ⁴									20
21	State and municipal bonds.....	15,156	13,041	6,604	2,525	3,337	5,356	5,847	5,050	21
22	All other bonds.....	4,542	1,995	703	257	1,208	208	339	719	22
23	Capital stock in corporations.....	58,790	47,756	24,603	6,933	12,368	9,187	19,164	7,334	23
24	Mortgages, notes, and cash ⁵	11,103	8,523	3,901	3,245	4,200	814	5,847	5,064	24
25	Taxable insurance (60 less 61).....	2,099	702	759	181	37	1,121	579	40	25
26	Other intangibles ⁶	5,510	1,420	246	79	400	162	102	74	26
27	Deductions, total.....	23,495	21,052	3,601	1,684	5,299	1,779	11,637	2,711	27
28	Funeral and administrative expenses.....	5,087	2,899	1,604	969	1,114	735	1,620	973	28
29	Debts of decedent; mortgages and liens.....	7,696	3,198	977	522	1,184	736	8,158	467	29
30	Net losses during administration.....	71								30
31	Support of dependents ⁷	253	121			42		50		31
32	Charitable, public, and similar bequests, total.....	7,337	12,468	475	33	154	8	1,609	1,152	32
	Educational, scientific, or literary institutions:									
33	Publicly owned.....	432	244	57		7	5		78	33
34	Privately endowed.....	399	89	20	1			435	78	34
35	Religious.....	235	180	62		45	3	10		35
36	Charitable and all other gifts.....	6,270	11,965	336	32	102		1,164	995	36
37	Property previously taxed, net deduction ⁸	933	1,206	25		2,564	141			37
38	Specific exemption (\$40,000).....	2,120	1,160	520	160	240	160	200	120	38
39	Net estate:									
40	Before specific exemption (2 less 27 plus 38).....	91,591	62,900	35,694	13,081	22,204	17,004	23,753	16,297	39
41	For basic tax (under 1926 act or Internal Revenue Code, or either as amended).....	86,314	60,025	34,395	12,681	21,634	16,606	23,253	15,997	40
42	For additional tax (under 1932 act as amended by 1935 act and subsequent acts, or under the Internal Revenue Code).....	89,471	61,740	35,174	12,921	21,964	16,844	23,553	16,177	41
43	Basic tax before tax credits.....	5,312	4,081	2,594	1,036	1,874	1,540	2,273	1,660	42
44	Tax credit for Federal gift taxes.....	86	109					81	1	43
45	Tax credit for inheritance, etc., taxes ¹⁰	4,084	3,145	2,076	829	1,499	1,232	1,746	1,004	44
46	Net basic tax (42 less 43 and 44).....	1,141	827	519	207	375	308	446	655	45
47	Additional tax before tax credit.....	18,460	13,514	8,221	3,180	5,615	4,514	6,573	4,767	46
48	Tax credit for Federal gift taxes.....							234		47
49	Net additional tax (46 less 47).....	18,460	13,514	8,221	3,180	5,615	4,514	6,339	4,767	48
50	Defense tax ¹¹	491	421	207	87	306	119	297		49
51	Total tax liability (45 plus 48 and 49).....	20,092	14,762	8,947	3,474	6,296	4,941	7,082	5,421	50
	Information items:									
52	Intangible personal property, total.....	103,303	78,806	37,857	13,302	26,835	16,970	33,572	18,351	51
	Intangible personal property not included in items 56-59:									
53	Stocks and bonds.....	78,277	67,528	31,394	9,797	19,108	11,108	25,532	10,570	52
54	Mortgages, notes, and cash ⁵	10,730	7,683	3,870	3,245	3,145	577	5,777	4,623	53
55	Taxable insurance (60 less 61).....	2,099	702	759	181	37	1,121	579	40	54
56	Other miscellaneous intangibles ⁶	5,229	999	246	79	400	138	102	36	55
57	Jointly owned.....	465	83				25		393	56
58	Transfers during decedent's life.....	4,241		1,558		812	3,838	1,582	2,688	57
59	Transfers under power of appointment.....	1,249	414							58
60	Previously taxed.....	1,012	630	30		3,333	163			59
61	Gross insurance.....	2,706	1,054	975	258	123	1,241	659	47	60
62	Tax-exempt insurance ¹²	607	352	216	77	86	120	80	7	61

For footnotes, see p. 223.

TABLE 2.—Taxable estate tax returns filed during 1941, for estates of citizens and resident aliens who died on or after August 31, 1935, by net estate before specific exemption classes: ¹⁴ Number of returns, items of gross estate, 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 ¹⁴ —Continued							
		6,000 under 7,000	7,000 under 8,000	8,000 under 9,000	9,000 under 10,000	10,000 under 20,000	20,000 under 50,000	50,000 and over	
1	Number of returns.....	2	2	2	3	4	1	1	1
2	Gross estate, total.....	14,042	16,509	18,039	36,648	48,276	23,138	83,185	2
3	Real estate, ² total.....	1,639	174	904	261	424	279	926	3
4	Real estate not included in items 5-8.....	1,639	174	710	261	424	279	926	4
5	Jointly owned.....			194	(¹⁵)				5
6	Transfers during decedent's life.....								6
7	Transfers under power of appointment.....								7
8	Previously taxed.....								8
9	Tangible personal property, total.....	510	59	61	365	391	21	504	9
10	Tangible personal property not included in items 11-14.....	390	59	61	365	391	21	504	10
11	Jointly owned.....	119							11
12	Transfers during decedent's life.....								12
13	Transfers under power of appointment.....								13
14	Previously taxed.....						(¹⁵)		14
15	Intangible personal property, total.....	11,893	16,275	17,073	36,022	47,461	22,838	81,756	15
16	Stocks and bonds, total.....	11,016	11,142	15,052	28,480	42,378	17,217	77,990	16
17	Bonds, total.....	4,429	5,555	7,637	13,940	16,886	10,573	9,307	17
	Federal Government bonds:								
18	Wholly tax-exempt ⁴		2,579	152	2,962	7,355	9,245	802	18
19	Partially tax-exempt ⁴	1,223	1,514	6	55	1,668	39	6	19
20	Taxable ⁴								20
21	State and municipal bonds.....	3,036	510	7,480	10,513	7,018	1,288	7,704	21
22	All other bonds.....	170	951		410	844		795	22
23	Capital stock in corporations.....	6,587	5,588	7,414	14,540	25,492	6,644	68,684	23
24	Mortgages, notes, and cash ⁵	860	4,081	1,751	4,539	4,562	5,607	2,764	24
25	Taxable insurance (60 less 61).....								25
26	Other intangibles ⁶	17	1,052	271	3,002	433	14	1,001	26
27	Deductions, total.....	1,181	1,423	874	7,812	6,671	1,026	31,592	27
28	Funeral and administrative expenses.....	751	537	319	1,827	2,463	824	1,215	28
29	Debts of decedent; mortgages and liens.....	273	806	121	1,135	3,285	163	2,282	29
30	Net losses during administration.....								30
31	Support of dependents ⁷								31
32	Charitable, public, and similar bequests, total.....	77		354	4,730	763		28,055	32
	Educational, scientific, or literary institutions:								
33	Publicly owned.....					10		701	33
34	Privately endowed.....							4,910	34
35	Religious.....	5		30		130			35
36	Charitable and all other gifts.....			30		18			36
37	Property previously taxed, net deduction ⁸	72		294	4,730	605		22,444	37
38	Specific exemption (\$40,000).....	80	80	80	120	160	(¹⁵)	40	38
	Net estate:								
39	Before specific exemption (2 less 27 plus 38).....	12,940	15,166	17,245	28,955	41,765	22,151	51,633	39
40	For basic tax (under 1926 act or Internal Revenue Code, or either as amended).....	12,740	14,966	17,045	28,655	41,365	22,051	51,533	40
41	For additional tax (under 1932 act as amended by 1935 act and subsequent acts, or under the Internal Revenue Code).....	12,860	15,086	17,165	28,835	41,605	22,111	51,593	41
42	Basic tax before tax credits.....	1,425	1,791	2,155	3,805	5,688	3,764	9,660	42
43	Tax credit for Federal gift taxes.....								43
44	Tax credit for inheritance, etc., taxes ¹⁰	1,140	1,357	1,724	3,044	4,550	3,011	7,728	44
45	Net basic tax (42 less 43 and 44).....	285	435	431	761	1,138	753	1,932	45
46	Additional tax before tax credit.....	4,047	5,016	5,944	10,326	15,239	9,356	23,818	46
47	Tax credit for Federal gift taxes.....								47
48	Net additional tax (46 less 47).....	4,047	5,016	5,944	10,326	15,239	9,356	23,818	48
49	Defense tax ¹¹	212	545			387	1,011		49
50	Total tax liability (45 plus 48 and 49).....	4,545	5,996	6,375	11,087	16,763	11,119	25,750	50
51	Information items:								
	Intangible personal property, total.....	11,893	16,275	17,073	36,022	47,461	22,838	81,756	51
	Intangible personal property not included in items 56-59:								
52	Stocks and bonds.....	11,016	11,142	15,052	28,480	31,957	16,662	77,990	52
53	Mortgages, notes, and cash ⁵	860	4,081	1,751	4,539	4,562	4,736	2,764	53
54	Taxable insurance (60 less 61).....								54
55	Other miscellaneous intangibles ⁶	17	1,052	271	2,969	256	14	1,001	55
56	Jointly owned.....					26			56
57	Transfers during decedent's life.....				34	222	1,427		57
58	Transfers under power of appointment.....					10,438			58
59	Previously taxed.....								59
60	Gross insurance.....								60
61	Tax-exempt insurance ¹²		26				11		61

For footnotes, see p. 223.

TABLE 3.—Taxable estate tax returns filed during 1941 for estates of citizens and resident aliens who died on or after August 31, 1935, by gross estate classes.¹⁵ Number of returns, items of gross estate, deductions, net estate, and tax

(Gross estate classes and money figures in thousands of dollars)

	Gross estate classes ¹⁵								
	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.....	13,296	1,212	1,721	1,396	1,110	937	772	1,236	1,149
2 Gross estate, total.....	2,573,488	56,007	93,237	87,966	79,185	74,747	67,557	125,418	143,156
3 Real estate, ³ total.....	368,022	14,786	24,592	23,643	20,568	18,572	15,757	28,906	30,065
4 Real estate not included in Items 5-8.....	306,569	12,571	20,699	19,320	16,920	14,582	13,093	23,705	24,742
5 Jointly owned.....	35,812	1,313	2,193	2,255	2,042	2,602	1,645	3,089	3,134
6 Transfers during decedent's life.....	12,636	741	1,122	1,085	918	563	541	679	854
7 Transfers under power of appointment.....	750	4	8	52	13	60	60	103	5
8 Previously taxed.....	14,255	157	570	937	674	826	417	1,330	1,230
9 Tangible personal property, total.....	31,375	908	1,608	1,566	1,477	1,188	860	1,884	2,015
10 Tangible personal property not included in Items 11-14.....	30,097	869	1,550	1,457	1,422	1,142	779	1,842	1,886
11 Jointly owned.....	444	12	41	38	22	24	70	14	16
12 Transfers during decedent's life.....	176	22	4	37	6	6	2	5	29
13 Transfers under power of appointment.....	(13)								
14 Previously taxed.....	658	5	13	33	27	16	9	24	84
15 Intangible personal property, total.....	2,174,092	40,313	67,038	62,753	57,141	54,977	50,940	94,628	111,076
16 Stocks and bonds, total.....	1,568,237	19,494	35,822	34,818	31,393	31,170	29,819	55,804	68,932
17 Bonds, total.....	478,217	6,171	11,547	11,294	9,655	9,165	8,945	15,935	19,432
18 Federal Government bonds:									
19 Wholly tax-exempt ⁴	51,573	144	291	317	177	317	188	538	391
20 Partially tax-exempt ⁴	101,758	2,503	4,689	4,536	3,611	3,343	2,953	5,195	6,742
21 Taxable ⁴	240	8	18	38	9	70	2	1	57
22 State and municipal bonds.....	186,165	594	1,390	1,186	1,517	1,040	1,542	2,750	3,241
23 All other bonds.....	138,480	2,921	5,259	5,217	4,341	4,395	4,259	7,451	9,002
24 Capital stock in corporations.....	1,090,020	13,324	24,275	23,524	21,738	22,005	20,875	39,870	49,500
25 Mortgages, notes, and cash ⁵	433,562	18,957	26,905	23,514	20,368	18,715	15,307	27,763	28,660
26 Taxable insurance (60 less 61).....	62,620	490	747	675	952	1,275	1,932	3,853	5,691
Other intangibles ⁶	109,673	1,373	3,563	3,745	4,427	3,817	3,882	7,207	7,793
27 Deductions, total.....	1,013,843	52,235	77,225	65,469	54,345	47,818	40,317	70,462	69,303
28 Funeral and administrative expenses.....	120,481	2,711	4,876	4,604	4,202	3,815	3,410	6,318	7,243
29 Debts of decedent; mortgages and liens.....	167,210	753	2,401	3,331	3,932	4,135	3,747	9,058	9,726
30 Net losses during administration.....	251	1	4	3	19	6	9	10	21
31 Support of dependents ⁷	10,138	123	301	352	361	397	425	749	987
32 Charitable, public, and similar bequests, total.....	136,781	103	376	520	502	582	845	1,940	2,307
33 Educational, scientific, or literary institutions:									
34 Publicly owned.....	7,405	2	20	11	8	14	59	129	105
35 Privately endowed.....	21,640	2	29	19	65	38	66	326	381
36 Religious.....	7,707	61	166	255	167	191	224	440	496
37 Charitable and all other gifts.....	100,029	39	171	236	262	340	496	1,045	1,325
38 Property previously taxed, net deduction ⁸	47,142	65	427	821	929	1,403	1,000	2,946	3,060
39 Specific exemption (\$40,000).....	531,840	48,480	68,840	55,840	44,400	37,480	30,880	49,440	45,960
40 Net estate:									
41 Before specific exemption (2 less 27 plus 38).....	2,091,485	52,252	84,853	78,337	69,240	64,399	58,120	104,396	119,813
42 For basic tax (under 1926 act or Internal Revenue Code, or either as amended).....	1,115,211							1,950	15,177
43 For additional tax (under 1932 act as amended by 1935 act and subsequent acts, or under the Internal Revenue Code).....	1,559,645	3,772	16,013	22,497	24,840	26,919	27,240	54,956	73,853
44 Basic tax before tax credits.....	68,458							19	152
45 Tax credit for Federal gift taxes.....	330								1
46 Tax credit for inheritance, etc., taxes ¹⁰	53,929							15	116
47 Net basic tax (42 less 43 and 44).....	14,499							5	35
48 Additional tax before tax credit.....	268,019	76	370	678	925	1,216	1,444	3,438	5,682
49 Tax credit for Federal gift taxes.....	383		(12)	1	1		2	8	5
50 Net additional tax (46 less 47).....	267,637	76	370	678	924	1,216	1,442	3,430	5,677
51 Defense tax ¹¹	9,578	5	22	39	52	70	78	181	302
52 Total tax liability (45 plus 48 and 49).....	291,713	80	392	717	977	1,286	1,520	3,616	6,014
Information items:									
53 Intangible personal property, total.....	2,174,092	40,313	67,038	62,753	57,141	54,977	50,940	94,628	111,076
54 Intangible personal property not included in Items 55-59:									
55 Stocks and bonds.....	1,424,788	17,239	31,555	30,354	27,763	26,938	26,666	49,505	61,193
56 Mortgages, notes, and cash ⁵	373,446	15,337	22,264	19,522	17,042	15,113	12,380	22,459	23,858
57 Taxable insurance (60 less 61).....	62,620	490	747	675	952	1,275	1,932	3,853	5,691
58 Other miscellaneous intangibles ⁶	94,030	1,239	2,969	3,173	3,795	3,367	3,438	6,076	6,744
59 Jointly owned.....	52,149	3,524	5,135	4,043	3,416	3,590	2,837	4,479	4,689
60 Transfers during decedent's life.....	83,499	1,662	2,536	2,925	1,900	2,029	1,427	3,465	4,401
61 Transfers under power of appointment.....	22,452	207	235	129	227	108	448	436	406
62 Previously taxed.....	61,108	615	1,598	1,931	2,044	2,556	1,813	4,354	4,094
63 Gross insurance.....	146,379	731	2,007	3,236	4,974	6,144	7,599	13,733	16,461
64 Tax-exempt insurance ¹²	83,759	242	1,260	2,561	4,021	4,869	5,667	9,885	10,770

For footnotes, see p. 223.

TABLE 3.—Taxable estate tax returns filed during 1941 for estates of citizens and resident aliens who died on or after August 31, 1935, by gross estate classes.¹⁵ Number of returns, items of gross estate, deductions, net estate, and tax—Continued

		Gross estate classes ¹⁶ —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.....	1,162	1,042	799	473	168	66	27	16	10	1
2	Gross estate, total.....	187,257	239,145	294,038	316,337	229,215	157,139	102,568	115,496	205,027	2
3	Real estate, ⁹ total.....	36,533	38,757	38,425	36,799	19,796	6,008	8,001	4,738	2,072	3
4	Real estate not included in items 5-8.....	30,610	31,069	31,440	31,971	17,259	5,264	7,062	4,216	2,046	4
5	Jointly owned.....	3,434	4,698	3,323	2,547	936	291	89	195	26	5
6	Transfers during decedent's life.....	1,322	1,127	1,253	642	868	198	311	311	.....	6
7	Transfers under power of appointment.....	50	66	85	144	158	1	.....	.....	.....	7
8	Previously taxed.....	1,116	1,797	2,324	1,495	574	253	539	15	.....	8
9	Tangible personal property, total.....	2,906	3,104	3,225	3,017	2,961	1,380	1,134	893	1,300	9
10	Tangible personal property not included in items 11-14.....	2,860	2,999	3,033	2,884	2,866	1,324	1,130	759	1,295	10
11	Jointly owned.....	8	27	12	18	9	1	.....	126	5	11
12	Transfers during decedent's life.....	7	18	7	16	17	.....	.....	.....	.....	12
13	Transfers under power of appointment.....	(13)	.....	.....	.....	.....	.....	.....	.....	.....	13
14	Previously taxed.....	31	60	173	98	69	5	3	8	(14)	14
15	Intangible personal property, total.....	147,818	197,284	252,388	276,521	206,458	149,802	93,433	109,866	201,655	15
16	Stocks and bonds, total.....	94,878	134,699	182,812	213,341	163,028	125,934	79,044	88,613	178,635	16
17	Bonds, total.....	26,809	38,221	51,659	65,827	51,037	40,585	28,285	35,170	51,482	17
18	Federal Government bonds:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
19	Wholly tax-exempt ⁴	766	1,082	2,309	4,586	5,347	5,744	4,265	4,798	20,365	18
20	Partially tax-exempt ⁴	9,135	11,378	14,406	15,547	6,757	3,910	1,142	3,983	2,027	19
21	Taxable ⁴	26	5	3	2	.....	.....	.....	.....	.....	20
22	State and municipal bonds.....	4,894	7,861	13,012	24,702	27,651	26,494	17,748	23,694	26,849	21
23	All other bonds.....	11,988	17,895	21,929	21,040	11,282	4,437	2,130	2,694	2,241	22
24	Capital stock in corporations.....	68,070	96,477	131,153	147,514	111,991	85,349	53,760	53,443	127,153	23
25	Mortgages, notes, and cash ⁵	33,358	42,490	44,583	42,166	28,424	16,510	9,248	18,890	17,703	24
26	Taxable insurance (60 less 61).....	8,125	8,448	11,562	7,763	6,259	2,672	1,424	654	99	25
26	Other intangibles ⁶	11,457	11,647	13,431	13,251	8,747	4,687	3,717	1,709	5,218	26
27	Deductions, total.....	80,200	85,085	88,851	83,541	54,430	27,666	32,310	25,673	58,911	27
28	Funeral and administrative expenses.....	9,513	11,580	14,493	15,112	10,167	6,509	4,712	4,707	6,529	28
29	Debts of decedent; mortgages and liens.....	15,238	17,905	20,601	22,332	16,245	8,238	11,944	10,669	7,154	29
30	Net losses during administration.....	3	52	27	25	1	71	.....	.....	.....	30
31	Support of dependents ⁷	1,026	1,498	1,503	1,247	724	267	92	87	.....	31
32	Charitable, public, and similar bequests, total.....	3,577	6,974	10,672	18,683	17,335	7,135	12,751	7,650	44,827	32
33	Educational, scientific, or literary institutions:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
34	Publicly owned.....	300	806	707	1,793	1,941	613	108	78	711	33
35	Privately endowed.....	273	1,245	1,522	3,805	3,649	2,080	2,573	548	5,069	34
36	Religious.....	717	1,153	1,209	1,495	607	337	141	40	18	35
37	Charitable and all other gifts.....	2,286	3,770	7,235	11,590	11,138	4,155	9,929	6,983	39,029	36
38	Property previously taxed, net deduction ⁸	4,393	5,416	9,693	7,222	3,239	2,806	1,732	2,020	(13)	37
38	Specific exemption (\$40,000).....	46,480	41,680	31,960	18,920	6,720	2,640	1,080	640	400	38
39	Net estate:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
40	Before specific exemption (2 less 27 plus 38).....	153,537	195,740	237,148	251,716	181,504	132,113	71,338	90,463	146,516	39
40	For basic tax (under 1926 act or Internal Revenue Code, or either as amended).....	43,659	59,510	159,755	205,578	164,929	125,584	68,668	88,885	145,516	40
41	For additional tax (under 1932 act as amended by 1935 act and subsequent acts, or under the Internal Revenue Code).....	107,057	154,060	205,188	232,796	174,784	129,473	70,258	89,823	146,116	41
42	Basic tax before tax credits.....	501	1,592	3,929	7,141	8,424	8,395	5,580	9,681	23,042	42
43	Tax credit for Federal gift taxes.....	2	6	17	20	3	196	2	82	.....	43
44	Tax credit for inheritance, etc., taxes ¹⁰	392	1,244	3,094	5,525	6,578	6,496	4,463	7,273	18,434	44
45	Net basic tax (42 less 43 and 44).....	106	342	818	1,596	1,843	1,703	1,116	2,326	4,608	45
46	Additional tax before tax credit.....	9,990	17,347	26,952	35,516	32,468	28,038	17,198	27,521	59,160	46
47	Tax credit for Federal gift taxes.....	14	1	62	39	11	.....	6	234	.....	47
48	Net additional tax (46 less 47).....	9,976	17,346	26,890	35,477	32,457	28,038	17,192	27,287	59,160	48
49	Defense tax ¹¹	479	832	1,076	1,536	875	833	743	1,055	1,398	49
50	Total tax liability (45 plus 48 and 49).....	10,562	18,520	28,784	38,610	35,176	30,575	19,051	30,668	65,166	50
51	Information items:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
51	Intangible personal property, total.....	147,818	197,284	252,388	276,521	206,458	149,802	93,433	109,866	201,655	51
52	Intangible personal property not included in items 56-59:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
53	Stocks and bonds.....	94,350	121,004	163,267	193,861	149,450	120,543	70,568	82,843	167,655	52
54	Mortgages, notes, and cash ⁵	27,910	36,854	38,797	36,872	26,467	15,595	8,901	17,332	16,740	53
55	Taxable insurance (60 less 61).....	8,125	8,448	11,562	7,763	6,259	2,672	1,424	654	99	54
55	Other miscellaneous intangibles ⁶	10,263	10,523	11,353	10,935	8,010	2,134	3,305	1,671	5,001	55
56	Jointly owned.....	5,330	5,900	4,228	2,069	1,437	903	138	393	37	56
57	Transfers during decedent's life.....	5,548	7,041	10,704	14,063	9,658	2,452	7,647	4,271	1,682	57
58	Transfers under power of appointment.....	294	1,092	2,084	2,340	1,369	2,638	.....	.....	10,438	58
59	Previously taxed.....	5,968	6,422	10,272	8,618	3,808	2,865	1,448	2,702	.....	59
60	Gross insurance.....	20,912	20,782	21,614	13,194	8,622	3,615	1,824	777	150	60
61	Tax-exempt insurance ¹²	12,787	12,334	10,052	5,431	2,363	943	400	123	51	61

For footnotes, see p. 223.

TABLE 4.—Nontaxable estate tax returns filed during 1941 for estates of citizens and resident aliens who died on or after August 31, 1935, by gross estate classes: ¹⁵ Number of returns, items of gross estate, deductions, and net estate (or no net estate) before specific exemption

[Gross estate classes and money figures in thousands of dollars]

	Gross estate classes ¹⁵										
	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.....	2,614	1,198	403	243	174	153	107	105	90	1
2	Gross estate, total.....	196,614	52,115	20,647	13,871	11,153	9,914	8,191	9,798	10,810	2
3	Real estate, ³ total.....	67,027	18,761	8,500	6,263	4,531	4,153	3,245	4,053	4,543	3
4	Real estate not included in items 5-8.....	57,500	16,322	7,431	5,277	3,534	3,253	2,724	3,098	4,105	4
5	Jointly owned.....	6,942	1,434	758	634	763	733	473	808	216	5
6	Transfers during decedent's life.....	2,062	857	193	296	207	150	47	126	104	6
7	Transfers under power of appointment.....	14	8		6						7
8	Previously taxed.....	509	140	118		28	17	1	21	118	8
9	Tangible personal property, total.....	4,856	1,383	716	543	342	373	259	264	226	9
10	Tangible personal property not included in items 11-14.....	4,696	1,373	661	532	339	335	248	260	226	10
11	Jointly owned.....	72	5	4	5	1	36	3	1	(13)	11
12	Transfers during decedent's life.....	75	3	49	6	3	2	8	3		12
13	Transfers under power of appointment.....	(13)	(13)								13
14	Previously taxed.....	13	2	1				(13)	(13)	(13)	14
15	Intangible personal property, total.....	124,731	31,972	11,432	7,064	6,279	5,388	4,686	5,482	6,041	15
16	Stocks and bonds, total.....	75,241	15,472	5,680	3,575	3,525	2,947	2,289	2,677	3,598	16
17	Bonds, total.....	18,780	4,498	1,490	738	538	586	597	699	856	17
	Federal Government bonds:										
18	Wholly tax-exempt ⁴	522	151	30	23	2	19	2	4	12	18
19	Partially tax-exempt ⁴	6,740	1,732	625	274	231	181	135	157	322	19
20	Taxable ⁴	11	11								20
21	State and municipal bonds.....	3,326	536	132	79	40	50	63	88	185	21
22	All other bonds.....	8,181	2,067	704	362	265	337	398	450	337	22
23	Capital stock in corporations.....	56,461	10,974	4,190	2,637	2,987	2,361	1,692	1,978	2,741	23
24	Mortgages, notes, and cash ⁵	30,676	13,534	3,568	2,098	1,640	1,075	1,058	1,120	1,373	24
25	Taxable insurance (49 less 50).....	7,054	641	422	282	361	795	634	1,121	435	25
26	Other intangibles ⁶	11,759	2,325	1,763	1,110	753	571	706	563	635	26
27	Deductions, total.....	254,617	61,144	29,798	17,544	14,168	12,475	10,676	12,764	14,444	27
28	Funeral and administrative expenses.....	11,184	3,512	1,377	832	688	614	451	564	515	28
29	Debts of decedent; mortgages and liens.....	99,383	6,956	9,956	5,344	5,186	4,696	4,805	6,312	7,490	29
30	Net losses during administration.....	138	19	1	7	(13)	2	1			30
31	Support of dependents ⁷	1,190	284	165	154	95	112	105	69	106	31
32	Charitable, public, and similar bequests, total.....	38,035	2,436	2,168	1,488	1,213	931	1,034	1,619	2,659	32
	Educational, scientific, or literary institutions:										
33	Publicly owned.....	3,489	86	144	109	85	(13)	9		177	33
34	Privately endowed.....	3,893	221	318	176	56	51	81	183	338	34
35	Religious.....	5,097	885	562	305	252	190	319	488	541	35
36	Charitable and all other gifts.....	25,555	1,244	1,144	897	820	690	625	948	1,603	36
37	Property previously taxed, net deduction ⁸	127	17	12		26				73	33
38	Specific exemption (\$46,000).....	104,560	47,920	16,120	9,720	6,960	6,120	4,280	4,200	3,600	38
39	Net estate or no net estate before specific exemption (2 less (27 less 38)).....	46,556	38,891	6,969	6,047	3,945	3,559	1,794	1,235	1,34	39
40	Information items:										
	Intangible personal property, total.....	124,731	31,972	11,432	7,064	6,279	5,388	4,686	5,482	6,041	40
	Intangible personal property not included in items 45-48.....										
41	Stocks and bonds.....	70,849	14,393	5,349	3,488	3,229	2,835	2,186	2,338	3,175	41
42	Mortgages, notes, and cash ⁴	27,576	12,155	3,083	1,813	1,460	964	1,013	1,028	1,256	42
43	Taxable insurance (49 less 50).....	7,054	641	422	282	361	795	634	1,121	435	43
44	Other miscellaneous intangibles ⁶	11,146	2,222	1,679	983	741	571	680	425	544	44
45	Jointly owned.....	2,777	1,365	276	330	111	112	113	136	93	45
46	Transfers during decedent's life.....	2,846	798	335	183	57	77	12	175	231	46
47	Transfers under power of appointment.....	388	54	102	6	77		4	31	73	47
48	Previously taxed.....	2,096	344	187	30	244	34	4	228	234	48
49	Gross insurance.....	21,942	1,337	1,692	2,119	2,119	3,780	2,548	2,787	1,609	49
50	Tax-exempt insurance ¹⁷	14,888	697	1,271	1,838	1,758	2,985	1,914	1,665	1,173	50

For footnotes, see p. 223.

TABLE 4.—Nontaxable estate tax returns filed during 1941 for estates of citizens and resident aliens who died on or after August 31, 1935, by gross estate classes: ¹⁵ Number of returns, items of gross estate, deductions, and net estate (or no net estate) before specific exemption—Continued
 [Gross estate classes and money figures in thousands of dollars]

		Gross estate classes ¹¹ —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.....	48	47	21	18	4	2			1	1
2	Gross estate, total.....	7,527	10,941	7,840	12,388	5,677	5,152			10,589	2
3	Real estate, ³ total.....	2,917	4,070	1,544	665	75	2,561			1,145	3
4	Real estate not included in items 5-8.....	2,639	3,502	1,246	591	71	2,561			1,145	4
5	Jointly owned.....	247	513	263	50						5
6	Transfers during decedent's life.....	31		36	15						6
7	Transfers under power of appointment.....										7
8	Previously taxed.....		55		9	4					8
9	Tangible personal property, total.....	114	192	127	178	124	8			8	9
10	Tangible personal property not included in items 11-14.....	114	189	112	172	122	5			8	10
11	Jointly owned.....		3	15							11
12	Transfers during decedent's life.....				(¹³)						12
13	Transfers under power of appointment.....										13
14	Previously taxed.....				5	2	2				14
15	Intangible personal property, total.....	4,496	6,679	6,169	11,545	5,478	2,583			9,436	15
16	Stocks and bonds, total.....	2,609	4,210	3,372	9,802	5,026	1,359			9,101	16
17	Bonds, total.....	771	1,007	1,060	1,987	2,850	1,015			89	17
18	Federal Government bonds:										18
19	Wholly tax-exempt ⁴	199	3	20	22		36				19
20	Partially tax-exempt ⁴	297	332	415	339	1,491	208				20
21	Taxable ⁴										21
22	State and municipal bonds.....	50	204	521	809	18	503			49	22
23	All other bonds.....	224	469	104	816	1,341	268			40	23
24	Capital stock in corporations.....	1,838	3,203	2,313	7,815	2,176	343			9,012	24
25	Mortgages, notes, and cash ⁵	710	1,317	664	815	396	1,037			272	25
26	Taxable insurance (49 less 50).....	719	544	291	663	5	79			64	26
27	Other intangibles ⁶	458	608	1,841	266	52	109				27
28	Deductions, total.....	9,476	13,553	9,981	23,147	6,633	8,201			10,612	28
29	Funeral and administrative expenses.....	389	499	489	505	192	184			372	29
30	Debts of decedent; mortgages and liens.....	5,072	8,075	6,479	17,418	2,343	5,768			3,486	30
31	Net losses during administration.....	(¹⁵)		107							31
32	Support of dependents ⁷	59	33	7	2						32
33	Charitable, public, and similar bequests, total.....	2,037	3,066	2,060	4,503	3,938	2,170			6,713	33
34	Educational, scientific, or literary institutions:										34
35	Publicly owned.....	329	253	794	1,503	1					35
36	Privately endowed.....	303	149	2	460	1,420	25			110	36
37	Religious.....	178	858	311	117		40			52	37
38	Charitable and all other gifts.....	1,227	1,807	954	2,423	2,517	2,105			6,551	38
39	Property previously taxed, net deduction ⁸	1,920	1,880	840	720	160	80			40	39
40	Specific exemption (\$40,000).....										40
41	Net estate or no net estate before specific exemption (2 less (27 less 33)).....	¹⁶ 29	¹⁶ 732	¹⁶ 1,301	¹⁶ 10,039	¹⁶ 796	¹⁶ 2,969			18	41
42	Information items:										42
43	Intangible personal property, total.....	4,496	6,679	6,169	11,545	5,478	2,583			9,436	43
44	Intangible personal property not included in items 45-48:										44
45	Stocks and bonds.....	2,393	4,026	3,235	9,235	5,026	890			9,101	45
46	Mortgages, notes, and cash ⁵	630	1,270	647	792	396	798			272	46
47	Taxable insurance (49 less 50).....	719	544	291	663	5	79			64	47
48	Other miscellaneous intangibles ⁶	441	594	1,841	266	52	107				48
49	Jointly owned.....	28	205	10	(¹³)						49
50	Transfers during decedent's life.....	284	28	145	521						50
51	Transfers under power of appointment.....										51
52	Previously taxed.....		13		68		710				52
53	Gross insurance.....	1,370	986	593	775	5	119			104	53
54	Tax-exempt insurance ¹²	650	442	302	112		40			40	54

For footnotes, see p. 223.

408068-48-15

TABLE 5.—Estate tax returns filed during 1941 for estates of citizens¹ and resident aliens, classified by States and Territories: Number of returns by taxable status, selected items for taxable returns, and additional items for returns subject to the basic tax

[Money figures in thousands of dollars]

States and Territories in which returns were filed	Total number of returns	Number of non-taxable returns	Taxable returns							Subject to basic tax ¹³				
			Number of returns	Gross estate	Net estate for additional tax ¹⁷	Basic tax and additional tax before tax credits	Net basic tax and net additional tax (excluding defense tax)	Defense tax ¹¹	Number of returns	Net estate for basic tax	Basic tax and tax credits			Net basic tax
											Basic tax before tax credits	Credits		
												Federal gift taxes	State inheritance, etc., taxes ¹⁰	
Alabama.....	113	17	96	11,562	6,195	722	659	20	27	3,086	78		63	16
Alaska.....	3	1	2	253	125	13	13		1	62	1		(13)	1
Arizona.....	30	8	22	2,849	1,532	290	245	1	1	1,110	57		46	11
Arkansas.....	67	15	52	5,460	2,543	217	209	13	16	791	11		9	2
California.....	1,512	248	1,264	216,912	133,071	26,252	22,146	692	426	91,464	5,053	12	4,029	1,011
Colorado.....	135	21	114	30,575	11,463	1,907	1,642	41	40	7,666	324	1	259	65
Connecticut.....	447	70	377	87,543	50,878	9,766	8,309	385	154	37,288	1,821	5	1,453	364
Delaware.....	49	10	39	7,049	4,569	752	654	7	15	3,148	122		97	24
District of Columbia.....	192	36	156	35,104	20,749	3,830	3,286	112	58	15,142	697	2	539	156
Florida.....	281	36	245	46,276	28,282	5,433	4,612	203	79	20,282	1,028	(13)	820	208
Georgia.....	163	33	130	25,941	16,154	3,071	2,615	172	49	11,498	570		456	114
Hawaii.....	31	3	28	5,192	3,250	455	414	15	13	2,247	59		41	17
Idaho.....	25	6	19	2,379	977	82	78	3	6	302	5		4	1
Illinois.....	1,079	175	904	149,762	86,097	16,005	13,582	607	278	57,557	2,971	86	2,096	788
Indiana.....	306	52	254	38,123	21,405	3,188	2,804	155	78	13,645	475	3	377	94
Iowa.....	359	87	272	28,113	13,669	1,575	1,431	80	54	6,739	180		144	37
Kansas.....	227	42	185	20,973	11,197	1,518	1,348	50	49	5,870	213		170	43
Kentucky.....	209	53	156	19,088	9,660	1,251	1,120	45	43	5,236	163		131	33
Louisiana.....	164	19	145	22,594	10,640	1,444	1,292	84	39	6,223	195	2	150	43
Maine.....	154	12	142	25,117	15,633	2,570	2,233	100	54	10,550	421		337	84
Maryland.....	323	41	282	43,347	26,315	3,805	3,372	80	106	16,260	542	(13)	433	109
Massachusetts.....	938	117	821	169,466	109,652	22,862	19,583	703	324	81,042	4,495	5	3,264	1,225
Michigan.....	406	64	342	67,864	44,466	10,116	8,426	168	115	32,818	2,115	(13)	1,690	425
Minnesota.....	239	28	211	31,386	18,254	2,474	2,215	129	78	11,095	318	(13)	255	64
Mississippi.....	59	8	51	6,625	3,292	362	333	23	16	1,472	36		29	7
Missouri.....	364	62	302	48,623	26,538	3,949	3,463	90	100	16,260	606	1	484	121
Montana.....	31	5	26	2,930	1,424	138	129	5	7	566	11		9	2
Nebraska.....	164	28	136	21,125	11,294	1,921	1,662	31	37	7,469	334		250	75
Nevada.....	20	3	17	1,455	561	40	40		3	104	1		1	1
New Hampshire.....	94	14	80	9,956	5,266	578	535	27	27	2,470	57		42	15
New Jersey.....	787	109	678	113,712	65,539	10,178	8,923	358	252	42,149	1,578	110	1,146	323
New Mexico.....	25	5	20	1,960	965	77	75	2	7	251	3		2	1
New York.....	2,710	431	2,279	616,712	384,059	112,404	91,341	1,987	838	307,078	26,449	90	20,965	5,394
North Carolina.....	148	31	117	26,021	18,277	5,621	4,550	51	36	14,594	1,339		1,071	265
North Dakota.....	20	7	13	1,185	555	41	40	2	4	109	1		1	(13)
Ohio.....	820	156	664	141,704	92,420	24,947	20,318	1,382	238	70,222	5,747	9	4,589	1,149
Oklahoma.....	108	18	90	15,109	9,188	1,255	1,157	43	38	5,985	160		98	62
Oregon.....	105	24	81	12,877	7,464	1,177	1,034	79	20	5,022	189	(13)	143	46
Pennsylvania.....	1,206	241	1,025	201,592	124,113	21,434	18,569	555	395	87,140	3,649	2	2,863	784
Rhode Island.....	126	17	109	21,209	12,856	2,074	2,239	65	40	9,177	533	1	426	106
South Carolina.....	90	11	79	9,443	4,989	553	509	9	27	2,247	55		44	11
South Dakota.....	30	6	24	2,483	1,268	135	125	9	8	546	12	(13)	9	2
Tennessee.....	163	35	128	22,034	13,541	2,122	1,864	97	48	9,053	324	(13)	258	66
Texas.....	436	69	367	67,257	42,555	7,801	6,681	490	134	29,831	1,406	1	1,119	286
Utah.....	26	4	22	3,197	1,826	221	203	12	10	1,024	23		18	5
Vermont.....	60	12	48	7,300	4,061	657	569	43	12	2,607	110		87	22
Virginia.....	249	45	204	33,079	19,565	3,022	2,648	69	68	12,676	469		374	95
Washington.....	147	20	118	28,340	20,453	7,380	5,880	20	30	17,082	1,875		1,500	375
West Virginia.....	89	19	70	9,938	5,822	749	677	27	26	3,342	90		72	18
Wisconsin.....	373	53	320	56,778	34,414	7,056	5,925	233	96	24,625	1,413	(13)	1,131	283
Wyoming.....	15	5	10	2,747	2,086	441	406	3	4	1,697	88		36	52
Total.....	15,977	2,641	13,336	2,578,314	1,561,215	336,529	282,180	9,578	4,625	1,115,920	68,470	330	53,636	14,505

For footnotes, see p. 223

TABLE 6.—Estate tax returns for estates of citizens and aliens filed September 9, 1916, through December 31, 1941: Number of returns, gross estate, net (taxable) estate, and tax ¹⁹

(Money figures in thousands of dollars)

Filing period	Number of returns			Gross estate		
	Total	Estates of—		Total	Estates of—	
		Citizens ¹ and resident aliens	Nonresident aliens ²¹		Citizens ¹ and resident aliens	Nonresident aliens ²¹
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, 597
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
1940.....	16, 876	15, 435	1, 441	2, 648, 199	2, 632, 659	15, 540
1941.....	17, 122	15, 977	1, 145	2, 793, 439	2, 777, 657	15, 783

Filing period	Net (taxable) estate ²⁰			Tax ²⁰		
	Total	Estates of—		Total	Estates of—	
		Citizens ¹ and resident aliens	Nonresident aliens ²¹		Citizens ¹ and resident aliens	Nonresident aliens ²¹
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, 624, 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, 561	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	95, 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, 658, 322	1, 637, 975	20, 347	278, 938	276, 707	2, 231
1940.....	1, 493, 184	1, 479, 268	13, 916	251, 556	250, 360	1, 196
1941.....	1, 575, 768	1, 561, 215	14, 553	293, 399	291, 758	1, 641

For footnotes, see p. 223.

Footnotes for estate tax tables 1-6, pages 200-222

¹ Excludes returns filed for estates of nonresident citizens who died prior to May 11, 1934.

² Returns filed under the Revenue Act of 1932 or subsequent acts are subject also to applicable provisions of the Revenue Act of 1926 (basic tax).

³ Tabulated amounts represent full value of real estate reported in schedule A, Form 706. Outstanding mortgages and liens thereon are included in "Debts of decedent; mortgages and liens," Item 29.

⁴ Classified on the basis of interest income taxable for Federal income tax and corresponds to the classification in other sections of this report. 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; the interest on taxable Federal Government bonds is subject to both normal tax and surtax. United States savings bonds and Treasury bonds (on which the interest on a principal amount not in excess of \$5,000 is wholly tax-exempt) are classified as partially tax-exempt Federal Government bonds. The entire value of bonds in each category is subject to the estate tax when included in the estate of citizens and resident aliens.

⁵ Cash of all kinds classified as intangible property.

⁶ Includes such items as: an interest in partnerships, estates, and trust funds; accounts receivable, claims, judgments, leaseholds, trade-marks, rights, royalties; amounts due from retirement funds, pensions, annuities; and interest, dividends, and rents accrued.

⁷ Amounts allowed by the law of certain States and actually disbursed for the support of the decedent's dependents, during the settlement of the estate.

⁸ The basis for the valuation of property previously taxed is the value as finally determined in the case of the prior estate or donor, or the value included in present gross estate, whichever is lower. Subject to certain conditions and limitations, the net deduction for property previously taxed is such value less a proportionate reduction. This proportionate 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 estates of individuals who died on or after 5 p. m. June 6, 1932, is the net deduction computed for purposes of the additional tax, not the net deduction computed for purposes of the basic tax.

⁹ 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.

¹⁰ Estate, inheritance, legacy, or succession taxes paid to States, Territories, District of Columbia, or (after June 29, 1939) United States possessions.

¹¹ On estates of individuals who died in the period June 26, 1940, through September 20, 1941. The defense tax is 10 percent of the tax (after credits) computed without regard to the defense tax.

¹² Amount receivable by beneficiaries other than the estate, not to exceed in aggregate \$40,000 for any one estate.

¹³ Less than \$500.

¹⁴ Based on net estate and specific exemption provided under the Revenue Act of 1932 amended by the Revenue Act of 1935 and subsequent acts, or under the additional tax provisions of the Internal Revenue Code. The specific exemption is \$40,000.

¹⁵ Based on total gross estate plus tax-exempt insurance.

¹⁶ Negative amount.

¹⁷ Includes net estate of \$64,872 reported on 11 returns taxable under the Revenue Acts of 1926, 1924, or prior acts.

¹⁸ 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.

¹⁹ Changes in the revenue acts affecting the comparability of statistical data from estate tax returns are summarized on pp. 252-255.

²⁰ Beginning 1933, the net (taxable) estate tabulated for individuals who died after 5 p. m. June 6, 1932, is net estate subject to the additional tax. The tax is the sum of: (1) net basic tax (after credits) under the Revenue Act of 1926 or the Internal Revenue Code, or either as amended, (2) the net additional tax (after credit) under the Revenue Act of 1932 or the Internal Revenue Code, or either as amended, and (3) for 1940 and 1941, defense tax.

²¹ Includes returns for nonresident citizens who died prior to May 11, 1934.

GIFT TAX RETURNS

GIFT TAX RETURNS

SUMMARY DATA

The total number of gift tax returns for 1940 is 15,623, of which 4,930 are taxable and 10,693 nontaxable. The taxable returns show total gifts before exclusions of \$346,679,159, net gifts of \$225,971,772, and tax liability of \$34,445,016. Nontaxable returns show total gifts before exclusions of \$223,363,330, and deductions for (1) exclusions, (2) charitable, public, and similar gifts, and (3) specific exemption equal to the amount of total gifts.

As compared with the previous year, the number of returns increased 3,397, or 27.8 percent; total gifts increased \$198,438,529, or 53.4 percent; net gifts increased \$94,394,923, or 71.7 percent; and tax liability increased \$15,743,839, or 84.2 percent.

FILING REQUIREMENTS

The gift tax, 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 the separate gifts to each donee. A gift tax return is required of any citizen of the United States or resident alien who during the calendar year 1940 transferred to any one donee total gifts of more than \$4,000 in value, or, regardless of value, made gifts in trust or of a future interest in property. A non-resident alien is similarly required to file a gift tax return if the subject of the gift consists of property situated in the United States. A return is required even though because of authorized deductions a tax may not be due.

The gift tax returns, Form 709, for gifts transferred during 1940 are filed under the provisions of the Internal Revenue Code as amended by the Revenue Act of 1940. The major change affecting gifts made during 1940 is the imposition of a 10 percent defense tax, affecting only the tax on gifts made after June 25, 1940.

The gift tax rates, exclusions, specific exemptions, and deductions provided by the various revenue acts are summarized on pages 256-257.

DATA TABULATED

The data for gift tax returns are tabulated from each return as filed by the taxpayer, prior to any revision that may be made as a result of audit by the Bureau of Internal Revenue. The tax liability tabulated in this report does not agree with gift tax collections during 1941, because payment of the tax may be deferred, or the tax liability may be altered when audited by the Bureau. The tax collections include back taxes, interest, and penalties, none of which are tabulated in this report.

DESCRIPTION OF ITEMS

Total gifts or "Total gifts before exclusions" means the entire value of all gifts transferred in trust or of a future interest in property and

the entire value of all other gifts to any one donee of a total value of more than \$4,000. (Gifts to any one donee totaling \$4,000 or less, other than those in trust or of a future interest in property, are excluded.)

Exclusion of the first \$4,000 of gifts, other than gifts in trust or of future interests in property, made to any one donee during the calendar year is deductible from total gifts for the purpose of computing net gifts and tax.

Total gifts after exclusions means the amount of total gifts in excess of the exclusions and represents "Total included amount of gifts for year" on the gift tax return.

Specific exemption of \$40,000 is allowed each citizen and resident alien as a deduction from total gifts. At the option of the taxpayer, the entire exemption may be taken in a single year, or may be spread over a period of years; however, when the aggregate of \$40,000 has been taken no further exemption is allowed. Nonresident aliens are denied the specific exemption. Previous to 1936, the corresponding exemption was \$50,000. In case the taxpayer has taken exemption in excess of \$40,000 during the period 1932-1935, the amount of the excess is added to the net gifts for prior years and used in computing the tax liability for the current year.

Net gifts means the amount of total gifts after exclusions, in excess of the deductions for (1) charitable, public, and similar gifts after exclusions, and, (2) in case of a citizen and resident alien, specific exemption claimed for the current year.

Gift tax liability is the sum of (1) the excess of a tax computed, at current year rates, on the aggregate net gifts made since June 6, 1932, over a tax computed, at the same rates, on the aggregate net gifts exclusive of the current year net gifts, and (2) the defense tax. The tax so computed results in the current year net gifts being taxed at the same or a higher rate than previously applicable. Owing to the cumulation of net gifts, progression of tax rates, and the variations in exclusions, deductions, and specific exemption, individuals making gifts of equal amounts may have entirely different tax liability.

CLASSIFICATION OF RETURNS

Gift tax returns are classified as taxable or nontaxable, and identical donors are distinguished from other donors. Taxable returns show net gifts and are further classified by size of net gift and by size of total gift plus tax. Nontaxable returns show no net gifts and are further classified by size of total gifts. The taxable returns of identical donors which are also taxable for prior years are classified by size of the accumulated net gifts for prior years. Not all tabulated items are available for every classification.

Taxable or nontaxable.—This classification is based on the existence or nonexistence of a gift tax liability. Returns are classified as taxable or nontaxable for prior years as well as for the current year. Taxable returns show net gifts; nontaxable returns show no net gifts.

Net gift classes.—Taxable gift tax returns are segregated into 26 net gift classes (i. e., table 1) based on the amount of net gifts, as previously defined.

Total gift plus tax classes.—Taxable gift tax returns are segregated into 26 total gift plus tax classes (i. e., table 2) based on the sum of the total gifts and the gift tax liability, as previously defined.

Total gift classes.—Nontaxable gift tax returns are segregated into 26 total gift classes (i. e., table 2) according to the amount of total gifts.

Identical donors.—Individuals who report on their 1940 gift tax returns gifts other than charitable, public, and similar gifts for both the current year and a prior year subsequent to June 6, 1932, are considered identical donors. (Individuals reporting only charitable gifts in the current year or in a prior year are excluded.)

Net gift for prior years classes.—Taxable returns of identical donors who were taxable for prior years are segregated into 26 net gift for prior year classes (i. e., table 5) based on the amount of net gifts for prior years (subsequent to June 6, 1932) as adjusted in schedule C of the current year return to include the amount of specific exemption in excess of \$40,000 taken prior to 1936.

Unlike 1939, the taxable gift tax returns are not classified by total gift classes, therefore, there is no table corresponding to table 2-A, Statistics of Income for 1939, Part 1.

GIFTS

The principal types of property transferred by gift are real estate, stocks and bonds, cash, and insurance (including premiums paid). As in previous reports, the largest group is that of stocks and bonds. Of the \$570,042,489 total gifts for 1940, stocks and bonds comprise 56.2 percent; cash, 18.2 percent; real estate, 9.6 percent; insurance, 3.9 percent; and miscellaneous, 11.8 percent. The miscellaneous group includes such items as jewelry, objects of art, copyrights, forgiveness of debts, interest in a business, assignment of judgments, etc. In table 1, the five types of property are tabulated by taxable and nontaxable returns and for taxable returns by net gift classes.

Gifts transferred to charitable, public, and similar donees amount to \$80,248,759, or 14.1 percent of the total gifts before exclusions. Such gifts are entirely deductible (if given by a citizen or resident alien) in computing tax, since an exclusion is granted of the first \$4,000 given each donee and the remainder is allowed as a deduction in computing net gifts subject to tax.

Gifts made by transfers in trust amount to \$160,498,560, or 28.2 percent of the total gifts. Stocks and bonds comprise 74.8 percent of the gifts transferred in this manner. Values of the five types of property transferred in trust are shown in table 3.

IDENTICAL DONORS

There are 6,425 identical donors, that is, individuals who made gifts not exclusively for charitable, public, or similar purposes in 1940 and also in prior years. Of these identical donors, 2,693 are nontaxable for 1940, although 50 have previously paid a gift tax; 3,732 are taxable for 1940, of whom 892 are taxable for the first time. The gift tax liability for the 892 identical donors is \$2,482,317, while the tax liability for the 2,840 who have previously paid gift tax is \$27,944,066, or 81.1 percent of the total tax liability on all returns filed for 1940 gifts. The effective tax rate for the 2,840 identical donors who previously paid gift tax is 18.9 percent and indicates the effect of the progressive tax method when compared with the 8.2 percent effective rate for the 892 identical donors not previously taxed. Table 4 presents data regarding these identical donors. In

table 5, the number of taxable returns for identical donors who were previously taxed is classified by size of net gift for the current year and by size of net gift for prior years.

TABLES

Tables 1, 2, and 3 contain data from all gift tax returns filed for gifts made during 1940. Taxable returns and nontaxable returns are presented separately in tables 1 and 2, while in table 3 data are in aggregate. The data for taxable returns are tabulated by net gift classes in table 1 and by total gift plus tax classes in table 2. The data for nontaxable returns are distributed by total gift classes in table 2.

Tables 4 and 5 present data for identical donors' returns. Certain information for these returns is classified by taxable status for the current year and for prior years in table 4. The number of returns taxable both for the current year and for prior years is tabulated by size of net gifts for 1940 and by size of net gifts for prior years, in table 5.

Historical data for 1932 through 1940, for number of returns, total gifts, net gifts, and tax, are given in table 6.

TABLE 1.—Gift tax returns for 1940, nontaxable in aggregate, and taxable by net gift classes:¹ Number of returns, total gifts by type 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 type of property					
		Total	Real estate	Stocks and bonds	Cash	Insurance	Miscellaneous
Nontaxable returns: No net gifts.....	10,693	223,363	35,318	109,664	41,691	9,746	26,946
Taxable returns:							
Under 5.....	1,409	27,237	2,568	12,180	6,530	1,743	4,217
5 under 10.....	755	19,104	1,865	8,158	5,176	1,396	2,508
10 under 20.....	804	27,219	3,054	13,208	6,224	1,277	3,456
20 under 30.....	478	24,029	1,920	13,710	4,971	1,310	2,119
30 under 40.....	309	17,281	1,111	9,250	3,841	1,065	2,014
40 under 60.....	219	15,062	1,405	8,234	3,037	783	1,603
50 under 100.....	484	48,944	2,695	31,380	8,814	1,789	4,267
100 under 200.....	267	54,198	1,481	29,851	7,438	2,510	12,918
200 under 400.....	129	37,869	1,168	27,348	5,402	142	3,808
400 under 600.....	34	17,757	245	14,149	1,507	231	1,626
600 under 800.....	15	11,451	—	8,355	2,616	—	480
800 under 1,000.....	10	9,710	46	7,715	1,948	—	—
1,000 under 1,500.....	10	12,438	1,183	9,488	1,509	94	164
1,500 under 2,000.....	2	3,439	—	3,229	29	—	181
2,000 under 2,500.....	—	—	—	—	—	—	—
2,500 under 3,000.....	1	2,576	—	—	2,510	66	—
3,000 under 3,500.....	1	3,150	—	2,425	—	—	725
3,500 under 4,000.....	1	5,731	525	4,536	632	27	10
4,000 under 4,500.....	1	4,248	—	4,248	—	—	—
4,500 under 5,000.....	—	—	—	—	—	—	—
5,000 under 6,000.....	1	5,237	—	5,086	126	—	25
Total.....	4,930	346,679	19,267	212,549	62,311	12,432	40,121
Grand total.....	15,623	570,042	54,585	322,212	104,002	22,178	67,066

For footnotes, see p. 237.

TABLE 1.—Gift tax returns for 1940, nontaxable in aggregate, and taxable by net gift classes:¹ Number of returns, total gifts by type 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	Exclusion of the first \$4,000 of gifts ² made to any one donee			Total gifts after exclusions	Deductions		
	Total	Charitable, public, and similar gifts	Gifts, other than charitable		Total	Charitable, public, and similar gifts after exclusions ³	Specific exemption claimed for 1940 gifts ⁴
Nontaxable returns: No net gifts.....	54,489	4,044	50,445	168,874	168,874	39,893	128,982
Taxable returns:							
Under 5.....	7,792	716	7,076	19,445	16,529	5,163	11,366
5 under 10.....	5,084	296	4,788	14,020	8,566	1,050	7,516
10 under 20.....	5,284	272	5,012	21,935	10,511	1,297	9,214
20 under 30.....	3,688	216	3,472	20,341	8,827	2,882	5,946
30 under 40.....	2,224	172	2,052	15,067	4,394	329	4,065
40 under 50.....	1,648	152	1,496	13,414	3,593	637	2,956
50 under 100.....	3,744	376	3,368	45,200	11,761	4,608	7,153
100 under 200.....	2,664	468	2,196	51,534	15,154	12,143	3,010
200 under 400.....	1,020	160	860	36,849	2,189	534	1,655
400 under 600.....	332	52	280	17,425	1,414	1,081	334
600 under 800.....	232	104	128	11,219	591	471	120
800 under 1,000.....	160	88	72	9,550	514	474	40
1,000 under 1,500.....	132	68	64	12,308	588	468	120
1,500 under 2,000.....	16	12	4	3,423	73	73	—
2,000 under 2,500.....	—	—	—	—	—	—	—
2,500 under 3,000.....	12	4	8	2,564	1	1	—
3,000 under 3,500.....	4	—	4	3,146	—	—	—
3,500 under 4,000.....	136	124	12	5,595	1,676	1,676	—
4,000 under 4,500.....	—	—	—	4,248	—	—	—
4,500 under 5,000.....	—	—	—	—	—	—	—
5,000 under 6,000.....	32	24	8	5,205	123	123	—
Total.....	34,204	3,304	30,900	312,475	86,503	33,008	53,495
Grand total.....	88,693	7,348	81,345	481,349	255,378	72,901	182,477

Net gift classes ¹	Net gifts			Tax		
	Aggregate	Prior years ²	1940	Aggregate	Prior years ²	1940 ³
Nontaxable returns: No net gifts.....	\$ 128,425	\$ 128,425	—	\$ 27,654	\$ 27,654	—
Taxable returns:						
Under 5.....	121,139	118,222	2,917	18,712	18,553	159
5 under 10.....	60,457	55,003	5,454	8,628	8,338	290
10 under 20.....	57,540	46,116	11,423	6,080	5,435	646
20 under 30.....	46,261	34,747	11,514	5,309	4,551	758
30 under 40.....	38,151	27,489	10,663	4,651	3,824	827
40 under 50.....	32,200	22,378	9,821	4,418	3,580	838
50 under 100.....	77,377	43,938	33,439	9,042	5,824	3,218
100 under 200.....	182,800	146,420	36,380	64,036	59,378	4,657
200 under 400.....	68,214	33,555	34,660	12,915	7,758	5,157
400 under 600.....	23,483	7,473	16,011	3,811	1,099	2,712
600 under 800.....	23,092	12,464	10,627	5,156	2,789	2,367
800 under 1,000.....	19,727	10,691	9,036	4,763	2,526	2,237
1,000 under 1,500.....	18,107	6,389	11,719	4,143	1,468	2,675
1,500 under 2,000.....	4,847	1,497	3,350	1,180	286	894
2,000 under 2,500.....	—	—	—	—	—	—
2,500 under 3,000.....	6,040	3,477	2,563	1,881	872	1,009
3,000 under 3,500.....	3,300	154	3,146	813	14	799
3,500 under 4,000.....	6,374	2,455	3,919	2,407	548	1,499
4,000 under 4,500.....	6,989	2,741	4,248	2,466	635	1,831
4,500 under 5,000.....	—	—	—	—	—	—
5,000 under 6,000.....	6,227	1,145	5,082	2,073	202	1,871
Total.....	802,324	576,353	225,972	162,124	127,679	34,445
Grand total.....	930,749	704,777	225,972	189,778	155,333	34,445

For footnotes, see p. 237.

TABLE 2.—Gift tax returns for 1940; taxable returns by total gift plus tax classes⁹ and nontaxable returns by total gift classes:¹⁰ Number of returns, total gifts before exclusions, exclusions, total gifts after exclusions, deductions, net gifts, and tax

[Total gift plus tax classes, total gift classes, and money figures in thousands of dollars]

Total gift plus tax classes ⁹	Total number of returns	Number of returns	Total gifts before exclusions	Taxable returns			Total	Deductions
				Exclusion of the first \$4,000 of gifts ² made to any one donee				
				Total	Charitable, public, and similar gifts	Gifts other than charitable		
Under 5	1,455	328	1,033	516		516	517	15
5 under 10	3,292	549	3,821	2,048	32	2,016	1,773	125
10 under 20	3,802	807	11,311	4,600	180	4,420	6,711	882
20 under 30	2,107	512	12,123	3,796	184	3,612	8,327	1,641
30 under 40	1,550	354	11,711	2,804	200	2,604	8,907	2,268
40 under 50	1,239	461	20,154	3,064	144	2,920	17,090	9,574
50 under 100	1,356	1,152	75,527	9,012	624	8,388	66,515	29,708
100 under 200	491	462	57,609	4,476	532	3,944	53,133	10,768
200 under 400	209	196	48,402	2,008	496	1,512	46,394	6,414
400 under 600	47	43	18,173	608	160	448	17,565	2,037
600 under 800	19	18	10,050	288	104	184	9,762	755
800 under 1,000	14	12	9,342	204	96	108	9,138	1,762
1,000 under 1,500	20	19	18,944	256	144	112	18,688	2,773
1,500 under 2,000	9	7	9,524	164	104	60	9,360	1,757
2,000 under 2,500	3	3	5,714	56	48	8	5,658	2,279
2,500 under 3,000	1	1	2,433	20	16	4	2,463	2,367
3,000 under 3,500								
3,500 under 4,000	3	2	5,726	16	4	12	5,710	1
4,000 under 4,500								
4,500 under 5,000	1							
5,000 under 6,000								
6,000 under 7,000	1	1	4,248				4,248	
7,000 under 8,000	3	2	10,968	168	148	20	10,800	1,798
8,000 under 9,000								
9,000 under 10,000	1	1	9,819	100	88	12	9,719	9,577
Total	15,623	4,930	346,679	34,204	3,304	30,900	312,475	86,503

For footnotes, see p. 237.

TABLE 2.—Gift tax returns for 1940; taxable returns by total gift plus tax classes⁹ and nontaxable returns by total gift classes:¹⁰ Number of returns, total gifts before exclusions, exclusions, total gifts after exclusions, deductions, net gifts, and tax—Continued

[Total gift plus tax classes, total gift classes, and money figures in thousands of dollars]

Total gift plus tax classes ⁹	Taxable returns—Continued								
	Deductions—Con.		Net gifts			Tax			
	Charitable, public, and similar gifts after exclusions ³	Specific exemption claimed for 1940 gifts	Aggregate	Prior years ⁶	1940	Aggregate	Prior years ⁶	1940 ⁷	
Under 5	1	14	20,460	19,958	502	2,159	2,131	28	
5 under 10	10	115	37,815	36,168	1,647	4,350	4,251	99	
10 under 20	149	733	83,496	77,667	5,829	12,890	12,528	361	
20 under 30	217	1,425	49,229	42,543	6,686	6,126	5,664	462	
30 under 40	310	1,958	34,140	27,502	6,639	3,820	3,314	506	
40 under 50	205	9,370	38,799	31,284	7,515	5,121	4,524	597	
50 under 100	1,620	28,088	112,272	75,465	36,807	14,251	11,396	2,856	
100 under 200	2,585	8,183	95,029	52,664	42,364	12,295	7,688	4,608	
200 under 400	3,681	2,733	90,128	50,148	39,980	16,790	11,140	5,651	
400 under 600	1,673	365	21,573	6,045	15,528	-3,145	748	2,397	
600 under 800	555	200	10,960	10,953	9,007	4,023	2,310	1,713	
800 under 1,000	1,642	120	14,480	7,105	7,375	3,030	1,478	1,552	
1,000 under 1,500	2,653	120	27,966	12,052	15,915	5,910	2,311	3,599	
1,500 under 2,000	1,684	73	18,513	10,910	7,603	5,064	3,054	2,010	
2,000 under 2,500	2,279		4,882	1,503	3,379	1,181	286	895	
2,500 under 3,000	2,367		769	673	96	119	99	21	
3,000 under 3,500									
3,500 under 4,000	1		9,339	3,630	5,709	2,694	886	1,808	
4,000 under 4,500									
4,500 under 5,000									
5,000 under 6,000									
6,000 under 7,000									
7,000 under 8,000	1,798		6,989	2,741	4,248	2,466	635	1,831	
8,000 under 9,000			12,601	3,600	9,001	4,120	750	3,370	
9,000 under 10,000									
Total	33,008	53,495	802,324	576,353	225,972	162,124	127,679	34,445	

For footnotes, see p. 237.

TABLE 2.—Gift tax returns for 1940; taxable returns by total gift plus tax classes¹⁰ and nontaxable returns by total gift classes:¹⁰ Number of returns, total gifts before exclusions, exclusions, total gifts after exclusions, deductions, net gifts, and tax—Continued

[Total gift plus tax classes, total gift classes, and money figures in thousands of dollars]						
Total gift classes ¹⁰	Nontaxable returns					Total gifts after exclusions
	Number of returns	Total gifts before exclusions	Exclusion of the first \$4,000 of gifts ² made to any one donee			
			Total	Charitable, public, and similar gifts	Gifts other than charitable	
Under 5	1,127	3,684	2,068	96	1,972	1,616
5 under 10	2,743	19,331	10,505	596	9,909	8,826
10 under 20	2,995	42,012	15,492	932	14,560	26,520
20 under 30	1,595	38,354	9,524	540	8,984	28,830
30 under 40	1,196	41,682	7,264	360	6,904	34,418
40 under 50	778	33,532	5,736	296	5,440	27,796
50 under 100	204	11,963	3,244	612	2,632	8,719
100 under 200	29	3,852	264	232	32	3,588
200 under 400	13	3,627	156	156	-----	3,471
400 under 600	4	1,769	48	36	12	1,721
600 under 800	1	700	4	4	-----	696
800 under 1,000	2	1,858	128	128	-----	1,730
1,000 under 1,500	1	1,089	20	20	-----	1,069
1,500 under 2,000	2	3,740	8	8	-----	3,732
2,000 under 2,500	-----	-----	-----	-----	-----	-----
2,500 under 3,000	-----	-----	-----	-----	-----	-----
3,000 under 3,500	-----	-----	-----	-----	-----	-----
3,500 under 4,000	1	3,701	4	4	-----	3,697
4,000 under 4,500	-----	-----	-----	-----	-----	-----
4,500 under 5,000	1	4,647	4	4	-----	4,643
5,000 under 6,000	-----	-----	-----	-----	-----	-----
6,000 under 7,000	-----	-----	-----	-----	-----	-----
7,000 under 8,000	1	7,822	20	20	-----	7,802
Total	10,693	223,363	54,489	4,044	50,445	168,874

Total gift classes ¹⁰	Nontaxable returns—Continued				
	Deductions			Net gifts for prior years ^{6,8}	Tax for prior years ^{6,8}
	Total	Charitable, public, and similar gifts after exclusions ³	Specific exemption claimed for 1940 gifts ⁴		
Under 5	1,616	16	1,600	2,079	223
5 under 10	8,826	380	8,446	18,771	3,298
10 under 20	26,520	1,093	25,427	26,560	4,506
20 under 30	28,830	1,216	27,614	24,726	6,921
30 under 40	34,418	970	33,447	8,101	1,407
40 under 50	27,796	813	26,984	5,423	952
50 under 100	8,719	3,356	5,363	27,989	7,015
100 under 200	3,588	3,499	89	11,825	2,771
200 under 400	3,471	3,471	-----	2,482	510
400 under 600	1,721	1,710	11	-----	-----
600 under 800	696	696	-----	-----	-----
800 under 1,000	1,730	1,730	-----	-----	-----
1,000 under 1,500	1,069	1,069	-----	-----	-----
1,500 under 2,000	3,732	3,732	-----	212	22
2,000 under 2,500	-----	-----	-----	-----	-----
2,500 under 3,000	-----	-----	-----	-----	-----
3,000 under 3,500	-----	-----	-----	-----	-----
3,500 under 4,000	3,697	3,697	-----	-----	-----
4,000 under 4,500	-----	-----	-----	-----	-----
4,500 under 5,000	4,643	4,643	-----	256	28
5,000 under 6,000	-----	-----	-----	-----	-----
6,000 under 7,000	-----	-----	-----	-----	-----
7,000 under 8,000	7,802	7,802	-----	-----	-----
Total	168,874	39,893	128,982	128,425	27,654

For footnotes, see p. 237.

TABLE 3.—Gift tax returns for 1940; gifts by type of property transferred: Total value, value of gifts transferred in trust, and value of gifts otherwise transferred

Property transferred	Value of property transferred		
	Total	In trust	Other than in trust
Real estate	54,585	5,810	48,775
Stocks and bonds	322,212	120,031	202,181
Cash	104,002	18,452	85,550
Insurance	22,178	5,218	16,960
Miscellaneous	67,066	10,988	56,078
Total	570,042	160,499	409,544

TABLE 4.—Gift tax returns for 1940, of identical donors,¹¹ by taxable status for current year and for prior years: Number of returns, total gifts after exclusions, deductions, net gifts and tax

Taxable status	Number of returns for 1940	Total gifts after exclusions, 1940	Deductions		Net gifts
			Charitable, public, and similar gifts after exclusions	Specific exemption claimed for 1940 gifts ⁴	
Taxable for both 1940 and prior years	2,840	180,454	30,956	1,329	724,509
Taxable for 1940 and nontaxable for prior years	892	43,958	1,773	11,917	30,267
Nontaxable for 1940 and taxable for prior years	50	686	130	556	2,391
Nontaxable for both 1940 and prior years	2,643	20,449	1,018	19,431	-----
Total	6,425	245,547	33,877	33,234	757,167

Taxable status	Net gifts—Continued		Tax		
	Prior years ⁶	1940	Aggregate	Prior years ⁶	1940 ⁷
Taxable for both 1940 and prior years	576,339	148,169	155,623	127,679	27,944
Taxable for 1940 and nontaxable for prior years	-----	30,267	2,482	-----	2,482
Nontaxable for 1940 and taxable for prior years	2,391	-----	253	253	-----
Nontaxable for both 1940 and prior years	-----	-----	-----	-----	-----
Total	578,730	178,437	158,358	127,931	30,426

For footnotes, see p. 237.

TABLE 5.—Taxable gift tax returns for 1940, of identical donors¹¹ who filed taxable returns for prior years, by net gift classes and by net gift for prior years classes: Number of returns

[Net gift classes and net gifts for prior years classes in thousands of dollars]

Net gift classes ¹	Net gift for prior years classes ¹²							
	Total	Under 5	5 under 10	10 under 20	20 under 30	30 under 40	40 under 50	50 under 100
Under 5.....	864	113	89	140	77	46	44	140
5 under 10.....	433	44	44	77	40	38	29	66
10 under 20.....	444	52	49	66	31	38	23	79
20 under 30.....	253	24	27	26	21	18	13	49
30 under 40.....	164	7	11	18	10	10	9	31
40 under 50.....	127	10	10	12	11	6	9	25
50 under 100.....	254	22	14	21	14	14	15	43
100 under 200.....	164	6	4	15	12	13	7	29
200 under 400.....	78	9	4	2	3	2	3	12
400 under 600.....	24	—	1	1	1	1	—	6
600 under 800.....	12	—	—	—	1	2	—	1
800 under 1,000.....	9	—	—	—	—	—	—	1
1,000 under 1,500.....	8	—	—	—	—	—	—	1
1,500 under 2,000.....	1	—	—	—	—	—	—	—
2,000 under 2,500.....	—	—	—	—	—	—	—	—
2,500 under 3,000.....	1	—	—	—	—	—	—	—
3,000 under 3,500.....	1	—	—	—	—	—	—	—
3,500 under 4,000.....	1	—	—	—	—	—	—	—
4,000 under 4,500.....	1	—	—	—	—	—	—	—
4,500 under 5,000.....	—	—	—	—	—	—	—	—
5,000 under 6,000.....	1	—	—	—	—	—	—	—
Total.....	2,840	287	253	378	221	188	152	483

Net gift classes ¹	Net gift for prior years classes ¹² —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.....	102	60	27	11	2	13	4	1	5
5 under 10.....	46	20	11	4	4	5	2	1	2
10 under 20.....	54	26	14	3	2	5	—	—	—
20 under 30.....	32	23	9	3	2	2	2	—	—
30 under 40.....	33	22	6	3	1	1	—	—	1
40 under 50.....	14	17	9	1	1	—	—	—	1
50 under 100.....	54	33	7	8	4	1	2	1	1
100 under 200.....	34	9	14	9	4	4	1	1	3
200 under 400.....	14	14	4	5	1	1	1	1	2
400 under 600.....	2	7	2	1	—	1	1	—	—
600 under 800.....	—	3	—	—	1	1	1	—	2
800 under 1,000.....	—	2	2	—	—	—	—	—	1
1,000 under 1,500.....	2	3	1	—	—	—	—	—	1
1,500 under 2,000.....	—	—	—	—	—	1	—	—	—
2,000 under 2,500.....	—	—	—	—	—	—	—	—	—
2,500 under 3,000.....	—	—	—	—	—	—	—	—	1
3,000 under 3,500.....	—	—	—	—	—	—	—	—	—
3,500 under 4,000.....	1	—	—	—	—	—	—	—	—
4,000 under 4,500.....	—	—	—	—	—	—	1	—	—
4,500 under 5,000.....	—	—	—	—	—	—	—	—	1
5,000 under 6,000.....	—	—	—	—	—	1	—	—	—
Total.....	388	229	106	60	22	36	15	11	21

For footnotes, see p. 237.

TABLE 6.—Gift tax returns, 1932-1940: Number of returns by taxable status, total gifts before exclusions, net gifts, and tax

[Money figures in thousands of dollars]

Calendar year in which gifts were made	Number of returns			Total gifts before exclusions	Net gifts	Tax
	Total	Taxable	Nontaxable			
1932 (June 7-December 31).....	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
1939.....	12,226	3,929	8,297	371,604	131,577	18,701
1940.....	15,623	4,930	10,693	570,042	225,972	34,446

Footnotes for gift tax tables 1-5, pages 230-236

¹ Based on the current year net gifts.

² Except gifts in trust or of future interest in property.

³ The exclusions for charitable, public, and similar gifts are tabulated under "Exclusion of the first \$4,000 of gifts made to any one donee."

⁴ Specific exemption of \$40,000 is allowed each resident or citizen donor (section 1004(a)(1), Internal Revenue Code). At the option of the donor, this amount may be taken in one year or spread over a period of years.

⁵ Tabulated from schedule C, 1940 return, Form 709. Net gifts for prior years (subsequent to June 6, 1932) reported in schedule C may exceed net gifts actually 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 in this schedule are increased by the amount taken in excess of \$40,000 (section 1004(a)(1), Internal Revenue Code).

⁶ Tabulated from item 5, schedule for computation of tax; page 1, 1940 return, Form 709. The tax on net gifts for prior years (subsequent to June 6, 1932) may

not be the actual tax liability reported in those years because it is a tax computed at current rates, on the total net gifts for prior years to which has been added any exemption in excess of \$40,000 taken prior to 1936 (section 1004(a)(1), Internal Revenue Code).

⁷ Includes defense tax.

⁸ These amounts, computed as indicated in notes 5 and 6, are probably understated, since sufficient information for their computation is not always shown on the current year return.

⁹ Based on current year total gifts before exclusions plus the current year tax.

¹⁰ Based on current year total gifts before exclusions.

¹¹ Identical donors are individuals who reported for both 1940 and prior years (subsequent to June 6, 1932) gifts other than charitable, public, and similar gifts.

¹² Based on amount of net gifts for prior years (subsequent to June 6, 1932) as adjusted in schedule C, 1940 return, Form 709, to include the amount in excess of \$40,000 specific exemption taken prior to 1936 (see note 5).

SYNOPSIS OF
FEDERAL TAX LAWS
AFFECTING THE COMPARABILITY OF HISTORICAL
DATA IN STATISTICS OF INCOME

INDIVIDUAL INCOME AND PROFITS TAXES
FIDUCIARY INCOME TAX
ESTATE TAX, AND
GIFT TAX
RATES, CREDITS, EXEMPTIONS
AND OTHER PROVISIONS

**SYNOPSIS OF FEDERAL TAX LAWS AFFECTING THE
COMPARABILITY OF HISTORICAL DATA IN
STATISTICS OF INCOME**

INDIVIDUALS AND FIDUCIARIES

A. Requirements for filing income tax returns, personal exemption, credit for dependents, and normal tax rates, under the Federal tax laws for the income years 1913 through 1940.

B. Surtax rates and total surtax, under the Federal tax laws for the income years 1913 through 1940.

C. Supplemental income and profits tax rates and credits, under the Federal tax laws for the income years 1917 through 1940.

ESTATES

D. Tax rates, total estate tax, specific exemption, and credits against estate tax, under the Federal tax laws applicable to estates of citizens and aliens who died in the period September 9, 1916, through December 31, 1941.

GIFTS

E. Tax rates, total gift tax, specific exemption, exclusions, and deductions, under the Federal tax laws affecting gifts made during the calendar years 1924 through 1940.

A.—Individuals and fiduciaries, requirements for filing income tax returns, personal for the income years

Federal tax law (Date of enactment)	Income year	Citizens and residents of the United States			
		Requirements for filing returns ²			
		Married and living with husband or wife ⁴		Single; married and not living with husband or wife; fiduciaries ² (c)	
		Net income ⁵	Gross income regardless of amount of net income	Net income ⁵	Gross income regardless of amount of net income
1 Act of: Oct. 3, 1913 (Income tax) ...	Mar. 1, 1913 through Dec. 31, 1915.	\$3,000	-----	\$3,000	-----
2 Revenue Act of: 1916 (Sept. 8, 1916)	1916.....	3,000	-----	3,000	-----
3 { 1916 as amended and 1917 (Oct. 3, 1917)	1917.....	2,000	-----	1,000	-----
4 1918 (Feb. 24, 1919)	1918.....	2,000	-----	1,000	-----
	1919, 1920.....	2,000	-----	1,000	-----
5 1921 (Nov. 23, 1921)	1921, 1922, 1923.....	2,000	\$5,000	1,000	\$5,000
6 1924 (June 2, 1924)	1924.....	2,500	5,000	1,000	5,000
7 1926 (Feb. 26, 1926)	1925, 1926, 1927.....	3,500	5,000	1,500	5,000
	1928.....				
8 1928 (May 29, 1928)	1929.....	3,500	5,000	1,500	5,000
	1930, 1931.....				
9 1932 (June 6, 1932)	1932, 1933.....	2,500	5,000	1,000	5,000
10 National Industrial Recovery Act (June 16, 1933). ¹⁶	1933.....				
11 { Revenue Act of: 1934 (May 10, 1934)	1934, 1935.....	2,500	5,000	1,000	5,000
12 { 1936 (June 22, 1936)	1936, 1937.....				
13 { 1937 (Aug. 26, 1937)	1937.....				
14 { 1938 (May 28, 1938)	1938.....	2,500	5,000	1,000	5,000
15 { Internal Revenue Code (Feb. 10, 1939). ¹⁹	1939.....				
16 Internal Revenue Code as amended by: Public Salary Tax Act (Apr. 12, 1939). ²⁰					
17 Revenue Act of: 1939 (June 29, 1939)	(21)				
18 1940 (June 25, 1940)	1940.....	2,000	2,000	800	800

Footnotes

[References to notes mean

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. (See note 17.)

² (a) For 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 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 from sources within or without the United States received within the United States, regardless of amount.

exemption, credit for dependents, and normal tax rates, under the Federal tax laws 1913 through 1940

Citizens and residents of the United States—Continued						Nonresident aliens ¹			
Personal exemption ³		Credit for each dependent ⁷	Net income subject to normal tax ⁸	Normal tax rate (per cent)	Personal exemption		Credit for each dependent	Normal tax rate ⁶ (per cent)	
Married and living with husband or wife; head of family	Single; married and not living with husband or wife; not head of family; fiduciaries ⁹				Married and living with husband or wife; head of family	Single; married and not living with husband or wife; not head of family			
¹⁰ \$4,000	¹¹ \$3,000		All.....	1				1	1
4,000	3,000		All.....	2	\$4,000	\$3,000		2	2
2,000	1,000	\$200	First \$2,000.....	2				2	3
			Balance over \$2,000.....	4					
2,000	1,000	200	First \$4,000.....	6	(¹⁰)	(¹⁰)	(¹⁰)	12	4
			Balance over \$4,000.....	12					
2,000	1,000	200	First \$4,000.....	4	(¹⁰)	(¹⁰)	(¹⁰)	8	4
			Balance over \$4,000.....	8					
¹¹ 2,500	1,000	400	First \$4,000.....	12	1,000	1,000	(¹²)	14	8
			Balance over \$4,000.....	12					
2,500	1,000	400	First \$4,000.....	2				14	6
			Second \$4,000.....	4					
			Balance over \$8,000.....	6	1,000	1,000	(¹²)	14	6
3,500	1,500	400	First \$4,000.....	11 1/2				14	5
			Second \$4,000.....	3	1,500	1,500	(¹²)	14	5
			Balance over \$8,000.....	5					
			First \$4,000.....	11 1/2	1,500	1,500	(¹²)	14	5
			Second \$4,000.....	3					
			Balance over \$8,000.....	5	1,500	1,500	(¹²)	14	5
3,500	1,500	400	First \$4,000.....	12 1/2				14	4
			Second \$4,000.....	16	1,500	1,500	(¹²)	14	4
			Balance over \$8,000.....	16					
			First \$4,000.....	11 1/2	1,500	1,500	(¹²)	14	5
			Second \$4,000.....	3					
			Balance over \$8,000.....	5	1,500	1,500	(¹²)	14	5
2,500	1,000	400	First \$4,000.....	4	1,000	1,000	(¹²)	14	8
			Balance over \$4,000.....	8					
									10
2,500	1,000	400	All.....	4	1,000	1,000	(¹³)	14	4
					17	1,000	(^{13 17})	17	10
2,500	¹¹ 1,000	400	All.....	4	17	1,000	(¹⁷)	17	10
									13
									14
2,000	800	400	All.....	23	800	800	(²⁴)	24	15
									10

for table A

the footnotes of this table]

(d) For 1925 and subsequent years, American citizens who are nonresidents of the United States for more than six 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 "Requirements for filing returns."

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.

Footnotes for table A—Continued

[References to notes mean the footnotes of this table]

(c) For 1936 and prior years, income from an estate or trust taxable to the fiduciary is required to be reported on the individual income tax return, Form 1040, while income from an estate or trust 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 a single person, except that a return is required for every estate or trust of which any beneficiary is a nonresident alien. Beginning with 1937, all income from an estate or trust is required to be reported on the fiduciary income tax return, Form 1041, the requirements for filing being the same as in prior years except that for 1938 and subsequent years returns are required for every trust having a net income of \$100 or more.

¹ For 1921 and subsequent years, citizens deriving a large portion of their gross income from sources within a possession of the United States are allowed the same exemption as nonresident aliens.

² Husband and wife each to file a return unless combined income is included in joint return.

³ Net income means the excess of gross income over deductions as defined in the various revenue acts. Net income of fiduciary income tax returns, 1937 and subsequent years, means net income taxable to the fiduciary. Certain variations in the deductions allowed follow:

(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 or gifts actually made by individuals within the year to corporations, associations, or societies, organized and operated exclusively for religious, charitable, scientific, or educational purposes, to an amount not in excess of 15 percent of the taxable net income before deducting the contributions, are, in general, deductible for 1917 and subsequent years. For 1938 and thereafter (1) such contributions are deductible only if paid during the taxable year, and (2) contributions of a partnership 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 1938 and 1939, such contributions are deductible only if paid to or for the use of domestic organizations, and for 1940, only if paid to or for the use of organizations created in the United States or in any possession thereof. For unlimited deduction of contributions, see the Revenue Act of 1924 and subsequent acts.

(c) Losses sustained during a taxable year, incurred in trade or business, or arising from fire, storm, shipwreck, etc., and not compensated for by insurance or otherwise, are entirely deductible, with the following exceptions:

For 1916 and 1917, losses sustained during the year in transactions entered into for profit but not connected with business or trade are allowable only to the extent of the gains from such transactions; for 1918 through 1931, such losses are entirely deductible.

For 1921 and subsequent years, losses resulting from the sale of securities after November 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 more than two years 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. (The Revenue Act of 1932 allowed the excess of such losses to be carried forward and applied against such gains of the next succeeding year, but this carry-over was nullified by sec. 318 (b), National Industrial Recovery Act.)

For 1933, individual members of a partnership were not permitted 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.

For 1934 and subsequent years: Losses from wagering transactions are allowed, but only to the extent of the gains from such transactions; losses are not deductible when resulting from sales or exchanges of property, directly or indirectly, between members of a family (except in case of distributions in liquidation) and 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.

(d) Net loss for prior year (excess of deductions over gross income) resulting from the operation of any trade or business regularly carried on by the taxpayer.

A net loss for any taxable year beginning after Oct. 31, 1918, and ending prior to Jan. 1, 1920, may be deducted from the 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 1920.

For 1921 through 1929, a net loss for any year beginning after Dec. 31, 1920, may be deducted from the net income of the succeeding taxable year, and if such loss exceeds the net income of the first succeeding year, the amount of such excess is to be allowed in the second succeeding year.

A net loss for 1930 may be carried forward and deducted from the net income of the first succeeding year only. There is no provision for deduction of a prior year net loss in the period 1931 through 1938. The Revenue Act of 1932 provides for a net loss carry-over to the first succeeding year only, but this carry-over is nullified by sec. 218(a), National Industrial Recovery Act.

The Internal Revenue Code, as amended by the Revenue Act of 1939, provides that individuals engaged in trade or business, incurring a net operating loss in any taxable year beginning on or after Jan. 1, 1939, may carry such loss forward and apply it with certain adjustments and limitations, as a deduction against the net income of the first succeeding year. The excess loss, if any, that is not absorbed by the net income of the first succeeding year, may be carried forward and deducted from the net income of the second succeeding year. (See sec. 211, Revenue Act of 1939.)

(e) For provisions concerning capital gains and losses, including the net short-term capital loss carry-over provided by the Revenue Act of 1938, see table C, pp. 248-249.

⁶ For 1937, certain trusts which permitted accumulation of income were not allowed the exemption and for 1938 and subsequent years, a credit of \$100 against the net income of a trust was substituted for the exemption.

⁷ Credit allowed individuals 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.

⁸ Net income subject to normal tax is all net income after deducting the sum of:

(a) Personal exemption.

(b) Credit allowed individuals 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,

Footnotes for table A—Continued

[References to notes mean the footnotes of this table]

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 1935. For 1936 and subsequent years, no dividends are deductible.

(d) Income upon which the tax has been paid or withheld for payment at the source, 1913 through 1917.

(e) Interest on United States obligations issued after September 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, which under sec. 25 (a) (3), Revenue Act of 1934, is exempt from normal tax.

(f) Credit allowed individuals of 10 percent of the amount of the earned net income, or 10 percent of the entire net income, whichever amount is smaller, 1934 and subsequent years. The earned net income recognized cannot exceed \$14,000. (For 1924 through 1931, the earned income credit was a tax credit. See table C, p. 250.)

⁹ No provision for head of family in Revenue Act of 1913. Exemption prorated for period Mar. 1 through Dec. 31, 1913.

¹⁰ For 1918 through 1920, 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 the 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. (See notes 13, 14, and 17.)

¹¹ For net incomes in excess of \$5,000, personal exemption is \$2,000.

¹² Tax for 1923, computed at these rates, was reduced 25 percent by credit or refund under sec. 1200 (a), Revenue Act of 1924.

¹³ For 1921 through 1935, if nonresident alien is resident of Canada or Mexico, \$400 credit is allowed for each dependent. For limitation applicable to 1936 and subsequent years, see note 17.

¹⁴ For 1922 through 1933, alien residents of 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.)

¹⁵ These reduced rates for 1929 are provided by Joint Resolution of Congress, No. 133, approved by the President December 16, 1929.

¹⁶ The National Industrial Recovery Act is not a complete taxing statute in itself, but consists of amendments to certain provisions of the Revenue Act of 1932. (See note 5 (c), par. 4, and 5 (d), par. 5.)

¹⁷ (a) For 1936 through 1939, 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 and are subject to the same tax rates upon their net income from all sources within the United States as are provided for citizens of the United States.

(b) For 1936 through 1939, 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 at the rate of 10 percent, except (1) that this rate shall be reduced, in the case of a resident of Canada or Mexico, 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 1937 through 1939, such nonresident aliens other than those affected by treaty, if they report gross income of more than \$21,600, are liable to the same tax rates as those imposed upon citizens of the United States; after allowance of deductions and credits allocable to income from sources within the United States; but the total tax so computed shall not be less than 10 percent of the gross income. (For 1940, see note 24.)

¹⁸ The Revenue Act of 1937 is not a complete taxing statute in itself, but consists of amendments and additions to certain provisions of the Revenue Act of 1936. (See notes 1; 5 (c), par. 7; and 17 (b).)

¹⁹ The Internal Revenue Code, approved Feb. 10, 1939, which was enacted as law, codified certain general laws of the United States and parts of such laws relating exclusively to internal revenue, in force on Jan. 2, 1939, and repealed all such laws and parts of laws codified therein to the extent that they related exclusively to internal revenue, as of the effective dates of the respective corresponding provisions of the Code.

²⁰ By the Public Salary Tax Act of 1939, the Federal income tax is applicable to compensation for personal service, received after December 31, 1938, as (1) an officer or employee of a State, or any political subdivision thereof, or any agency or instrumentality of any one or more of the foregoing, and (2) a judge of a United States court who took office on or before June 6, 1932. (The compensation of a judge who took office after June 6, 1932, is taxable under the Revenue Act of 1932.)

²¹ The Revenue Act of 1939 is not a complete taxing statute in itself, but consists of amendments of certain sections of the Internal Revenue Code and of the 1938 Act and prior laws. There is no one effective date for the Revenue Act of 1939; some of the provisions are retroactive to years prior to 1939, others apply to the current tax period, while still others are prospective in their application, being effective only for taxable years beginning after Dec. 31, 1939. One of the provisions of this Act affecting the data in Statistics of Income is:

For any taxable year beginning after Dec. 31, 1938, in the case of compensation (a) received from personal services rendered by an individual in his individual capacity, or as a member of a partnership, and covering a period of five calendar years or more from the beginning to the completion of such services, (b) paid (or not less than 95 percent of which is paid) only on the completion of such services, and (c) required to be included in gross income of such individuals, the tax attributable to such compensation shall not be greater than the aggregate of taxes which would have been paid had the income been received in equal portions in each of the years in the period.

²² The Revenue Act of 1940 is not a complete taxing statute in itself, but consists of amendments to the Internal Revenue Code.

²³ For 1940 there is superimposed upon the total tax the defense tax which is 10 percent of the total tax. The defense tax is computed on the total tax before applying any credits, and is limited to an amount not more than 10 percent of the net income in excess of the total tax computed without regard to the defense tax.

²⁴ The exceptions in note 17(b)(2) obtain for 1940 with the following modifications: limitation on gross income is \$24,000; the total of the normal tax and surtax is not to be less than 15 percent of the gross income, except that in the case of residents of Sweden the tax with respect to dividends is 10 percent; and the defense tax, as described in note 23, is applicable. However, the returns of these aliens, who file on Form 1040NB, are not included in this report. See basic differences between tax liability and collections, p. 43.

C.—Individuals and fiduciaries, supplemental income and profits tax rates

Capital gains and losses ¹				
Federal tax law	Income year	Definition of capital assets	Tax on capital net gain ²	Tax credit for capital net loss ³
Revenue Act of: 1921.....	1922, 1923	Property held for profit or investment for more than two years (whether or not connected with trade or business) but does not include property held for the personal use or consumption of the taxpayer or his family, 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	Same as 1922 exclusive of property held primarily for sale in ordinary course of trade or business.	Taxpayer may elect to be taxed at 12½ percent of the 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	Same as 1924.....	Same as 1924.....	Same as 1924.
1928.....	1928, 1929, 1930, 1931	Same as 1924.....	Same as 1924.....	Same as 1924.
1932.....	1932, 1933	Same as 1924.....	Same as 1924.....	Same as 1924.
1934.....	1934, 1935, 1936, 1937	All property, whether or not connected with trade or business, regardless of period held, <i>except</i> (1) stock in trade or other property which would be included in inventory, and (2) property held primarily for sale in ordinary course of trade or business.	Capital gains and losses are computed on basis of certain percentages ⁴ which vary according to the holding period of the assets involved. Capital net gains (after the percentages ⁴ are applied) are included in net income and are subject to normal tax and surtax. Deduction for <i>capital net loss</i> (after the percentages ⁴ 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. 251.

and credits under the Federal tax laws ¹ for the income years 1917 through 1940

Capital gains and losses ²				
Federal tax law	Income year	Definition of capital assets	Tax on capital net gain ³	Tax credit for capital net loss ⁴
Revenue Act of: 1938.....	1938	All property, whether or not connected with trade or business, regardless of period held, <i>except</i> (1) stock in trade or other property which would be included in inventory, (2) property held primarily for sale in ordinary course of trade or business, and (3) property used in trade or business of a character which is subject to allowance for depreciation.	Capital gains and losses are divided into two classes: (a) Short-term capital gains and losses resulting from sales or exchanges of capital assets held 18 months or less; (b) long-term capital gains and losses resulting from sales or exchanges 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 the short-term capital gains not already offset by short-term capital losses in such succeeding year. Any excess, of the prior year short-term capital loss over the net short-term capital gain of the succeeding year, is not deductible. Only certain percentages ⁵ of the recognized long-term capital gains or losses 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 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.)
Internal Revenue Code.	1939, 1940	Same as 1938.....	Same as 1938.....	Same as 1938.

C.—Individuals and fiduciaries, supplemental income and profits tax rates and credits under the Federal tax laws¹ for the income years 1917 through 1940—Continued.

Excess-profits tax				Tax credit for income and profits taxes paid to foreign countries or United States possessions			
Federal tax law	Income year	Income subject to excess-profits tax	Rate (percent)	Federal tax law	Income year	Amount of credit	
Revenue Act of: 1917	1917	Salaries in excess of \$6,000 ⁷ and income in excess of \$6,000 ⁷ from business having no invested capital.	8	Revenue Act of: 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 non-resident aliens.	
		Net income from business having invested capital: ⁸					
		Net income equal to 15 percent of invested capital less deduction. ⁹	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				
		Net income in excess of 33 percent of invested capital.	60				
		1918	1918				Do. ¹¹
		1919, 1920, 1921	1919, 1920, 1921				Do. ¹¹
		1922, 1923 ¹²	1922, 1923 ¹²				Do. ¹¹
1924	1924	Do. ¹¹					
1925, 1926, 1927	1925, 1926, 1927	Do. ¹¹					
1928	1928, 1929, 1930, 1931	Do. ¹¹					
1932	1932, 1933	Do. ¹¹					
1934	1934, 1935	Do. ¹¹					
1936	1936, 1937	Do. ¹¹					
1938	1938	Do. ¹¹					
Internal Revenue Code.	1939, 1940	Do. ¹¹					

EARNED INCOME CREDIT

Federal tax law	Income year	Kind of credit	Earned net income recognized for computation of credit	Limit of credit
Revenue Act of: 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 ¹³ 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.	Same as 1926.
1932	1932, 1933	None ¹⁴		
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.
Internal Revenue Code.	1939, 1940	do	do	Do.

For footnotes, see p. 251.

Footnotes for table C

¹ The Revenue Acts of 1917 through 1938, and the Internal Revenue Code.

² Prior to 1922 there was no distinction made between annual income and periodic income. By the Revenue Act of 1921, the profit or loss from the sale or exchange of assets held for more than 2 years, consummated after Dec. 31, 1921, was designated "capital gain" or "capital loss." For definitions, see section 206, Revenue Act of 1921; 205, Revenue Acts of 1924 and 1926; 101, Revenue Acts of 1928 and 1932; 117, Revenue Acts of 1934, 1936, 1938, and the Internal Revenue Code.

³ Losses resulting from the sale or exchange of securities consummated after Nov. 23, 1921, are not deductible when substantially identical securities are acquired or reacquired within 30 days before or after such transaction.

⁴ The Revenue Act of 1937 is not a complete taxing statute in itself, but consists of amendments and additions to the provisions of the Revenue Act of 1936.

⁵ The following percentages of gains or losses recognized are taken into account in computing net income, 1934 through 1937:

Assets held	Percent
1 year or less	100
Over 1 year, not over 2 years	80
Over 2 years, not over 5 years	60
Over 5 years, not over 10 years	40
Over 10 years	30

⁶ The following percentages of gains or losses recognized are taken into account in computing net income, 1938 and subsequent years:

Assets held	Percent
18 months or less	100
More than 18 months but not more than 24 months	66 2/3
More than 24 months	50

⁷ In excess of \$3,000 for nonresident aliens.

⁸ A nonresident alien 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.

⁹ Deduction (not allowable to nonresident aliens), \$5,000 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 one 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.)

¹⁰ 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.

¹¹ 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 these 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 14 below.)

¹² Tax, as computed at the rates for 1923, was reduced 25 percent by credit or refund under sec. 1200(a), Revenue Act of 1924.

¹³ 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.)

¹⁴ There was no provision for earned income credit in the Revenue Act of 1932.

D.—Estate tax rates, total estate tax, specific exemption, and credits against estate in the period Sept. 9, 1916,²

Specific exemption, and credits against estate tax	Revenue Act of—			
	1916	1916 as amended by Act of Mar. 3, 1917	1917	1918, 1921, and 1924 as amended by 1926
	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
Specific exemption, estate of:				
Resident.....	\$50,000.....	\$50,000.....	\$50,000.....	\$50,000.....
Nonresident citizen.....				
Nonresident alien.....				
Credits against estate tax:				
Credit for gift tax paid in respect of property included in gross estate.				Total amount paid under Revenue Act of 1924, as amended.
Credit for estate, inheritance, legacy, or succession taxes, actually paid to any State or Territory, or the District of Columbia, ³ in respect of any property included in gross estate 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).

¹ The Revenue Acts of 1916 through 1938, the Internal Revenue Code, and the Code as amended by the Revenue Acts of 1939, 1940, and 1941.

² After Sept. 8, 1916, an estate tax return is required for the estate of every resident (after May 10, 1934, for every citizen regardless of place of residence) whose gross estate as defined in the statutes, exceeds the specific exemption allowed. A return is also required for the estate of every nonresident (after May 10, 1934, for every nonresident alien) 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 that for estates of persons who died after Aug. 30, 1935, returns are due 15 months after date of death.

³ "Net estate" is the amount of gross estate in excess of the deductions and specific exemption allowed under the statutory provisions in effect at date of death.

⁴ The estate of an individual who died after 5 p. m., June 6, 1932, is subject to two Federal estate taxes—a basic tax and an additional tax. The basic tax is computed at the rates provided by the Revenue Act of 1926, which rates are embodied as the basic estate tax in the Internal Revenue Code. The additional tax is the excess of the tentative tax computed at the rates provided by the act in force at date of death, over the basic tax.

tax, under the Federal tax laws¹ applicable to estates of citizens and aliens who died through Dec. 31, 1941—Continued

Revenue Act of—			Revenue Act of 1932 as amended by 1935; Internal Revenue Code, and Code as amended by Revenue Acts of 1939 and 1940 ⁴ (Tentative tax)	Internal Revenue Code as amended by Revenue Act of 1941 ⁴ (Tentative tax)
1926 (Basic tax)	1932 ⁴ (Tentative tax)	1932 as amended ⁴ by 1934 (Tentative tax)		
In effect 10:25 a. m. Feb. 26, 1926, and thereafter	In effect 5 p. m. June 6, 1932, through May 10, 1934	In effect May 11, 1934, through Aug. 30, 1935	In effect Aug. 31, 1935, through Sept. 20, 1941 ⁵	In effect Sept. 21, 1941, and thereafter
\$100,000..... (?).....	\$50,000.....	\$50,000..... \$50,000.....	\$40,000..... \$40,000.....	\$40,000..... \$40,000.....
Total amount paid under Revenue Act of 1924, as amended. Credit for amount paid under Revenue Act of 1932 not to exceed the proportion of the estate tax computed under the Revenue Act of 1926 that the value of the included gift bears to the entire gross estate.	None, for amount paid under Revenue Act of 1924, as amended. Credit for amount paid under Revenue Act of 1932 not to exceed 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 total amount of the gift tax and the gift tax credit therefor allowed against the tax computed under the Revenue Act of 1926.	Same as 1932.	Same as 1932.	Same as 1932.
Not to exceed 80 percent of the difference between the basic tax and any credit for gift tax (10:25 a. m. Feb. 26, 1926, and thereafter).				

⁵ The Revenue Act of 1932 as amended by 1935 was in effect Jan. 1, 1936, through Feb. 10, 1939; the Internal Revenue Code, Feb. 11, 1939, through June 25, 1940; and the Code as amended by the Revenue Act of 1940, June 26, 1940, through Sept. 20, 1941. See note 8.

⁶ Estates of individuals who died within the period June 26, 1940, through Sept. 20, 1941, are subject also to the "Defense Tax" which is 10 percent of the sum of the basic and additional taxes after application of credits.

⁷ Specific exemption of \$100,000 is allowed the estate of a nonresident citizen who died on or after May 11, 1934, under 1926 Act as amended by 1934 Act.

⁸ Section 813(b) of the Code is amended by the Revenue Act of 1939, which adds "or any possession of the United States," with respect to estates of individuals who died on or after June 30, 1939.

E.—Gift tax rates, total gift tax, specific exemption, exclusions, and deductions, under the Federal tax laws¹ affecting gifts made during the calendar years 1924 through 1940²

Net gifts ³		Revenue Act of—							
		1924 as amended by 1925 ⁴		1932 ⁵		1932 ⁵ as amended by 1934		1932 ⁵ as amended by 1935; the Internal Revenue Code, and the Code as amended by Revenue Act of 1940	
Exceeding	Equaling	Rate (per-cent)	Total gift tax	Rate (per-cent)	Total gift tax	Rate (per-cent)	Total gift tax	Rate (per-cent)	Total gift tax ⁶
	\$10,000	1	\$100	1/4	\$75	3/4	\$75	1 1/2	\$150
\$10,000	20,000	1	200	1 1/2	225	1 1/2	225	3	450
20,000	30,000	1	300	2 1/4	450	2 1/4	450	4 1/2	900
30,000	40,000	1	400	3	750	3	750	6	1,500
40,000	50,000	1	500	3 3/4	1,125	3 3/4	1,125	7 1/2	2,250
50,000	70,000	2	900	5	2,125	5 1/4	2,175	9	4,050
70,000	100,000	2	1,500	5	3,625	6 3/4	4,200	10 1/2	7,200
100,000	150,000	2	2,500	6 1/2	6,875	9	8,700	12 3/4	13,575
150,000	200,000	3	4,000	6 1/2	10,125	9	13,200	12 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 1/2	30,875	14 1/4	44,325	17 1/4	58,575
450,000	600,000	6	22,500	9 1/2	45,125	14 1/4	65,700	17 1/4	84,450
600,000	750,000	6	31,500	11	61,625	16 1/2	90,450	19 1/2	113,700
750,000	800,000	8	35,500	11	67,125	16 1/2	98,700	19 1/2	123,450
800,000	1,000,000	8	51,500	12 1/2	92,125	18 3/4	136,200	21 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 1/2	239,625	23 1/4	357,450	26 1/4	418,200
2,000,000	2,500,000	14	231,500	17	324,625	25 1/2	484,950	28 1/2	560,700
2,500,000	3,000,000	14	301,500	18 1/2	417,125	27 3/4	623,700	30 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 1/2	624,625	32 1/4	934,950	35 1/4	1,055,700
4,000,000	4,500,000	18	551,500	23	739,625	34 1/2	1,107,450	37 1/2	1,243,200
4,500,000	5,000,000	18	641,500	24 1/2	862,125	36	1,287,450	39 3/4	1,441,950
5,000,000	6,000,000	20	841,500	26	1,122,125	37 1/2	1,662,450	42	1,861,950
6,000,000	7,000,000	20	1,041,500	27 1/2	1,397,125	39	2,052,450	44 1/4	2,304,450
7,000,000	8,000,000	20	1,241,500	29	1,687,125	40 1/2	2,457,450	45 3/4	2,761,950
8,000,000	9,000,000	22	1,461,500	30 1/2	1,992,125	42	2,877,450	47 1/4	3,234,450
9,000,000	10,000,000	22	1,681,500	32	2,312,125	43 1/2	3,312,450	48 3/4	3,721,950
10,000,000	20,000,000	25	4,181,500	33 1/2	5,662,125	45	7,812,450	50 1/4	8,746,950
20,000,000	50,000,000	25	11,681,500	33 1/2	15,712,125	45	21,312,450	51 1/4	24,271,950

Revenue Act of—	Specific exemption, exclusions, and deductions
1924 as amended by 1926, in effect June 2, 1924, through Dec. 31, 1925.	Specific exemption: Resident: \$50,000 each calendar year. Nonresident: None. Gifts to individuals not in excess of \$500. Previously taxed property and charitable, etc., gifts.
1932, and 1932 as amended by 1934, in effect June 7, 1932, ⁶ through Dec. 31, 1935.	Specific exemption: Resident or citizen: \$50,000, allowed but once; may be taken all in one year or over a period of years at option of donor. Nonresident alien: None. Exclusion of \$5,000 for each donee (except future interest in property). Charitable, public, and similar gifts.
1932 as amended by 1935, in effect Jan. 1, 1936, through Dec. 31, 1938.	Specific exemption: Resident or citizen: \$40,000, allowed but once; may be taken all in one year or over a period of years at option of donor. Nonresident alien: None. Exclusion of \$5,000 for each donee (except future interest in property). Charitable, public, and similar gifts.
1932 as amended by 1938, in effect Jan. 1, 1939, through Feb. 9, 1939; and Internal Revenue Code, in effect Feb. 10, 1939, through Dec. 31, 1940.	Specific exemption: Resident or citizen: \$40,000, allowed but once; may be taken all in one year or over a period of years at option of donor. Nonresident alien: None. Exclusion of \$4,000 for each donee (except gifts in trust, or of a future interest in property). Charitable, public, and similar gifts.

For footnotes, see p. 257.

Footnotes for table E.

¹ The Revenue Acts of 1924 as amended by 1926; 1932; 1932 as amended by 1934, 1935, and 1938; the Internal Revenue Code, and the Code as amended by the Revenue Act of 1940.

² Gift tax returns are required to be filed for the year ending Dec. 31.

³ The amount of "Net gifts" for the current year is the excess of the total gifts for the current year over the sum of the following for such year: (1) total exclusions for donees; (2) deductions for charitable, public, and similar gifts; and (3) the specific exemption claimed.

⁴ The first gift tax was levied under the Revenue Act of 1924; but lower rates were provided in the amendment by the 1926 Act. Any tax paid under the provisions of the 1924 Act, which was in excess of the tax imposed by the 1926 Act, was refunded without interest.

⁵ Tax for current year is the excess of tax computed on the aggregate sum of net gifts for such current year and preceding years (subsequent to June 6, 1932) over tax computed on aggregate sum of net gifts for such preceding years.

⁶ No gift tax in effect Jan. 1, 1926, through June 6, 1932.

⁷ The Revenue Act of 1932 as amended by 1935 was in effect Jan. 1, 1936, through Feb. 10, 1939; the Internal Revenue Code, Feb. 11, 1939, through June 25, 1940; and the Code as amended by the Revenue Act of 1940, June 26, 1940, through Dec. 31, 1940.

⁸ For the calendar year 1940, there is added to the tax computed at the rates in this schedule, the defense tax, which is that portion of 10 percent of the tax computed at these rates that the amount of the 1940 gifts made on or after June 26, 1940, bears to the total amount of 1940 gifts.

⁹ Allowable to nonresident aliens.

INCOME TAX FORMS

**FACSIMILES OF INDIVIDUAL AND FIDUCIARY INCOME AND DEFENSE
TAX RETURNS, AND PARTNERSHIP RETURNS OF INCOME FOR 1940**

Form 1040. Individual income and defense tax return for gross incomes of more than \$5,000 from salaries, wages, dividends, interest, annuities, and incomes from other sources regardless of amounts.

Form 1040A. Individual income and defense tax return for gross incomes of not more than \$5,000 derived from salaries, wages, dividends, interest, and annuities.

Form 1041. Fiduciary income and defense tax return (for estates and trusts).

Form 1065. Partnership return of income (filed also by syndicates, pools, joint ventures, etc.).

FORM 1040
Treasury Department
Internal Revenue Service

UNITED STATES
INDIVIDUAL INCOME AND DEFENSE TAX RETURN 1940

Page 1

(Auditor's Stamp)

FOR GROSS INCOMES OF MORE THAN \$5,000 FROM SALARIES, WAGES,
DIVIDENDS, INTEREST, ANNUITIES, AND FOR INCOMES FROM
OTHER SOURCES REGARDLESS OF AMOUNTS

(Do not use these spaces)

For Calendar Year 1940

or fiscal year beginning 1940, and ended 1941

To be filed with the Collector of Internal Revenue for your district not later than the 15th day of the third
month following the close of your taxable year

PRINT NAME AND ADDRESS PLAINLY. (See Instruction C)

(Name) (Use given names of both husband and wife, if this is a joint return)

(Street and number, or rural route)

(Post office)

(County)

(State)

File

Code

Serial

No.

District

(Cashier's Stamp)

Cash—Check—M. O.

First Payment

INCOME table with 4 columns: Description, Amount, Deductions, Total. Rows include Salaries, Dividends, Interest, Taxable interest, Income from partnerships, Income from fiduciaries, Rents and royalties, Income from business or profession, Net short-term gain, Net long-term gain, Other income, Total income in items 1 to 11.

DEDUCTIONS and COMPUTATION OF TAX tables. DEDUCTIONS table lists contributions, interest, taxes, losses, bad debts, and other deductions. COMPUTATION OF TAX table shows net income, normal tax, surtax, total income tax, less income tax paid, balance of income tax, defense tax, and total income and defense taxes due.

NOTE—In order that this return may be accepted as meeting the requirements of the Internal Revenue Code, the data called for herein must be set forth FULLY and CLEARLY.

10-17-40

Schedule A.—INCOME RECEIVED FROM OTHERS CONSISTING OF SALARIES, WAGES, FEES, COMMISSIONS, BONUSES,
AND OTHER COMPENSATION FOR PERSONAL SERVICES. (See Instruction 1)

Page 2

Schedule A table with 4 columns: 1. Name and address of employer, 2. Amount, 3. Expenses (number), 4. Amount. Includes a total line at the bottom.

Schedule B.—INTEREST IN GOVERNMENT OBLIGATIONS, ETC. (See Instruction C)

Schedule B table with 5 columns: 1. Obligations or securities, 2. Amount received at end of year, 3. Interest received or accrued, 4. Amount of principal interest, 5. Interest on amount in excess of exemption. Includes rows for State/territory obligations, Federal Farm Loan Act obligations, United States Savings Bonds, and United States Government securities.

Schedule C.—INCOME FROM RENTS AND ROYALTIES. (See Instruction D)

Schedule C table with 6 columns: 1. Kind of property, 2. Amount, 3. Depreciation, 4. Rentals, 5. Other expenses, 6. Net profit. Includes an explanation of deductions line.

Schedule D.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (See Instruction E)

Schedule D table with 2 main columns: COST OF GOODS SOLD and OTHER BUSINESS DEDUCTIONS. Includes a total net profit line.

If the production, manufacture, purchase and sale of merchandise is an income-producing factor, inventories are required. Enter "C" or "M" on lines 2 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

Explanation of deductions claimed in lines 6, 14, and 17

Schedule E.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES C, D, F, AND G

Schedule E table with 9 columns: 1. Kind of property, 2. Date acquired, 3. Cost or other basis, 4. Amount fully depreciated, 5. Depreciation allowed, 6. Remaining cost, 7. Estimated life, 8. Estimated remaining life, 9. Depreciation allowable. Includes an explanation of deductions line.

Schedule F.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 10)

Table with columns: 1. Kind of property, 2. Date acquired, 3. Date sold, 4. Gross sales price, 5. Cost or other basis, 6. Expense of sale, 7. Depreciation allowed, 8. Gain or loss, 9. Period of holding, 10. Amount. Includes sections for Short-term, Long-term (18-24 months), and Long-term (more than 24 months) capital gains and losses.

SUMMARY OF CAPITAL NET GAINS OR LOSSES

Summary table with columns: 1. Classification, 2. Net short-term capital gain or loss, 3. Net gain or loss to be taken into account from columns 10, above, 4. Net gain or loss to be taken into account from columns 11 and 12, above, 5. Total net gain or loss to be taken into account.

COMPUTATION OF ALTERNATIVE TAX

Table for alternative tax computation with columns: 1. Net income, 2. Net long-term capital gain, 3. Ordinary net income, 4. Less: Personal exemption, 5. Credit for dependents, 6. Balance (surplus net income), 7. Less: Interest on Government obligations, 8. Earned income credit, 9. Balance subject to normal tax, 10. Normal tax, 11. Surtax, 12. Partial tax, 13. 30% of net long-term capital gain, 14. Alternative tax, 15. Total normal tax and surtax, 16. Tax liability.

Schedule G.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS

Table with columns: 1. Kind of property, 2. Date acquired, 3. Gross sales price, 4. Cost or other basis, 5. Expense of sale, 6. Depreciation allowed, 7. Gain or loss.

Total net gain (or loss) (enter as item 10 (c), page 1). State the family, fiduciary, or business relationship to you, if any, of purchase of any of the items on this page. If any of such items were acquired by you other than by purchase, explain fully how acquired.

Schedule H.—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 13, 14, 15, 16, 17, AND 18

Table with columns: 1. Item No., 2. Explanation, 3. Amount, 4. Item No. (Continued), 5. Explanation (Continued), 6. Amount (Continued).

Schedule I.—NONTAXABLE INCOME OTHER THAN INTEREST REPORTED IN SCHEDULE B

Table with columns: 1. Source of income, 2. Nature of income, 3. Amount.

Schedule J.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 22 AND 23

Table for credit explanation with columns: Status, Number of months during the year in each status, Credit claimed, Name of dependent and relationship, Number of months during the year under 18 / over 18 years old, Credit claimed.

Schedule K.—COMPUTATION OF EARNED INCOME CREDIT

Table for earned income credit with columns: (1) If your net income is \$3,000 or less, (2) If your net income is more than \$3,000, Earned net income, Net income, Earned income credit.

QUESTIONS

- 1. State your principal occupation or profession.
2. Check whether you are a citizen or a resident alien.
3. Did you file a return for any prior year?
4. Are items of income or deductions of both husband and wife included in this return?
5. State (a) Name of husband or wife if separate return was made.
(b) Personal exemption, if any, claimed thereon.
(c) Collector's office to which it was sent.
6. Check whether this return was prepared on the cash or accrual basis.
7. 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 591 of the Internal Revenue Code?

AFFIDAVIT. (See Instruction E)

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 Internal Revenue Code and the regulations issued under authority thereof.

Subscribed and sworn to by before me this day of 194.

(Signature and title of officer administering oath). A return made by an agent must be accompanied by power of attorney. (See Instruction E).

AFFIDAVIT. (See Instruction E)

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 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 194.

(Signature of person preparing the return). (Signature of person preparing the return). (Name of firm or employer, if any).



INSTRUCTIONS FOR FORM 1040, UNITED STATES INDIVIDUAL INCOME AND DEFENSE TAX RETURN

(References are to the Internal Revenue Code, unless otherwise noted)

Page 1

1940

GENERAL INSTRUCTIONS

A. WHO MUST MAKE A RETURN.—Every citizen and resident of the United States who has a taxable year gross income (income derived from any source whatever, unless exempt from tax by law) in an amount specified below, regardless of the amount of net income, shall make a return if:
(1) Single, or married and not living with husband or wife for any part of the taxable year. If having a gross income of \$800 or over.
(2) Married and living with husband or wife for the entire taxable year. If each has income and their combined gross income is \$2,000 or over, they must each make a return or file a joint return. If the gross income is \$2,000 or over, or equal to, or in excess of, his personal exemption (not including credit as head of a family or for dependents), only that one is required to make a return. (See Specific Instruction 22 as to personal exemption.)
(3) Married and living with husband or wife for only part of the taxable year. If each has income and their combined gross income is \$2,000 or over, they must each make a return or file a joint return. If the gross income is \$2,000 or over, or equal to, or in excess of, his personal exemption (not including credit as head of a family or for dependents), only that one is required to make a return. (See Specific Instruction 22 as to personal exemption.)
(4) Joint return.—May be filed by husband and wife only if they are (1) both citizens or residents of the United States and (2) living together at the end of the taxable year. A joint return is permissible even though one has no gross income.
(5) Deceased individuals.—Returns required on Form 1040 or 1040A if gross income to date of death is \$500 or over, if single, or married and not living with spouse for any part of the taxable year, or equal to, or in excess of, credit for personal exemption (not including credit as head of a family or for dependents), or equal to, or in excess of, his personal exemption (not including credit as head of a family or for dependents) for all or any part of the taxable year. 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.
B. FORM OF RETURN.—Individuals (1) whose gross income exceeds \$5,000, or (2) who have any income or losses from rental or sale of property, or (3) make returns on accrual basis, or (4) make returns for a fiscal year, or (5) conduct their own business or profession, or are members of a partnership, use Form 1040. Nonresident alien use Form 1040R or 1040NR. Fiduciaries use Form 1041. All other individuals use Form 1040A.
C. FILING OF RETURNS AND PAYMENT OF TAX.—File on or before 15th day of 3d month following close of taxable year with collector for the district in which the taxpayer has his legal residence or principal place of business. If the taxpayer has no legal residence or place of business in United States, file with collector at Baltimore, Md. The taxpayer's home address must be given and a permanent business address may be added. Pay in cash at collector's office or by check or money order payable to "Collector of Internal Revenue." Pay in full with return or in four equal installments, on or before the 15th day of the 8d, 9th, 10th, and 12th months from close of taxable year.
D. PENALTIES.—Sovere penalties are imposed for not filing a return, for filing a false or fraudulent return, or failing to file on time.
E. AFFIDAVITS.—Return must be sworn to by taxpayer or his agent. Return may be made by agent if taxpayer (1) is too ill to make it or (2) is absent from United States for 60 days before due date. Power of attorney on Form 935 or 936 (husband and wife) must accompany return made by agent. Person preparing return must execute affidavit on page 4. Return may be sworn to before any collector, deputy collector, or Internal revenue agent (without charge), or other person authorized by law to administer oaths for general purposes, except taxpayer's agent.
F. RECEIVED OR ACCRUED INCOME.—If books are kept on accrual basis, report all income accrued, even though not received or entered on books, and income accrued even though not paid. If books are not kept on accrual basis, or if no books are kept, report all income actually or constructively received, and all expenses paid.
G. ITEMS EXEMPT FROM TAX.—Explain items claimed to be exempt in Schedule I, except interest to be reported in Schedule D.
1. Interest on governmental obligations:
(a) Entirely exempt.—The interest on (1) obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possession; (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, Treasury certificates of indebtedness, postal savings obligations, adjusted service bonds, and certain other obligations of the United States.
(b) Partially exempt.—The interest on (1) United States savings bonds and Treasury bonds owned in excess of \$5,000 and (2) obligations of instrumentalities of the United States is subject only to surtax.
2. Proceeds of insurance policies.—The proceeds of life insurance policies, paid by reason of the death of the insured, are exempt. If any part of the proceeds is held by the insurer under an agreement to pay interest or endowment policy, not payable by reason of the death of the insured, are not taxable until the aggregate of the amounts received exceeds the premiums or consideration paid for the policy. See Specific Instruction 11 as to taxation of annuities.
3. Federal savings and loan associations.—Dividends on share accounts in Federal savings and loan associations are subject only to surtax.
4. Miscellaneous items wholly exempt from tax:
(a) Gifts (not received as a consideration for service rendered) and money and property acquired by bequest, devise, or inheritance (but include E therein as in table).
(b) Amounts received through accident or health insurance or under workmen's compensation acts, or 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.
(c) The rental value of a dwelling house and appurtenances thereof furnished to a minister of the gospel as part of his compensation; (d) Postpaid and commuted pay 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 in time of war; and (e) Amounts received as earned income from sources without the United States (except amounts paid by the United States or any corporation thereof) by an individual citizen of the United States, a bona fide non-resident for more than 6 months during the taxable year (no deduction may be taken for any amount properly allocable to or chargeable against amounts so excluded).
H. DEPRECIATION AND DEPLETION.—A reasonable allowance for exhaustion, wear and tear, including obsolescence, of property used in trade or business may be deducted, based on cost if acquired by purchase after February 29, 1918. If acquired before March 1, 1918, or other than by purchase, see section 117. For depletion deduction, see sections 23 (a) and 114 and Regulations 102.
I. INFORMATION AS TO SOURCE.—Every person making returns of (1) interest, rent, dividends, or other fixed or determinable income of \$500 or more during the calendar year 1940 to an individual, a partnership, or a fiduciary; or (2) salary or wages of \$500 or more to a single person or \$2,500 or more to a married person shall make a return on Form 1036 and 1036A.
J. STOCK OWNED IN FOREIGN CORPORATIONS AND PERSONAL HOLDING COMPANIES.—If at any time during the year you owned, directly or indirectly stock of a foreign corporation, or a personal holding company (section 601), attach a statement showing your stock owned. If at any time during the year you owned stock in a foreign personal holding company (section 241), include in income as a dividend the amount required by section 247, and if you owned 1 percent or more in value of the outstanding stock of such company, attach a statement giving in detail the information required by section 247 (c).
K. SPECIFIC INSTRUCTIONS (Numbered to correspond with item numbers on page 1 of return)
1. SALARIES, ETC.—Include compensation received as an officer or employee of a State or political subdivision or any agency or instrumentality thereof. For treatment of compensation for a period of 5 years or more, see section 107.
2. DIVIDENDS.—Enter total of all taxable dividends. Enter in Schedule I all dividends claimed to be nontaxable. Enter in item 11 dividends on share accounts in Federal savings and loan associations.
3. INCOME FROM PARTNERSHIPS, FIDUCIARIES, ETC., WHOSE TAXABLE YEAR ENDS WITHIN THE TAXABLE YEAR COVERED BY THIS RETURN.—Enter as item 6 your share of profit (whether received or not) or losses of a partnership (including a vendee, pool, etc., not taxable as a corporation) except capital gains and losses, which enter in Schedule B. Enter as item 7 income from an estate or trust. Enter in item 8 your share of interest on obligations of the United States, etc., owned by partnership, estate, or trust. Include in item 13, and explain in Schedule II, your share of any contribution or gift, payment of which was made by the partnership within the taxable year. Enter in item 32 and 33, respectively, your share of credit for Federal income tax paid at source and foreign income taxes.
4. RENTS AND ROYALTIES.—Include rent received in property

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 of a character which is subject to the allowance for depreciation provided in section 23 (D).
Description of property.—State following facts: (a) For real estate, location and description of land and improvements; (b) for bonds or stocks, and description of indebtedness, nature of issuing corporation, particular issue, denomination and amount; and (c) for stocks, names of corporations, class of stock, number of shares, and capital change affecting basis (including changes in character which is subject to the allowance for depreciation).
Basis.—In determining GAIN in case of property acquired before March 1, 1913, use 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 use cost as indicated. If the property was acquired after February 28, 1913, use cost, except as otherwise provided in section 113.
Losses on securities becoming worthless.—(1) If shares of stock become worthless during the year or (2) corporate securities with interest coupons or in registered form are ascertained to be worthless and charged off during the year, and are capital assets, the loss therefrom shall be considered as a loss on exchange of capital assets as of the last day of such taxable year.
Classification of capital gains and losses.—The phrase "short-term" applies to gains and losses from the sale or exchange of capital assets held for 18 months or less; the phrase "long-term" to capital assets held for more than 18 months.
Limitation on short-term capital losses.—Short-term capital losses shall be applied only to short-term capital gains. However, any net short-term capital loss (not in excess of the net income for the year involved) may be carried over in the succeeding year and applied against the short-term capital gains not already offset by short-term capital losses in such year. The carry-over is restricted to 1 year.
Alternative tax.—In the case of a net long-term capital gain or loss, an alternative tax is imposed in lieu of the normal tax and surtax imposed upon net income. (See Computation of Alternative Tax, Schedule P.) In calculating the alternative tax in the case of a long-term capital loss, the base (1) for computing the 15 percent limitation with respect to the deduction for charitable contributions is the "ordinary net income" as shown in line 3; (2) for computing the 15 percent limitation in the case of a net long-term capital gain or loss, the "ordinary net income" as adjusted for the "charitable contributions deduction."
Capital gains and losses of husband and wife.—A husband and wife, either a joint or separate return is made, are separate taxpayers insofar as short-term capital gains and losses are concerned. Hence, such gains and losses of one spouse may not be offset against the losses and losses of the other spouse. However, this limitation does not apply to long-term capital gains and losses, but capital transactions of each must be shown in separate schedules.
"Wash" sales.—If a taxpayer sells stock or securities at a profit and then repurchases substantially identical stock or securities within 30 days before or after the date of the sale, the taxpayer has a "wash" sale. In such case, the loss is disallowed for purposes of the alternative tax. (See Regulations 1.1223-1.)
L. OTHER INCOME.—Enter any other taxable income, including taxable income from annuities and insurance proceeds, dividends on share accounts in Federal savings and loan associations, and earnings of minor children if parent is legally entitled thereto. Amounts received as an annuity under an annuity or endowment contract shall be included in gross income to the extent of 8 percent of the aggregate premiums or consideration paid for such annuity. If the aggregate of the amounts received and excluded from gross income equals the aggregate premiums or consideration paid for such annuity, the entire amount thereafter received must be included in gross income.
M. CONTRIBUTIONS PAID.—Enter (not to exceed 15 percent of your net income computed without the benefit of this deduction) contributions or gifts, payment of which was made within the year to or for the use of:
(a) A corporation, trust, or charitable fund, or foundation, created or organized in the United States or in any possession of the United States and exempt from the payment of Federal income tax under the law of the United States or of any State or Territory or any possession of the United States and exempt from the payment of Federal income tax under the law of the State or Territory in which it is organized; or
(b) The United States, any State, Territory, or any political subdivision thereof, or the District of Columbia, or any possession of the United States, for exclusively public purposes.
The special limit for vocational rehabilitation authorized by section 12 of the World War Veterans Act, 1921.
N. INTEREST.—Enter interest on personal indebtedness as distinguished from business indebtedness (which should be entered in Schedules C and D). For limitations on deductions for unpaid interest and interest, see section 24 (c).
O. TAXES.—Enter taxes imposed on you and paid or accrued during the taxable year, except taxes entered in Schedules C and D. Do not include taxes on estates, local benefits, Federal income taxes or estate, inheritance, legacy, succession, gift, taxes, taxes imposed on 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 23. Federal social security and employment taxes paid by or for an employer are not deductible by the employee.
L. LOSSES.—Enter property losses (not claimed in Schedule D), from fire, storm, shipwreck, or other casualty, or from theft, not covered by insurance or otherwise, and losses from Schedule II giving description of property, date acquired, cost, subsequent improvements, depreciation allowable, insurance, salvage value and deductible loss.
M. EASY DEBITS.—Enter and describe in detail all debts claimed in Schedule D. Show in Schedule II: (a) of what the debts consisted; (b) name and family relationship, if any, of debtor; (c) when created; (d) when due; (e) efforts made to collect; and (f) how determined to be worthless. Enter in Schedule F losses from corporate securities with interest coupons or in registered form ascertained to be worthless and charged off within the year, and which are capital assets.
N. OTHER DEDUCTIONS.—Enter other authorized deductions, including net operating losses deduction allowed by section 24 (b). Every taxpayer claiming a deduction due to a net operating loss for the preceding taxable year shall file with his return the statement required by section 10.122-1, Regulations 103.
Do not deduct losses in transactions not connected with your trade or business or not entered into for profit. Losses from wagering transactions are allowable to the extent of gains therefrom.
O. CREDIT FOR PERSONAL EXEMPTION AND DEPENDENTS.—A single person, or a married person not living with spouse, is allowed a personal exemption of \$800. A person who, during the entire taxable year, was the head of a family, or was married and living with spouse, is allowed an exemption of \$2,000. (In separate returns the personal exemption may be taken by either husband or wife or divided between them.)
A "head of a family" is one who supports in one household one or more dependent individuals closely connected with him by blood relationship, relationship by marriage, or by adoption, and whose right to exercise family control is based upon his marital or legal obligation. Income tax is allowed an exemption of \$2,000 for each dependent (husband or wife) under 18 years of age, or incapable of self-support because mentally or physically defective, whose chief support was received from the taxpayer.
The dependent's status, with respect to personal exemption and credit for dependents, changed during the taxable year, such exemption and credit shall be apportioned according to the number of months before and after such change. A fractional part of a month is disregarded unless it exceeds half a month, when it shall be considered a month.
P. CREDIT FOR INTEREST, ETC.—Enter interest reported as item 5, and also dividends on share accounts in Federal savings and loan associations reported in item 11.
Q. EARNED INCOME CREDIT.—"Earned income" means wages, salaries, professional fees, and other amounts received as compensation for personal services actually rendered. Where a taxpayer is engaged in a trade or business in which both personal and capital are invested in material income-producing factors, a reasonable allowance as compensation for the personal services actually rendered by the taxpayer, not in excess of 20 percent of his share of the net profit of such trade or business, shall be considered as earned income. "Earned net income" means the excess of the amount of the earned income over the sum of the "earned income deductions," which are the ordinary and necessary expenses properly chargeable against earned income. In a joint return each spouse is allowed the same earned income credit allowable in separate returns. They must show separately the earned income, earned income deductions, earned net income, and net income of each spouse.
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26,000 to 28,000 48 1,920
28,000 to 30,000 52 2,080
30,000 to 32,000 56 2,240
32,000 to 34,000 60 2,400
34,000 to 36,000 64 2,560
36,000 to 38,000 68 2,720
38,000 to 40,000 72 2,880
40,000 to 42,000 76 3,040
42,000 to 44,000 80 3,200
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46,000 to 48,000 88 3,520
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T. INCOME TAX PAID AT SOURCE.—Enter 2 percent of interest on bonds in which Federal income tax was paid by debtor corporation.
U. FOREIGN TAX CREDIT.—If credit is claimed for taxes paid to a foreign country or possession of United States, submit Form 1118 and receipts for such payments. If credit is claimed for taxes accrued, attach to Form 1118 certified copy of return on which tax was based.
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U. S. GOVERNMENT PRINTING OFFICE 16-7104

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28,000 to 30,000 52 2,080
30,000 to 32,000 56 2,240
32,000 to 34,000 60 2,400
34,000 to 36,000 64 2,560
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U. S. GOVERNMENT PRINTING OFFICE 16-7104

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 of a character which is subject to the allowance for depreciation provided in section 23 (D).
Description of property.—State following facts: (a) For real estate, location and description of land and improvements; (b) for bonds or stocks, and description of indebtedness, nature of issuing corporation, particular issue, denomination and amount; and (c) for stocks, names of corporations, class of stock, number of shares, and capital change affecting basis (including changes in character which is subject to the allowance for depreciation).
Basis.—In determining GAIN in case of property acquired before March 1, 1913, use 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 use cost as indicated. If the property was acquired after February 28, 1913, use cost, except as otherwise provided in section 113.
Losses on securities becoming worthless.—(1) If shares of stock become worthless during the year or (2) corporate securities with interest coupons or in registered form are ascertained to be worthless and charged off during the year, and are capital assets, the loss therefrom shall be considered as a loss on exchange of capital assets as of the last day of such taxable year.
Classification of capital gains and losses.—The phrase "short-term" applies to gains and losses from the sale or exchange of capital assets held for 18 months or less; the phrase "long-term" to capital assets held for more than 18 months.
Limitation on short-term capital losses.—Short-term capital losses shall be applied only to short-term capital gains. However, any net short-term capital loss (not in excess of the net income for the year involved) may be carried over in the succeeding year and applied against the short-term capital gains not already offset by short-term capital losses in such year. The carry-over is restricted to 1 year.
Alternative tax.—In the case of a net long-term capital gain or loss, an alternative tax is imposed in lieu of the normal tax and surtax imposed upon net income. (See Computation of Alternative Tax, Schedule P.) In calculating the alternative tax in the case of a long-term capital loss, the base (1) for computing the 15 percent limitation with respect to the deduction for charitable contributions is the "ordinary net income" as shown in line 3; (2) for computing the 15 percent limitation in the case of a net long-term capital gain or loss, the "ordinary net income" as adjusted for the "charitable contributions deduction."
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The special limit for vocational rehabilitation authorized by section 12 of the World War Veterans Act, 1921.
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FORM 1040 A

TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE

UNITED STATES
INDIVIDUAL INCOME AND DEFENSE TAX
RETURN

1940

FOR GROSS INCOMES OF NOT MORE THAN \$5,000 DERIVED FROM SALARIES, WAGES, DIVIDENDS, INTEREST, AND ANNUITIES

(NOTE—If you are engaged in a profession or business (including farming), or are a member of a partnership, or had income or losses from the renting or sale of property, use Form 1040)
To be filed with the Collector of Internal Revenue for your district on or before March 15, 1941
PRINT NAME AND HOME OR RESIDENTIAL ADDRESS PLAINLY BELOW

(Name) (Use given names of both husband and wife, if this is a joint return)

(Street and number, or rural route)

(Post office)

(County)

(State)

Do not write in these spaces

Social No.

Amount Paid \$

(Cashier's Stamp)

Cash—Check—M. O.

QUESTIONS

- 1. What is your occupation? _____
- 2. Check whether you are a citizen or a resident alien
- 3. Did you file a return for any prior year? _____ If so, what was the latest year? _____ To which Collector's office was it sent? _____
- 4. Are items of income or deductions of both husband and wife included in this return? _____
- 5. 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: _____

INCOME			
1. Salaries and other compensation for personal services. (From Schedule A)	\$		
2. Dividends	\$		
3. Interest on bank deposits, notes, mortgages, etc.	\$		
4. Interest on corporation bonds	\$		
5. Other income (including income from annuities, fiduciaries, etc.). (From Schedule B)	\$		
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 authorized by law. (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, either (a) or (b). (See Instruction 13)	\$		
(a) If item 12 is \$3,000 or less, enter 10% of such item	\$		
(b) If item 12 is more than \$3,000, enter 10% of item 1 or 10% of item 12, whichever is smaller, but not less than \$300	\$		
14. Personal exemption. (From Schedule 14-1)	\$		
15. Credit for dependents. (From Schedules 14-2)	\$		
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 income tax (item 17 minus items 18 and 19)	\$		
21. Defense tax (10% of item 17)	\$		
22. Total income and defense taxes due (item 20 plus item 21). (See Instruction E as to payment of tax)	\$		

NOTE—In order that this return may be accepted as meeting the requirements of the Internal Revenue Code, the data called for herein must be set forth FULLY and CLEARLY.

10-10408

Schedule A.—INCOME RECEIVED FROM OTHERS CONSISTING OF SALARIES, WAGES, FEES, COMMISSIONS, BONUSES, AND OTHER COMPENSATION FOR PERSONAL SERVICES. (See Instruction 1)

1. Name and Address of Employer. If a governmental unit, indicate whether "Federal," "State," or "Local"	2. Amount	3. Expenses Paid (Items)	4. Amount
	\$		\$
Total of column 2 minus total of column 4 (enter as item 1, page 1)			\$

Schedule B.—OTHER INCOME (INCLUDING INCOME FROM ANNUITIES, FIDUCIARIES, ETC.). (See Instruction 5)

1. From Whom Received and Nature of Income	2. Amount	1. From Whom Received and Nature of Income (Continued)	2. Amount (Continued)
	\$		\$

Schedule C.—CONTRIBUTIONS PAID. (See Instruction 7)

1. Name and Address of Organization	2. Amount	1. To Whom Paid	2. Amount
	\$		\$

Schedule D.—TAXES PAID. (See Instruction 9)

1. Nature of Tax	2. Amount	1. Description	2. Amount
	\$		\$

Schedule E.—NONTAXABLE INCOME. (See Instruction 6)

1. Government Obligations or Securities	2. Amount Owned at End of Year	3. Interest Received	4. Other Exempt Income (State nature)	5. Amount Received
	\$	\$		\$

Schedule H.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 14 AND 15. (See Instructions 14 and 15)

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		

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 Internal Revenue Code and regulations issued under authority thereof; and that I/we had no income from sources other than stated hereon.

Subscribed and sworn to by _____
before me this _____ day of _____, 1941.

(Signature) (See Instruction D)

(Signature and title of officer administering oath)

A RETURN MADE BY AN AGENT MUST BE ACCOMPANIED BY POWER OF ATTORNEY. (See Instruction D)



1940 UNITED STATES INDIVIDUAL INCOME AND DEFENSE TAX RETURN 1940

INSTRUCTIONS FOR FORM 1040A

SPECIFIC INSTRUCTIONS

GENERAL INSTRUCTIONS

(A) WHO MUST MAKE A RETURN

Every citizen and resident of the United States having during the taxable year gross income (income derived from any source whatever, unless exempt from tax by law) in an amount specified below, regardless of the amount of net income, shall make a return if—

- (1) Single, or married and not living with husband or wife for any part of the taxable year. If having a gross income of \$800 or over.
- (2) Married and living with husband or wife for the entire taxable year. If each has income and their combined gross income is \$2,000 or over, they must each make a return or file a joint return. If only one has income and his gross income is \$2,000 or over, only that one is required to make a return.
- (3) Married and living with husband or wife for only part of the taxable year. If each has income and their combined gross income is \$2,000 or over, or in excess of, their total personal exemptions (not including credit as head of a family or for dependent), they must each make a return or file a joint return. If only one has income and his gross income is \$2,000 or over, or equal to, or in excess of, his personal exemption (not including credit as head of a family or for dependent), only that one is required to make a return. (See Specific Instruction 14 as to personal exemption.)

Joint return.—May be filed by husband and wife only if they are (1) both citizens or residents of the United States and (2) living together at the end of the taxable year. A joint return is permissible even though one has no gross income.

Returns of income of decedent.—If the gross income of a decedent to the date of his death was \$800 or over, if single, or married and not living with spouse for any part of the taxable year, or equal to, or in excess of, his credit for personal exemption (not including credit as head of a family or for dependent), if married and living with spouse for all or any part of the taxable year, 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 gross income is not more than \$5,000, whose income is derived from salaries, wages, fees, commissions, bonuses, or other compensation received from others for personal services, dividends, interest, taxable income from annuities, income from fiduciaries, 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 gross income exceeds \$5,000, or (2) who have any income other than that stated above, such as rents or profits 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 or their own account, or who are members of a partnership, 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, 1941. 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 the taxpayer is unable to make the return by reason of continuous 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 935, or, in the case of husband or wife acting as agent for the other, on Form 936 (copies of which may be obtained from any collector).

(E) WHEN AND TO WHOM THE TAX MUST BE PAID

The tax should be paid to the collector of internal revenue in full when the return is filed, or in four equal installments as follows: The first installment on or before March 15, 1941; the second installment on or before June 15, 1941; the third installment on or before September 15, 1941; and the fourth installment on or before December 15, 1941.

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.

MAKE CHECK OR MONEY ORDER PAYABLE TO "COLLECTOR OF INTERNAL REVENUE."

(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 WHOLLY OR PARTIALLY EXEMPT FROM TAX.—All items of income received and claimed to be wholly or partially exempt should be explained in Schedule G.

1. Interest on governmental obligations:

(a) Entirely exempt.—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, Treasury certificates of indebtedness, postal savings obligations, adjusted service bonds, and certain other obligations of the United States.

(b) Partially exempt.—The interest on (1) United States savings bonds and Treasury bonds and (2) obligations of instrumentalities of the United States is exempt from the normal tax at 4 percent.

2. Proceeds of insurance policies.—The proceeds of life insurance policies, paid by reason of the death of the insured, are exempt. If any part of the proceeds is held by the insurer under an agreement to pay interest, the interest is taxable. Amounts received under a life insurance or endowment policy, not payable by reason of the death of the insured, are not taxable until the aggregate of the amounts received exceeds the premiums or consideration paid for the policy. See Specific Instruction 5 as to taxation of annuities.

3. Federal savings and loan associations.—Dividends on share accounts in Federal savings and loan associations are exempt from the normal tax at 4 percent.

4. Miscellaneous items wholly exempt from tax:

(a) Gifts (not received as a consideration for services rendered) and money and property acquired by bequest, devise, or inheritance (but the income derived from such property is taxable and must be reported);

(b) 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;

(c) The rental value of a dwelling house and appurtenances thereof furnished to a minister of the gospel as part of his compensation;

(d) Pensions and pensions 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 in time of war; and

(e) 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 (no deduction may be taken for any amount properly allocable to or chargeable against amounts so excluded).

16-34488

The following instructions are numbered to correspond with item numbers on the first page of return.

INCOME

1. Salaries and other compensation for personal services.—Enter as item 1 the total income received from others consisting of salaries, wages, fees, commissions, bonuses, and other compensation for personal services, less ordinary and necessary expenses, as reported in Schedule A. 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 Schedule A or in an attached statement. 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 is made, enter as separate items in Schedule A the earnings of each spouse.

2. Dividends.—Enter as item 2 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.

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 the aggregate of the amounts received was paid at the source; such tax may be claimed as a credit in item 18 of the return.

5. Other income.—Enter as item 5 other income reported in Schedule B, including amounts received as an annuity under an annuity or endowment contract to the extent of 3 percent of 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. Include also income from an estate or trust and earnings of minor children, if parent is legally entitled thereto.

6. Total income.—Enter as item 6 the total amount of items 1 to 5. Schedule G should be filled in if you received any nontaxable income or if you owned any of the obligations described in paragraph 1 (a) and (b) 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, or any possession of the United States, for exclusively public purposes;

(b) A corporation, trust, or community chest, fund, or foundation thereof or under the law of the United States or of any State or Territory or of any possession of the United States, 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 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.

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, legacy, 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. Federal social security and employment taxes paid by or for an employee are not deductible by the employer. 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, storm, shipwreck, or other casualty, or from theft, set forth in Schedule F a description of the property, date acquired, cost, subsequent improvements, depreciation allowable since acquisition, insurance and salvage value, and deductible loss. In the case of bad debts (other than securities) ascertained to be worthless and charged off within the taxable year, state in Schedule F (a) 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) what efforts were made to collect, and (f) how they were actually determined to be worthless. Losses from worthlessness of 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 on Form 1040A but should use Form 1040 and report the loss in Schedule F of that form.

Losses from wagering transactions are allowable only to the extent of 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 applicable to Form 1040A returns.—The 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, earned 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, 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 G.

14, 15. 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 \$800. 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 \$2,000. 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 or 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, 1940, the taxpayer will be allowed a credit of \$200 for such dependent.

FORM 1041
Treasury Department
Internal Revenue Service

UNITED STATES

Page 1
1940

FIDUCIARY INCOME AND DEFENSE TAX RETURN

(FOR ESTATES AND TRUSTS)

For Calendar Year 1940

or fiscal year beginning _____, 1940, and ended _____, 1941

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 _____
(Cashier'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. Interest on Government obligations, etc. (from Schedule A, cols. 7b and 8b, and Schedule B, line (c))	\$		
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 G)	\$		
13. Other deductions authorized by law (explain in Schedule G)	\$		
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, 7b, 8b, and 9)	\$		
17. Net income (taxable to fiduciary) (item 15 minus item 16)	\$		

COMPUTATION OF TAX			
18. Net income (item 17 above)	\$	26. Total income tax (item 25, or if you had a net long-term capital gain or loss; enter line 14, Schedule E)	\$
19. Less: Personal exemption (See Instruction 19)	\$	27. Less: Fiduciary's share of income tax paid at source	\$
20. Balance (surtax net income)	\$	28. Fiduciary's share of income tax paid to a foreign country or United States possession (Attach Form 1116)	\$
21. Less: Interest on Government obligations (Schedule B, line (c)), etc. (See Instruction 21)	\$	29. Balance of income tax (item 26 minus items 27 and 28)	\$
22. Balance subject to normal tax	\$	30. Defense tax (10% of item 26) (See Instruction 30)	\$
23. Normal tax (4% of item 22)	\$	31. Total income and defense taxes due (item 29 plus item 30)	\$
24. Surtax on item 20 (See Instruction 24)	\$		
25. Total (item 23 plus item 24)	\$		

Note—In order that this return may be accepted as meeting the requirements of the Internal Revenue Code, the data called for herein must be set forth FULLY and CLEARLY.

Page 2

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 Instructions 4 and 16)

1. Name and address of each beneficiary (Designate precedent clients)	2. Taxable income exclusive of interest on Government obligations and dividends on shares 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. Interest and profits taxes 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), (b), (c), and (d) of Schedule B)		7. United States Savings Bonds and Treasury Bonds (shares of line (c), columns 2 and 3c, Schedule B)		Partially tax-exempt		9. Dividends on shares accounts of Federal savings and loan associations
	a. Principal	b. Interest	a. Principal	b. Interest	a. Principal	b. 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. Fiduciary's share of interest (attach item 14, Schedule C)	5. Fiduciary's share of interest in excess of exemption
		a. Beneficiary's share	b. Fiduciary's share		
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions	\$	\$	\$	All	XXXXXXXXXX
(b) Obligations issued under the Federal Farm Loan Act, or under such Act as amended	\$	\$	\$	All	XXXXXXXXXX
(c) Obligations of the United States issued on or before September 1, 1917	\$	\$	\$	All	XXXXXXXXXX
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness	\$	\$	\$	All	XXXXXXXXXX
(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) Total (Include in item 4, page 1)	\$	\$	\$		

Schedule C.—INCOME FROM RENTS AND ROYALTIES. (See Instruction 6)

1. Kind of property	2. Amount	3. Depreciation (explain in Schedule D)	4. Repairs (explain below)	5. Other expenses (explain below)	6. Net gain (enter as item 6, page 1)
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$

Explanation of deductions claimed in columns 4 and 5

Schedule D.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES C, E, AND F. (See Instruction L)

Table with 9 columns: 1. Kind of property, 2. Date acquired, 3. Cost or other basis, 4. Assets fully depreciated, 5. Depreciation allowed, 6. Remaining cost, 7. Estimated life, 8. Estimated remaining life, 9. Depreciation allowable this year.

Schedule E.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 7)

Table with 10 columns: 1. Kind of property, 2. Date acquired, 3. Date sold, 4. Gross sales price, 5. Cost or other basis, 6. Expense of sale, 7. Depreciation allowed, 8. Gain or loss, 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 3, 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 3, of summary below)

SUMMARY OF CAPITAL NET GAINS OR LOSSES

Summary table with columns for classification, short-term gain/loss, long-term gain/loss, and net gain/loss.

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

Use only (1) if you had a net long-term capital gain, and item 20, page 1, exceeds \$22,000 (2) if you had a net long-term capital loss, and such loss plus item 20, page 1, exceeds \$22,000

Table for alternative tax computation with 6 columns and 14 rows of items.

Schedule F.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS. (See Instruction 7)

Table with 7 columns: 1. Kind of property, 2. Date acquired, 3. Gross sales price, 4. Cost or other basis, 5. Expense of sale, 6. Depreciation allowed, 7. Gain or loss.

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)

Table with 5 columns: 1. Item No., 2. Explanation, 3. Amount, 4. Item No. (continued), 5. Amount (continued).

Schedule H.—NONTAXABLE INCOME OTHER THAN INTEREST REPORTED IN SCHEDULE B. (See Instruction 10)

Table with 3 columns: 1. Source of income, 2. Nature of income, 3. Amount.

QUESTIONS

- 1. Was a return of income filed for the preceding year? If so, 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 501 of the Internal Revenue Code?
6. 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 Internal Revenue Code and the regulations issued thereunder.

Subscribed and sworn to before me this

day of 194

(Signature of fiduciary or other representing taxpayer)

(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 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 194

(Signature of person preparing the return)

(Signature of person preparing the return)

(Signature of officer administering oath)

(Title)

(Title of firm or employer, if any)

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 Internal Revenue Code, 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 authority 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 gross income of the estate for the taxable year is \$500 or over, or (b) any beneficiary is a nonresident alien.
(2) Every trust for which he acts, if (a) the net income from such trust for the taxable year is \$100 or over, or (b) the gross income is \$500 or over regardless of the amount of net income, or (c) any beneficiary is a nonresident alien.

B. Fiduciary return on Form 1040 and Form 1040A.—(1) An executor or administrator must make a return, on Form 1040 or Form 1040A, if the gross income of a decedent to the date of his death was \$500 or more, if the decedent was single, or married and not living with spouse for any part of the taxable year, or if he died in excess of his credit for personal exemption (not including credit as head of a family or for dependents), if married and living with spouse for all or any part of the taxable year.

(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 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 of which is a nonresident alien engaged in trade or business within the United States and having an office or place of business therein at any time within the taxable year, the fiduciary shall make a return on Form 1041 for such nonresident alien and pay any tax shown thereon to the due date. 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 1041 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 1041 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 1041 for such beneficiary, other than a resident of Canada, who has gross income for the taxable year of more than \$24,000, 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 1041 for such beneficiary. 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.

(c) 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 1041 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 1041 for such beneficiary, other than a resident of Canada, who has gross income for the taxable year of more than \$24,000, 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 1041 for such beneficiary. 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.

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or trust. If two or more individuals act jointly as fiduciaries, the liability 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 end 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 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.

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 falsifying due to negligence or fraud.—Five percent of the amount of the tax due to negligence or fraud, 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 cases 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 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 accrued, even 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 matured, and report expenses actually paid.

K. Items exempt from tax.—Explain items claimed to be exempt in Schedule II, except interest to be reported in Schedule B.

1. Interest on governmental obligations.—(a) Entirely exempt.—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, Treasury certificates of indebtedness, postal savings obligations, adjusted service bonds, and certain other obligations of the United States.

(b) Partially exempt.—The interest on (1) United States savings bonds and Treasury bonds owned in excess of \$5,000 and (2) obligations of instrumentalities of the United States is subject only to surtax.

2. Proceeds of insurance policies.—The proceeds of life insurance policies, paid by reason of the death of the insured, are exempt. If any part of the proceeds is held by the insurer under an agreement to pay interest, the interest received under a life insurance policy is a taxable income of the insured, are not taxable until the aggregate of the amounts received exceeds the premium or consideration paid for the policy.

3. Federal savings and loan associations.—Dividends on share accounts in Federal savings and loan associations are subject only to surtax.

4. Disallowance items wholly exempt from tax: (a) Gifts (not received as consideration for services rendered) and money and property acquired by bequest, devise, or inheritance (but the income derived therefrom is taxable); and (b) 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.

5. 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 normal 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 actually sustained before that date), whichever is greater. If the property was acquired in any other manner than by purchase, see section 114.

See sections 23(n) and 114 and Regulations 103 with respect to

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 B 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 when 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 so 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.—If the estate or trust owns any of the obligations or securities enumerated in lines (e) to (j) inclusive, column 1, Schedule B, enter in column 2 the amount owned at the end of the year, and in column 3 the total interest received or accrued during the year on such obligations or securities. Interest on an acreage of not exceeding \$5,000 principal amount of the obligations described in line (e) is exempt from surtax imposed by section 12. However, when the income of a trust is taxable to beneficiaries, as in the case of a trust the income of which is to be distributed to beneficiaries currently, each beneficiary is entitled to exemption as if he owned directly a proportional part of the bonds held in trust. When, on the other hand, income is taxable to the trustee, as in the case of a trust the income of which is accumulated for the benefit of unborn or unascertained persons, the trust, as owner of the bonds held in trust, is entitled to the exemption on an apportionment of such ownership.

Enter in column 7(a), Schedule A, the principal amount of the beneficiaries' shares of the obligations described in line (e), column 1, Schedule B, and in column 7(b), Schedule A, the beneficiaries' shares of interest received or accrued thereon during the year. The fiduciary shall advise each beneficiary as to the amount of his share of these obligations and of the interest, in order that the beneficiary may include this information in his individual income tax return and determine whether such interest is subject to tax. Enter in column 4, line (e), Schedule B, the fiduciary's share of interest exempt from taxation and in column 5, lines (e) and (f), Schedule B, the fiduciary's share of interest on an amount in excess of the exemption. If at times during the taxable year the estate or trust held more than \$5,000 principal amount in the aggregate of such obligations, enter in column 5, of line (e), Schedule B, the fiduciary's share of interest received or accrued in excess of interest on an acreage of \$5,000 principal amount of such obligations.

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 proceeds (whether received or not) or of the losses of a partnership (including a syndicate, pool, etc.) not taxable as a corporation, except the estate's or trust's distributive share of the partnership's capital

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 \$500 or more during the taxable year to any individual, a partnership, or a fiduciary, is required to make a return on Forms 1099 and 1099 showing the amount of such payments and the name and address of such recipient, except that a return need not be made for payments of salaries or other compensation for personal services aggregating less than \$2,000 made to a married individual. These forms will be furnished by any collector of internal revenue and must be forwarded to the Commissioner of Internal Revenue, Returns Distribution Section, Washington, D. C., in time to be received not later than February 15, 1941. Distributions to beneficiaries of an estate or trust shall be reported on Form 1041 and not on Forms 1099 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 331, attach to the estate or trust return a statement setting forth the name and address of such such company and the total number of shares of each class of outstanding stock owned by the estate or trust during the taxable year. If

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 February 28, 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 cash 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 G with respect to Schedule F, the amount of depreciation, exhaustion, wear and tear, obsolescence, and depletion which has been deducted (but not less than the amount allowable) in respect of such property since date of acquisition, or since February 28, 1913, if the property was acquired on or after 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 replacements and replacement 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 an 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 are sold or charged off 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(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 more than 18 months. Gains and losses from the sale or exchange of capital assets held for not more than 18 months (classified 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 (classified 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 percentage 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;

60% percent if the capital asset has been held for more than 18 months and not more than 21 months;

50 percent if the capital asset has been held for more than 21 months.

Limitation on short-term capital losses.—Section 117(d) provides a limitation on deductions for short-term capital losses, 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 a net short-term capital loss may be carried over in an amount not in excess of the net income for such year (the year in which the loss is sustained), to the next succeeding taxable year and treated in such succeeding year as a short-term capital loss. The carry-over is thus 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 year. The carry-over is restricted to one year, namely the succeeding taxable year, and hence the amount of the net short-term capital loss carry-over may not be included in computing a net short-term capital loss which can be carried over to the succeeding taxable year. 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 (e)(1) of section 117 imposes an alternative tax in lieu of the normal tax and surtax imposed upon net income, and only if such alternative tax is less than the last 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.

Interim sales 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 the sale or disposition, 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 an exchange upon which the entire amount of gain or loss was recognized by law), or has entered into a contract or option 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, between—

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 2212(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 115(c).) As to gains and losses from short sales, see section 117(g).

8. 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. A taxpayer electing to include in gross income amounts received during the year as basis from the Commodity Credit Corporation should file with the return a statement showing the details of such losses. (See section 123.)

Inventories.—If engaged in a trade or business in which the production, manufacture, purchase and sale of merchandise is an income-producing activity, 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 1939 inventory. The basis property 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" cost or market, whichever is lower. See section 22(d), with reference to the special method of taking inventories at the election of the taxpayer as of the close of any taxable year beginning after December 31, 1935.

Depreciation, etc.—See General Instruction J, 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 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 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 section 19.24(b)-5 of Regulations 103.

Worthless debts arising from unpaid wages, salaries, rents, and similar items of taxable income will not be allowed as a deduction unless the income such items represent has been included in the return of income for the year for which the deduction as a bad debt is sought to be made or for a previous year.

An amount recovered upon a debt previously charged off and allowed as a deduction for Federal income tax purposes constitutes taxable income for the year of recovery regardless of whether the prior allowance of the deduction resulted in a tax benefit to the taxpayer.

Finalment entries.—If the installment method is used, attach to the return a schedule showing separately for the years 1937, 1938, 1939, 1940, and 1940 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 has 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 in item 9 dividends on share accounts in Federal savings and loan associations.

10. Total income.—Enter and explain in Schedule II all income, except interest, claimed as item 10, and do not include as 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 coincides;

(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, nor 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 profits taxes if a credit is claimed in item 28.

Any deduction on account of taxes should be itemized and explained 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, including net operating loss deduction allowed by section 23(f). Every taxpayer claiming a deduction due to a net operating loss for the preceding taxable year shall file with his return the statement required by section 19.122-1 of Regulations 103.

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. Deductions 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 the

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 case 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 21(a)(5) and Regulations 103.

Item 13 should include losses of property not connected with the business or profession of the estate or trust sustained during the year, if arising from fire, storm, shipwreck, or other casualty, 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 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 and charged off within the taxable year, and which are capital assets, are not to 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, 7b, 9b, and 9, Schedule A. Cash 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 170(e)(1). If any part of the income of the trust is taxable to the grantor under section 166 or 167, it should not be reported on Form 1041, but such income and the amount of deductions and credits applicable thereto should be shown in a separate statement to be attached to Form 1041.

19. Personal exemption.—An estate is allowed for both normal tax and surtax purposes the personal exemption of \$800 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, item (g), and (2) the fiduciary's balance of the dividends on share 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 surtax net income (item 20) is \$5,201.84, the surtax on \$5,000 is \$209 and the surtax on the excess of \$1,201.84 is 10 percent of that amount, or \$120.18, making a total surtax of \$329.02 to be entered as item 24.

SURTAZ RATES

Amount of surtax net income	Rate per cent	Total surtax	Amount of surtax net income		
			A	B	C
\$0 to \$1,000	0	0			
1,000 to 2,000	4	40.00			
2,000 to 3,000	6	60.00			
3,000 to 4,000	8	80.00			
4,000 to 5,000	10	100.00			
5,000 to 6,000	12	120.00			
6,000 to 7,000	14	140.00			
7,000 to 8,000	16	160.00			
8,000 to 9,000	18	180.00			
9,000 to 10,000	20	200.00			
10,000 to 11,000	22	220.00			
11,000 to 12,000	24	240.00			
12,000 to 13,000	26	260.00			
13,000 to 14,000	28	280.00			
14,000 to 15,000	30	300.00			
15,000 to 16,000	32	320.00			
16,000 to 17,000	34	340.00			
17,000 to 18,000	36	360.00			
18,000 to 19,000	38	380.00			
19,000 to 20,000	40	400.00			
20,000 to 21,000	42	420.00			
21,000 to 22,000	44	440.00			
22,000 to 23,000	46	460.00			
23,000 to 24,000	48	480.00			
24,000 to 25,000	50	500.00			
25,000 to 26,000	52	520.00			
26,000 to 27,000	54	540.00			
27,000 to 28,000	56	560.00			
28,000 to 29,000	58	580.00			
29,000 to 30,000	60	600.00			
30,000 to 31,000	62	620.00			
31,000 to 32,000	64	640.00			
32,000 to 33,000	66	660.00			
33,000 to 34,000	68	680.00			
34,000 to 35,000	70	700.00			
35,000 to 36,000	72	720.00			
36,000 to 37,000	74	740.00			
37,000 to 38,000	76	760.00			
38,000 to 39,000	78	780.00			
39,000 to 40,000	80	800.00			
40,000 to 41,000	82	820.00			
41,000 to 42,000	84	840.00			
42,000 to 43,000	86	860.00			
43,000 to 44,000	88	880.00			
44,000 to 45,000	90	900.00			
45,000 to 46,000	92	920.00			
46,000 to 47,000	94	940.00			
47,000 to 48,000	96	960.00			
48,000 to 49,000	98	980.00			
49,000 to 50,000	100	1,000.00			

27. Income tax paid at source.—Enter as item 27 the fiduciary's share of that portion of the 2 percent Federal income tax on bond interest which was paid at the source by the debtor corporation.

28. Income and profits taxes paid to a foreign country or United States possession.—If, in accordance with section 131(a), a credit is claimed in item 28 for income, war-profits, and excess-profits taxes paid to a foreign country or a possession of the United States, submit Form 1116 with the return, together with the receipts for such payments. In case credit is sought for taxes accrued, the form must have attached to it a certified copy of the return on which the tax was based, and the Commissioner may require a bond on Form 1117 for the payment of any tax found due if the tax when paid differs from the credit claimed.

29. Defuse tax.—The amount of the tax to be entered as item 30 shall not exceed 10 percent of the amount by which the net income exceeds the tax computed without reference to the defuse tax.

FORM 1065
Treasury Department
Internal Revenue Service

UNITED STATES
PARTNERSHIP RETURN OF INCOME 1940

(To be Filed Also by Syndicates, Pools, Joint Ventures, Etc.)

For Calendar Year 1940

or fiscal year beginning 1940, and ended 1941
(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)

(City and county)

(Post office)

(County)

(State)

Business or Profession

Item and Instruction No.

GROSS INCOME

Table with 3 columns: Item and Instruction No., Description, Amount. Rows include: 1. Gross receipts from business or profession; 2. Less cost of goods sold; 3. Gross profit (or loss) from business or profession; 4. Income (or loss) from other partnerships, syndicates, pools, etc.; 5. Interest on bank deposits, notes, corporation bonds, etc.; 6. Interest on tax-free covenant bonds; 7. Interest on Government obligations; 8. Rents; 9. Royalties; 10. Net gain (or loss) from sale or exchange of property other than capital assets; 11. Dividends; 12. Other income (less nature of income); 13. Total income in items 3 to 12.

DEDUCTIONS

Table with 3 columns: Item and Instruction No., Description, Amount. Rows include: 14. Salaries and wages; 15. Rent; 16. Repairs; 17. Interest on indebtedness; 18. Taxes; 19. Losses by fire, storm, shipwreck, or other casualty; 20. Bad debts; 21. Depreciation; 22. Depletion of mines, oil and gas wells, timber, etc.; 23. Other deductions authorized by law; 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); 27. Net long-term capital gain (or loss).

NOTE—In order that this return may be accepted as meeting the requirements of the Internal Revenue Code, the data called for herein must be set forth FULLY and CLEARLY.

Schedule A.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction 7)

Page 2

Table with 3 columns: 1. Obligations or securities, 2. Amount received at end of year, 3. Interest received or accrued during the year. Rows include: (a) Obligations of a State, Territory, or political subdivision thereof; (b) Obligations issued under the Federal Farm Loan Act; (c) Obligations of the United States issued on or before September 1, 1917; (d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness; (e) United States Savings Bonds and Treasury Bonds; (f) Obligations of instrumentalities of the United States; (g) Total of lines (c) and (f).

Schedule B.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS. (See Instruction 10)

Table with 7 columns: 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, 6. Depreciation allowed or allowable, 7. Gain or loss. 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)

Table with 2 columns: Nature, Amount. Total (enter as item 10, page 1).

Schedule D.—BAD DEBTS. (See Instruction 20)

Table with 6 columns: 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. Rows for years 1937, 1938, 1939, 1940.

NOTE—Check whether deduction claimed represents worthless debts charged off or is an addition to a reserve .

Schedule E.—DEPRECIATION. (See Instruction 21)

Table with 9 columns: 1. Kind of property, 2. Date acquired, 3. Cost or other basis, 4. Assets fully depreciated in one or more prior years, 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

Table with 3 columns: 1. Item No., 2. Explanation, 3. Amount. Rows for items 17 and 23.

Schedule G.—NONTAXABLE INCOME OTHER THAN INTEREST REPORTED IN SCHEDULE A. (See Instruction 13)

Table with 3 columns: 1. Source of income, 2. Nature of income, 3. Amount.

Schedule H.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instructions 26-27)

Table with columns for Date acquired, Date sold, Gross sales price, Cost or other basis, Expense of sale, Depreciation allowed, Gain or loss, and Amount. Includes sub-sections for Short-term and Long-term capital gains and losses.

Total net short-term capital gain or loss (enter in line 1, column 2, of summary below)

Table for Long-term capital gains and losses—assets held for more than 18 months but not for more than 24 months.

Table for 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

Summary table with columns for Classification, Gain, and Loss. Includes totals for short-term and long-term capital gains/losses.

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)

Table with columns for Name and address of organization and Amount.

Total (enter in column 10, Schedule J)

Schedule J.—PARTNERS' SHARES OF INCOME AND CREDITS. (See Instruction 28)

Table with columns for Name and address of each partner, Ordinary net income less interest on Government obligations, Net share-tax gain or loss, and Net long-term gain or loss.

CONTINUATION OF SCHEDULE J

Table with columns for Wholly tax-exempt obligations, United States Savings Bonds and Treasury Bonds, Obligations of certain institutions, Earned income, Charitable contributions, Federal income tax paid, and Income and profits taxes paid.

QUESTIONS

- 1. Date of organization
2. Nature of organization (partnership, syndicate, pool, joint venture, etc.)
3. Was a return filed for preceding year?
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.
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?
7. Was return of information on Forms 1096 and 1099 filed for the calendar year 1940?

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 Internal Revenue Code and the regulations issued under authority thereof.

Subscribed and sworn to before me this ... day of ... 194...

(Signature and title of officer administering oath) (Address of partner or member)

(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 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 ... 194...

(Signature of person preparing the return) (Address of person preparing the return)

(Signature and title of officer administering oath) U. S. GOVERNMENT PRINTING OFFICE 16-2727 (Name of firm or employer, if any)

1940 UNITED STATES PARTNERSHIP RETURN OF INCOME 1940

(References are to the Internal Revenue Code, 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 Internal Revenue Code, 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 sections 181 to 183, inclusive, and 3797 (a) (2) and (3).) 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 1940 or fiscal year beginning in 1940 and ended in 1941. 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 employees 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, includable 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 exempt from tax.—Explain items claimed to be exempt in Schedule G, except interest to be reported in Schedule A.

1. Interest on Governmental obligations.

(a) **Entirely exempt.**—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, Treasury certificates of indebtedness, postal savings obligations, adjusted service bonds, and obligations of the United States.

(b) **Partially exempt.**—The interest on (1) United States savings bonds and Treasury bonds owned in excess of \$3,000 and (2) obligations of instrumentalities of the United States is subject only to surtax.

2. Proceeds of insurance policies.—The proceeds of life insurance policies, paid by reason of the death of the insured, are exempt. If any part of the proceeds is held by the insurer under an agreement to pay interest, the interest is taxable. Amounts received under a life insurance or endowment policy, not payable by reason of the death of the insured, are not taxable until the aggregate of the amounts received exceeds the premiums or consideration paid for the policy. See Specific Instruction 12 as to taxation of annuities.

3. Federal savings and loan associations.—Dividends on share accounts in Federal savings and loan associations are subject only to surtax.

4. Wholly exempt from tax.—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 (no deduction may be taken for any amount for interest or employment policy, not payable by reason of the death of the insured, are not taxable until the aggregate of the amounts received exceeds the premiums or consideration paid for the policy. See Specific Instruction 12 as to taxation of annuities.)

H. Information at source.—Every person making payments of salaries, wages, interest, rents, commissions, or other fixed or determinable income of \$800 or more during the calendar year 1940, 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 \$2,000 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, Returns Distribution Section, Washington, D. C., in time to be received not later than February 15, 1941.

I. 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 501, 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).

16-1249

Page 2

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 1920 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," immediately before the amount either 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 103 with respect to inventories by dealers in securities.

If the partnership elects to use the inventory method provided in section 22 (d), there should be filed an election on Form 970.

Installment sales.—If the installment method is used, attach to the return a schedule showing separately for the years 1937, 1938, 1939, and 1940 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.)

Partner'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 1040-F, 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 1040-F is optional.

A partnership electing to include in gross income amounts received during the year as loans from the Community Credit Corporation should file with its return a statement showing the details of such loans. (See section 123.)

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 obligations 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 1080 was filed with the interest coupons. The tax of 2 percent paid at the source on such interest should be allocated to the partners in column 11, Schedule J.

7. Taxable interest on Government obligations, etc.—Enter in Schedule A the principal amount owned, and interest received. The proportionate share of each partner's interest from obligations described in lines (e) and (f), Schedule A, should be considered with his individual holdings for the purpose of ascertaining his tax liability with respect to such income. An individual partner is entitled for the purpose of the normal tax to a credit against his net income of his proportionate share of such amounts (not in excess of the net income of the partnership) of interest as so received by the partnership from obligations described in lines (e) and (f), Schedule A.

8. Rents.—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 10, 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. Gross receipts 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 a deduction is claimed on account of depletion, it should be included in item 22. (See sections 23 (m) and 114.)

10. Net gain (or loss) from sale or exchange of property other than capital assets.—Report gains or exchanges of property other than capital assets, and enter the gain or loss shown in column 7, Schedule H, as item 10. For definition of "capital assets," see Specific Instruction 26-27.

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 13 dividends on share accounts in Federal savings and loan associations.

12. Other income.—If the partnership 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 under insurance contracts. 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).)

13. Total income.—Enter and explain in Schedule G all income which is not included elsewhere on the return, but which should be explained in Schedule A.

14. Salaries and wages.—Enter as item 14 all salaries and wages not included as a deduction in line (c), 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, 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 reserves, 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 21, 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 (e).)

Attach a schedule setting forth a description of the property, date acquired, cost, amount of interest as so received by the partnership, acquisition, insurance, salvage value, and deductible loss.

16-1248

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 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. 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 those 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 for 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 buildings and depreciation thereon 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 (b) 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 E (coal), Form F (miscellaneous nonmetals), Form O (oil and gas), or Form T (timber), fill in and file with return. If complete valuation data have been filed with questionnaire in previous years, then file with return information necessary to bring 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 allocable to a class of exempt income, other than interest. Items directly attributable to such exempt income shall be allocated thereon, 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 of its income from a partnership, 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.)

24. **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 a taxpayer of a character which is subject to allowance of depreciation provided in section 23 (l) 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 evidences 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, and capital changes affecting basis (nontaxable 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 February 28, 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 February 28, 1913, if the property was acquired on or before that date. In addition, if the property was acquired before March 1, 1913, the cost shall be reduced by the depreciation, depletion, etc., 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) (3).)

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" 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.

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

Page 3

Page 4

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;

60% 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 (t) provides a limitation on deductions for short-term capital losses, 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 (c) 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 the 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 (c). 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 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, 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).

25. **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 column each partner's share of income, whether distributed or not, and credits. Schedule J should show complete 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 their individual capacity and are taxable upon their distributive shares of the income of the partnership, whether distributed or not, and each 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 11).

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 reasonable allowance as compensation for personal services actually 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 men's 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. He devotes half of his time to the business and is paid a salary of \$5,000. C devotes none of his time to the business and receives no salary. The net profits of the partnership for the taxable year, computed 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 which is an 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) + \$2,000 (1/3 of net profits after deduction of \$15,000 for salaries). B's share of net profits is \$2,000, to which amount A's earned income from the partnership is limited. Since B's share of the net profits is \$8,000 (\$5,000 + \$3,000), 20 percent thereof, or \$1,600, is B's earned income from the partnership. 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 such contributions, with his taxable year, of his distributive portion of any contribution or gift of the character described in section 23 (e), payment of which was made by the partnership within its taxable year. 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, or any possession of the United States, for exclusively public purposes; (b) a corporation, trust, or community chest, fund, or foundation, created or organized in the United States or in any possession thereof or under the law of the United States or of any State or Territory or of any possession of the United States, 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 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 their ownership certificate on Form 1900 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 based. 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 which paid differs from the amount estimated.

Net operating loss deduction.—The benefit of the deduction for net operating losses provided by section 23 (a) for taxable years beginning after December 31, 1939, shall not be allowed to a partnership. In computing his own net operating loss or his own net income (where required to be computed in accordance with the exceptions and limitations provided in section 122 (d) (1) to (4), inclusive) for any taxable year for the purposes of the computations required by section 122, however, each partner shall take into account the income and losses of the partnership in accordance with sections 182 to 188, inclusive, with certain exceptions and limitations. (See section 19.189-1 of Regulations 103.)

INDEX

(Unless otherwise indicated, reference pertains to individual and/or fiduciary returns)

	Page
A	
Accounting period, change of.....	4
Additional tax (Estate tax returns).....	195, 197, 202-215, 220-221
Computation and rates.....	252-255
Administration, net losses during (Estate tax returns).....	200-201, 205-219
Administrative expenses, funeral and (Estate tax returns).....	200-201, 204-218
Alabama:	
Estate tax returns.....	220
Individual and/or fiduciary returns.....	72, 74, 118-120, 126-132, 160-161
Alaska:	
Estate tax returns.....	220
Individual and/or fiduciary returns.....	72, 74, 118-120, 126-132, 160-161
Data included in Washington prior to 1939.....	182-183
Aliens:	
Estate tax returns.....	195-196, 199-222, 252-255
Gift tax returns.....	227-228, 256
Individual and/or fiduciary returns.....	4, 43-44, 243, 245 (notes 17, 24)
Form 1040B included.....	3
Form 1040NB excluded.....	43
Alternative tax:	
Aggregate.....	2
Computation, average, and effective rate by net income classes.....	84-85, 88-89, 98-99, 102-103, 108-111
Description.....	6-8
Historical data, 1938-1940.....	48
Net income classes.....	78-79, 82-85, 88-89, 92-99, 102-105, 108-111
On returns with no net income.....	2, 9, 11-12, 53, 72-75, 78-79, 82-83, 88-93, 96-97, 102-103, 114, 117, 162-167, 170-179, 184-185
Computation.....	88-89, 102-103
Deficit classes.....	12
Historical data, 1938-1940.....	53
States and Territories.....	72-75, 162-167, 170-179, 184-185
Amended returns, not included.....	3
Arizona:	
Estate tax returns.....	220
Individual and/or fiduciary returns.....	72, 74, 118-120, 126-132, 160-161
Community property.....	12-13, 119
Arkansas:	
Estate tax returns.....	220
Individual and/or fiduciary returns.....	72, 74, 118-120, 126-132, 160-161
Assets, capital, description.....	44-46
Average total tax.....	2, 78-79, 81, 92-93, 95, 104-107
B	
Back taxes.....	43, 196, 229
Bad debts.....	15, 17, 21, 24, 60, 65, 132, 142-143, 152-153
Balance income (Fiduciary returns):	
Classes, omitted for 1940.....	9
Definition.....	191 (note 39)
Net income classes.....	159

	Page
Basic tables:	
1. States and Territories (Individual and fiduciary returns)-----	72-73
1a. States and Territories (Individual returns)-----	74-75
2. Net income classes (Individual and fiduciary returns)-----	76-89
2a. Net income classes (Individual returns)-----	90-103
2b. Net income classes (Fiduciary returns)-----	104-111
3. Simple and cumulative distribution (Individual and fiduciary returns)-----	112-114
3a. Simple and cumulative distribution (Individual returns)-----	115-117
4. Sex and family relationship by States and Territories (Individual returns)-----	118-120
5. Sex and family relationship by net income classes (Individual returns)-----	121-125
6. Sources of income and deductions by States and Territories (Individual returns)-----	126-132
7. Sources of income and deductions by net income classes (Individual and fiduciary returns)-----	133-143
7a. Sources of income and deductions by net income classes (Individual returns)-----	144-153
7b. Sources of income and deductions by net income classes (Fiduciary returns)-----	154-159
8. States and Territories by net income classes (Individual and fiduciary returns)-----	160-185
Summary for prior years-----	160-185
9. Government obligations by net income classes (Individual returns with net income \$5,000 and over)-----	186-187
10. Government obligations by net income classes (Fiduciary returns with balance income \$5,000 and over)-----	188-189
Description-----	4, 69
Footnotes-----	190-191
Basic tax (Estate tax returns)-----	195, 197, 202-215, 220-221
Computation and rates-----	254-255
Beneficiaries, amount distributable to (Fiduciary returns)-----	5,
14, 17, 25-26, 142-143, 159	
Bequests, charitable, public, and similar (Estate tax returns)-----	200-201, 205-219
Bonds:	
Corporation:	
Interest received-----	15, 18, 22, 126, 133-135, 144-145, 154
Government, Federal, State, etc.:	
Gross estate (Estate tax returns)-----	200-201, 204-218
Amount owned and interest received (Individual and/or fiduciary returns)-----	42, 186-189
Bonds and stocks:	
Estate tax returns-----	200-219
Gift tax returns-----	230, 235
Business profit and loss-----	15-16, 19-20, 23, 25-26, 33-35, 41 (notes 36, 39), 54-65, 127, 130, 136-137, 140-141, 146-147, 150-151, 155, 157
Sole proprietorships-----	24-25
Unallowable deductions-----	41 (note 36)
Businesses, two or more on one return-----	41 (note 35)
C	
California:	
Estate tax returns-----	220
Individual and/or fiduciary returns-----	72, 74, 118-120, 126-132, 162-163
Community property-----	12-13, 119
Capital assets, description-----	44-46
Capital gains and losses:	
Common trust funds-----	16, 46
Current year net short-term capital gain (before deduction for carry-over)-----	15-16, 19, 23, 26, 41 (note 23), 128, 138-139, 148-149, 156, 191 (note 29)
Caption change-----	14
Frequency distribution-----	36-40

Capital gains and losses—Continued.	
Historical data:	Page
All returns-----	55-60, 67 (note 31)
Net income \$5,000 and over-----	62-65
Text-----	44-46
Long-term, definition-----	45
Net income classes 19-20, 82-89, 96-103, 108-111, 138-141, 148-151, 156-158	
Net long-term capital gain or loss-----	2,
6, 11-12, 15, 20, 23, 26, 128, 130, 138-141, 148-151, 157-158	
On returns with alternative tax-----	7-8
Net short-term capital gain included in total income and net income (after deduction for carry-over)-----	15, 19, 23, 128, 138-139, 148-149, 156
Net short-term capital loss of preceding taxable year deducted-----	15-16,
19, 23, 26, 128, 138-139, 148-149, 156	
Caption change-----	14
Partnership income-----	16, 46
Percentage distribution by net income classes-----	23
Short-term, definition-----	45
States and Territories-----	128, 130
Tax credit for capital net loss, 1924-1933-----	48
Tax on capital net gain, 1922-1933-----	48
Capital stock in corporations (Estate tax returns)-----	200-201, 204-218
Cash (Gift tax returns)-----	230, 235
Cash, mortgages, notes, and (Estate tax returns)-----	200-219, 223 (note 5)
Changes:	
Balance income classes-----	9
Industrial classification-----	9
Internal Revenue Code as amended:	
Estate tax returns-----	196
Gift tax returns-----	227
Individual and/or fiduciary returns-----	3, 43
Nontaxable fiduciary returns-----	3
Charitable, public, and similar:	
Bequests (Estate tax returns)-----	200-201, 205-219
Gifts (Gift tax returns)-----	231-235, 237 (note 3)
Cities, counties, and towns, number of returns-----	42-43
Citizens, resident and nonresident:	
Estate tax returns-----	195-222
Gift tax returns-----	227
Classification of returns:	
Estate tax-----	198
Gift tax-----	228-229
Individual and/or fiduciary-----	8-9, 12-13
Colorado:	
Estate tax returns-----	220
Individual and/or fiduciary returns-----	72, 74, 118-120, 126-132, 162-163
Community property returns:	
Classification-----	12-13
Net income classes-----	123
Sex and family relationship-----	119, 123
States-----	119
Comparability with previous reports and with tax collections:	
Estate tax returns-----	195-196
Gift tax returns-----	227
Individual and/or fiduciary returns-----	43-44
Comparison with 1939, summary data:	
Gift tax returns-----	227
Individual and/or fiduciary returns-----	2-3
Comparison with 1940, summary data (Estate tax returns)-----	195
Compensation for personal services. (See Salaries.)	
Composite data (Individual and fiduciary returns):	
Classification-----	8-9
Comparison with 1939-----	2-4
Description-----	2-5

Composite data—Continued.	Page
Historical data, 1913-1940.....	47-65
Net income classes.....	76-89, 133-143
Simple and cumulative distribution.....	112-114
States and Territories.....	72-73, 160-185
Connecticut:	
Estate tax returns.....	220
Individual and/or fiduciary returns.....	72, 74, 118-120, 126-132, 162-163
Contributions.....	15, 17, 21, 23, 54-65, 131, 140-141, 150-151
Partners' shares.....	40 (note 17)
Counties, cities, towns, number of returns.....	42-43
Credit for:	
Capital net loss from sale of assets held more than two years, historical summary, 1924-1933.....	48
Dependents.....	5, 7-9, 72-77, 80, 84-87, 90-91, 94, 98-101, 121-125, 243
Earned income.....	5, 7-8, 48, 76-77, 80, 84-87, 90-91, 94, 98-101
Estate, inheritance, legacy, or succession taxes (Estate tax returns).....	195, 198, 202-203, 205-215, 220-221
Gift taxes (Estate tax returns).....	195, 197-198, 202-203, 205-215, 220-221
Credits against basic and additional tax (Estate tax returns).....	197, 202-203, 205-215
Credits, tax. (See Tax credits.)	
Cumulative distribution, simple and.....	9-11, 112-117
Current year net short-term capital gain. (See Capital gains and losses.)	
Data tabulated:	D
Estate tax returns.....	196, 199
Gift tax returns.....	227
Individual and/or fiduciary returns.....	4-5
Debts, bad.....	15, 17, 21, 24, 60, 64-65, 132, 142-143, 152-153
Debts of decedent, mortgages and liens (Estate tax returns).....	200-201, 204-219
Decedents, returns to date of death.....	4
Deductions:	
Estate tax returns.....	200-201, 204-218
Gift tax returns.....	231-235
Individual and/or fiduciary returns (see also Sources of income and deductions).....	12, 15, 22, 24, 54-65, 132, 142-143, 152-153, 159
Negative amounts reported under income.....	5, 14
Other deductions, description.....	16-17
Defense tax:	
Estate tax returns.....	195-196, 198, 202-203, 205-215, 220-221, 255 (note 6)
Gift tax returns.....	227, 257 (note 8)
Individual and/or fiduciary returns.....	2, 7, 78-79, 81, 84-85, 88-89, 92-93, 95, 98-99, 102-111, 245 (note 23)
Deficit. (See No net income.)	
Deficit classes.....	4, 8-9, 11-12
Delaware:	
Estate tax returns.....	220
Individual and/or fiduciary returns.....	72, 74, 118-120, 126-132, 162-163
Dependents, credit for.....	5, 7-9, 72-77, 80, 84-87, 90-91, 94, 98-101, 121-125, 243
Dependents, support of (Estate tax returns).....	200-201, 205-219
Distribution, simple and cumulative, number of returns, net income, and tax, by net income classes.....	9-11, 112-117
District of Columbia:	
Estate tax returns.....	220
Individual and/or fiduciary returns.....	72, 74, 118-120, 126-132, 164-165
Dividends received:	
From domestic and foreign corporations.....	15-18, 22, 41 (note 31), 66 (note 23), 126, 133-135, 144-145, 154
Estimated number of returns.....	5, 14
Frequency distribution by dividend classes and by net income classes.....	28-29
Historical data, 1916-1940.....	54-65
On share accounts in Federal savings and loan associations.....	6-7, 17

Donors, identical (Gift tax returns).....	Page
Duplication in reporting by fiduciaries and beneficiaries.....	229-230, 235-236
	14, 26
E	
Earned income credit.....	5, 7-8, 48, 76-77, 80, 84-87, 90-91, 94, 98-101
Educational, scientific or literary institutions, (Estate tax returns).....	200-201, 205-219
Effective tax rate (percent).....	2, 53-54, 78-79, 81, 84-85, 88-89, 92-93, 95, 98-99, 102-111, 229
Estate tax returns:	
Data tabulated.....	196
Gross estate:	
Applicable revenue acts and taxable status, all acts.....	200-203
Description.....	196-198
Gross estate classes.....	198, 212-219
Historical data, 1916-1941.....	222
Net estate classes, taxable returns.....	204-207
States and Territories.....	220-221
Total.....	200-201, 204-218
Net estate for basic tax and for additional tax:	
Applicable revenue acts and taxable status.....	197, 200-201
Before specific exemption.....	198
Gross estate classes.....	213-215
Historical data, 1916-1941.....	222
Net estate classes.....	204-211
States and Territories.....	220-221
Optional value.....	196
Requirements for filing.....	195-196, 254 (note 2)
States and Territories.....	220-221
Summary data.....	195-196
Synopsis of Federal tax laws affecting data.....	252-255
Tables:	
1. Applicable revenue acts.....	200-203
2. Net estate (before specific exemption) classes.....	204-211
3. Gross estate classes, taxable returns.....	212-215
4. Gross estate classes, nontaxable returns.....	216-219
5. States and Territories.....	220-221
6. Historical data, 1916-1941.....	222
Description.....	199
Footnotes.....	223
Tax:	
Description.....	197-198
Rates.....	252-255
Tax credits.....	195, 197-198, 202-203, 205-215, 220-221
Estates and trusts.....	3-4, 7
Returns incorrectly filed on Form 1040.....	4
Estimated data, returns with net income under \$5,000.....	4-5
Exclusion of the first \$4,000 of gifts made to any one donee (Gift tax returns).....	227-228, 231-232, 234
Exemption, personal.....	3, 7-9, 72-77, 80, 82-83, 86-87, 90-91, 94, 96-97, 100-101, 104-110, 121-125
Exemption, specific:	
Estate tax returns.....	197, 200-201, 205-219
Gift tax returns.....	228
Claim for 1940 gifts.....	231, 233-235
Expenses, funeral and administrative (Estate tax returns).....	200-201, 204-218
F	
Facsimiles. (See Forms.)	
Family relationship, sex and.....	9, 12-13, 118-125
Federal:	
Estate tax (Estate tax returns).....	195
Farm Loan Act, obligations issued under.....	42, 186-189
Gift taxes, credit for (Estate tax returns).....	202-203, 205-215, 220-221

	Page
Federal—Continued.	
Government bonds: (See Government obligations.)	
Savings and loan associations, dividends received from, subject to surtax	6-7, 17
Tax laws, synopsis of (Estate, Fiduciary, Gift, Individual)	239-257
Fiduciaries:	
Income from (Individual returns)	15-16, 19, 22, 26, 41 (note 18), 54-65, 67 (note 24), 127, 136-137, 146-147, 155
Net income taxable to (Fiduciary returns)	159, 190 (note 3)
Fiduciary returns:	
Incorrectly filed on Form 1040	4, 66 (note 2), 191 (note 45)
Nontaxable not included	3
Tables exclusively for	104-111, 154-159, 188-189
Filing requirements:	
Estate tax returns	195-196, 254 (note 2)
Gift tax returns	227
Individual and/or fiduciary returns	3, 242-244
Fiscal year returns	3, 43, 68
Florida:	
Estate tax returns	220
Individual and/or fiduciary returns	72, 74, 118-120, 126-132, 164-165
Footnotes:	
Estate tax tables	223
Gift tax tables	237
Individual and/or fiduciary tables:	
Basic	190-191
Historical	66-67
Text	40-41
Foreign countries, income and profits taxes paid to	7, 43
Forms:	
Excluded from tabulation	43-44
Facsimiles of:	
1040—Individual income tax return, gross income over \$5,000	262-267
1040A—Individual income tax return, gross income not over \$5,000	268-271
1041—Fiduciary income tax return (for estates and trusts)	272-279
1065—Partnership return of income (syndicates, pools, etc.)	280-287
Included in tabulation	3
Fragmentary schedule D	24-25
Frequency distribution of selected sources of income and loss by net income classes and by size of the selected source	26-40
Funeral and administrative expenses (Estate tax returns)	200-201, 204-218
G	
Gain or loss, net, from sale of property other than capital assets	15, 17, 20-21, 23, 45, 59-60, 65, 129-130, 138-141, 148-151, 157-158
Gains, capital. (See Capital gains and losses.)	
Geographic distribution:	
Counties, cities, and towns, number of returns	42-43
States and Territories:	
Estate tax returns	198, 220-221
Individual and/or fiduciary returns	8-9, 72-75, 118-120, 126-132, 160-185
Georgia:	
Estate tax returns	220
Individual and/or fiduciary returns	72, 74, 118-120, 126-132, 164-165
Gift tax returns:	
Classification	228-229
Data tabulated and description of items	227-228
Exclusions	227-228, 231-232, 234
Exemption, specific	228, 231, 233-235
Filing requirements	227
Gifts, net	228, 231, 233, 235, 237
Gifts, total	227-228

	Page
Gift tax returns—Continued.	
Gifts, type of	229
Historical data, 1932-1940	237
Identical donors	229-230, 235-236
Requirements for filing	227
Summary data	227
Synopsis of Federal tax laws affecting data	256
Tables:	
1. Net gift classes	230-231, 236
2. Total gift plus tax classes	232-233
Total gift classes (nontaxable returns)	234
3. Property transferred	235
4. Taxable status	235
5. Net gift classes by net gift for prior years classes	236
6. Historical summary, 1932-1940	237
Footnotes	237
Tax	228, 231, 233-235
Rates	256
Gift taxes paid, credit for (Estate tax returns)	195, 202-203, 205-215, 220-221
Government obligations:	
Description	41-42, 190 (note 22)
Partners' and/or beneficiaries' shares included	16
States, Territories, political subdivisions	126, 186-189
Taxable interest	7-8, 14-16, 18, 22, 26, 54-65, 126, 133-135, 146-147, 155
Wholly or partially tax exempt:	
Amount owned (Estate tax returns)	200-201, 204-218
Amount owned and interest received:	
Fiduciary returns with balance income of \$5,000 and over	188-189
Individual returns with net income of \$5,000 and over	186-187
Gross estate classes. (See Estate tax returns.)	
Gross income required for filing returns	3-4
Gross insurance (Estate tax returns)	202-203, 205-219
H	
Hawaii:	
Estate tax returns	220
Individual and/or fiduciary returns	72, 74, 118-120, 126-132, 164-165
Heads of families, returns of	3, 13, 120, 124
Historical data:	
Estate tax returns	222-223
Gift tax returns	237
Individual and/or fiduciary returns:	
Aggregate, 1913-1940	47-48
Capital gains and losses	44-46
Footnotes	66-67
Net income classes, 1914-1940	48-54
Sources of income and deductions, 1916-1940:	
All returns	54-60
Net income over \$5,000	61-65
States and Territories, 1930-1940	161-185
With no net income, 1928-1940	48-51, 53, 56-60
I	
Idaho:	
Estate tax returns	220
Individual and/or fiduciary returns	72, 74, 118-120, 126-132, 166-167
Community property	12-13, 119
Identical donors (Gift tax returns)	229-230, 235-236
Illinois:	
Estate tax returns	220
Individual and/or fiduciary returns	72, 74, 118-120, 126-132, 166-167
Income:	
Classes, description	8
From fiduciaries	15-16, 19, 22, 26, 41 (note 18), 54-65, 67 (note 24), 127, 136-137, 146-147, 155

	Page
Income—Continued.	
Net. (See Net income.)	
Ordinary net.....	6-7, 11, 82-83, 86-87, 96-97, 100-101, 109-110
Other, description.....	17
Sources of. (See Sources of income and deduction, Sources of income and loss.)	
Total.....	5, 12, 14, 15, 20, 23, 54-65, 129, 138-139, 148-149, 157
Income and profits taxes paid to foreign countries or possessions of the United States.....	7, 43
Indiana:	
Estate tax returns.....	220
Individual and/or fiduciary returns.....	72, 74, 118-120, 126-132, 166-167
Individual returns not including fiduciary returns, tables (see also Basic and Text).....	8, 10-13, 15, 18-25, 27-40, 74-75, 90-103, 115-132, 144-153, 186-187
Industrial classification, not included.....	9, 25
Information items (Estate tax returns).....	202-203, 205-219
Inheritance taxes, credit for (Estate tax returns).....	195, 198, 202-203, 205-215, 220-221, 223 (note 10)
Institutions, educational, scientific, etc., bequests to (Estate tax returns).....	200-201, 205-219
Instrumentalities of the United States, obligations of. (See Government obligations.)	
Insurance:	
Estate tax returns.....	202-219
Gift tax returns.....	230, 235
Intangible personal property (Estate tax returns).....	200-219
Interest and other income.....	54-65
Interest paid.....	15, 17, 21, 24, 57-60, 63-65, 131, 140-141, 150-151, 159
Interest received or accrued on Government obligations.....	187, 189
Interest received, taxable:	
Bank deposits, notes, mortgages, corporation bonds.....	15, 18, 22, 40 (note 15), 126, 133-135, 144-145, 154
Partially tax exempt. (See Government obligations.)	
Internal Revenue Code, changes:	
Estate tax returns.....	196
Gift tax returns.....	227
Individual and/or fiduciary returns.....	3, 43
Iowa:	
Estate tax returns.....	220
Individual and/or fiduciary returns.....	72, 74, 118-120, 126-132, 166-167
J	
Joint returns of husbands and wives, or of either husband or wife when no other return is filed.....	12-13, 118, 121
Jointly owned property (Estate tax returns).....	196, 200-219
K	
Kansas:	
Estate tax returns.....	220
Individual and/or fiduciary returns.....	72, 74, 118-120, 126-132, 168-169
Kentucky:	
Estate tax returns.....	220
Individual and/or fiduciary returns.....	72, 74, 118-120, 126-132, 168-169
L	
Laws, Federal tax, synopsis of (Estate, Fiduciary, Gift, Individual).....	239-257
Liens, debts of decedent, mortgages and (Estate tax returns).....	200-201, 204-219
Literary or scientific institutions, etc., bequests to (Estate tax returns).....	200-201, 205-219
Long-term capital gains and losses. (See Capital gains and losses.)	
Loss:	
Business profit or.....	15-16, 19-20, 23, 25-26, 33-35, 41 (notes 36, 39), 54-65, 127, 130, 136-137, 140-141, 146-147, 150-151, 155, 157
Capital. (See Capital gains and losses.)	

	Page
Loss—Continued.	
Fire, storm, etc.....	15, 17, 21, 24, 60, 65, 131, 142-143, 152-153
Gain or, net, from sale of property other than capital assets.....	15, 17, 20-21, 23, 45, 59-60, 65, 129-130, 138-141, 148-151, 157-158
Net operating, deduction.....	3, 16-17, 26
Net short-term capital loss of preceding year, deducted.....	15-16, 19, 23, 26, 67, (note 31), 128, 138-139, 148-149, 156
Partnership profit or.....	15-16, 18, 20, 22-23, 26, 30-32, 54-65, 127, 130, 136-137, 140-141, 146-147, 150-151, 155, 157, 190 (note 23)
Reported under income.....	5, 14
Losses, net, during administration (Estate tax returns).....	200-201, 205-219
Louisiana:	
Estate tax returns.....	220
Individual and/or fiduciary returns.....	72, 74, 118-120, 126-132, 168-169
Community property.....	12-13, 119
Maine: M	
Estate tax returns.....	220
Individual and/or fiduciary returns.....	72, 74, 118-120, 126-132, 168-169
Married persons, returns of.....	3, 4, 7, 13
Maryland:	
Estate tax returns.....	220
Individual and/or fiduciary returns.....	72, 74, 118-120, 126-132, 170-171
Massachusetts:	
Estate tax returns.....	220
Individual and/or fiduciary returns.....	72, 74, 118-120, 126-132, 170-171
Men, returns of.....	12-13, 119, 122-123
Michigan:	
Estate tax returns.....	220
Individual and/or fiduciary returns.....	72, 74, 118-120, 126-132, 170-171
Minnesota:	
Estate tax returns.....	220
Individual and/or fiduciary returns.....	72, 74, 118-120, 126-132, 170-171
Mississippi:	
Estate tax returns.....	220
Individual and/or fiduciary returns.....	72, 74, 118-120, 126-132, 172-173
Missouri:	
Estate tax returns.....	220
Individual and/or fiduciary returns.....	72, 74, 118-120, 126-132, 172-173
Montana:	
Estate tax returns.....	220
Individual and/or fiduciary returns.....	72, 74, 118-120, 126-132, 172-173
Mortgages and liens, debts of decedent (Estate tax returns).....	200-201, 204-219
Mortgages, notes, and cash (Estate tax returns).....	200-219, 223 (note 5)
Nebraska: N	
Estate tax returns.....	221
Individual and/or fiduciary returns.....	72, 74, 118-120, 126-132, 172-173
Net capital gain or loss. (See Capital gains and losses.)	
Net estate. (See Estate tax returns.)	
Net gain or loss from sale of property other than capital assets.....	15, 17, 20-21, 23, 45, 59-60, 65, 129-130, 138-141, 148-151, 157-158
Net gifts for prior years classes (Gift tax returns).....	229, 236
Net income:	
By net income classes.....	10, 76-77, 80, 82-83, 86-87, 90-91, 94, 96-97, 100-101, 104-108, 110
Exempt from normal tax, amount and percent of net income.....	7-8
\$5,000 and over.....	4, 14, 24-40, 42, 61-65, 186-187
Historical:	
All returns, 1913-1940, aggregate.....	47
All returns, 1916-1940 by net income classes.....	50-51
\$5,000 and over, 1916-1940, sources of income and deductions....	61-65
Less than \$1,000.....	4
Ordinary.....	6-7, 11, 82-83, 86-87, 96-97, 100-101, 109-110
Returns with net income and returns with no net income, classification.....	8

Net Income—Continued.	
Sex and family relationship	Page 13, 118-125
Simple and cumulative distribution	10, 113, 116
Sources of income	14-15, 22, 24, 54-65, 132, 142-143, 152-153
States and Territories	72-75, 132, 160-185
Subject to normal tax	6, 8
Subject to surtax	6, 8
Summary and comparison with 1939	2
Taxable to fiduciary	6, 40 (note 1), 159
Under \$5,000	4-5, 14, 24, 26
Net income classes:	
Classification	8
Community property returns	12-13
Frequency distribution of selected sources of income and loss by size of selected source	26-40
Government obligations	186-189
Historical data, 1914-1940	48-54
Sex and family relationship	121-125
Simple and cumulative distribution	9-11, 112-117
Sources of income and deductions	18-24, 133-159
States and Territories	160-185
Type of tax liability	76-111
Net long-term capital gain or loss. (See Capital gains and losses.)	
Net loss from sale of property other than capital assets	15,
	17, 21, 23, 45, 59-60, 65, 130, 140-141, 150-151, 158
Net losses during administration (Estate tax returns)	200-201, 205-219
Net operating loss deduction	3, 16-17, 26
Net profit or loss from sale of real estate, stocks, bonds, etc.	54-57, 61-63
Net short-term capital gain or loss. (See Capital gains and losses.)	
Nevada:	
Estate tax returns	221
Individual and/or fiduciary returns	72, 74, 118-120, 126-132, 174-175
Community property	12-13, 119
New Hampshire:	
Estate tax returns	221
Individual and/or fiduciary returns	72, 74, 118-120, 126-132, 174-175
New Jersey:	
Estate tax returns	221
Individual and/or fiduciary returns	72, 74, 118-120, 126-132, 174-175
New Mexico:	
Estate tax returns	221
Individual and/or fiduciary returns	72, 74, 118-120, 126-132, 174-175
Community property	12-13, 119
New York:	
Estate tax returns	221
Individual and/or fiduciary returns	73, 74, 118-120, 126-132, 176-177
No net income, returns with:	
Alternative tax	2, 9, 11-12, 53, 72-75, 78-79, 82-83, 88-93, 96-97, 102-103, 114, 117, 162-167, 170-179, 184-185
Deficit classes	12
Description	6, 8
Historical data:	
Aggregate, 1928-1940	48-51
Sources of income and deductions, 1928-1940	56-60
With alternative tax, 1938-1940	53
Sex and family relationship classification, not applied	12
Sole proprietors	25
Sources of income and deductions	14-15, 18-24, 126-153
Percent of total income	22-24
States and Territories	72-75, 126-132, 160-185
Summary	2
Nonresident citizens (Estate tax returns)	195-196, 198
Nontaxable returns:	
Estate tax returns	195, 198, 200-203, 216-219, 220-221
Gift tax returns	227-228, 230-231, 234-235, 237

Nontaxable returns—Continued.	
Individual and/or fiduciary returns:	
Classification and description	Page 8, 11
Deficit classes	12
Historical data, 1916-1940	47-48
Income exempt from normal tax, amount and percent	8
Net income classes	76-77, 90-91
Sex and family relationship	121-125
Sources of income and deductions	14, 134-153
States and Territories	160-185
Summary	2
Normal tax:	
Comparison with 1939	2
Description	6
Historical data, 1913-1940	47
Net income classes	78-79,
	81, 84-85, 88-89, 92-93, 95, 98-101, 104-107, 109-110
Net income exempt from and subject to	6-8
Rates, 1913-1940	242-243
Summary	2
North Carolina:	
Estate tax returns	221
Individual and/or fiduciary returns	73-74, 118-120, 126-132, 176-177
North Dakota:	
Estate tax returns	221
Individual and/or fiduciary returns	73-74, 118-120, 126-132, 176-177
Notes and cash, mortgages (Estate tax returns)	200-219, 223 (note 5)
Number of returns. (See specific type of return or classification.)	
O	
Obligations, Government. (See Government obligations.)	
Ohio:	
Estate tax returns	221
Individual and/or fiduciary returns	73, 75, 118-120, 126-132, 176-177
Oklahoma:	
Estate tax returns	221
Individual and/or fiduciary returns	73, 75, 118-120, 126-132, 178-179
Community property	12-13, 119
Operating loss deduction, net	3, 16-17, 26
Optional value (Estate tax returns)	196
Ordinary net income	6-7, 11, 82-83, 86-87, 96-97, 100-101, 109-110
Oregon:	
Estate tax returns	221
Individual and/or fiduciary returns	73, 75, 118-120, 126-132, 178-179
P	
Part year returns	3-4, 68
Partially tax exempt Government obligations, interest on	186-189
Partnership:	
Profit or loss reported on individual and/or fiduciary returns	15-16, 18, 20, 22-23, 26, 30-32, 54-65, 127, 130, 136-137, 140-141, 146-147, 150-151, 155, 157.
Returns, 1917-1940	68
Pennsylvania:	
Estate tax returns	221
Individual and/or fiduciary returns	73, 75, 118-120, 126-132, 178-179
Percentages:	
Estate tax returns, summary	195
Gift tax returns, summary	227, 229
Individual and/or fiduciary returns:	
Capital gains and losses	44-45
Comparison with 1939	2, 53-54
Effective tax rate	78-79, 81, 84-85, 88-89, 92-93, 95, 98-99, 102-111
Historical data, 1916-1940	47, 53-54
Income exempt from and subject to normal tax	7-8

Percentages—Continued.	
Individual and/or fiduciary returns—Continued.	
Population filing returns.....	Page 72-73
Sex and family relationship.....	12-13
Simple and cumulative distribution.....	9-11, 112-117
Sources of income and deductions.....	17, 22-24
Personal exemption.....	3, 7-9, 72-77, 80, 82-83, 86-87, 90-91, 94, 96-97, 100-101, 104-110, 121-125
Personal property (Estate tax returns).....	200-219
Population by States and Territories, and percentage filing returns.....	72-73
Possessions of the United States:	
Obligations of. (See Government obligations.)	
Taxes paid to.....	43
Property:	
Community (Individual returns).....	12-13, 119, 123
Intangible (Estate tax returns).....	200-219
Jointly owned (Estate tax returns).....	200-219
Personal (Estate tax returns).....	200-219
Previously taxed (Estate tax returns).....	197, 200-219
Real estate:	
Estate tax returns.....	200-218, 223 (note 3)
Gift tax returns.....	230, 235
Tangible (Estate tax returns).....	200-218
Transferred:	
Estate tax returns.....	200-219
Gift tax returns.....	235
Property other than capital assets, net gain or loss from sale of.....	15, 17, 20-21, 23, 45, 59-60, 65, 129-130, 138-141, 148-151, 157-158
Proprietorships, sole.....	24-25
Public Salary Tax Act.....	242-243

R

Rate, effective tax.....	2, 53-54, 78-79, 81, 84-85, 88-89, 92-93, 95, 98-99, 102-111
Rates of tax, historical (Estate, Fiduciary, Gift, Individual).....	242-257
Real estate, total:	
Estate tax returns.....	200-218, 223 (note 3)
Gift tax returns.....	230, 235
Receipts, business, sole proprietorships.....	24-25
Rents and royalties.....	15-16, 19, 23, 54-65, 127, 136-137, 146-147, 155
Returns:	
Included.....	3-4
Requirements for filing:	
Estate tax returns.....	195-196
Gift tax returns.....	227
Individual and fiduciary returns.....	3
Revenue acts:	
Applicable to estate tax returns.....	198, 200-203
Historical synopsis of provisions affecting data.....	242-257
Rhode Island:	
Estate tax returns.....	221
Individual and/or fiduciary returns.....	73, 75, 118-120, 126-132, 178-179
Royalties, rents and.....	15-16, 19, 23, 54-65, 127, 136-137, 146-147, 155

S

Salaries and other compensation for personal services.....	
Estimated number of returns under \$5,000.....	5, 14, 17
Five years or more, compensation for services rendered for a period of.....	15
Frequency distribution by salary classes and by net income classes.....	27-28
Historical data, 1916-1940:	
All returns.....	54-60
Net income over \$5,000.....	61-65
Percentage of total income.....	22
States and Territories.....	126
Salary Tax Act.....	242-243
Samples for estimating data.....	4-5

	Page
Savings bonds and Treasury bonds.....	186-189
Savings and loan associations, Federal, dividends from.....	6-7, 17
Schedule D, fragmentary.....	24-25
Scientific, educational, or literary institutions, bequests to (Estate tax returns).....	200-201, 205-219
Separate returns of husbands and wives.....	3-4, 12-13, 119, 122
Sex and family relationship.....	9, 12-13, 118-125
Short-term capital gain, or loss. (See Capital gains and losses.)	
Simple and cumulative distribution of number of returns, net income and tax by net income classes.....	9-11, 112-117
Single men and women, married men and women not living with spouse, heads of families and not heads of families, returns of.....	3-4, 7, 13, 120, 124-125
Sole proprietorship.....	24-25
Source Book data.....	68-69
Source, income tax paid at, not deducted from tax liability as tabulated.....	7, 43
Sources of income and deductions:	
Description.....	14-17
Duplication in reporting income by individuals and fiduciaries.....	25-26
Historical data, 1916-1940:	
All returns.....	54-60
Net income \$5,000 and over.....	61-65
Net income classes.....	14, 18-24, 133-159
Net income under \$5,000.....	14, 17
Percentage distribution.....	22-24
States and Territories.....	126-132
Sources of income and loss, selected, frequency distribution by size of selected source and by net income classes.....	26-40
South Carolina:	
Estate tax returns.....	221
Individual and/or fiduciary returns.....	73, 75, 118-120, 126-132, 180-181
South Dakota:	
Estate tax returns.....	221
Individual and/or fiduciary returns.....	73, 75, 118-120, 126-132, 180-181
Specific exemption. (See Exemption.)	
State:	
Inheritance taxes, credit for (Estate tax returns).....	195, 198, 202-203, 205-215, 220-221
Obligations.....	186-189
Officers' and employees' compensation.....	15
State and municipal bonds (Estate tax returns).....	200-201, 204-218
States and Territories:	
Estate tax returns.....	220-221
Individual returns:	
Community property.....	12-13, 119
Data estimated.....	5
Net income classes.....	160-185
Sex and family relationship.....	118-125
Sources of income and deductions.....	14, 126-132
Summary data.....	74-75
Individual and fiduciary returns:	
Population and percent of population filing returns.....	72-73
Summary data:	
Current year.....	160-185
Historical, 1930-1939.....	160-185
Stock, capital, in corporations (Estate tax returns).....	200-201, 204-218
Stocks and bonds:	
Estate tax returns.....	200-218
Gift tax returns.....	230, 235
Summary data:	
Estate tax returns.....	195-198
Gift tax returns.....	227-228
Individual and/or fiduciary returns:	
Current year.....	2, 5-7
Historical, 1930-1939.....	160-185, 191 (note 41)

Surtax:	Page
Comparison with 1939.....	2
Historical data, 1913-1940.....	47
Net income classes.....	78-79
Net income subject to.....	81, 84-85, 88-89, 92-93, 95, 98-99, 102-107, 109, 111
Rates, 1913-1940.....	3, 6, 8
Synopsis of Federal tax laws (Estate, Fiduciary, Gift, Individual).....	246-247
239-257	
Tables: T	
Estate tax returns.....	200-222
Fiduciary returns only.....	104-111, 154-159, 188-189
Gift tax returns.....	230-237
Individual returns only:	
Basic.....	74-75, 90-103, 115-132, 144-153, 186-187
Text.....	8, 10-13, 15, 18-25, 27-40
Individual and fiduciary returns, composite:	
Basic.....	72-73, 76-89, 112-114, 133-143, 160-185
Historical data.....	47-65
Text.....	2
Tax. (See Additional, Alternative, Average, Basic, Defense, Estate, Gift, Income and profits, Normal, Surtax, Total, etc.)	
Tax collections.....	43-44
Tax credits:	
Estate tax returns.....	195, 197-198, 202-203, 205-215, 220-221
Individual and/or fiduciary returns:	
Capital net loss, 1924-1933.....	48
Earned income.....	48
Tax, effective rate percent.....	2,
53-54, 78-79, 81, 84-85, 88-89, 92-93, 95, 98-99, 102-111	
Tax laws, synopsis of (Estate, Fiduciary, Gift, Individual).....	239-257
Tax liability and collections, comparison:	
Estate tax returns.....	195-196
Gift tax returns.....	227
Individual and/or fiduciary returns.....	43-44
Tax paid at source, not deducted from total tax.....	7, 43
Tax, prior years.....	160-185
Taxable returns with no net income (with alternative tax).....	2,
9, 11-12, 53, 72-75, 78-79, 82-83, 88-93, 96-97, 102-103, 114,	
117, 162-167, 170-179, 184-185.	
Taxes:	
Back.....	43, 196, 229
Paid.....	15, 17, 21, 24, 56-60, 62-65, 67, (note 30), 131, 142-143, 152-153, 159
Uncollectible.....	43
Tennessee:	
Estate tax returns.....	221
Individual and/or fiduciary returns.....	73, 75, 118-120, 126-132, 180-181
Tentative returns, not included.....	3
Territories. (See States and Territories.)	
Texas:	
Estate tax returns.....	221
Individual and/or fiduciary returns.....	73, 75, 118-120, 126-132, 180-181
Community property.....	12-13, 119
Text tables:	
Deficit classes.....	12
Footnotes.....	40-41, 66-67
Frequency distribution of selected sources of income and loss by net income classes and by size of the selected source.....	27-40
Net income subject to and exempt from normal tax.....	8
Sex and family relationship.....	13
Simple and cumulative distribution.....	10-11
Sole proprietorship.....	24-25
Sources of income and deduction:	
Aggregate.....	15
Net income classes.....	18-24
Summary and comparison with 1939.....	2

Total tax:	Page
Estate tax returns.....	195-198, 202-215, 222
Gift tax returns.....	227-228, 233, 235, 237
Individual and/or fiduciary returns:	
After tax credits.....	48
Average.....	78-79, 81, 92-93, 95, 104-107
Before tax credits.....	48
Description.....	7
Historical:	
1913-1940.....	48, 66 (notes 5, 9)
1916-1940.....	52-53, 66 (notes 5, 9)
Simple and cumulative distribution.....	11, 114, 117
States and Territories.....	72-75, 160-185
Summary.....	2
Type of tax liability.....	78-79, 81, 90-93, 95, 104-107
Towns, counties, and cities, number of returns.....	42-43
Transfers:	
Estate tax returns.....	200-219
Gift tax returns.....	235
Treasury bonds, notes, United States Savings, etc. (See Government obligations.)	
Trust, gifts transferred in, by kind of property (Gift tax returns).....	235
Trusts (included in composite and fiduciary data):	
Credit allowed.....	5, 7
Requirements for filing.....	4, 244 (note 2e)
Trusts and estates, returns incorrectly filed on Form 1040.....	4
Type of tax liability.....	8, 76-111
U	
United States obligations. (See Government obligations.)	
Utah:	
Estate tax returns.....	221
Individual and/or fiduciary returns.....	73, 75, 118-120, 126-132, 182-183
V	
Vermont:	
Estate tax returns.....	221
Individual and/or fiduciary returns.....	73, 75, 118-120, 126-132, 182-183
Virginia:	
Estate tax returns.....	221
Individual and/or fiduciary returns.....	73, 75, 118-120, 126-132, 182-183
W	
Wages, salaries, and other compensation for personal services. (See Salaries.)	
Washington:	
Estate tax returns.....	221
Individual and/or fiduciary returns.....	73, 75, 118-120, 126-132, 182-183
Community property.....	12-13, 119
Data for Alaska included prior to 1939.....	182-183
West Virginia:	
Estate tax returns.....	221
Individual and/or fiduciary returns.....	73, 75, 118-120, 126-132, 184-185
Wholly tax exempt Government obligations. (See Government obligations.)	
Wisconsin:	
Estate tax returns.....	221
Individual and/or fiduciary returns.....	73, 75, 118-120, 126-132, 184-185
Women, returns of.....	12-13, 119, 122-123
Wyoming:	
Estate tax returns.....	221
Individual and/or fiduciary returns.....	73, 75, 118-120, 126-132, 184-185
Y	
Years. (See Historical.)	