

**COMMISSIONER OF  
INTERNAL REVENUE**

*Annual Report*

*for the Fiscal Year ended June 30, 1955*

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## Letter of Transmittal

TREASURY DEPARTMENT,  
OFFICE OF COMMISSIONER OF INTERNAL REVENUE,  
*Washington, D. C., October 31, 1955.*

DEAR MR. SECRETARY:

Submitted herewith is the "Annual Report of the Commissioner of Internal Revenue for the fiscal year 1955."

It covers a year in which the fruits of recent years' improvements in policies and procedures have begun to appear. A long campaign to economize on other operations and "plow back" the savings into enforcement paid off with increases in the numbers of revenue agents and in the amounts of additional tax obtained by audit. Similarly, there were evidences that a reversal was in sight to the several-years trend of rising totals of delinquent accounts.

Investigations and prosecutions of fraud cases also were stepped up. Further reductions were made in the backlogs of appellate cases.

The complete revision of the tax laws, embodied in the Internal Revenue Code of 1954, posed enormous challenges of revising procedures, forms, regulations, etc. In general, the transition to the new law was smooth and effective.

A long overdue readjustment of posts of duty was accomplished, but no major organizational changes were made. Rather, efforts were pointed toward making more effective use of the organization as it had evolved through the many modifications of recent years.

  
*Commissioner of Internal Revenue.*

HON. GEORGE M. HUMPHREY,  
*Secretary of the Treasury.*

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COMMISSIONERS OF INTERNAL REVENUE FROM JULY 1862 TO  
DECEMBER 1955

Name	State	Service	
		From—	To—
George S. Boutwell	Massachusetts	July 17, 1862	Mar. 4, 1863
Joseph J. Lewis	Pennsylvania	Mar. 18, 1863	June 30, 1865
William Orton	New York	July 1, 1865	Oct. 31, 1865
Edward A. Rollins	New Hampshire	Nov. 1, 1865	Mar. 10, 1869
Columbus Delano	Ohio	Mar. 11, 1869	Jan. 2, 1871
Alfred Pleasonton	New York	Jan. 3, 1871	Aug. 8, 1871
Jehn W. Douglass	Pennsylvania	Aug. 9, 1871	May 14, 1875
Daniel D. Pratt	Indiana	May 15, 1875	July 31, 1876
Green B. Raum	Illinois	Aug. 2, 1876	Apr. 30, 1883
Walter Evans	Kentucky	May 21, 1883	Mar. 19, 1885
Joseph S. Miller	West Virginia	Mar. 20, 1885	Mar. 20, 1889
John W. Mason	do.	Mar. 21, 1889	Apr. 18, 1893
Joseph S. Miller	do.	Apr. 19, 1893	Nov. 26, 1896
W. St. John Forman	Illinois	Nov. 27, 1896	Dec. 31, 1897
Nathan B. Scott	West Virginia	Jan. 1, 1898	Feb. 28, 1899
George W. Wilson	Ohio	Mar. 1, 1899	Nov. 27, 1900
Jehn W. Yerkes	Kentucky	Dec. 20, 1900	Apr. 30, 1907
John G. Capers	South Carolina	June 5, 1907	Aug. 31, 1909
Royal E. Cabell	Virginia	Sept. 1, 1909	Apr. 27, 1913
William H. Osborn	North Carolina	Apr. 28, 1913	Sept. 25, 1917
Daniel C. Roper	South Carolina	Sept. 26, 1917	Mar. 31, 1920
William M. Williams	Alabama	Apr. 1, 1920	Apr. 11, 1921
David H. Blair	North Carolina	May 27, 1921	May 31, 1929
Robert H. Lucas	Kentucky	June 1, 1929	Aug. 15, 1930
David Burnet	Ohio	Aug. 20, 1930	May 15, 1933
Guy T. Helvering	Kansas	June 6, 1933	Oct. 8, 1943
Robert E. Hannagan	Missouri	Oct. 9, 1943	Jan. 22, 1944
Joseph D. Nunan, Jr.	New York	Mar. 1, 1944	June 30, 1947
George J. Schoeneman	Rhode Island	July 1, 1947	July 31, 1951
John B. Dunlap	Texas	Aug. 1, 1951	Nov. 18, 1952
T. Coleman Andrews	Virginia	Feb. 4, 1953	Oct. 31, 1955

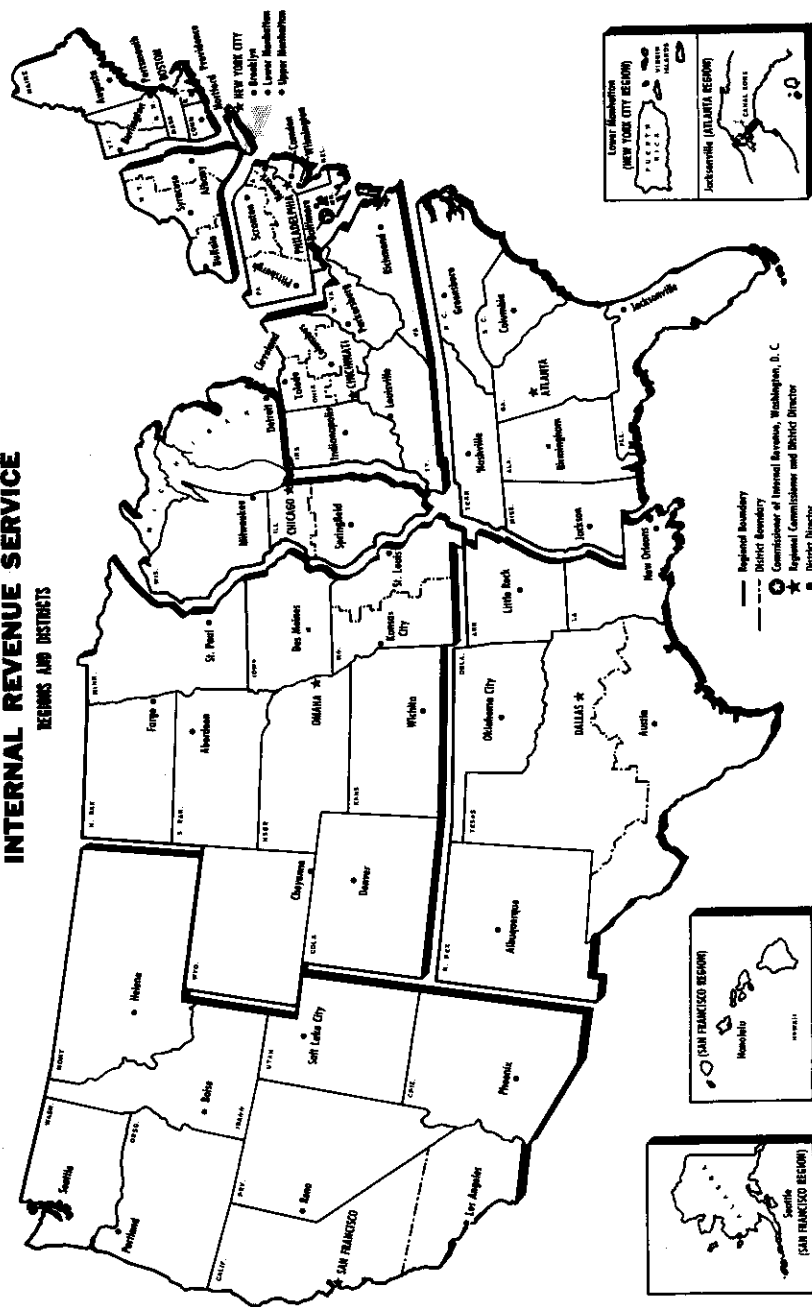
Note.—Office of Commissioner of Internal Revenue created by act of Congress, July 1, 1862.

In addition, the following were Acting Commissioners during periods of time when there was no Commissioner holding the office: Jehn W. Douglass, of Pennsylvania, from Nov. 1, 1870 to Jan. 2, 1871; Henry C. Rogers, of Pennsylvania, from May 1 to May 10, 1883; John J. Knox, of Minnesota, from May 11 to May 20, 1883; Robert Williams, Jr., of Ohio, from Nov. 28 to Dec. 19, 1900; Millard F. West, of Kentucky, from Apr. 12 to May 26, 1921; H. F. Mires, of Washington, from Aug. 15 to Aug. 20, 1930; Pressly R. Baldrige, of Iowa, from May 15 to June 5, 1933; Harold N. Graves, of Illinois, from Jan. 23 to Feb. 29, 1944; John S. Graham, of North Carolina, from Nov. 19, 1952 to Jan. 19, 1953; Justin F. Winkie, of New York, from Jan. 20 to Feb. 3, 1953; and O. Gordon Oelk, of Virginia, from Nov. 1 to Dec. 5, 1955.

*Report  
on  
Operations*

Note.—In tables and charts where figures have been rounded to a specified unit, the components may not necessarily add to totals. Percentages are calculated on unrounded figures.

# INTERNAL REVENUE SERVICE REGIONS AND DISTRICTS



Map of Internal Revenue Regions and Districts

# Internal Revenue Collections

fiscal years 1954 and 1955

(BILLIONS OF DOLLARS)

## CORPORATION INCOME AND PROFITS TAXES

1954 21.5

1955 18.3

## INDIVIDUAL INCOME TAXES

1954 32.8

1955 31.7

## EMPLOYMENT TAXES

1954 5.1

1955 6.2



## ALL OTHER (estate, gift, and excise)

1954 10.8

1955 10.2

## TOTALS

1954—\$69.9 billions

1955—\$66.3 billions

# Internal Revenue Collections

## General

Internal revenue collections during the 1955 fiscal year totaled \$66,288,692,000. This compared with \$69,919,991,000 collected during the preceding year.

The decline, amounting to 5.2 percent, reflected primarily lower tax rates upon individual incomes and for many excises, and the lapsing of the excess profits tax. On the other hand, an advance in rates brought about an increase in old-age insurance taxes.

A comparison of collections by major categories follows:

## Internal revenue collections, fiscal years 1954 and 1955

[In thousands of dollars. For detail, see appendix table 3, pp. 89-91.]

Source	Fiscal year	
	1954	1955
Income and profits taxes:		
Corporation	21,546,322	18,264,720
Individual:		
Withheld by employers <sup>1</sup>	22,077,113	21,253,625
Other <sup>1</sup>	10,736,578	10,396,480
Total individual income taxes	32,813,691	31,650,106
Total income and profits taxes	54,360,014	49,914,826
Employment taxes:		
Old-age insurance <sup>1</sup>	4,218,520	5,339,573
Unemployment insurance	283,882	279,986
Carriers taxes—old-age benefits	605,221	600,106
Total employment taxes	5,107,623	6,219,665
Estate and gift taxes	935,121	936,267
Alcohol taxes	2,783,012	2,742,840
Tobacco taxes	1,580,229	1,571,213
Other excise taxes	5,153,992	4,903,881
Grand total	69,919,991	66,288,692

<sup>1</sup> Estimated. Collections of individual income tax withheld are not reported separately from old-age insurance taxes on wages and salaries. Similarly, collections of individual income tax not withheld are not reported separately from old-age insurance tax on self-employment income. The amount of old-age insurance tax collections shown is based on estimates made by the Secretary of the Treasury pursuant to the provisions of sec. 109 (a) (2) of the Social Security Act Amendments of 1950 and includes both classes of old-age insurance taxes mentioned above. The estimates shown for the two classes of individual income taxes were derived by subtracting the old-age insurance tax estimates from the combined totals reported.

<sup>2</sup> Included in the 1955 collection results are amounts of taxes collected in Puerto Rico upon tobacco and liquor manufactures coming into the United States; results for earlier periods are exclusive of such amounts.

<sup>3</sup> Revised.

Note.—Under revised accounting procedures effective July 1, 1954, tax payments made to banks, under the depository receipt system, are included in internal revenue collections for the month in which the depository receipts are issued instead of the month in which tax returns supported by the depository receipts are received in internal revenue offices. The revised procedure conforms to the practice followed in other Treasury Department reports dealing with Internal Revenue receipts. The classes of taxes affected by this change and its effect upon comparability of the data for 1954 and 1955 are shown in table 3, pp. 89-91.



## Individual Income Taxes

Collections of individual income taxes, totaling \$31,650,106,000, were 3.5 percent less than in the prior year. Although there was some increase in personal income, this was more than offset by the reduction of rates, by approximately 10 percent, effective beginning January 1, 1954. The enactment of the 1954 Internal Revenue Code made numerous technical changes but did not affect rates. Individual income taxes collected through withholding fell off by 3.7 percent and other collections (payments of estimated tax, payments with returns, payments on bills, etc.) came down 3.2 percent.

## Corporation Income Taxes

Corporation income taxes yielded \$18,264,720,000 during the year, a decline of 15.2 percent resulting from the decrease in corporate profits during 1954 and from the lapse of the excess profits tax.

The excess profits tax was enacted during the Korean conflict, and expired on December 31, 1953, but the normal lag in collection of corporation taxes under the 1939 Internal Revenue Code was such that the major impact of the lapse showed up in 1955 collections rather than in 1954 collections.

The new Code provides for some advance in the time for paying corporation taxes through payments of estimated tax. Therefore, the interval between income and tax payment will be reduced in the future.

## Employment Taxes

The only major category of taxes to show a significant increase during the year was the tax under the Federal Insurance Contributions Act for old-age and survivors insurance (Social Security). This tax brought in \$5,339,573,000, an increase of 26.6 percent. This was due in part to rising payrolls, but largely because of an increase in rates from 1.5 percent each on employees and employers to 2 percent each, effective January 1, 1954. The rate change affected collections only for the last few months of fiscal 1954 but for all of 1955.

Collections of the tax for unemployment insurance, totaling \$279,986,000, and for railroad retirement, totaling \$600,106,000, were off slightly.

## Other Internal Revenue

Excise tax collections (other than on alcohol and tobacco), amounting to \$4,903,881,000, declined 4.9 percent, reflecting rate changes effective April 1, 1954.

No significant changes occurred in collections of alcohol taxes, totaling \$2,742,840,000; tobacco taxes, totaling \$1,571,213,000; or estate and gift taxes, totaling \$936,267,000.

# Receipt and Recording of Returns

## General

There were several changes in requirements for filing returns this year. Perhaps the most significant was the new individual income tax filing date of April 15, instead of the historic date of March 15 which was retained for corporation and all income tax returns other than individual returns. Another was the use of a tabulating machine card for the Form 1040A, Individual Income Tax Return.

The net effect of these and other changes on the receiving and recording of returns cannot, however, be fully mirrored in a single fiscal year report.

Total receipts of tax returns were virtually the same as last fiscal year. There was a decline from 88,900,000 to 88,700,000, less than 1 percent.

Among the principal types of tax returns, changes in the number filed from last year were few and small. Declarations of estimated tax continued to move upward. Employment tax returns, also steadily gaining over a number of years, rose 2.5 percent to 17,500,000, reflecting increases in both the number of employers and the coverage of the old-age insurance program.

The table below compares the number of returns filed in the two fiscal years, by principal type of return:

Number of returns filed, by principal type of return, fiscal years 1954 and 1955

[Figures in thousands]

Type of return	Fiscal year	
	1954	1955
<b>Income taxes:</b>		
Individual—citizens and resident aliens	58,493	57,610
All other individual and fiduciary	597	678
Total individual and fiduciary	59,090	58,288
Declarations of estimated tax	6,162	6,303
Partnerships	983	1,036
Withholding agents	9	10
Corporation <sup>1</sup>	745	836
Other <sup>2</sup>	138	221
Total income tax returns	67,127	66,695
<b>Employment taxes:</b>		
Withheld income tax and old-age insurance	16,472	16,864
Railroad retirement and unemployment insurance	620	649
Total employment tax returns	17,092	17,513
Estate tax	39	40
Gift tax	48	58
Excise taxes <sup>3</sup>	3,197	2,788
Special taxes	1,303	1,441
All other	146	112
Grand total	88,852	88,650

<sup>1</sup> Includes personal holding company income tax returns previously reported separately.

<sup>2</sup> Includes exempt organization income tax returns previously reported separately.

<sup>3</sup> Includes all types of returns formerly reported as miscellaneous.

<sup>4</sup> Revised to exclude offers in compromise.



# Number of Returns Filed

## fiscal years 1954 and 1955

(FIGURES IN MILLIONS)

### INDIVIDUAL AND FIDUCIARY

1954 59.1

1955 58.3

### DECLARATIONS OF ESTIMATED TAX (individuals)

1954 6.2

1955 6.3

### PARTNERSHIPS

1954 1.0

1955 1.0

### CORPORATIONS

1954 .7

1955 .8

### EMPLOYMENT

1954 17.1

1955 17.5

### EXCISE AND ALL OTHER TAXES

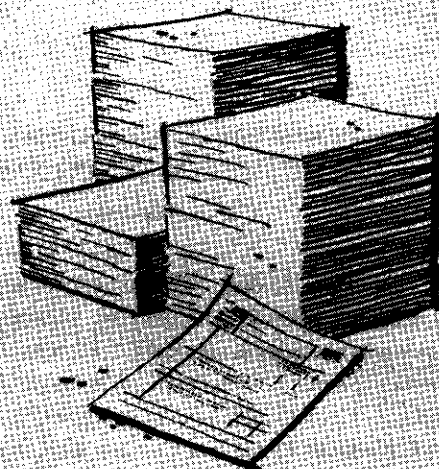
1954 4.7

1955 4.7

### TOTALS

1954—88.9 million

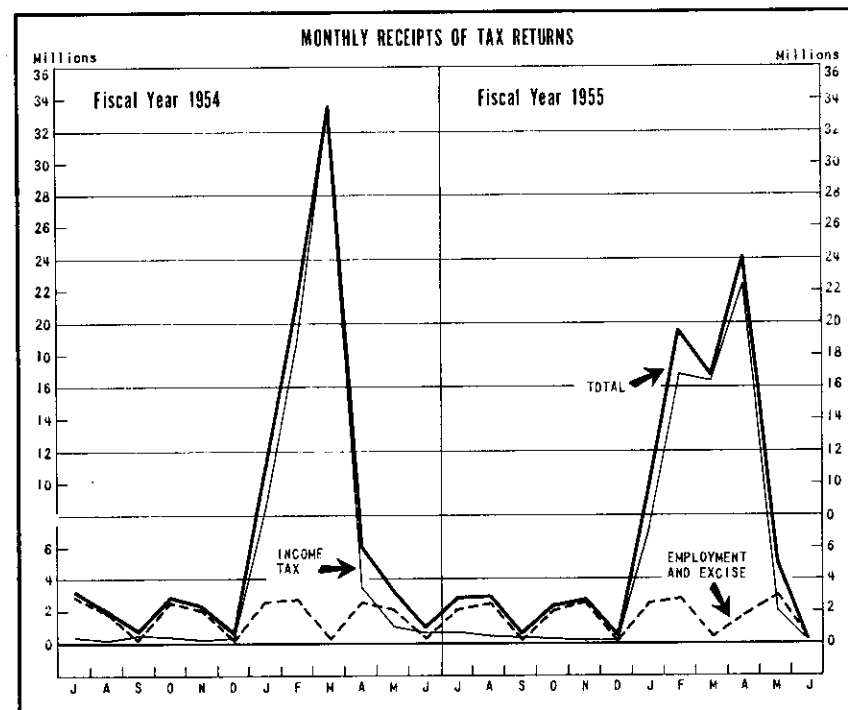
1955—88.7 million



From the standpoint of economical and expeditious processing, the most serious problem in this area is the concentration of individual income tax returns which are filed immediately ahead of the final filing date. Since all of the other types of returns are in much smaller quantities, the result is an extremely uneven workload in the different months of the year.

The change from March 15 to April 15 in the deadline for individual income tax returns has spread out the peak workload to a slight extent but the general problem remains. A number of other steps have been taken to smooth out and to plan more carefully this work.

A chart showing the monthly receipts of returns in the last 2 years follows:



### Mechanization

A new experiment in mechanization of the processing activity was the establishment at the processing branch in Kansas City, Mo., of a tabulating machine setup to mechanically process all the Form 1040A returns received throughout the 10 districts of the Omaha region. This was the first time that any major processing operation had been attempted on a regionwide basis. The successful results of this method of processing have prompted its extension to additional locations in the United States, as well as expansion of the types of returns covered.

## Mathematical Verification

The number of returns checked for mathematical errors decreased during 1955 due to the shift of some taxpayers from Form 1040 (on which the taxpayer computes his own tax) to Form 1040A (on which the Government computes the tax), the change in filing dates, and other factors. Likewise, there was a decrease in the amount of tax change resulting from the mathematical verification process. This indicated a higher degree of accuracy on the part of the taxpayers, and was believed to be a product of the more effective assistance and instructions provided to taxpayers.

The results of the mathematical verification of income tax returns during the last two years are shown in the following table:

**Income tax returns mathematically verified, fiscal years 1954 and 1955**

[Figures in thousands]

Item	Type of return					
	Individual and fiduciary		Corporation		Total	
	Fiscal year 1954	Fiscal year 1955	Fiscal year 1954	Fiscal year 1955	Fiscal year 1954	Fiscal year 1955
Number of returns verified.....	48,224	42,615	633	690	48,857	43,305
Number of returns on which changes were made.....	1,270	1,013	6	7	1,276	1,020
Amount of tax increase.....	\$77,207	\$62,838	\$1,281	\$1,711	\$78,488	\$64,549
Amount of tax decrease.....	\$18,542	\$19,317	\$453	\$417	\$18,995	\$19,734

## Information Reports

Over 200,000,000 information documents were received and processed during the year. This was about the same number as last year.

These documents included Form W-2 (employers' statements of wages paid and tax withheld), Form 1099 (information returns on payments of dividends, interest, and various other items), and lesser numbers of other types of information documents. Further consideration was given to methods for processing these documents at minimum cost and to proposals for minimizing the cost of preparation by taxpayers.

## Supervision and Control of the Alcohol and Tobacco Industries

### General

Substantial progress was made during the year toward the goal of making supervision of the legal alcohol industry simpler and more economical. (For activities relating to illicit alcohol, see pages 17 and 19 in the section on "Enforcement Work.")

The longer-range aspects of this problem were examined intensively by a survey committee composed of representatives of the industry and of the Revenue Service. This committee has been developing recommendations for both administrative and legislative improvements.

Immediate economies in use of storekeeper-gaugers were accomplished by amending regulations so as to curtail nighttime storekeeper-gauger supervision of operations in the industrial alcohol field and reducing duties of Government officers at such premises. This was part of a program to reduce costs of supervision and to transfer manpower to more urgent duties. Accordingly, in several instances where it was found that storekeeper-gaugers were performing duties which could be performed more appropriately by proprietors, the responsibilities were shifted to the proprietors. The program was extended into the distilled spirits field and will be continued during the ensuing year with a similar shifting of responsibilities from storekeeper-gaugers to proprietors of distilleries and internal revenue bonded warehouses. In support of the program Internal Revenue Service personnel developed recording sampling devices to permit the taking of samples without storekeeper-gauger supervision, and methods of chemical analysis of whisky to provide means of determining whether bottled whiskies are properly identified.

Detailed tabulations relating to the production of alcohol, distilled spirits, beer, wine, and tobacco manufactures during the fiscal year 1955 (corresponding to the tables which appear in the appendix of issues of this report for the fiscal year 1952, and earlier years) are presented in a separate Internal Revenue Service publication entitled "Statistics Relating to the Alcohol and Tobacco Industries" which may be obtained from the Superintendent of Documents, Washington 25, D. C.

### Authorization of Operations

The totals of permits issued, terminated, suspended, and in effect at the beginning and end of the fiscal year, under the provisions of chapter 51

of the Internal Revenue Code and sections 3 and 4 of the Federal Alcohol Administration Act, are shown in appendix tables 7 and 8 on pages 96-97, and the totals of all establishments qualified under the Internal Revenue Code at the end of the fiscal year are shown in appendix table 6 on page 96. Nineteen applications for approval of interlocking directorates under section 7 of the Federal Alcohol Administration Act were acted upon. Table 9, showing the number of certificates of label approval and exemption from label approval issued under the provisions of section 27 U. S. C. 205, appears in the appendix on page 97.

### **On-Premises Supervision**

During the fiscal year 1955, storekeeper-gauger supervision was provided at registered distilleries, fruit distilleries, internal revenue bonded warehouses (including bottling-in-bond departments), industrial alcohol plants and bonded warehouses, denaturing plants, distillery denaturing bonded warehouses, rectifying plants, and taxpaid bottling houses (and bonded wineries when brandy or other wine spirits are added to wine). These facilities accounted for the production of 411,840,037 proof gallons of ethyl alcohol, the denaturation of 395,334,023 proof gallons of ethyl alcohol, the warehousing of 49,984,207 proof gallons of ethyl alcohol, the production of 182,142,103 tax gallons of distilled spirits of various kinds, the warehousing of 841,496,003 tax gallons of distilled spirits, the tax-payment on 153,122,315 tax gallons of distilled spirits, including alcohol, the rectification of 81,924,622 proof gallons of distilled spirits and wines, and the bottling of 172,956,410 wine gallons of distilled spirits. Although the production and movement of distilled spirits in 1955 represented only a 2 percent decrease from 1954, the number of storekeeper-gaugers assigned was reduced by about 17 percent.

### **Inspections of Establishments**

Inspections of establishments for the fiscal year aggregated 52,558, of which 38,199 related to plants and permittees other than dealers. During the previous fiscal year total inspections numbered 61,460 of which 38,618 related to plants and permittees other than dealers. The plants and permittees (other than dealers) which were involved in these inspections at which no on-premises supervision is provided (fiscal year 1955 for alcoholic products and calendar year 1954 for tobacco products), produced alcoholic beverages and tobacco products as follows: 89,791,154 barrels (of 31 gallons each) of beer, 130,691,316 wine gallons of still wine, 1,716,432 wine gallons of effervescent wines, 3,374,502 wine gallons of vermouth, 415,001 wine gallons of special natural wines other than vermouth, 5,881,704,392 cigars, 401,848,775,081 cigarettes, and 203,649,715 pounds of other tobacco products (including smoking and plug tobacco, and snuff).

The total reported inspections include periodic inspections of all plant

operations, special inspections such as those covering plant changes, claims, surveys or instructional activities, investigations incidental to the qualification or requalification of establishments, and investigations of alleged infractions of law and regulations.

### **Chemical Analyses and Research**

The number of samples received for examination by the National Office laboratory during the year (6,108) was substantially the same as last year; however, the number of samples received in the 12 field laboratories during the year (42,806) represented an increase of 5,980 samples over the preceding year. About 26 percent of the samples received in the National Office laboratory were of liquors and narcotics taken in the District of Columbia while approximately 28 percent of the samples received in the field were of narcotics. In connection with its program of collaboration with the Association of Agricultural Chemists, in developing and selecting methods of analyses for official adoption, three articles on certain determinations were published in that Association's journal. Two additional articles were released in Service publications.

## Enforcement Work

### Audit of Returns

The enforcement program, particularly the examination of returns—both by office and field audit methods—received the highest priorities during the year. The steps taken to strengthen this program are expected to have major long-range effects.

These steps included:

1. The number of revenue agents was increased from 7,617 to 11,255 in 2 years. The increase in 1955 was from 10,605 to 11,255.
2. New primary and advanced training programs for revenue agents were instituted.
3. Better statistical controls were installed.
4. Improved methods of selecting returns for audit were employed.

Most of the additional agents were recruited from among those collection officers who had demonstrated that they were qualified for agent positions. These employees had done a limited type of audit work under the system which existed before the reorganization of the Revenue Service. With the additional training, facilities, and scope of duties available to them in their new positions, they are expected to make an even greater contribution to the enforcement program than they have made in the past.

In addition, a vigorous recruitment program brought in many younger men qualified to begin training as agents.

Together, these efforts reversed the trend toward declining audit manpower which was evident in fiscal years 1951–53. The emphasis and recognition given to the strengthening of audit activities also increased the incentives for agents to remain in the Revenue Service on a career basis. Indications of this were found in a somewhat lower rate of turnover among agent personnel during 1955.

The substantial increase in the number of agents carried with it a pressing need for an expanded training program. This was met by the development of a special 6-month course for beginning agents. Employees enter this course at the civil service grade of GS-5 and, if they satisfactorily complete the course, are promoted to GS-7—which is the customary grade at which agents undertake full duties. The new course, which will be required of all new agents, is designed to give them a comprehensive understanding of the tax laws and auditing techniques. Both classroom and on-the-job instructions are employed.

The more advanced training of enforcement personnel is being achieved through the facilities of the newly established Advanced Training Center at

the University of Michigan. In the audit area the courses consist of an agents' course and a group supervisory development course. Two groups completed the agents' course with 100 students in each class. In commenting upon the first graduating class of agents, the university officials noted that over 50 percent of the class obtained a "B" average or above, which was above the level of other graduate students at the university.

During the year, the statistical reporting was completely revised to provide a better basis for analysis of the various audit operations. Particular attention was given to securing separate progress and inventory data for field and office audit activities. This was considered essential in view of the completely different characteristics of these two operations. These data should facilitate the taking of forceful action when problem areas are disclosed.

Important to the evaluation of audit work and to the planning of audit programs at the National and Regional Offices is the system of management information reports. This new system for obtaining detailed information on a scientific sample of audited cases began to produce results during the year.

In the taxpayer assistance program, a total of 14,662,099 taxpayers were helped with their returns, an increase of more than 700,000 over 1954. This increase is attributed to the numerous changes in tax laws made by the 1954 Code. Emphasis was placed on "self-help" methods in an effort to concentrate on answering taxpayer questions and encouraging taxpayers to do as much of the filling-out of forms as possible. As a result of this policy, the number of man-hours required to render such assistance increased only 0.64 percent over 1954 compared with a corresponding increase of 5.2 percent in the number of taxpayers assisted.

Among other significant management improvements were (a) the streamlining of the system of recording and controlling the movement of tax cases in the field offices of the Revenue Service, and (b) the institution of a program designed to improve supervision through visits by field group supervisors to revenue agents while they are on the job at the taxpayer's place of business and to provide periodic rotation of revenue agents and group supervisors within their field district offices.

### Fraud Investigations

The fraud investigation program received vigorous impetus from a number of developments during the year, including:

1. Increase in the number of special agents from 1,277 to 1,559.
2. Conduct of specialized training programs for special agents.
3. Installation of extensive statistical controls of cases through all stages of development, showing results obtained.
4. Restatement and revision of fraud case procedure.

5. Adoption of a streamlined organization for the Intelligence field force.
6. Broad approval by the Supreme Court of the "net worth theory" of proof of criminal tax evasion.

The number of all types of investigations completed by the special agents increased from 24,781 in fiscal 1954 to 28,430 in fiscal 1955. These included unnumbered (preliminary) investigations, numbered (full-scale extensive) investigations, investigations of applications for admission to practice before the Treasury Department, and charges against enrolled practitioners. The most significant increase is that of completed full-scale tax fraud investigations, from 2,017 to 2,464.

The additional 282 special agents were added to the rolls in the latter part of the fiscal year and their impact will not be felt fully until next year, after completion of their primary on-the-job training. To develop these new agents and better the effectiveness of the more experienced agents, intensive training courses in intelligence techniques and procedures were developed and used in regional training classes during the year. These specialized classes were in addition to the attendance of special agents at the regular Treasury Enforcement Officers Training School.

The statistical reporting system for the Intelligence Division has provided operational information of intelligence case production based on more uniform concepts than heretofore were available. The resulting data aid management at the district, regional, and national levels by furnishing sound bases for analysis of field operations.

The restatement of tax fraud procedures provides procedural instructions for processing intelligence cases in the light of present Revenue Service organizational structure and includes instructions covering many situations and areas for which established procedure was lacking. A greater degree of uniformity will be obtained in the handling of intelligence cases as a result. An increase in uniformity will also result from the extensive intelligence visitation program commenced this year. Teams from the National Office visited each of the 9 regional offices and a number of the district offices where they observed the methods and application of national procedures in actual operation. Field officials, during these visits, suggested ways of improving programs, policies, and procedures.

The revision of Intelligence field organization at the district level, by abolishing the former branch structure in favor of a straight-line organization, permits adaptation of the available force to meet changing investigative needs.

The Supreme Court's approval of the "net worth theory" of proof of criminal tax evasion, described on pages 21-22, endorsed a technique used by the special agents for a number of years. Several court decisions had questioned its validity. With proper safeguards outlined by the Supreme

Court, this technique will be an even more effective tool in the program to reduce tax evasion.

A summary of investigations by the special agents in the fiscal years 1954 and 1955 follows:

**Number of tax fraud and other investigations completed by Intelligence Division, fiscal years 1954 and 1955**

Type	Fiscal year	
	1954	1955
<b>Suspected fraud and miscellaneous type cases:</b>		
Unnumbered cases:		
Fraud	9,358	16,150
Wagering	4,303	2,097
Miscellaneous	(1)	141
Total unnumbered cases investigated	13,661	18,388
Numbered cases:		
Prosecution recommended:		
Fraud	721	1,272
Wagering	1,235	957
Miscellaneous	(1)	24
Prosecution not recommended:		
Fraud	1,296	1,192
Wagering	217	123
Miscellaneous	(1)	24
Investigations discontinued:		
Fraud	565	595
Wagering	23	39
Miscellaneous	(1)	5
Total numbered cases investigated	4,857	4,231
<b>Other investigations:</b>		
Applications for admission to practice before the Treasury Department	6,946	5,726
Charges against enrollees to practice	117	85
Total other investigations	7,063	5,811
Grand total of all investigations	24,781	28,430

<sup>1</sup> Specific information pertaining to "miscellaneous" cases is not available for fiscal year 1954.  
<sup>2</sup> Includes fraud penalty (no prosecution), deficiency (no fraud penalty), and no change cases.

## Alcohol and Tobacco Tax Program

Seizures and arrests for liquor, tobacco, and firearms law violations during the fiscal years 1954 and 1955 were as follows:

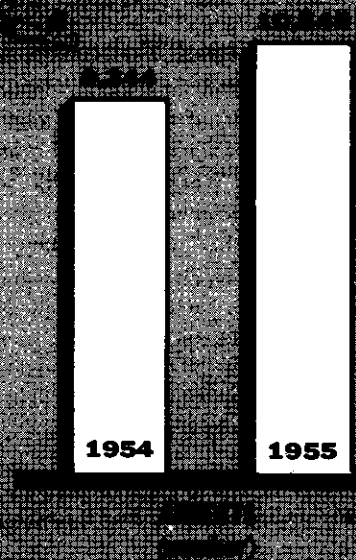
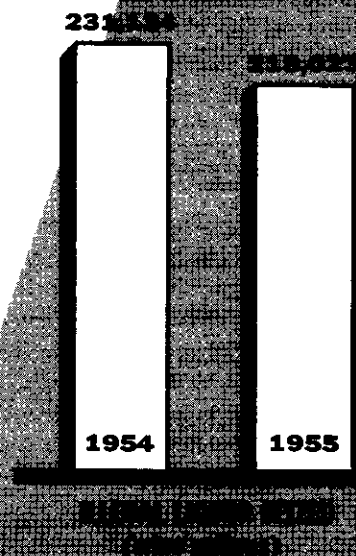
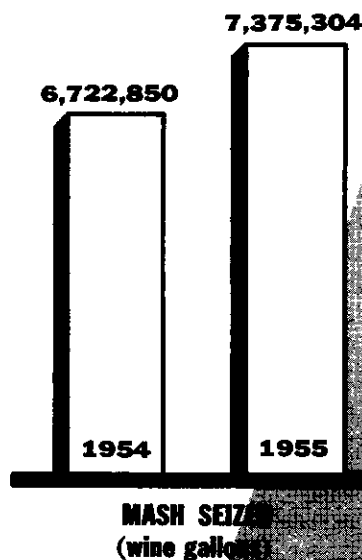
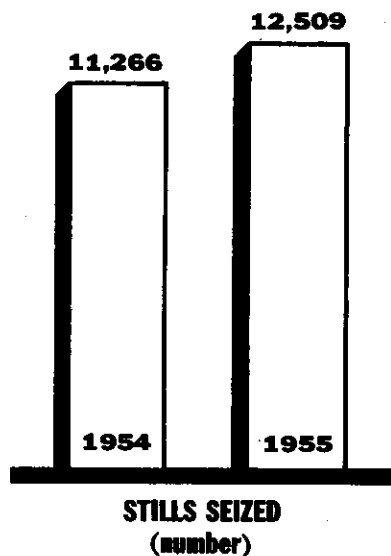
**Seizures and arrests for liquor law violations, fiscal years 1954 and 1955**

Item	Fiscal year	
	1954	1955
<b>Seizures:</b>		
Still (number)	11,266	12,509
Untaxed distilled spirits (wine gallons)	186,447	212,285
Untaxed wines (wine gallons)	44,687	5,738
Mash (wine gallons)	6,722,850	7,375,304
Automobiles (number)	1,783	2,092
Trucks (number)	626	647
Property (appraised value)	\$3,197,771	\$3,405,314
Arrests (number)	9,344	10,545

<sup>1</sup> Includes 39 arrests for tobacco tax violations and 363 arrests for firearms violations.

Note.—Includes seizures and arrests in cases adopted, as well as originated by the Alcohol and Tobacco Tax Division.

# Seizures and Arrests for Liquor Law Violations fiscal years 1954 and 1955



In addition, enforcement personnel, as an incidental duty in their regular enforcement work, made 119,264 inspections of retail liquor dealers and 555 inspections of nonpermittee wholesale liquor dealers.

During the year 22 arrests were made and 1,404 wine gallons of taxpaid liquor and 17 vehicles (the liquor and property being valued at \$39,286) were seized in connection with the importation, or attempts at importation, of liquors into the State of Oklahoma in violation of the Liquor Enforcement Act of 1936. In the tobacco enforcement program, 143 investigations were made which resulted in 39 arrests.

## Firearms Program

During the year 4,055 investigations were conducted under the National and Federal Firearms Acts and the act of August 9, 1939 (49 U. S. C. 781). A total of 301 cases of violations of the National and Federal Firearms Acts was referred to the Department of Justice for prosecution, and 60 vehicles were seized. Registrations of firearms, during the year, totaled 37,076.

## Rewards to Informers

Over 3,000 claims were filed during the fiscal year by individuals as informers seeking rewards under section 7623 of the Internal Revenue Code of 1954 and section 3792 of the 1939 Code. Out of these claims and others pending from prior years, 576 were allowed, resulting in rewards totaling \$602,817 paid to informers who had submitted specific information actually leading to detection of violations of the internal revenue laws and consequent assessment and collection of taxes and penalties. This represented about 20 percent of the claims disposed of during the year. The remainder were disallowed either because they could not be substantiated, or because they could not fulfill the eligibility requirements of the regulations.

The following table shows the receipt and disposition of claims for reward during the fiscal years 1954 and 1955:

Receipt and disposal of claims for informers' rewards, fiscal years 1954 and 1955

Status	Number of claims	
	Fiscal year 1954	Fiscal year 1955
Pending July 1	4,427	6,414
Received during year	4,567	3,049
Disposed of during year	2,580	2,839
Rejected	2,096	2,263
Allowed:		
Number	484	576
Amount	\$533,305	\$602,817
Pending June 30	6,414	6,624

\* Revised.

### Cases Involving Criminal Prosecution

A vigorous program of criminal prosecutions against flagrant violators of the tax laws was continued during the year.

In the income tax field, the Supreme Court decided several cases, clarifying issues and conflicts arising from use of the "net worth" method in establishing understatements of net income in criminal cases (see discussion below).

Altogether, 1,774 cases, with 1,733 defendants, were forwarded to the Department of Justice, including 963 cases with 889 defendants in wagering tax cases.

An analysis of cases flowing from the special agents through the Enforcement Division of the Chief Counsel's office and the Department of Justice follows:

#### Receipt and disposal of cases in Enforcement Division, fiscal years 1954 and 1955

Status	Fiscal year	
	1954	1955
Pending July 1 <sup>1</sup> .....	2,965	3,802
Received during year:		
With recommendation for prosecution.....	2,343	2,112
With requests for opinion.....	123	74
Total.....	2,466	2,186
Disposed of during year:		
Prosecution not warranted.....	169	1613
Department of Justice declined to prosecute.....	76	182
Prosecutions.....	1,191	1,635
Opinions delivered.....	96	94
All other closings.....	97	87
Total.....	1,629	2,611
Pending June 30 <sup>1</sup> .....	3,802	3,377

<sup>1</sup> Includes cases awaiting action in Department of Justice.

<sup>2</sup> Includes 392 coin-machine cases and 5 cases in which taxpayer died prior to referral to Department of Justice.

Grand juries indicted 890 individuals for violations of the wagering tax and 532 for violations of income tax and other tax laws.

In the cases reaching the courtroom, 1,210 defendants pleaded guilty or nolo contendere, 129 were convicted after trial, 73 were acquitted, and 129 were dismissed.

A comparison of indictments and courtroom actions for the last 2 years follows:

#### Results of criminal action, fiscal years 1954 and 1955

Action	Number of defendants			
	Wagering tax		Income tax and other miscellaneous cases	
	Fiscal year 1954	Fiscal year 1955	Fiscal year 1954	Fiscal year 1955
Indictments returned.....	711	890	850	532
Disposals:				
Plea—guilty or nolo contendere.....	570	687	531	523
Convicted after trial.....	56	37	134	92
Acquitted.....	16	21	61	52
Not pressed or dismissed.....	22	22	74	107
Total.....	664	767	800	774

<sup>1</sup> Includes 43 related to cases in which there were pleas or convictions, 11 in which the defendant died, 6 related to acquittals, and 47 in which entire case was dismissed.

"Net Worth" Decisions by the Supreme Court.—During recent years a major portion of the criminal income tax cases prosecuted has been based on the so-called net worth and expenditure theory. This method involves determining a taxpayer's net assets at the beginning and end of a particular year, computing the increase therein during the year, and adding to that figure the expenditures made during the year which are not deductible for income tax purposes. The propriety of using this method in criminal cases was sanctioned by the Supreme Court in *United States v. Johnson* (1943), 319 U. S. 503. More recently, however, the Supreme Court turned its attention to the manner in which this method was being employed by the Government. The Court's conclusions are set forth in four decisions handed down on December 6, 1954. These cases are: *Holland v. United States*, 348 U. S. 121; *Friedberg v. United States*, 348 U. S. 142; *Smith v. United States*, 348 U. S. 147; and *United States v. Calderon*, 348 U. S. 160. These clarifying decisions, all of which were decided favorably to the United States, will be of considerable assistance in the enforcement of the revenue laws and collection of taxes.

The Court observed that there are pitfalls inherent in the net worth method which, while not foreclosing its use, do require the exercise of great care and restraint, and that the courts must closely scrutinize its use.

A major point decided by the Court, however, was that, contrary to defense contentions, the Government is free to use *all* legal evidence available to it in determining the veracity of a taxpayer's books. In other words, the Supreme Court held that section 41 of the Internal Revenue Code of 1939 did not prevent the Government from looking beyond the self-serving declarations in a taxpayer's books, notwithstanding the apparent accuracy of those books.



A second important point by the Court in the above cases relates to the instances where a taxpayer sets up a defense calculated to destroy the Government's starting point. The Court observed that the Government is obligated to run down such leads furnished by the taxpayer as appear plausible and relevant, although it need not trace every lead.

Another point of the cases involves proof that a net worth increase results from receipt of taxable income, and not such nontaxable receipts as loans, gifts, and inheritances. The Court held that, while increases in net worth, standing alone, cannot be assumed to be attributable to currently taxable income, nevertheless proof of a likely source, from which the jury could reasonably find that the net worth increases sprang, is sufficient.

Respecting the crucial element of willfulness, the Court agreed that the requirement of the statute cannot be met by an inference based merely on an unexplained deficiency, but that "willfulness" involves a specific intent. The Court observed, nevertheless, that a consistent pattern of underreporting large amounts of income and failure of the taxpayer to include all his income in his books or records, could form the basis for a finding of willfulness.

Also, the decisions enunciated certain generalizations relating to jury charges in tax evasion prosecutions based on the net worth method. The Court said that, where the jury is properly instructed on the standard for reasonable doubt, an additional instruction on circumstantial evidence that it must "exclude every reasonable hypothesis other than that of guilt" is "confusing and incorrect." The opinion in the *Holland* case observed, however, that: "Charges should be especially clear, including, in addition to the formal instructions, a summary of the nature of the net worth method, the assumptions on which it rests, and the inferences available both for and against the accused."

### Collection of Delinquent Accounts

Vigorous action was taken during the year to counteract a longtime trend toward increasing inventories of delinquent accounts. Results of the new policies were not readily apparent in the statistics for the year, but there were many indications that the trend was reversed.

This year for the first time statistical information on taxpayer delinquency is presented in terms of delinquent accounts instead of warrants for distraint, although data are comparable in most respects. Further, the accounts are presented for the current as well as for the past year where records permit.

Under the new program, collection officers are required to spend more of their time on collecting delinquent accounts and less on other duties. Also, more prompt use of powers to seize assets was ordered in appropriate cases, sterner measures were prescribed for the collection of trust funds (employee taxes withheld by employers), additional training and higher

performance standards were provided, and more effective supervision was arranged.

Although the number of collection officers decreased an average of 20 percent from the previous fiscal year, they closed 1,860,000 accounts, or only 10 percent fewer than they had closed last year.

Moreover, closures by collection were over 82 percent of total disposals, up from 74 percent last year; and these closures represented \$100,600,000 more in revenue from this source than last year's. Further, although new cases exceeded closures in numbers during the year, this trend had been reversed by the end of the year.

However, the inventory of taxpayer delinquent accounts is up 18 percent over last year's close in terms of numbers of cases. Dollar amounts in these accounts are up 57 percent from \$1,050,000,000 at the end of fiscal year 1954 to \$1,650,000,000 at the close of fiscal year 1955.

A large part of this increase resulted from recognizing as delinquent accounts certain cases, either not made such as a matter of record before revision of the accounting system in all offices of the Revenue Service, or made of record but not available for disposition because of litigation.

The following table presents the data on collection of delinquent accounts:

**Taxpayer delinquent accounts, fiscal years 1954 and 1955**

[Figures in thousands]

Status	Number		Amount	
	Fiscal year 1954	Fiscal year 1955	Fiscal year 1954	Fiscal year 1955
Assemblies issued <sup>1</sup>	2,310	2,064	(?)	\$599,919
Closed:				
Collected	1,529	1,526	\$536,331	636,941
Returned as uncollectible	123	123	66,474	110,483
Abatements and other	423	211	(?)	\$118,533
Total	2,075	1,860	\$602,805	\$865,956
Pending June 30:				
Collection officers	(?)	1,132	(?)	948,795
Cashier (accounts in part payment status)	(?)	47	(?)	26,977
Field clerical force	(?)	132	(?)	48,843
DARB pending accounts <sup>2</sup>	(?)	238	(?)	624,936
Total	1,309	1,549	1,051,201	1,649,551

<sup>1</sup> The assembly comprises several parts, all for office use, except one which is a notice to the taxpayer indicating legal action unless immediate payment is made.

<sup>2</sup> Not reported prior to December 1954.

<sup>3</sup> Amount shown covers only the period January-June 1955.

<sup>4</sup> Amounts of abatements and other closings for periods prior to Jan. 1, 1955 are excluded.

<sup>5</sup> Consists of accounts on which collection has been deferred such as cases involving military personnel, offers in compromise, etc. Substantial portions of these accounts are excluded from inventories prior to December 1954.

### Delinquent Returns

The number of returns secured from taxpayers who had failed to file voluntarily was 767,125, and the amount of tax assessed on these returns was \$77,770,751. This was an overall decrease from the year before of about 10 percent in the number of returns and about 40 percent in tax.

The decrease in the number of delinquent returns was believed to be due partly to better voluntary compliance by taxpayers, and partly to a shift of Revenue Service personnel to other duties. As explained in the sections relating to the audit of returns (page 14) and the collection of delinquent accounts (page 22), there was a substantial shift during the year of collection officers to revenue agent assignments, and the remaining collection officers were assigned to concentrate more of their efforts on the collection of delinquent accounts. These shifts represent a balancing of enforcement efforts according to the most urgent needs.

Additional factors in the decreased amount of taxes collected from delinquent returns were various changes in rates and other statutory provisions.

The following table summarizes the enforcement work on delinquent returns for the last 2 years:

**Delinquent returns secured, fiscal years 1954 and 1955**

Type of tax	Number		Amount of tax, interest, and penalty	
	Fiscal year 1954	Fiscal year 1955 <sup>1</sup>	Fiscal year 1954	Fiscal year 1955 <sup>1</sup>
Income	55,016	48,696	\$16,304,634	\$7,786,443
Payroll	480,621	537,491	90,408,315	59,327,908
Miscellaneous	319,111	180,938	20,920,502	10,656,400
Total	854,748	767,125	127,633,451	77,770,751

<sup>1</sup> Because the breakdown was not available in several districts for the months of December and January, the figures for the fiscal year 1955 are estimated.

## Appeals and Civil Litigation

### General

One of the principal accomplishments of the Revenue Service during the year was a substantial reduction in pending appeals. At the beginning of the calendar year 1954, backlogs of cases, especially those not before the Tax Court (nondocketed), had reached a point where their disposition and the collection of the taxes involved in them were seriously impeded.

Early in the calendar year 1954 a case disposal program was undertaken to reduce these backlogs and put appellate operations on a current basis. The eventual objective of the program was to have the inventory of pending nondocketed cases (cases not before the Tax Court) reduced to the point where the regional appellate division could grant the taxpayer a conference promptly following receipt of the case and thereafter move the case to a conclusion just as rapidly as the taxpayer's cooperation and the complexity of the issues would permit. A further objective was to maintain the current inventory position thereafter regardless of the number of cases received.

The current nondocketed case inventory objective was reached by December 31, 1954, in all regional appellate divisions. Also, it was maintained through the balance of the fiscal year.

Since time limits for disposition of docketed cases (cases before the Tax Court) vary materially because of factors which do not enter into the disposition of nondocketed cases, objectives in the docketed case area were more flexible. However, a further reduction in docketed case inventory was realized during fiscal year 1955.

# Appeals

fiscal years 1954 and 1955

## NONDOCKETED CASES

DISPOSED OF  
DURING YEAR

1954

14,737

1955

15,07

PENDING JUNE 30

1954

13,578

1955

8,311

## DOCKETED CASES

DISPOSED OF  
DURING YEAR

1954

8,495

1955

8,315

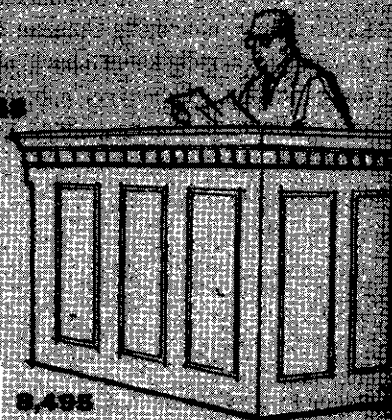
PENDING JUNE 30

1954

8,495

1955

7,361



## Income, Profits, Estate, and Gift Taxes

The following tables reflect the results as to case dispositions for all the regional appellate divisions for the fiscal years 1954 and 1955:

Appellate Division receipt and disposal of protested income, profits, estate, and gift tax cases not before the Tax Court, fiscal years 1954 and 1955

Status	Number of cases	
	Fiscal year 1954	Fiscal year 1955
Pending July 1.....	19,365	13,578
Received during year.....	8,950	10,608
Disposed of during year:		
Closed.....	12,515	11,897
Petitioned.....	2,222	3,178
Total.....	14,737	15,075
Pending June 30.....	13,578	9,111

Appellate Division receipt and disposal of petitioned income, profits, estate, and gift tax cases, fiscal years 1954 and 1955

Status	Number of cases	
	Fiscal year 1954	Fiscal year 1955
Pending July 1.....	10,920	8,495
Received during year.....	4,433	4,781
Disposed of during year:		
Settled by stipulation.....	5,367	4,087
Closed by dismissal or default.....	300	201
Tried before Tax Court on merits.....	1,191	1,027
Total.....	6,858	5,315
Pending settlement or trial, June 30.....	8,495	7,961

## Excise and Employment Taxes

The following table reflects the results in excise and employment taxes:

Appellate Division receipt and disposal of protested excise and employment tax cases, fiscal years 1954 and 1955

Status	Number of cases			
	Refund claims		Abatement claims	
	Fiscal year 1954	Fiscal year 1955	Fiscal year 1954	Fiscal year 1955
Pending July 1.....	45	101	102	175
Received during year.....	137	175	197	259
Disposed of during year:				
Settled by agreement.....	16	59	48	114
Partial allowance—no agreement.....	1	38	6	42
Claim rejected—no agreement.....	57	75	54	133
Other.....	7	2	16	7
Total.....	81	174	124	296
Pending June 30.....	101	102	175	138

### Claims for Relief From Excess Profits Tax

During the year the Excess Profits Tax Council concentrated its efforts on the remaining nondocketed section 722 cases and the settlement or trial of docketed section 722 cases.

The inventory of nondocketed cases was reduced from 37 corporations claiming refunds of \$242,000,000 to 9 corporations claiming \$35,000,000.

The inventory of docketed cases was reduced from 606 to 501 corporations, despite the filing of new petitions by 29 additional corporations. The 501 cases in inventory at the close of June 30, 1955, involved claimed refunds of \$906,000,000. Of the 134 docketed cases disposed of, 37 were tried before the Tax Court and 97 were settled administratively and stipulated before the court.

### Closing Agreement Cases

Work was kept substantially current on the review of closing agreements under section 7121, Internal Revenue Code of 1954.

The following table reflects the action of the National Office as to cases of this type:

**Appellate Division receipt and disposal of closing agreement cases, fiscal year 1955**

Status	Number of cases
Pending July 1, 1954.....	25
Received during year.....	126
Disposed of during year.....	124
Pending June 30, 1955.....	27

### Other Courts

The results of appeals from decisions of the Tax Court to other courts during the year follow:

**Cases in appellate courts on appeals from decisions of the Tax Court, fiscal year 1955**

Status	Number of cases	
	In courts of appeals	In Supreme Court
Pending July 1, 1954.....	407	1
Appealed.....	302	6
Total to be accounted for.....	709	7
Disposed of during year:		
Favorable to Commissioner.....	150	1
Favorable to taxpayers.....	87	
Modified.....	21	
Settled.....	15	
Dismissed.....	53	
Total.....	326	1
Pending June 30, 1955.....	383	9

During the year, in addition to the appeals from Tax Court decisions noted above, there were 526 cases involving tax issues decided by the Federal civil courts (exclusive of bankruptcy, receivership, insolvency, compromise, and liquor cases). These cases involve principally suits for refund filed by taxpayers in Federal courts (see table 21) and suits filed by the United States in Federal and State courts for collection of taxes (see table 22).

The distribution of these cases, by court involved and according to the nature of the decision, is as follows:

**Cases involving tax issues decided by Federal civil courts, fiscal year 1955**

	For the Government	Against the Government	Partly for and partly against the Government	Total
District courts.....	164	150	38	352
Courts of appeals.....	71	64	1	136
Court of Claims.....	13	17	2	32
Supreme Court.....	5	1		6
Total.....	253	232	41	526

As of June 30, 1955, there were 2,882 civil cases (principally suits for refund and for collection of taxes) involving tax questions pending in district and State courts, 81 pending in courts of appeal, and 493 pending in the Court of Claims.

Five civil cases (see "Enforcement" section for criminal cases) were decided by the Supreme Court in favor of the Government.

The cases of *Koppers Co., Inc. v. United States* and *Premier Oil Refining Co. of Texas v. United States*, 348 U. S. 254, were decided on January 31, 1955. These decisions were decisive of a substantial number of pending cases and were of particular interest for the reason that the Court decided that the Government could collect interest under section 292 (a) of the Internal Revenue Code (1939) on deficiencies which, though real, were never assessed because they were eliminated by reason of the relief provisions of section 722 of the Internal Revenue Code.

The Supreme Court decided the case of *Olympic Radio and Television, Inc. v. United States* on May 23, 1955, in favor of the Government reversing the Court of Claims. The decision dealt with the construction of the words "paid or accrued" in section 122 (d) (6) of the 1939 Code with relation to the accounting method employed and held that a corporation on the accrual basis could not for carryback purposes increase a net operating loss by the amount of excess profits taxes paid in the loss year. The decision eliminates this issue from a number of cases pending in the courts and in the various field offices in which very large refunds were sought.

The cases of *United States v. Acri, et al.* and *United States v. Liverpool and London and Globe Insurance Co., Ltd., et al.* (collection cases) were decided by

the Supreme Court on January 10, 1955, in favor of the Government. These cases were decisive of a number of cases pending before the lower courts and before the Revenue Service involving the question of priority of Federal liens over attachment and garnishment liens. The Court held that the attachment lien in the *Acri* case and the garnishment lien in the *Liverpool and London and Globe* case were inchoate liens until perfected by judgments entered and were indistinguishable from the case of *United States v. Security Trust Co.* (1950) 340 U. S. 47. The liens of the United States arising subsequent to the issuance of the writ of attachment and garnishment, but before the dates of entry of judgments, were given priority. Section 3672, I. R. C. 1939, which provides Federal liens are not valid against judgment creditors until filed as provided by law, was not applicable. Section 3672 is carried into the 1954 Code as section 6323. The *Liverpool and London and Globe* case also decided that attorney's fees did not have priority over the lien of the United States against monies held by the garnishee. This issue was of importance in numerous cases in which stakeholders have claimed attorney's fees out of the monies which they hold in preference to the liens of the United States.

The case of *Estate of Raymond Lupia v. Marcelle* was decided by the Supreme Court on March 7, 1955, in favor of the taxpayer. Former section 421 of the 1939 Code forgave the income taxes of any individual who died on or after December 7, 1941, and prior to January 1, 1948, while serving in the armed forces of the United States, "with respect to the taxable year in which falls the date of his death." Denying the Government's contention that such "taxable year" meant the fractional year ending with decedent's death, the Court of Appeals for the Second Circuit construed section 421 to forgive the income tax payable by the estate of a partner, who was killed in action on January 7, 1945, on his share of the partnership income for the period from the date of his death to the end of the partnership's fiscal year, June 30, 1945, 214 F. (2d) 942. The Supreme Court granted certiorari on the basis of a direct conflict with the decision of the fifth circuit in *Allen v. Bickerstaff*, 200 F. (2d) 181.

*Statements on Adverse Tax Court Decisions.*—There were published in the Internal Revenue Bulletin acquiescences of the Commissioner in 182 adverse decisions of the Tax Court and nonacquiescences in 29 adverse decisions.

## Changes in Tax Liability

### Additional Taxes

First dividends of the augmented enforcement program were increases in the amounts of additional tax, interest, and penalties resulting from audit and other enforcement activities.

These increases reversed the downward trend of recent years, which had been a matter of concern. As explained elsewhere in this report, the enforcement program was bolstered by increasing the number of revenue agents, improving training and other facilities, better selection of returns to be audited, etc. Some of the results of these programs are not apparent in the 1955 statistics, since the measures are of a long-range nature.

The principal increase was one of more than \$100,000,000, or 20 percent, in the additional tax resulting from the audit of individual and fiduciary income tax returns. A smaller increase was made in the area of corporation income and excess profits tax returns, making an overall increase of \$134,000,000, or more than 10 percent, for all income and profits tax returns.

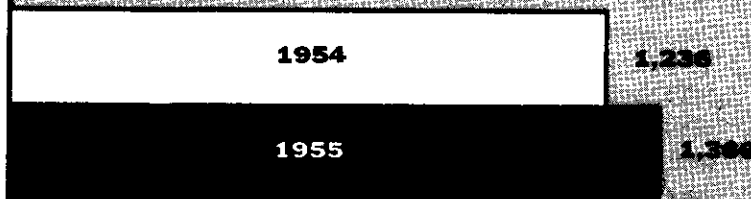
A small increase also was noted for estate and gift taxes and for excise taxes, but there were small decreases in the amounts resulting from the audit of employment tax returns, from mathematical verification of all types of income tax returns and from all types of delinquent returns.

# Tax, Interest, and Penalty resulting from Enforcement Efforts

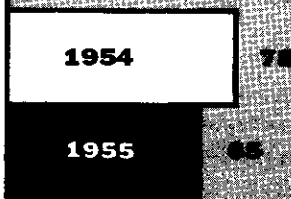
## fiscal years 1954 and 1955

ADDITIONAL TAX,  
INTEREST, AND  
PENALTY RESULTING  
FROM AUDIT

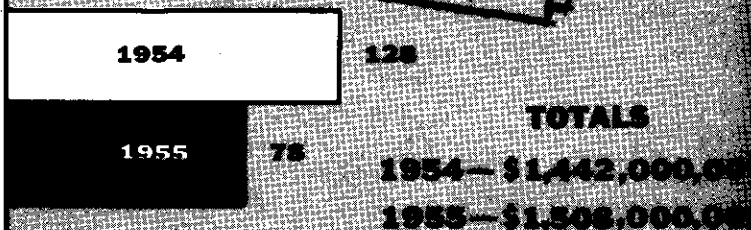
(MILLIONS OF DOLLARS)



INCREASE IN TAX  
RESULTING FROM  
MATHEMATICAL  
VERIFICATION



AMOUNTS OF TAX,  
INTEREST, AND  
PENALTY ASSESSED ON  
DELINQUENT RETURNS



A comparison of the results for the fiscal years 1954 and 1955 follows:

### Tax, interest, and penalty resulting from enforcement efforts, fiscal years 1954 and 1955

(In thousands of dollars)

Item	Fiscal year	
	1954	1955
Additional tax, interest, and penalty resulting from audit		
Income and profits taxes:		
Corporation income and profits	579,279	611,176
Individuals and fiduciaries:		
Prerefund audit	33,714	33,877
Regular audit	1,485,564	587,623
Total, income and profits taxes	1,098,557	1,232,676
Employment taxes <sup>1</sup>	23,580	8,826
Estate and gift taxes	105,904	112,199
All other taxes	7,471	11,932
Total, resulting from audit	1,235,512	1,365,632
Increase in income tax resulting from mathematical verification		
Individuals and fiduciaries	77,207	62,838
Corporations	1,281	1,711
Total	78,488	64,549
Tax, interest, and penalty on delinquent returns		
Income taxes	16,305	7,786
Employment taxes <sup>2</sup>	90,408	59,327
Miscellaneous taxes	20,921	10,656
Total	127,633	77,771
Grand total	1,441,634	1,507,951

<sup>1</sup> Revised on the basis of reports received from district offices.

<sup>2</sup> Includes withheld income tax.

<sup>3</sup> Because the breakdown was not available for the months of December and January, the figures for the fiscal year 1955 are estimated.

### Overassessments and Overpayments

**Refunds and Repayments.**—Refunds and repayments during fiscal year 1955, including interest, drawbacks, and stamp redemptions, totaled \$3,513,093,000, representing a slight increase over last year.

Refunds of individual income and employment taxes increased by \$69,000,000. Interest payments were down 25 percent from the year before.

Following is a table summarizing refunds paid, the number and amounts and interest included in such amounts, with respect to each general class of tax during fiscal years 1954 and 1955:

**Number and amount of internal revenue refunds, including interest, during fiscal years 1954 and 1955**

Class of tax	Number		Amount refunded or paid		Interest allowed (included in amounts refunded)	
	Fiscal year 1954	Fiscal year 1955	Fiscal year 1954	Fiscal year 1955	Fiscal year 1954	Fiscal year 1955
	(In thousands of dollars)					
Corporation income and profits taxes	52,513	49,188	482,516	447,288	60,531	43,364
Individual income and employment taxes:						
Excessive prepayment income tax	31,289,393	30,402,654	2,687,147	2,716,599	4,296	5,403
Other income tax and old-age insurance <sup>1</sup>	1,128,156	1,810,788	213,744	253,399	15,211	10,839
Railroad retirement	16	116	277	94	40	16
Unemployment insurance	17,433	13,487	2,329	2,239	61	105
Total individual income and employment tax	32,434,998	32,227,045	2,903,498	2,972,330	19,608	16,363
Estate tax	2,784	2,777	11,740	12,952	1,606	1,484
Gift tax	362	378	855	586	135	79
Alcohol taxes <sup>2</sup>	18,664	6,854	59,755	49,388	29	79
Tobacco taxes <sup>3</sup>	132	163	72	309	( <sup>4</sup> )	( <sup>4</sup> )
Manufacturers' and retailers' excise taxes	1,233	2,535	2,757	10,457	290	260
Redemption of stamps:						
Alcohol	1,701	1,932	172	4,472	( <sup>4</sup> )	10
Tobacco	1,535	1,642	2,684	2,757		( <sup>4</sup> )
Other <sup>4</sup>	2,228	983	373	1,923	31	9
Total stamp redemptions	5,464	4,557	3,229	9,151	31	19
Other <sup>5</sup>	5,392	21,957	4,203	10,639	401	453
Total refunds of internal revenue	32,521,542	32,315,454	3,468,625	3,513,893	82,631	62,182

<sup>1</sup> Figures have not been reduced by amounts of \$51,000,000 in 1955 and \$40,500,000 in 1954, reimbursed from the Federal old-age and survivors' insurance trust fund.

<sup>2</sup> Includes drawbacks.

<sup>3</sup> Less than 500 dollars.

<sup>4</sup> Includes narcotics, silver and wagering stamps previously reported separately.

<sup>5</sup> Includes capital stock tax and wagering tax (excise) previously reported separately.

**Excessive Prepayment of Individual Income Tax.**—As in previous years, the largest part of refunds continued this year to be those resulting from excessive prepayments of the individual income tax through withholding by employers and from overpayment of estimated tax. This year there was almost no change from last year in the principal amount refunded under this program.

The significant reduction in interest amounts paid out in connection with refunds can be attributed partly to closer scheduling of these cases, and partly to a change in law extending the time for handling such cases interest-free from 30 days to 45 days.

The later filing date for individual income tax returns was a factor in holding down the amount of refunds and the amount of interest on refunds paid prior to June 30, 1955.

The following table covers tax years 1950 through 1954 (usually received and processed in following fiscal years) with respect to the number and amount of refunds and credits, and interest paid out, as a result of excessive prepayments:

**Excessive prepayments of individual income tax, taxable years 1950-54**

(Figures in thousands)

Taxable year	Refunds			Credits	
	Number	Principal	Interest	Number	Amount
1950	29,836	\$1,606,691	\$1,753	662	\$151,566
1951	29,043	1,903,827	3,523	590	179,999
1952	30,152	2,373,989	1,626	1,020	396,081
1953	31,591	2,739,932	3,879	1,130	462,818
1954 <sup>1</sup>	31,990	2,728,800	485	860	287,937

<sup>1</sup> Figures are preliminary and reflect refunds or credits to June 30, 1955. Revised figures to Dec. 31, 1955 will appear in next year's report.

<sup>2</sup> Includes 123,000 returns requiring split between credit to ensuing tax year and current year refund.

**Carrybacks and Carryovers.**—The new Code provides in section 172 (b) for a net operating loss carryback for any taxable year ending after December 31, 1953, to each of the two taxable years immediately preceding, and for a net operating loss carryover to each of the five taxable years following such taxable year. Under section 6411 (a) a taxpayer may file application for adjustment of income and profits taxes for the years affected by losses.

The new law may reasonably account for a slight decrease in amounts allowed, as set forth in the accompanying table, between 1954 and 1955 fiscal years, from \$329,400,000 to \$312,900,000. The number of applications increased by about 23 percent, and rejections by approximately 25 percent, between the 2 years. Total applications adjusted increased by about 2 percent.

**Receipt and disposal of tentative carryback adjustments, fiscal years 1954 and 1955**

Status	Number		Amount claimed		Amount allowed	
	Fiscal year 1954	Fiscal year 1955	Fiscal year 1954	Fiscal year 1955	Fiscal year 1954	Fiscal year 1955
	(In thousands of dollars)					
Pending July 1	6,528	7,038	67,067	50,840		
Applications received	37,298	45,889	329,504	377,685		
Applications adjusted, total	36,788	37,640	345,731	325,660	329,454	312,995
Allowed in whole	32,173	32,440	320,425	297,993	320,748	298,491
Allowed in part	1,732	1,595	10,270	17,225	8,706	14,505
Rejected	2,883	3,605	15,036	10,442		
Pending June 30	7,038	15,287	50,840	102,865		



**Claims for Refund.**—Beginning January 1, 1955, the Revenue Service made provision for obtaining from its field offices important management data with respect to audit results on claims for refund, Form 843, (including amended returns reflecting a decrease in tax which are treated as Form 843 claims) which were disposed of by the district audit divisions. Information of this type is not available for periods prior to January 1, 1955.

Disposition of these claims for the period January 1, 1955, to June 30, 1955, is shown by major class of tax in the following table:

**Claims for refund disposed of by district audit division January-June 1955**

Class of tax	Number	Amount		
		Claimed by taxpayer	Allowed	Disallowed by audit divisions
		(In thousands of dollars)		
Individual income taxes.....	99,407	42,187	25,605	16,582
Corporalien income and profits taxes.....	11,276	140,673	51,751	88,922
Estate tax.....	332	4,897	1,423	3,474
Gift tax.....	78	231	81	150
Excise taxes.....	3,320	45,946	5,217	40,729
Employment taxes.....	13,119	1,733		260
Total.....	127,532	235,667	85,550	150,117

**Review of Overassessments Exceeding \$100,000.**—A total of 178 cases involving overassessments of \$522,634,410 was reported to the Joint Committee on Internal Revenue Taxation in accordance with the law which requires review by the committee of all refunds and credits exceeding \$100,000 (\$200,000 prior to enactment of the Internal Revenue Code of 1954). These figures compared with 200 cases involving \$409,047,000 reported in the preceding year.

## Offers in Compromise

The year saw a marked reduction of backlogs in cases in which taxpayers had submitted offers in compromise for settlement of tax liabilities. The law permits consideration of such offers when based upon inability to pay or doubt as to liability. No compromise is provided for so-called hardship or equity cases.

As of June 30, 1955, there were 10,570 compromise cases on hand at all Revenue Service levels as compared with 16,270 cases pending at the end of the previous fiscal year. Approximately 21,000 cases were on hand as of June 30, 1953. This reduction in inventories reflects the success of a campaign to expedite the processing of offers in compromise, and is attributed to:

1. Adoption of a new policy of rejecting a compromise offer based on inability to pay without requiring a field investigation when the taxpayer's statement of financial condition clearly discloses that the liability is collectible.
2. Application of the policy of taking immediate steps to collect the unpaid liability when an offer is submitted merely to delay collection of the tax or if the delay in collection will jeopardize the interests of the Government.
3. Decentralization of jurisdiction over offers in compromise to the audit divisions of the district offices.

To assist taxpayers in compiling more accurate and complete information with respect to their financial condition, Forms 433, 433A, and 433B, Statements of Financial Condition, which accompany offers in compromise based on inability to pay, have been revised recently and consolidated into two forms known as 433 (revised) and 433-AB. These two new forms will be of material assistance in expediting the handling of offers in compromise.

The district directors now process substantially all tax and penalty offers in compromise. District directors, together with the assistant regional commissioners (appellate) and the compromise branch of the National Office, received 6,370 tax offers and disposed of 7,412 offers, leaving a total of 6,301 tax offers on hand as of June 30, 1955. In addition, these offices received 12,817 specific and delinquency penalty offers and disposed of 16,644 offers, leaving a total of 3,805 specific and delinquency penalty offers on hand as of June 30, 1955.

The Chief Counsel and the regional counsel consider tax offers in cases in which court proceedings, except The Tax Court of the United States, are involved, or criminal prosecution is pending. During the year these

offices received 716 tax offers and disposed of 590 offers, leaving a total of 339 offers on hand as of June 30, 1955.

The Alcohol and Tobacco Tax Division considers all offers relating to alcohol, tobacco, and firearms taxes and penalties. It received 881 tax and penalty offers and disposed of 885 offers, leaving a total of 125 offers on hand as of June 30, 1955.

A comparison of the compromise cases closed in the various categories for the fiscal years 1954 and 1955 follows:

**Offers in compromise disposed of, fiscal years 1954 and 1955**

Type of tax or penalty	Number		Liabilities		Offers	
	Fiscal year 1954	Fiscal year 1955	Fiscal year 1954	Fiscal year 1955	Fiscal year 1954	Fiscal year 1955
<b>Offers accepted</b>						
			(In thousands of dollars)			
Income, profits, estate, and gift taxes.....	1,690	1,640	23,990	48,128	8,194	13,609
Excise taxes.....	546	385	2,858	1,328	763	389
Employment and withholding taxes.....	2,185	1,323	4,623	2,904	1,433	1,324
Alcohol taxes.....	161	134	196	238	32	38
Delinquency penalties on all taxes.....	18,356	11,280	10,048	5,451	1,499	865
Specific penalties.....	5,180	4,513			169	154
<b>Total.....</b>	<b>28,118</b>	<b>19,195</b>	<b>41,714</b>	<b>58,048</b>	<b>12,089</b>	<b>16,379</b>
<b>Offers rejected or withdrawn</b>						
Income, profits, estate, and gift taxes.....	2,793	3,004	73,062	84,148	13,330	14,636
Excise taxes.....	448	363	3,575	3,369	456	568
Employment and withholding taxes.....	1,628	1,367	6,983	4,347	1,127	1,210
Alcohol taxes.....	190	205	791	715	39	41
Delinquency penalties on all taxes.....	2,104	1,363	2,157	1,220	324	239
Specific penalties.....	94	34			26	10
<b>Total.....</b>	<b>7,257</b>	<b>6,336</b>	<b>86,568</b>	<b>93,799</b>	<b>15,381</b>	<b>16,704</b>

## Rulings, Regulations, and Special Technical Services

In the fiscal year 1955, this function was primarily concerned with the drafting of new regulations and revision of tax return forms required by the complete overhaul of the Federal tax system, resulting from enactment of the Internal Revenue Code of 1954, which was approved by the President on August 16, 1954.

### Regulations Program

*General.*—The program for issuing regulations under the Internal Revenue Code of 1954 dwarfs any previous regulatory project undertaken by the Revenue Service. A total of 112 separate regulations and Treasury Decisions were scheduled for preparation and issuance under the new Internal Revenue Code (not including those covering alcohol and tobacco tax provisions).

The first step was to issue regulations continuing in effect the procedures, organization, and existing regulations under the Internal Revenue Code of 1939 to the extent applicable under the new Code.

It was also necessary to issue immediately regulations required to inform taxpayers how, when, or where they were to perform acts required or permitted by new provisions contained in the 1954 Code.

Of the 15 notices of proposed rule making and 5 final Treasury Decisions published during the fiscal year to implement the 1954 Code, the following were of especial significance:

- (1) Regulations relating to assessment, collection, abatements, credits, and refunds of taxes under the 1954 Code (T. D. 6119).
- (2) Regulations under section 167 of the 1954 Code relating to depreciation (published in proposed form September 28, 1954).
- (3) Regulations under subchapter C of the 1954 Code relating to corporation distributions and adjustments (published in proposed form on December 11, 1954).

During the year, initial drafting was completed on most of the other separate regulations and Treasury Decisions to be issued.

A new title in the Code of Federal Regulations was established and designated "Title 26—Internal Revenue, 1954" under which all of the regulations and Treasury Decisions pertaining to the Internal Revenue Code of 1954 will appear in final form.

*Alcohol and Tobacco Tax.*—Of the 29 regulations required to implement the alcohol and tobacco tax provisions of the new Code, complete regulations were published as follows:

## CODE OF FEDERAL REGULATIONS

## Part No.

- 170 Miscellaneous Regulations Relating to Liquor.
- 173 Returns of Substances or Articles.
- 175 Traffic in Containers of Distilled Spirits.
- 182 Industrial Alcohol.
- 186 Gauging Manual.
- 194 Liquor Dealers.
- 195 Production of Vinegar by the Vaporizing Process.
- 197 Drawback on Distilled Spirits Used in Manufacturing Nonbeverage Products.
- 198 Production of Volatile Fruit-Flavor Concentrates.
- 216 Denaturation of Rum.
- 220 Production of Distilled Spirits.
- 221 Production of Brandy.
- 225 Warehousing of Distilled Spirits.
- 230 Bottling of Taxpaid Spirits.
- 231 Taxpaid Wine Bottling Houses.
- 235 Rectification of Spirits and Wines.
- 240 Wine.
- 245 Beer.
- 251 Importation of Distilled Spirits, Wines, and Beer.
- 252 Drawback on Liquors Exported.
- 270 Cigars and Cigarettes; Manufacturers, Importers, and Dealers.
- 275 Manufactured Tobacco; Manufacturers, Importers, and Dealers.
- 295 Removal of Nontaxpaid Tobacco Products and Cigarette Papers and Tubes for the Use of the United States.

Six regulations remain to be issued under this program.

The new tobacco regulations represent the first major changes since 1935. The new law on which they are based is the first complete statutory revision as regards tobacco requirements since 1862.

New "Rules of Practice in Permit Proceedings" (26 C. F. R. (1939) part 200) were issued to provide, for the first time in one document, rules applicable to all adversary proceedings involving adjudication required by statute to be determined on the record, after opportunity for hearing, under the alcohol and tobacco tax provisions of the Internal Revenue Code. Previously, these rules were contained in four different parts of Titles 26 and 27 of the Code of Federal Regulations.

Regulations No. 1 "Basic Permit Requirement under the Federal Alcohol Administration Act (27 C. F. R., part 1)" were revised and reissued to conform to the new "Rules of Practice in Permit Proceedings" (26 C. F. R., part 200).

Treasury Decisions of major imports issued during the year included:

T. D. 6090 issued, effective August 14, 1954, to change the emphasis of supervision of industrial alcohol producing, warehousing, and denaturing operations.

T. D. 6092 issued, effective August 17, 1954, to implement section 5411 of the Internal Revenue Code of 1954 to permit the use of brewery premises for the purpose of producing and bottling soft drinks.

### Tax Return Forms Program

The enactment of major tax legislation during the year made necessary the review of all tax return forms and instructions. The task of revising such forms in advance of the issuance of new regulations presented problems of unusual volume and complexity, but was accomplished substantially on schedule.

Because of changes in the law, Form 1040, U. S. Individual Income Tax Return, was increased to 4 pages of items and schedules instead of 3 pages as in prior years, and the instructions, containing the tax rate table, were increased from 12 to 16 pages.

Form 1040A, the Optional Individual Income Tax Return, was developed in "punch card" style to permit the mechanical processing of the increasing number of taxpayer returns to be made on this form.

To effectuate a new provision of the 1954 Internal Revenue Code it was necessary to develop Form 1120-ES, Declaration of Estimated Tax by Corporation.

Approximately 200 other public-use forms and many internal forms also were revised.

### Tax Rulings

Enactment of the new Code also necessitated a temporary modification of the Revenue Service's policy of issuing rulings to taxpayers. During the year, no rulings were issued under the new Code where there had been a change in the prior law and new regulations were yet to be published, unless there was a showing that extreme hardship would result from the failure to issue a ruling.

Although this policy was still in effect at the end of the year, 42,474 replies to requests for rulings and technical advice were issued during the

year. In the previous year, when no such restriction was necessary, the replies totaled 51,060. An analysis of the year's rulings follows:

**Requests for tax rulings and technical advice processed, fiscal year 1955**

Subject	Taxpayers' requests	Field requests	Total
Income and excess profit taxes.....	31,964	1,583	33,547
Excise taxes.....	3,394	1,025	4,419
Employment and self-employment taxes.....	1,495	832	2,327
Estate and gift taxes.....	888	232	1,120
Engineering questions (depreciation, etc.).....	806	255	1,061
Total.....	38,547	3,927	42,474

### Publication Program

During the year there were 801 rulings published in the Internal Revenue Bulletin compared with 432 in the previous fiscal year and 151 in fiscal year 1953. This reflects progress in the program for eliminating so-called "secret" rulings. The present policy is to publish all rulings and procedures directly affecting taxpayers' basic rights or duties, which may serve as precedents or guides to the public and the Revenue Service personnel.

A comparison of the rulings published in the last 3 years follows:

**Tax rulings published, fiscal years 1953, 1954, and 1955**

Subject	Fiscal year		
	1953	1954	1955
Income tax.....	96	212	363
Excise tax.....	33	88	111
Estate and gift taxes.....	4	40	51
Employment taxes.....	2	20	71
Excess profits tax.....	4	13	9
Firearms.....		6	15
Alcohol and tobacco taxes.....	4	40	168
Miscellaneous.....	8	13	13
Total.....	151	432	801

A new cumulative list of organizations (approximately 38,000) to which contributions are held to be deductible by donors for Federal income tax purposes, under section 170 of the 1954 Code, was published as a source of reference material for both taxpayers and Revenue Service personnel.

An explanation of the income tax responsibilities of United States citizens residing abroad was published in the form of a booklet and given worldwide distribution.

Various other publications for the information of taxpayers, such as "Your Federal Income Tax," were revised and plans were made for some new ones, including a tax guide for farmers.

### Legal Services

This was the first year under the system which decentralized to the regional counsel a large segment of legal work on civil advisory matters. The decentralized tasks relate to proceedings under the Bankruptcy Act, receiverships and other insolvencies, the discharge and release of liens, the administration of estates of decedents or incompetents, the handling of offers in compromise, and Federal tax liens in actions to quiet title and suits for foreclosure by mortgagees and other secured creditors (see appendix table 23). It was likewise the first year for testing and extending the procedures adopted during the prior fiscal year under which proofs of claim in liquidating bankruptcies, receiverships, decedents' estates, and other miscellaneous insolvencies are retained in the district directors' offices unless and until it appears that legal advice or services are required. The same procedures now have been applied to wage earner plan proceedings under chapter XIII of the Bankruptcy Act. These procedures are designed to eliminate the necessity of handling in the Chief Counsel's office, at either national or regional level, cases in which claims for taxes are as a matter of routine allowed and paid and which do not require the advice of an attorney.

During the fiscal year, the legal work involved in connection with collection cases was decentralized to the offices of the regional counsel. Concurrently, a new procedure was adopted whereby recommendations by district directors with respect to the initiation of collection cases, whether by institution of a suit or of intervention in an already pending proceeding, are forwarded to the regional counsel for handling rather than to the National Office of the Chief Counsel.

The performance of the civil advisory function of rendering "on the spot" legal advice to district directors in connection with matters involving problems of civil law (as distinguished from criminal law) was expanded and emphasized. Visitation programs were established in each region so that legal personnel competent to handle civil advisory matters visit each district director's office at regular intervals. In this way district directors are able to secure immediate answers to many of their questions without being required to reduce their inquiries to writing.

## International Tax Conventions

Income tax conventions with Japan and Germany became effective during the year by virtue of exchange of ratifications; a supplemental income tax convention with the United Kingdom likewise became effective.

An estate and gift tax convention with Japan became effective during the year.

Income tax conventions with Italy and the Netherlands were signed but not ratified during the year.

Estate tax conventions with Italy and Belgium were awaiting ratification at the close of the year.

Tax conventions and treaties were in various stages of negotiation or exploration with various nations, including several Latin American countries, where interest was stimulated by the Secretary of the Treasury during conferences in Rio de Janeiro in November 1954.

Fifty-four officials from 23 foreign countries visited the National Office during the year to study the administration and operation of the United States tax laws.

## Legislation Relating to Internal Revenue Matters

### Legislative Services Performed

The Revenue Service provided technical assistance to the other offices of the Treasury Department and to the tax committees of the Congress in connection with the legislative enactments during the fiscal year relating to internal revenue matters. This technical assistance included participation in the drafting of the legislation and the related committee reports. During the year 33 reports on public bills and 14 reports on private bills giving information and the views of the Revenue Service with respect to such bills were forwarded to the Under Secretary's office for use in preparing the Department's reports to the appropriate congressional committees.

The Revenue Service developed and presented to the Under Secretary for consideration in connection with the Department's legislative program a number of legislative proposals, relating primarily to administrative matters, of importance toward improved administration of the tax laws.

### Important Legislation Enacted During Fiscal 1955

The principal enactments of the 83d Congress and the 84th Congress during the fiscal year include:

*83d Congress.*—Public Law 591, approved August 16, 1954, providing a complete rearrangement of the tax laws, modernization of many old provisions, clarification of certain provisions, and numerous substantive changes and additions. This public law, the provisions of which are cited as the Internal Revenue Code of 1954, accomplished the first comprehensive revision of the tax laws since the enactment of the income tax.

Public Law 746, approved August 31, 1954, increasing the payroll tax base under the Railroad Retirement Tax Act and improving the benefits payable under the Railroad Retirement Act.

Public Law 761, approved September 1, 1954, extending coverage under the old-age and survivors insurance program and increasing the benefits payable thereunder.

Public Law 767, approved September 1, 1954, extending coverage under the unemployment compensation program.

*84th Congress.*—Public Law 18, approved March 30, 1955, extending the corporate normal tax rate of 30 percent for an additional year to April 1, 1956, and also postponing until April 1, 1956, the excise tax rate reductions which were to become effective on April 1, 1955, on the following taxable

articles: Automobiles, trucks, motorcycles, etc., and parts and accessories therefor; gasoline; diesel fuel; cigarettes, distilled spirits generally; imported perfumes containing distilled spirits; still wines; sparkling wines; liqueurs and cordials; and beer.

Public Law 74, approved June 15, 1955, repealing retroactively sections 452 and 462 of the 1954 Code which permitted taxpayers to adopt certain methods of accounting for prepaid income and estimated expenses.

## Internal Controls

### Internal Audit

The Internal Audit Division placed particular emphasis during the year upon the further improvement of internal audit quality and coverage.

Statistics covering the internal audit activity of the nine regional inspection offices for the fiscal year 1955 follow:

Internal audits, started and completed, fiscal year 1955

Activity	In process July 1, 1954	Started	Completed	In process June 30, 1955
Regional counsels' offices.....	2	3	5	
Regional commissioners' offices:				
Collection.....	3	4	6	1
Audit.....	2	4	6	1
Intelligence.....	2	6	7	1
Alcohol and tobacco tax.....	5	4	6	3
Appellate.....	3	5	7	1
Administrative.....	1	6	6	1
Total.....	18	32	43	7
District directors' divisions:				
Collection.....	14	39	37	16
Audit.....	13	43	44	12
Intelligence.....	12	43	45	10
Administrative.....	12	41	43	10
Total.....	51	166	169	48
Grand total.....	69	198	212	55

In addition to the regular audits shown above, the regional internal audit divisions made 35 interim audits of branch offices of district collection divisions and verified the accounts of 12 outgoing district directors. Considerable internal audit time was also devoted to observation and partial audit of the installation of a new revenue accounting system in the collection divisions of all district directors' offices. At the request of the General Accounting Office in connection with its audit of reporting requirements under section 1311 of the Supplemental Appropriation Act, 1955, special reports were issued by three regional internal audit divisions on the administrative expense appropriation obligations as of June 30, 1954.

The Internal Audit Division in the National Office completed and submitted a report on the audit of the Collection Division of the Baltimore district director's office, submitted a report on a survey made of the Appellate Division in the National Office, reviewed and reported on the operation of the Kansas City Regional Service Center, and submitted

reports on the audit of the Fiscal Management Division and on the survey of the Office of the Director of Practice.

In addition to the above the National Office internal audit personnel prepared or revised audit programs and other instructional material, reviewed and processed audit reports, discussed audit findings with National Office operating officials, visited regional inspection offices to evaluate operations and to discuss audits and administrative problems, and performed other work essential to functional supervision.

### Internal Security

Authority was decentralized to regional inspectors for making final security determination on character and other types of background investigations in all field authority cases. This has resulted in more expeditious closing of cases and has eliminated considerable administrative work in the National Office.

Public Law 725 of the 83d Congress provides for investigation by the Federal Bureau of Investigation of certain criminal cases. Close liaison was maintained during the year by Revenue Service with officials of the Treasury Department and the Department of Justice in working out an agreement as to the types of cases to be referred to the Department of Justice. This culminated in the issuance of instructions, effective July 1, 1955, which prescribe a prompt and uniform method of referral of appropriate criminal cases to the Federal Bureau of Investigation.

During fiscal year 1955 final disposition was made of 4,463 personnel investigative cases, as compared with 3,858 cases closed during fiscal year 1954. This represents an increase of slightly over 15 percent.

Increased emphasis was made throughout the year on the necessity for thorough investigative coverage, improvement in techniques and report writing, and prompt investigation of the more important cases.

Statistics on personnel investigations and disciplinary actions follow:

#### Personnel investigations and disciplinary actions, fiscal years 1954 and 1955

	Fiscal year	
	1954	1955
<b>Personnel investigations</b>		
Number of cases closed:		
Character and security investigations.....	1,958	2,985
Conduct investigations.....	1,295	829
Other investigations.....	605	649
<b>Total.....</b>	<b>3,858</b>	<b>4,463</b>
<b>Disciplinary actions against employees as a result of personnel investigations</b>		
Separation of employee (by type of offense) <sup>1</sup> :		
Bribery, extortion or collusion.....	11	12
Embezzlement or theft of Government funds or property.....	15	5
Failure of employee to pay proper tax.....	45	20
Falsification or distortion of Government reports, records, etc.....	53	115
Unauthorized outside activity.....	9	5
Failure to properly discharge duties.....	6	4
Personal misconduct unrelated to tax cases.....	34	38
Refusal to cooperate.....	2	2
Divulgence of confidential information.....	2	1
Failure to file financial statements.....	20	6
Acceptance of fees or gratuities.....	12	28
Other misconduct.....		
<b>Total separations.....</b>	<b>209</b>	<b>236</b>
Suspended from duty and pay.....	23	32
Reprimanded, warned, transferred or demoted.....	209	214
<b>Total disciplinary actions.....</b>	<b>441</b>	<b>482</b>

<sup>1</sup> Includes resignations, retirements or other separations while employees were under investigations, or before administrative decision made on disciplinary action where investigation disclosed derogatory information.



# Personnel on Rolls

fiscal years 1954 and 1955

## NATIONAL OFFICE

1954 2,707  
1955 2,675

## REGIONAL AND DISTRICT OFFICES:

### Collection Officers

1954 6,877  
1955 6,885

### Office Auditors

1954 2,430  
1955 2,195

### Returns Examiners

1954 1,342  
1955 1,274

### Revenue Agents

1954 10,605  
1955 11,255

### Special Agents

1954 1,573  
1955 1,555

### Alcohol Tax Personnel

1954 1,305  
1955 1,304

### Clerical, all other Field Personnel

1954 2,400  
1955 2,400

## TOTALS

1954 - 31,241

1955 - 30,916

1954 - 31,241

1955 - 30,916

## Administrative Functions

### Personnel

A major increase in revenue agents was accomplished during the year and, at the same time, a small decrease was effected in the total number of all categories of employees. The revenue agent increase was accompanied by decreases in collection officers, storekeeper-gaugers, and clerical employees.

These shifts were designed to strengthen the enforcement program and to balance the various forces in the Revenue Service. Also they reflect cost-reducing techniques.

The total number of employees was 50,890 at the end of the year, a reduction of 521 from the year before. Although most of the decentralization of work from the National Office to the field offices occurred in the preceding year, it was nevertheless possible to further reduce the number of National Office employees from 2,707 to 2,675.

The revenue agent force was increased from 10,605 to 11,255, the highest number in the history of the Revenue Service. Some of the new agents were selected from among collection officers who possessed the qualifications for these new assignments; others were recruited by other civil service procedures.

In the alcohol enforcement field, there was a similar shift of qualified employees from storekeeper-gauger to investigator positions.

Plans were made to increase the recruitment of the best qualified college graduates from current college classes, and to improve other recruitment activities.

In order to balance the numbers of collection officers in accordance with local workloads, about 250 of these employees were shifted from over-staffed to understaffed offices. This program, together with steps to remove employees who failed to meet minimum performance standards, enabled the Revenue Service to make necessary shifts of forces without using the more drastic reduction in force procedures prescribed by the Civil Service Commission.

Another major personnel project involved the preparation of more precise job descriptions for virtually all regional and district positions. This was intended to clarify duties, and to eliminate inequalities in grades and workloads that often had resulted from the former stereotyped descriptions (general descriptions intended to cover a wide variety of circumstances). Procedures were installed to review the job descriptions from time to time and to keep them up to date.

A comparison, by categories, of the number of employees at the end of the year with the number at the end of the prior year, follows:

**Personnel on rolls, June 30, 1954 and 1955**

Branch of service	Number on payroll as of June 30—	
	1954	1955
National Office.....	2,707	2,675
Regional and district offices:		
Supervisory personnel.....	470	477
Enforcement personnel:		
Collection officers.....	6,877	5,585
Office auditors.....	2,430	2,135
Returns examiners.....	1,141	1,274
Revenue agents.....	10,605	11,255
Special agents.....	1,277	1,559
Alcohol tax inspectors.....	473	465
Alcohol tax investigators.....	824	891
Storekeeper-gaugers.....	1,208	1,038
Total enforcement personnel.....	24,835	24,202
Other permanent personnel:		
Legal.....	270	268
Other technical.....	2,387	2,657
Clerical (excluding temporary), messengers and laborers.....	20,679	20,402
Total, other permanent personnel.....	23,336	23,327
Total, permanent personnel, regional and district offices.....	48,641	48,006
Temporary employees.....	63	209
Grand total.....	51,411	50,890

<sup>1</sup> Includes 43 storekeeper-gaugers detailed full time as alcohol tax investigators pending training and transfer to such positions.

## Training

**Advanced Training Center.**—The Advanced Training Center, established by contract at the School of Business Administration, University of Michigan, Ann Arbor, Mich., graduated its first two classes of revenue agents. Each class consisted of 100 revenue agents who had been selected on a merit basis from all regions of the Revenue Service. A curriculum of tax accounting, law, administration, and related subjects was set up with the approval of an academic advisory committee of distinguished citizens from the accounting, legal, and educational professions. After each semester, changes were made in the light of experience. Before the year-end the success of the advanced training principle was sufficiently established to enable the creation of two short courses for audit and collection group supervisors during the summer, and to plan for increasing the fall enrollment to 150 revenue agents and 50 collection officers per semester. A special curriculum was designed for collection officers.

**Executive Development Program.**—Since one of our principal problems in developing an effective organization is that of identifying and preparing individuals with outstanding qualifications and experience for promotion to executive positions, a special program was initiated to select and train a limited number of the most promising career employees in the Revenue Service. The plans for the first year provided for the selection of 12 men

to be given a 6 months' course, including both lectures and on-the-job experience in various field and National Office positions. By virtue of previous accomplishments and of this training, graduates of this course are expected to be particularly suited for important offices. Initially, many of them will be assigned as assistant district directors.

**Other Training Activities.**—By special agreement with the Civil Service Commission, new training programs were installed under which beginning revenue agents and collection officers may be recruited at grade GS-5, given 6 months of intensive training (both classroom and on-the-job instruction), and upon satisfactory completion of the training promoted to the customary GS-7 starting grade for these positions. These programs are expected to provide incentives for young recruits to enter the Revenue Service, and to prepare them for productive work in the shortest feasible time. (See page 14.)

## Operating Facilities

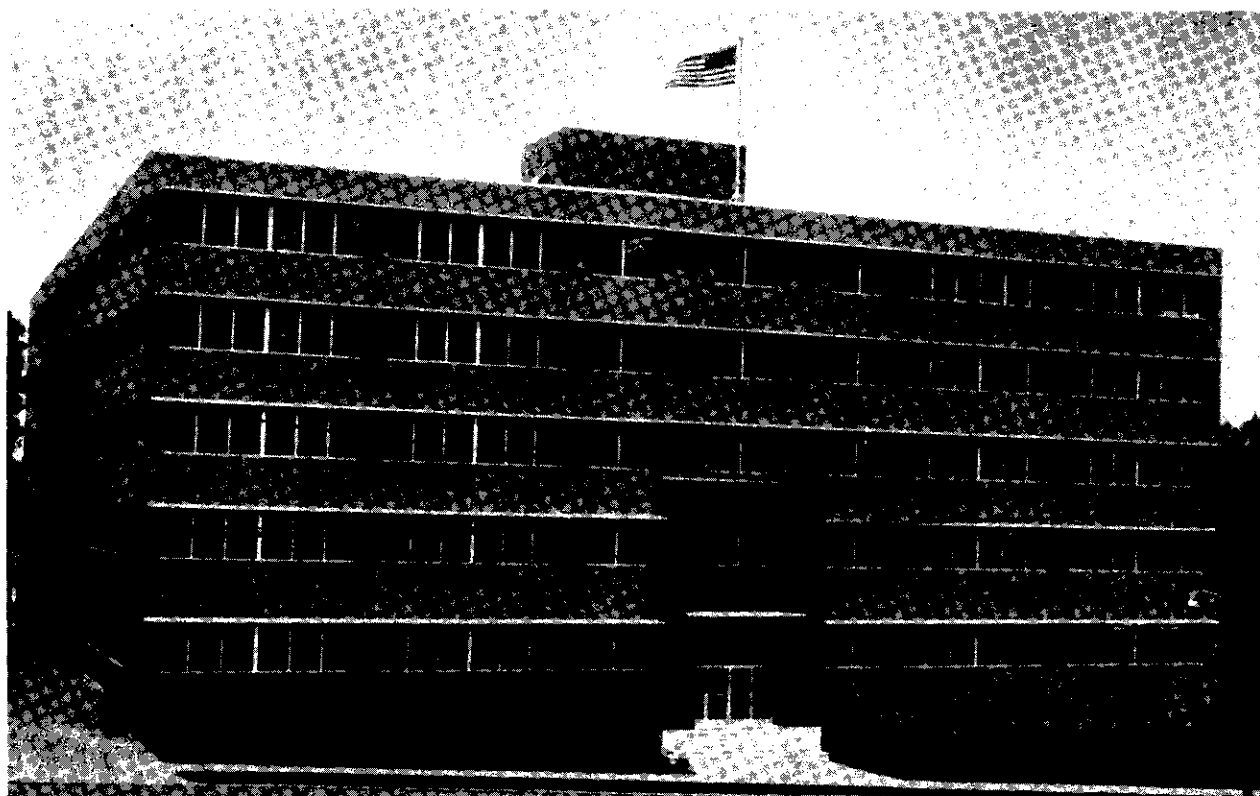
**Space.**—Substantial results were obtained in consolidating various field offices in order to improve efficiency of operations and convenience of the taxpaying public. This marks a reversal of the situation brought on during the last war when the scarcity of space in existing Federal buildings necessitated the rental of scattered offices.

Exemplifying the new program, the district director at Greensboro, N. C., occupied a new 5-story structure, containing 65,000 square feet of floor space, which had been built by commercial interests to fit the layout and space needs of the Greensboro office, which formerly was dispersed in six different buildings. This is believed to be the first building ever constructed outside of Washington, D. C., especially for Revenue Service needs and large enough to consolidate all offices in the same locality.

Another achievement was the leasing of a building in Atlanta to bring together offices of the district director in that city from four other buildings. Arrangements were made to further consolidate both the district director's and the regional commissioner's offices in Atlanta in a new building which is under construction now.

**Equipment.**—The most comprehensive inventory of property and equipment in the history of the Revenue Service was made. This provided a basis for a systematic replacement program.

Among major new equipment items added during the year, special mention is due for the installation at Suitland, Md., of one of the most modern of the giant electronic computers which are being adopted by large businesses and governmental agencies for the speeding up of mass-volume computations and for reducing costs of statistical operations. The Suitland computer was purchased and is operated jointly with the Bureau of the Census. Initially, the Revenue Service will use it to compile the annual volumes of "Statistics of Income" and to tabulate current operating data.



New Consolidated Headquarters for District Director, Greensboro, N. C.



Electronic Computer at Suitland, Md., Operated Jointly by Internal Revenue Service and the Bureau of the Census.

In order to put much of the mimeographing and other duplicating work of the district directors' offices on a more efficient basis, each of the regional commissioner's offices was provided with printing facilities to pool such work.

*Records, Correspondence, etc.*—A streamlined correspondence program, previously installed in a few district offices on a trial basis, was extended to 20 additional districts during the year. Instructions were issued to increase the program of disposing of unneeded records by more than 5,000,000 pieces of paper a year. Over-age index cards, formerly microfilmed and maintained in district offices, will be retired to Federal records centers at an annual saving to the Revenue Service of about \$240,000.

Detailed consideration was given to many suggestions from the Task Force on Paperwork Management of the Commission on Organization of the Executive Branch of the Government (frequently called the Hoover Commission), and as many of the suggestions as were found to be applicable were put into effect.

## Cost of Administration

*General.-Obligations* incurred by the Revenue Service from appropriated funds totaled \$278,834,000 in fiscal 1955, compared with \$268,969,000 in the preceding year.

An analysis of these obligations, by classes of expenditures, follows:

Obligations incurred by the Internal Revenue Service, fiscal years 1954 and 1955, by activity and by class of expenditure

[In thousands of dollars]

Activity	Salaries		Other		Total	
	Fiscal year 1954	Fiscal year 1955	Fiscal year 1954	Fiscal year 1955	Fiscal year 1954	Fiscal year 1955
Technical -----	3,901	3,865	53	171	3,954	4,036
Collection -----	55,784	195,914	10,279	13,406	66,063	109,320
Audit -----	122,841	87,337	6,998	5,272	129,838	92,609
Intelligence -----	9,965	10,999	881	1,131	10,846	12,129
Alcohol and tobacco tax -----	18,477	18,237	2,006	2,440	20,482	20,677
Appellate -----	7,790	8,419	329	8,110	8,110	8,748
Legal service -----	5,825	5,821	449	450	6,274	6,270
Inspection -----	2,970	2,996	555	547	3,525	3,543
Statistical reporting -----	1,491	1,522	100	462	1,590	1,984
Executive direction -----	2,323	2,395	116	695	2,439	3,090
Supervision and administration (proratable) -----	9,737	10,406	6,110	6,021	15,847	16,428
Total -----	241,103	247,911	27,866	30,923	268,969	278,834

<sup>1</sup> The cost of delinquent accounts and returns work was charged to "audit" in fiscal 1954 and to "collection" in fiscal 1955. The actual transfer of functions occurred July 20, 1953, in the case of delinquent accounts work, and Sept. 21, 1953, in the case of delinquent returns work.

## Enrollment of Practitioners

The "Conference and Practice Requirements," rules governing the enrollment, recognition, and conduct of practitioners, were revised. This

was the most extensive revision since 1942 and contained many clarifying amendments.

The processing of applications for enrollment and of disbarment cases was kept current. Listed below are comparative statistics showing the disposition of cases for the fiscal years 1954 and 1955:

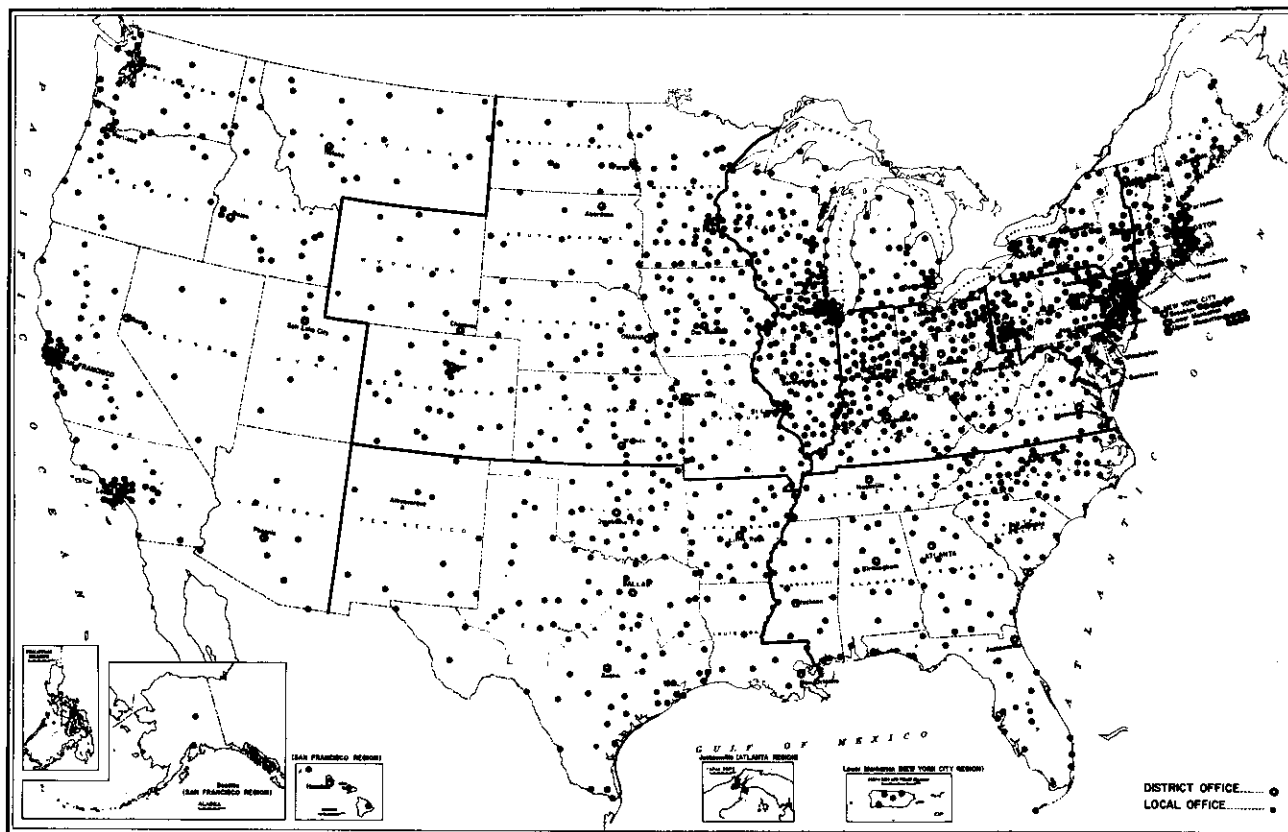
Disposition of enrollment and disbarment cases, fiscal years 1954 and 1955

Type of case	Fiscal year	
	1954	1955
General enrollment-attorneys and agents:		
Applications for enrollment approved -----	4,839	4,397
Applications for enrollment disapproved -----	33	52
Applications withdrawn on advice of the Director -----	192	150
Applications abandoned -----	39	24
Special enrollment to practice before the Internal Revenue Service:		
Applications approved by reason of examination -----	2	-----
Applications approved pursuant to standards and procedures based upon former service with the Treasury Department. (Sec. 12, Department Circular No. 230, revised) -----	125	136
Applications approved by reason of having passed C. P. A. examination though C. P. A. certificates not issued -----	21	13
Applications of former employees denied -----	9	12
Applications withdrawn -----	32	11
Applications abandoned -----	101	52
Renewal of enrollment cases:		
Applications for renewal approved -----	1,506	751
Applications for renewal disapproved -----	32	19
Applications for renewal withdrawn -----	59	40
Applications for renewal abandoned -----	2	2
Disbarment cases:		
Disbarments -----	3	3
Resignations accepted -----	10	6
Resignations accepted with prejudice -----	2	3
Reprimands issued -----	9	12
Suspensions -----	1	14
Formal complaints pending against enrolled persons -----	52	50
Closed without action -----	9	17

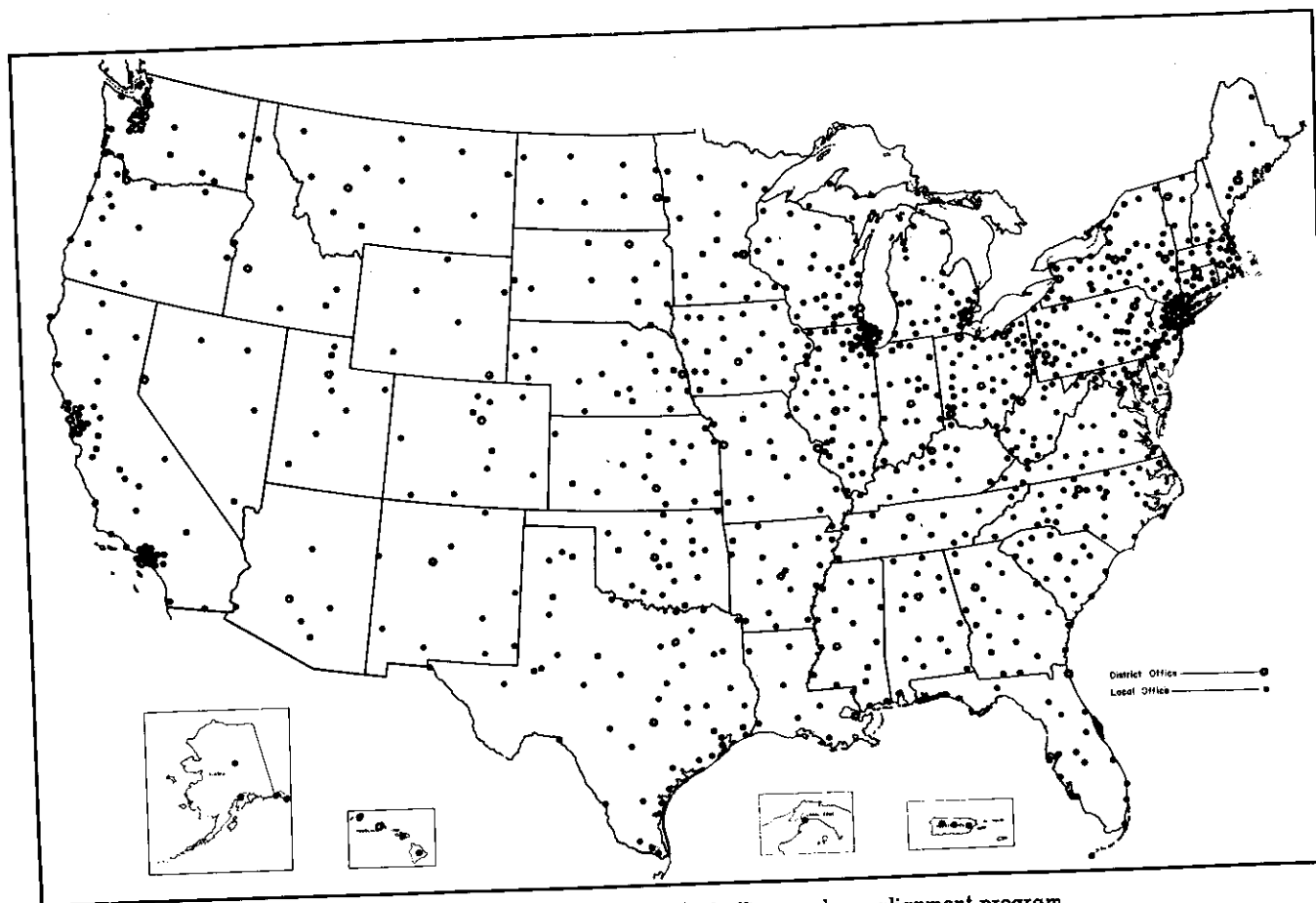
## General Management Improvements and Policy Changes

The management improvement program during the year was concentrated on making the most effective use of the existing organization, following a series of far-ranging reorganizations which were installed in the last few years.

One of the important projects was the realignment of posts of duty. Many of these locations had been established under population, transportation, and communication conditions of three or four generations ago, and frequently were manned by only one or two individuals. There was also a considerable disparity in the number and location of posts in different parts of the country. A rational formula was established for locating offices, based on population, travel distances, etc., and designed to group employees in offices large enough for efficient management. After giving each region an opportunity to adjust the plan according to local needs, the program was put into effect. The result was a reduction in the number of posts of duty from 1,462 to 926.



Map showing distribution of local offices as of December 1, 1954, before realignment.



Map showing improved allocation of local offices under realignment program.

Another significant change was the beginning of a return system to replace the traditional stamp system for collecting excise taxes on wine and beer. The new Code gave the Secretary authority to change to the return system throughout the alcohol and tobacco tax area, but it was believed advisable to test the changeover on wine and beer before proceeding further. However, a survey committee of both Revenue Service and industry representatives made considerable headway in designing simpler and more economical systems of supervision, recordkeeping, etc. Insofar as some of the suggestions could be adopted without legislation, they were installed—some of them on an experimental pilot plant basis. Legislative suggestions incorporating other modernizations of the alcohol and tobacco tax systems were also prepared.

The Treasury and the Department of Health, Education and Welfare jointly sponsored the introduction in Congress of a plan which they had developed for simplifying wage reports by employers under income tax withholding and social security laws. Under the plan, employers would be excused from filing the quarterly wage reports presently required for social security purposes. Instead, the Revenue Service would make available to the Social Security Administration the annual wage reports made by employers on Form W-2 for income tax purposes. The plan also contemplates joint processing of these reports by modern electronic business machines, which may provide substantial savings to both agencies. The savings to employers contemplated by the plan were cited with approval by the Commission on Organization of the Executive Branch of the Government.

A concentrated effort was made to simplify and systematize operational reports from the various field offices to the National Office. A special reports committee spearheaded this drive to evaluate and improve the periodic and special reports which enable the management of the Revenue Service to know what work is being accomplished in each of the significant areas, including audits, collections, intelligence investigations, appellate considerations, etc.

Installation of the revised revenue accounting system was completed throughout all field offices. The new system (replacing one in effect since 1919) will provide more complete, informative, and useful financial and management reports, and its internal check and control features will facilitate both internal and external audits. Further improvements are being made in the system on the basis of practical operating experience in the field offices. These changes are designed to increase efficiency without incurring additional costs.

One of the more promising experiments in processing returns was the conversion of Form 1040A (optional income tax return for wage earners with incomes of less than \$5,000) to a punch card, which was processed by electronic means in several districts having tabulating machine equipment

and also on a combined regional basis in Kansas City for the entire Omaha region. A cost analysis of the Kansas City operation showed a margin of savings over the methods used in other offices. The results of this experiment led to the conclusion to develop a full-scale regional processing center, and to plan for similar processing centers in other geographical areas.

Special study was given to the problem of minimizing the cost of the taxpayer assistance program. Traditionally, during the annual period for filing individual income tax returns, a substantial number of revenue agents, collection officers, auditors, and other qualified personnel are taken off their regular duties to assist taxpayers. In an effort to keep as many of these employees on regular work as possible, emphasis was placed in the last filing season on group instruction and self-help techniques rather than on individual assistance. Also, an intensive survey was made of a sample of taxpayers to determine what their needs and problems were, and how best to serve them with the least diversion of audit and other specialist manpower.

Among the unusual operating problems peculiar to the past year were the unprecedented tasks of reconverting all technical and procedural operations to the provisions of the Internal Revenue Code of 1954—which was the most extensive revision of the tax laws since 1913—and the expanded coverage under the new social security laws. Advance preparation of detailed manuals enabled a smooth changeover. A large number of forms, instruction pamphlets, and other taxpayer materials also were revised under the new laws.

A study of compliance problems among United States citizens living abroad also was initiated. This showed that there were approximately a million Americans abroad who needed assistance and who had obligations to file returns and pay tax to the United States. In order to coordinate and intensify work among these taxpayers, it was decided to establish an International Operations Division which will gather up the scattered responsibilities in the various domestic offices of the Revenue Service with regard to taxpayers in foreign countries. Among other steps, the new Division expects to establish a few more permanent foreign offices, similar to the one maintained in Paris for many years.

Progress in fiscal management was highlighted by improved budget practices involving preparation, execution, and control. To a greater extent than ever before, "grass-roots" needs and conditions were being reflected in the formulation of the budget by having the basic preparation done in the regions and districts, with operating officials participating. Studies to determine appropriate measurable workload units were completed in the collection and audit areas. A budget execution reports system was developed which will give management a more current picture of the budget condition and readily identify areas which need adjustments and

corrective action. Fiscal accounting practices and reporting also underwent improvements, including the publication of a document containing all administrative accounting codes and the preparation of a printed chart of general ledger accounts.

The lag in issuing "Statistics of Income" on the annual individual and corporation income tax returns was reduced, on the average, about 5 months during fiscal 1955. This was a continuation of a drive begun 2 years ago, when the statistics on 1946 individual returns came out 75 months after the filing date. When the comparable statistics on 1951 returns were issued recently, the time lag had been cut to 36 months. Because of collection and audit priorities in the handling of returns, a considerable time lag is inevitable, but some further gains are anticipated.

**Appendix**

# *Statistical Tables*



**Note.**—In tables where figures have been rounded to a specified unit, the components may not necessarily add to totals. Percentages are calculated on unrounded figures.

## **Internal Revenue Collections**

*Tables 1-5*

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories, fiscal year 1955

[In thousands of dollars. See table 3, p. 89, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts	Corporation income and profits taxes <sup>1</sup>	Individual income and employment taxes					Estate tax <sup>2</sup>	Gift tax
		Income tax not withheld <sup>3</sup>	Income tax withheld and old-age insurance <sup>4</sup>	Railroad retirement <sup>5</sup>	Unemployment insurance	Total individual income and employment taxes		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Atlanta region	809,757	771,424	1,451,762	24,737	18,717	2,266,648	57,276	5,386
Atlanta	163,632	122,403	276,321	4,106	3,540	406,370	7,299	617
Birmingham	89,402	68,420	174,946	4,738	2,246	278,350	5,441	432
Columbia	68,470	48,447	114,387	108	1,670	164,611	2,599	240
Greensboro	221,544	117,040	296,734	9,407	4,379	427,560	13,605	788
Jackson	21,538	42,703	63,959	352	891	107,905	2,343	45
Jacksonville	137,235	229,816	293,957	2,537	3,122	529,431	19,168	2,394
Nashville	107,944	122,595	231,458	3,490	2,878	360,412	6,821	870
Boston region	895,892	668,700	1,659,474	18,109	18,824	2,366,188	86,846	5,714
Augusta	43,999	34,402	73,706	2,499	962	111,569	3,893	247
Boston	431,928	312,112	867,935	5,787	9,696	1,195,530	36,866	2,458
Burlington	14,880	13,864	31,175	1,284	371	46,794	1,205	40
Hartford	317,554	233,009	484,667	8,492	5,361	731,529	36,149	2,424
Portsmouth	22,787	26,209	63,336	37	760	90,342	2,391	162
Providence	64,744	50,004	138,655	10	1,675	190,344	6,342	381
Chicago region	3,813,558	1,494,491	4,532,195	95,845	49,809	6,172,348	128,316	9,161
Chicago	1,425,642	659,093	1,972,601	88,688	21,769	2,742,151	61,049	3,825
Detroit	1,876,445	501,637	1,813,096	6,088	19,772	2,348,594	41,409	1,989
Milwaukee	353,224	190,693	499,464	325	5,602	696,084	12,648	632
Springfield	156,347	143,068	247,034	744	2,666	393,512	13,211	2,715
Cincinnati region	1,954,452	1,081,813	3,016,546	67,619	30,730	4,196,708	75,954	5,515
Cincinnati	353,967	143,999	403,404	1,002	4,436	552,841	12,971	918
Cleveland	672,539	261,581	1,824,655	34,434	9,615	1,330,284	14,666	1,062
Columbus	84,458	79,202	180,272	(-8)	1,864	261,330	3,900	228
Indianapolis	285,266	215,922	581,690	788	5,043	803,443	10,974	1,207
Louisville	137,930	103,690	178,055	10,418	2,087	294,250	6,607	692
Parkburg	56,068	58,794	127,764	138	1,693	188,391	6,836	678
Richmond	173,184	140,098	303,643	20,124	3,479	467,344	15,831	451
Toledo	189,040	78,526	217,064	723	2,513	298,825	4,170	288
Dallas region	910,227	960,787	1,542,069	34,899	15,400	2,373,155	77,552	9,164
Albuquerque	13,559	35,322	54,281	1	453	90,656	8,265	86
Austin	240,419	312,898	414,672	15,202	4,550	747,322	30,365	2,604
Dallas	240,241	310,052	384,662	17,058	4,433	716,205	20,615	3,021
Little Rock	33,528	54,436	66,286	144	899	121,766	2,966	858
New Orleans	122,915	144,715	196,851	2,037	2,510	346,114	9,901	430
Oklahoma City	160,573	122,764	225,316	458	2,554	351,092	5,440	2,164
New York City region	4,748,942	1,671,804	4,817,476	79,784	53,875	6,622,939	140,842	12,444
Albany	273,657	66,490	368,512	3,268	3,851	442,133	7,990	925
Brooklyn	207,717	299,321	576,269	3,683	6,184	885,457	31,521	14
Buffalo	288,337	147,504	388,846	62	4,453	548,866	11,824	709
Lower Manhattan <sup>1</sup>	2,367,361	527,510	1,520,603	8,287	17,002	2,073,502	5,882	4,570
Syracuse	122,128	66,672	195,807	41	2,267	264,788	6,316	126
Upper Manhattan	1,489,742	564,306	1,767,439	64,430	20,818	2,416,193	77,309	6,099
Omaha region	1,226,746	976,442	2,125,914	119,448	19,879	3,241,684	51,494	5,783
Abbeville	10,964	28,296	31,741	10	266	60,313	701	10
Abbeville	6,995	21,062	23,622	4	212	44,900	1,417	185
Cheney	108,890	107,922	395,650	4,435	1,914	509,921	4,616	1,633
Denver	128,503	157,492	217,127	647	2,282	377,548	6,719	1,172
Des Moines	8,273	23,972	29,284	18	255	53,528	642	5
Fargo	161,988	97,136	217,453	3,298	2,536	320,423	5,445	271
Kansas City	63,719	86,142	173,327	24,449	1,611	285,529	5,425	292
Omaha	323,524	166,987	432,097	29,722	4,938	633,745	9,485	602
St. Louis	286,686	165,171	432,541	34,571	4,309	636,593	10,660	1,327
St. Paul	127,204	122,262	173,072	22,293	1,357	319,184	6,384	366
Wichita	2,394,148	1,457,606	4,064,591	116,887	41,928	5,681,012	121,977	27,826
Philadelphia region	2,622,203	312,402	980,624	43,958	5,021	1,342,004	21,609	1,581
Baltimore	83,408	88,671	174,717	7	1,885	265,280	7,326	742
Camden	365,786	295,783	693,905	4,066	6,813	1,001,786	28,286	915
Newark	485,165	376,201	1,017,468	58,593	11,188	1,463,450	25,820	3,137
Philadelphia	521,635	229,198	828,315	7,862	10,828	1,076,194	26,448	2,452
Pittsburgh	184,535	57,589	212,024	2,378	3,059	275,050	4,080	181
Scranton	491,412	97,764	157,539	3	1,942	257,248	8,408	18,819
Wilmington	1,510,998	1,620,053	3,235,538	42,778	38,824	4,949,185	108,234	6,783
San Francisco region	24,726	28,275	50,124	261	513	80,172	961	34
Boise	22,516	40,938	49,022	251	405	90,617	1,704	108
Hololulu	26,957	26,017	65,392	222	565	92,195	1,072	172
Los Angeles	554,688	627,679	1,313,317	1,986	13,031	1,956,813	48,905	2,928
Phoenix	28,586	56,072	74,205	108	728	131,113	1,991	147
Portland	74,563	117,093	209,980	2,312	2,116	331,503	7,266	400
Reno	12,685	26,466	36,904	1	337	63,708	1,982	94
Salt Lake City	35,492	31,778	71,192	1,040	646	104,656	741	59
San Francisco	546,849	467,351	958,604	35,876	8,933	1,500,764	34,034	2,084
Seattle <sup>1</sup>	183,937	197,385	396,790	721	3,549	598,444	9,577	758
Total	18,264,720	10,724,120	26,265,558	600,106	279,986	37,869,778	848,492	87,775
Totals for States and Territories comprising part of or more than one district								
Alaska	2,211	7,262	33,765	37,862	129	41,156	33	5,012
California	1,101,537	1,095,029	2,301,921	89,432	21,964	3,456,777	82,939	6,540
Illinois	1,583,989	802,161	2,219,635	7,474	24,435	3,135,663	74,259	873
Missouri	485,512	264,122	649,551	33,020	7,474	1,267,066	35,611	1,657
New Jersey	449,194	384,454	868,622	4,092	9,898	1,610,652	140,842	12,444
New York	4,748,942	1,670,474	4,806,522	79,784	53,871	6,622,939	140,842	12,444
Ohio	1,300,005	563,308	1,825,395	36,150	18,427	2,443,280	35,707	2,496
Pennsylvania	1,191,339	662,987	2,057,607	68,834	25,067	2,814,694	56,347	5,769
Texas	579,659	622,950	799,334	32,260	8,983	1,463,527	50,979	5,625
Washington	181,725	190,123	363,024	721	3,420	557,288	9,544	758
Puerto Rico		1,329	18,955		3	12,287		

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories, fiscal year 1955—Continued

[In thousands of dollars. See table 3, p. 89, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts	Alcohol taxes						
	Distilled spirits taxes						
	Excise		Rectification	Stamp <sup>8</sup>	Special or occupational <sup>9</sup>	Other <sup>10</sup>	Total distilled spirits taxes
	Imported (collected by Customs)	Domestic <sup>7</sup>					
	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Atlanta region.....	5,540	5,609	7	26	596	114	11,891
Atlanta.....	367	(*)	1	(*)	114	20	502
Birmingham.....	191	10		(*)	40	8	249
Columbia.....	180		(*)	(*)	53	8	241
Greensboro.....	(*)	18		(*)	32	25	76
Jackson.....					76	20	96
Jacksonville.....	4,554	187	6	1	227	12	4,986
Nashville.....	248	5,394		24	53	21	5,740
Boston region.....	7,958	62,720	756	276	1,101	36	72,846
Augusta.....	2	35	3	1	13		54
Besten.....	5,574	39,411	597	173	596	8	46,359
Burlington.....	380				20		400
Hartford.....	1,571	23,274	155	102	334	(*)	25,463
Pertsmouth.....					23	27	23
Providence.....	430			(*)	115	(*)	547
Chicago region.....	58,480	220,892	4,030	939	3,042	84	287,467
Chicago.....	18,384	11,273	66	23	903	57	30,705
Detroit.....	39,583	7,860	287	144	1,096	6	48,975
Milwaukee.....	513	(*)	10	2	749	2	1,277
Springfield.....		201,759	3,667	771	294	19	206,510
Cincinnati region.....	9,625	813,767	10,286	3,224	1,770	65	838,738
Cincinnati.....		84,711	1,018	257	233	1	86,220
Cleveland.....	3,266	405	23	3	664	6	4,368
Columbus.....		(*)		(*)	157	(*)	158
Indianapolis.....	4,836	211,373	5,179	760	276	1	222,426
Louisville.....	1,499	514,204	4,066	2,195	170	39	522,172
Parkersburg.....		61			28	4	93
Richmond.....	25	3,013			27	13	3,087
Toledo.....				8	214	(*)	214
Dallas region.....	7,023	4,786	2	3	793	47	12,654
Albuquerque.....			(*)	(*)	87	2	89
Austin.....	4,781	1		1	182	2	4,966
Dallas.....			(*)	(*)	125	2	128
Little Rock.....		1			54	5	60
New Orleans.....	2,242	4,784	1	1	313	4	7,345
Oklahoma City.....		(*)	(*)	(*)	33	32	65

New York City region	107,242	59,787	1,245	518	1,907	100	170,799
Albany	(*)	41	24	3	303	55	425
Brooklyn	2,945	1,031	55	12	447	8	1,553
Buffalo	79,727	(*)	460	(*)	339	19	3,303
Lower Manhattan <sup>4</sup>	24,570	16,299	(*)	407	131	3	97,027
Syracuse	(*)	42,417	706	97	238	3	24,803
Upper Manhattan	3,606	9,509	115	31	457	11	43,689
Omaha region	(*)	(*)	(*)	(*)	1,065	932	15,257
Aberdeen	(*)	(*)	(*)	(*)	58	(*)	58
Cheyenne	465	(*)	2	(*)	46	(*)	46
Denver	(*)	60	(*)	(*)	113	6	586
Des Moines	(*)	1	(*)	(*)	76	(*)	136
Fargo	(*)	1,049	(*)	(*)	55	(*)	56
Kansas City	(*)	(*)	(*)	(*)	143	2	1,198
Omaha	1,859	2,526	66	14	92	12	104
St. Louis	1,282	2,711	47	14	235	2	4,701
St. Paul	(*)	3,161	(*)	(*)	178	906	5,138
Wichita	8,644	376,564	6,627	1,404	69	3	3,233
Philadelphia region	3,816	135,229	3,467	460	2,555	138	396,012
Baltimore <sup>5</sup>	(*)	1,025	52	17	410	18	143,400
Camden	(*)	68,138	133	393	209	4	1,307
Newark	3,994	82,757	977	291	551	64	69,271
Philadelphia	834	89,423	1,997	322	599	49	88,667
Pittsburgh	(*)	(*)	2	1	495	3	93,074
Scranton	(*)	(*)	(*)	(*)	248	(*)	251
Wilmington	34,730	72,622	799	238	42	(*)	42
San Francisco region	(*)	(*)	(*)	(*)	2,953	31	111,373
Boise	(*)	(*)	(*)	(*)	44	(*)	45
Helena	591	18	(*)	(*)	98	(*)	99
Honolulu	12,801	13,024	75	41	69	13	680
Los Angeles	(*)	(*)	(*)	(*)	892	(*)	26,846
Phoenix	1,283	13	(*)	(*)	151	1	152
Portland	(*)	(*)	(*)	(*)	172	1	1,469
Reno	(*)	(*)	(*)	(*)	83	1	84
Salt Lake City	(*)	(*)	(*)	(*)	9	(*)	9
San Francisco	10,047	59,501	723	195	982	12	71,460
Seattle <sup>6</sup>	10,007	64	(*)	(*)	453	4	10,538
Total	242,848	1,626,255	23,867	6,740	15,780	1,547	1,917,038

Totals for States and Territories comprising part of or more than one district

Alaska	(*)	72,525	799	235	20	(*)	20
California	22,848	213,031	3,733	794	1,874	24	98,306
Illinois	18,384	3,575	66	18	1,197	77	237,216
Missouri	1,859	69,155	185	411	378	4	5,899
New Jersey	(*)	43,493	786	478	760	68	70,578
New York	107,242	85,117	1,042	261	1,907	100	154,006
Ohio	3,266	172,180	2,976	614	1,268	7	90,960
Pennsylvania	4,828	(*)	(*)	1	1,342	52	181,992
Texas	4,781	64	(*)	1	307	5	5,094
Washington	10,007	16,294	459	41	433	4	10,510
Puerto Rico	(*)	(*)	(*)	(*)	(*)	(*)	16,794

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories, fiscal year 1955—Continued

[In thousands of dollars. See table 3, p. 89, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts	Alcohol taxes—Continued						
	Wines, cordials, etc., taxes				Beer taxes		
	Excise		Special or occupational <sup>11</sup>	Fleece stocks tax	Total wines, cordials, etc., taxes	Excise	Special or occupational <sup>12</sup>
	Imported (collected by Customs)	Domestic					
	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Atlanta region.....	115	578	394		1,079	4,396	740
Atlanta.....	1	162	77		239	219	76
Birmingham.....	3		(*)		4		75
Columbia.....	2	210	54		267		103
Greensboro.....	(*)	(*)	76		76	464	100
Jackson.....			11		11		98
Jacksonville.....	105	198	176		479	3,515	143
Nashville.....	3		(*)		3	198	145
Boston region.....	254	1,617	43	(*)	1,915	16,344	277
Augusta.....	(*)	216		(*)	216		61
Boston.....	184	848		(*)	1,025	8,084	55
Burlington.....	(*)		42	(*)	42		6
Hartford.....	43	560	(*)	(*)	603	1,023	100
Portsmouth.....							48
Providence.....	27		(*)		28	7,237	8
Chicago region.....	540	5,128	37		5,706	167,381	391
Chicago.....	414	3,831	3		4,248	17,869	80
Detroit.....	73	1,178	33		1,285	41,972	46
Milwaukee.....	53	115	1		169	95,147	226
Springfield.....		4	1		5	12,394	39
Cincinnati region.....	82	4,078	368		4,528	79,712	385
Cincinnati.....	66	753	3		756	15,318	21
Cleveland.....		259	1		327	22,050	16
Columbus.....		39	3		42	1,397	13
Indianapolis.....	11		128		138	18,456	35
Louisville.....	3	1,707	1		1,711	18,144	88
Parkburg.....			24		24	403	91
Richmond.....	2	1,153	209		1,364	1,191	101
Toledo.....		166			166	2,761	20
Dallas region.....	156	894	240		1,290	40,295	920
Albuquerque.....		3	1		3		3
Austin.....	101	48	194		343	18,246	477
Dallas.....		401	25		426		132
Little Rock.....		91	20		111		60
New Orleans.....	55	351			406	21,693	116
Oklahoma City.....			1		1	356	132

New York City region.....	2,700	9,443	45		12,188	97,923	897
Albany.....		173	1		174	7,254	182
Brooklyn.....		2,565	9		2,574	49,650	258
Buffalo.....	36	3,627	4		3,667	15,471	152
Lower Manhattan.....	(*)	933	10		3,607	1,653	36
Syracuse.....		233	(*)		233	5,254	88
Upper Manhattan.....		1,913	20		1,934	18,642	180
Omaha region.....	78	1,273	15		1,366	109,694	848
Aberdeen.....						(*)	44
Cheyenne.....	15	246	2		264	9,923	31
Denver.....		140	(*)		141	576	146
Des Moines.....	(*)		1		1		13
Fargo.....		645	1		646	5,528	56
Kansas City.....						9,378	53
Omaha.....	37	241	9		287	53,358	111
St. Louis.....	25	1	1		28	30,931	269
St. Paul.....			(*)		(*)		115
Wichita.....	273	8,433	31		8,738	142,394	530
Philadelphia region.....	160	1,519	26		1,706	19,620	88
Baltimore.....		564	t		565	2,726	28
Camden.....		2,729	3		2,732	57,376	48
Newark.....		3,128			3,233	33,217	169
Philadelphia.....	(*)	489	1		490	23,197	153
Pittsburgh.....		13	(*)		13	6,238	41
Scranton.....						20	2
Wilmington.....	491	45,699	18		46,208	79,093	557
San Francisco region.....		(*)	(*)		(*)	248	47
Boise.....	(*)		(*)		6	2,104	18
Honolulu.....	5	4,572	2		4,814	635	5
Los Angeles.....	240	(*)			(*)	1,872	150
Phoenix.....	(*)	89	(*)		99	1,697	11
Portland.....	10	(*)			(*)	32	75
Reno.....		1			1	1,316	16
Salt Lake City.....		40,218	15		40,446	30,317	41
San Francisco.....	212	819	(*)		842	18,073	133
Seattle.....	23						61
Total.....	4,689	77,135	1,191	2	83,017	737,233	5,544

Totals for States and Territories comprising part of or more than one district

Alaska.....	452	44,790	17		45,299	53,116	2
California.....	414	3,835	3		4,253	30,263	283
Illinois.....	37	886	10		933	58,886	119
Missouri.....		3,292	4		3,297	60,103	167
New Jersey.....	2,700	9,443	45		12,188	97,923	76
New York.....	66	1,217	7		1,291	41,518	897
Ohio.....	113	3,622	1		3,736	62,652	70
Pennsylvania.....	101	449	219		769	18,246	363
Texas.....	23	819	(*)		842	18,073	610
Washington.....							59
Puerto Rico.....							

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories, fiscal year 1955—Continued

[In thousands of dollars. See table 3, p. 89, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts	Alcohol taxes—Continued			Tobacco taxes				
	Beer taxes—Continued		Total alcohol taxes	Cigarettes	Cigars <sup>13</sup>	Manufactured tobacco	Other taxes <sup>14</sup>	Total tobacco taxes
	Floor stocks tax	Total beer taxes						
	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Atlanta region		5,136	18,106	807,080	12,586	8,619	621	828,906
Atlanta		295	1,036	(*)	1,012			1,012
Birmingham		75	328		687			687
Columbia		103	611		1,624			1,624
Greensboro		564	715	807,078	98	6,600	621	814,397
Jackson		98	205					
Jacksonville		3,658	9,124	1	9,036	(*)		9,037
Nashville		343	6,087		129	2,019		2,148
Boston region	(*)	16,621	91,382	(*)	954	17	68	1,040
Augusta		61	331					
Boston	(*)	8,139	55,522	(*)	405	16	10	431
Burlington	(*)	6	449	(*)				
Hartford	(*)	1,123	27,190	(*)	220	1	58	279
Pittsford		48	71		319			319
Providence		7,244	7,819		10			10
Chicago region	(*)	167,772	460,945	(*)	736	1,924	(*)	2,668
Chicago		17,949	52,903	(*)	68	1,165	8	1,234
Detroit	(*)	42,017	92,277	(*)	538	739	1	1,284
Milwaukee	(*)	95,372	96,818	(*)	122	15		137
Springfield	(*)	12,433	218,948		8	5		13
Cincinnati region		80,096	923,362	662,728	5,042	6,569	(*)	674,339
Cincinnati		15,331	102,307	1	100	33		133
Cleveland		22,065	26,760	1	1	9		11
Columbus		1,410	1,610	(*)	1			1
Indianapolis		18,491	241,055		939	2		941
Louisville		18,232	542,116	302,852	895	2,800	(*)	306,547
Parkersburg		493	610		834	1,080		1,914
Richmond		1,292	5,743	359,874	694	2,194		362,763
Teledo		2,781	3,161	(*)	1,578	451		2,029
Dallas region	1	41,216	55,159	(*)	1,144	3	(*)	1,146
Albuquerque		3	95					
Austin		18,724	24,033	(*)	113	3		115
Dallas	(*)	132	686	(*)	1			1
Little Rock		60	231					
New Orleans		21,809	29,560	(*)	1,030	(*)		1,030
Oklahoma City	1	489	554				(*)	(*)

New York City region	(*)	98,820	281,807	2,321	2,086	108	5	4,520
Albany		7,436	8,035	(*)	449	(*)		449
Brooklyn	(*)	49,908	54,035	1,016	476	38	(*)	1,530
Buffalo		15,624	22,594	(*)	4	(*)		5
Lewer Manhattan		1,689	102,323	1,083	1,049	24	4	2,159
Syracuse	(*)	5,342	30,377	(*)	4	38		42
Upper Manhattan	(*)	18,822	64,444	222	104	7	2	335
Dmaha region	1	110,543	127,166	(*)	56	1,652	(*)	1,708
Aberdeen		44	102					
Cheyenne		11	57					
Denver		9,954	10,804	(*)	(*)			(*)
Des Moines	1	722	999		1	1		1
Fargo		13	70					
Kansas City		5,584	7,429		31		(*)	31
Dmaha		9,432	9,536	(*)	(*)			(*)
St. Louis		53,469	58,456	(*)	21	1,651		1,672
St. Paul		31,200	36,366	(*)	2	(*)		3
Wichita		115	3,348	(*)	(*)			(*)
Philadelphia region	5	142,929	547,679	32,059	23,245	1,151	4	56,459
Baltimore	(*)	19,709	164,814	1	72		(*)	72
Camden		2,755	4,626	(*)	1,942			1,942
Newark	5	57,429	129,432	29,952	1,440	892	4	32,288
Philadelphia	(*)	33,386	125,287	2,105	12,076	219		14,400
Pittsburgh	(*)	23,350	116,914	(*)	33	2		35
Scranton		6,279	6,542	1	7,683			7,683
Wilmington		22	64		(*)	38		38
San Francisco region	(*)	79,651	237,232	9	397	21	(*)	426
Boise		295	340					
Helena		2,122	2,221	(*)	(*)			(*)
Honolulu		640	1,326	(*)	16	(*)		16
Los Angeles	(*)	22,949	54,609	1	323	2		326
Phoenix		1,883	2,035				(*)	(*)
Portland	(*)	1,772	3,340	(*)	(*)			(*)
Reno		48	132					
Salt Lake City	(*)	1,357	1,367					
San Francisco	(*)	30,450	142,356	8	56	19	(*)	82
Seattle	(*)	18,134	29,506	(*)	1	(*)		1
Total	7	742,784	2,742,840	1,504,197	46,246	20,064	707	1,571,213

Totals for States and Territories comprising part of or more than one district

Alaska		2	22					
California	(*)	53,399	196,965	9	379	20	(*)	408
Illinois	(*)	30,382	271,850	(*)	76	1,170	1	1,247
Missouri		59,053	65,885	(*)	52	1,651		1,703
New Jersey	5	60,183	134,058	29,953	3,382	892	4	34,230
New York	(*)	98,820	265,014	2,320	1,431	106		3,863
Dhie		41,587	133,839	1	1,680	493	5	2,174
Pennsylvania		63,015	248,742	2,106	19,792	221	(*)	22,119
Texas	(*)	18,856	24,719	(*)	114	3		117
Washington	(*)	18,131	29,483	(*)	1	(*)		1
Puerto Rico			16,794	(*)	655	2		657

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories, fiscal year 1955—Continued

[In thousands of dollars. See table 3, p. 89, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts	Stamp taxes on documents, other instruments, and playing cards			
	issues and transfers of bonds of indebtedness or capital stock, foreign insurance policies, and deeds of conveyance		Other <sup>13</sup>	Total stamp taxes on documents, other instruments, and playing cards
	Sales by post-masters (31)	Sales by directors (32)		
	(31)	(32)	(33)	(34)
Atlanta region.....	3,471	1,297		4,770
Atlanta.....	461	533	(*)	994
Birmingham.....	361	54		415
Columbia.....	215	53	(*)	267
Greensboro.....	495	86		582
Jackson.....	161	70		231
Jacksonville.....	1,342	281		1,624
Nashville.....	435	221	(*)	656
Boston region.....	1,520	2,948		4,470
Augusta.....	115	5	(*)	128
Boston.....	842	2,156	(*)	2,999
Burlington.....	43	37		80
Hartford.....	398	522	(*)	921
Portsmouth.....	74	33		107
Providence.....	47	195		244
Chicago region.....	2,415	8,630	1,271	12,316
Chicago.....	975	6,466	700	8,142
Detroit.....	834	1,462	6	2,302
Milwaukee.....	605	565	564	1,735
Springfield.....		138		138
Cincinnati region.....	3,148	2,904	4,867	10,919
Cincinnati.....	1,166	767	4,834	6,767
Cleveland.....		911	(*)	911
Columbus.....		292	6	299
Indianapolis.....	657	377	25	1,060
Louisville.....	391	219	2	613
Parkersburg.....	189	45		234
Richmond.....	743	130	(*)	874
Toledo.....		162	(*)	162
Dallas region.....	2,863	3,114	3	5,980
Albuquerque.....	98	76	(*)	174
Austin.....		1,234	1	1,235
Dallas.....	1,446	1,294	1	2,742
Little Rock.....	153	78	(*)	223
New Orleans.....	589	257	(*)	847
Oklahoma City.....	576	182	(*)	759

New York City region.....	1,219	44,579	67	45,866
Albany.....		362	46	487
Brooklyn.....		391	1	392
Buffalo.....		596	(*)	596
Lower Manhattan.....	1,219	42,383	18	43,621
Syracuse.....		206		206
Upper Manhattan.....		640	3	643
Omaha region.....	3,277	2,351	522	6,150
Aberdeen.....	109	8		117
Cheyenne.....	69	12	(*)	81
Denver.....	356	523	(*)	880
Des Moines.....	671	8	(*)	679
Fargo.....	76	11	(*)	87
Kansas City.....		467	(*)	467
Omaha.....	268	177		445
St. Louis.....	944	366	(*)	1,311
St. Paul.....	439	583		1,044
Wichita.....	343	196		539
Philadelphia region.....	2,919	5,470	1	8,390
Baltimore.....	739	748	(*)	1,480
Camden.....		189	(*)	190
Newark.....	1,274	580	(*)	1,855
Philadelphia.....		2,867	(*)	2,867
Pittsburgh.....	885	624	(*)	1,509
Scranton.....		108		108
Wilmington.....	20	360		381
San Francisco region.....	5,556	7,606	26	13,188
Boise.....	137	20		156
Helena.....	164	9		173
Honolulu.....	4	123	4	131
Los Angeles.....		4,224	2	4,227
Phoenix.....	114	233	18	365
Portland.....	337	299	(*)	636
Reno.....	99	56		154
Salt Lake City.....	59	176		234
San Francisco.....	4,238	1,530	2	5,762
Seattle.....	412	938	(*)	1,350
Total.....	26,388	78,901	6,760	112,049

Totals for States and Territories comprising part of or more than one district

Alaska.....	22			22
California.....	4,230	5,754	4	9,989
Illinois.....	975	6,603	700	8,279
Missouri.....	944	833	(*)	1,778
New Jersey.....	1,274	778		2,045
New York.....	1,219	44,579	67	45,866
Ohio.....	1,166	2,133	4,848	8,139
Pennsylvania.....	885	3,599	(*)	4,485
Texas.....	1,446	2,528	2	3,977
Washington.....	389	938	(*)	1,327
Puerto Rico.....				

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories, fiscal year 1935—Continued

[In thousands of dollars. See table 3, p. 89, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts	Manufacturers' excise taxes							Total manu- facturers' ex- cise taxes
	Gasoline	Lubricating oils	Tires (wholly or in part of rubber) and inner tubes	Automobile and truck chassis and bodies, and parts and accessories for automobiles and motorcycles	Electric, gas, and oil appliances, re- frigerators, freezers, air conditioners, etc.,	Radio and tele- vision sets, phonographs, components, etc.	Other <sup>10</sup>	
	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
Atlanta region.....	7,572	116	3,119	4,217	2,413	2,801	1,497	21,735
Atlanta.....	277			954	32	1	844	2,155
Birmingham.....	438	(*)	315	883	51		68	1,756
Columbia.....	(*)			62	1		101	164
Greensboro.....	10		(*)	802	125		22	959
Jackson.....	383		2,794	42	200		3	3,422
Jacksonville.....	4,295	(*)	1	592	70	38	131	5,127
Nashville.....	2,168	69	9	883	1,934	2,761	328	8,153
Boston region.....	4,396	86	2,107	4,316	4,115	3,099	15,896	34,014
Augusta.....	(*)	(*)	1	31	4		57	94
Boston.....	3,513	74	(*)	1,554	246	2,455	4,322	12,163
Burlington.....	2			2	(*)		128	133
Hartford.....	580	12	2,106	1,580	3,864	643	10,838	19,623
Portsmouth.....				17	(*)		360	378
Providence.....	300	1	(*)	1,131		(*)	191	1,624
Chicago region.....	89,710	6,763	311	1,202,402	36,067	50,480	23,857	1,409,590
Chicago.....	74,934	6,168	63	28,927	15,763	42,838	12,101	180,794
Detroit.....	7,767	358	201	1,160,849	14,662	7,596	5,670	1,197,102
Milwaukee.....	4,835	169	47	11,828	4,124	28	1,691	22,722
Springfield.....	2,174	67	(*)	798	1,519	18	4,395	8,971
Cincinnati region.....	61,809	4,334	106,495	52,062	15,940	6,476	19,556	266,673
Cincinnati.....	789	96	1,141	5,240	2,810	3,013	5,012	16,100
Cleveland.....	17,984	1,625	104,183	14,387	2,845	95	12,907	154,026
Columbus.....	47	17		746	483	29	222	1,543
Indianapolis.....	4,684	146	5	11,474	1,934	3,295	1,020	22,558
Louisville.....	28,564	2,039		450	7,300	25	205	38,583
Parkersburg.....	755	99	(*)	115	60	(*)	1	1,030
Richmond.....	441	31	(*)	544	2		144	1,178
Toledo.....	8,545	281	1,166	19,106	507	4	46	29,654
Dallas region.....	155,678	8,832	(*)	3,839	400	23	377	169,148
Albuquerque.....	1,901	(*)		66	(*)	(*)	3	1,970
Austin.....	21,817	919		600	125	1	75	23,536
Dallas.....	18,346	1,054	(*)	2,065	216	19	41	21,742
Little Rock.....	1,990	235	(*)	66	5		42	2,338
New Orleans.....	12,302	697	(*)	439	38		46	13,522
Oklahoma City.....	99,322	5,928	(*)	602	15	2	170	106,039

New York City region.....	324,527	24,788	39,061	13,655	5,532	28,035	66,320	501,918
Albany.....	160		(*)	358	30	3	1	644
Brooklyn.....	678	134	201	2,051	1,254	2,749	1,210	8,277
Buffalo.....	1,482	65	2,546	1,572	1,321	994	14,309	22,289
Lower Manhattan.....	125,252	9,095	5	5,873	1,023	3,201	8,846	153,295
Syracuse.....	182	1		1,125	1,009	11,124	3,503	16,944
Upper Manhattan.....	196,773	15,493	36,310	2,675	895	9,964	38,359	300,469
Dmaha region.....	31,728	2,819	5,296	11,470	8,241	1,344	4,826	65,724
Aberdeen.....	104	3		36			1	143
Cheyenne.....	2,300	1	(*)	5		(*)	2	2,308
Denver.....	2,919	89	2,035	1,307	3	1	178	6,532
Des Moines.....	771	121	2,836	808	1,364	810	1,862	8,572
Fargo.....	11	2		42			56	97
Kansas City.....	2,528	1,438	(*)	1,363	639	11	73	6,053
Omaha.....	151	143		510	35	7	14	863
St. Louis.....	3,653	204	323	3,241	1,441		1,719	10,588
St. Paul.....	10,752	687	103	3,887	3,559	491	957	20,436
Wichita.....	8,539	131	(*)	272	1,198	13	20	10,174
Philadelphia region.....	166,653	14,092	7,213	14,203	11,522	41,205	13,285	268,175
Baltimore.....	26,659	1,754	4,585	364	204	2,203	268	36,037
Camden.....	(*)	16		580	155	18,915	2,198	21,864
Newark.....	5,299	756	(*)	3,543	605	5,303	4,151	19,657
Philadelphia.....	58,409	4,079	2,297	6,632	5,000	10,665	1,096	88,178
Pittsburgh.....	75,941	7,487	331	2,943	5,526	4,119	5,489	101,836
Scranton.....	1			124	8	1	62	196
Wilmington.....	344			18	23		21	406
San Francisco region.....	111,128	7,989	50	13,118	4,634	3,386	5,550	145,855
Boise.....	2			35			38	75
Helena.....	35		(*)	(*)	(*)	(*)	5	76
Honolulu.....	(*)		(*)	40			23	63
Los Angeles.....	54,978	3,576	31	7,390	3,050	3,325	3,159	75,510
Phoenix.....	3			48	6	3	5	66
Portland.....			(*)	860	143	5	55	1,063
Reno.....			(*)	3		(*)	(*)	4
Salt Lake City.....	2,429	101	(*)	98	1		105	2,734
San Francisco.....	52,642	4,308	19	2,672	1,320	50	1,812	62,823
Seattle.....	1,038	5	(*)	1,935	114	2	348	3,441
Total.....	953,201	69,818	163,654	1,319,283	88,863	136,849	151,164	2,882,832

Totals for States and Territories comprising part of or more than one district

Alaska.....			(*)	10,062	4,371	3,376	(*)	138,334
California.....	107,620	7,884	50	29,725	17,282	42,857	16,496	189,766
Illinois.....	77,109	6,235	63	4,604	2,080	18	1,792	16,641
Missouri.....	6,182	1,642	323	4,123	760	24,218	6,349	41,521
New Jersey.....	5,299	772						
New York.....	324,527	24,788	39,061	13,655	5,532	28,035	66,320	501,918
Ohio.....	27,365	2,019	106,490	39,478	6,644	3,140	18,167	203,324
Pennsylvania.....	134,351	11,565	2,628	9,999	10,535	14,784	6,647	150,210
Texas.....	40,163	1,973	(*)	2,665	341	20	116	45,278
Washington.....	1,038	5	(*)	1,935	114	2	348	3,441
Puerto Rico.....								

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories, fiscal year 1955—Continued

[In thousands of dollars. See table 3, p. 89, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts	Retailers' excise taxes				
	Furs (43)	Jewelry (44)	Luggage (45)	Toilet goods (46)	Total retailers' excise taxes (47)
Atlanta region	951	13,003	3,929	5,379	23,263
Atlanta	231	2,583	878	877	4,562
Birmingham	139	1,478	370	757	2,743
Columbia	45	813	226	424	1,508
Greensboro	170	2,221	526	875	3,792
Jackson	35	603	188	352	1,178
Jacksonville	118	3,219	1,095	1,256	5,688
Nashville	213	2,087	654	838	3,791
Boston region	1,979	8,277	2,727	3,781	16,764
Augusta	71	437	110	171	789
Boston	1,271	4,965	1,761	1,341	9,338
Burlington	19	171	32	44	265
Hartford	472	1,790	497	1,911	4,669
Portsmouth	31	255	75	89	450
Providence	115	660	251	226	1,252
Chicago region	4,704	20,075	8,112	9,622	42,513
Chicago	2,816	10,565	4,875	5,588	22,843
Detroit	1,177	5,648	2,085	3,381	12,291
Milwaukee	597	2,408	751	976	4,733
Springfield	115	1,454	400	677	2,646
Cincinnati region	2,010	15,543	4,227	6,149	27,930
Cincinnati	324	2,216	710	1,085	4,334
Cleveland	556	3,319	1,270	1,819	6,819
Columbus	142	1,184	454	457	2,238
Indianapolis	342	3,262	763	1,100	5,468
Louisville	159	1,481	352	483	2,475
Parkersburg	125	909	219	391	1,645
Richmond	252	2,113	532	867	3,763
Toledo	110	1,060	323	496	1,990
Dallas region	1,177	12,359	3,291	5,284	22,111
Albuquerque	8	465	85	228	787
Austin	345	3,355	1,051	1,645	6,396
Dallas	517	4,493	924	1,394	7,328
Little Rock	42	682	193	317	1,235
New Orleans	135	1,853	542	1,004	3,533
Oklahoma City	129	1,511	496	696	2,832
New York City region	7,726	24,558	12,619	18,777	63,690
Albany	191	775	249	391	1,606
Brooklyn	530	1,947	988	1,591	5,857
Buffalo	487	2,036	672	902	4,097
Lower Manhattan	2,977	8,146	5,971	4,904	21,998
Syracuse	202	1,939	340	838	3,319
Upper Manhattan	3,339	9,725	4,398	10,150	27,612
Omaha region	2,150	12,893	5,241	6,213	26,496
Aberdeen	32	321	66	155	573
Cheyenne	13	218	54	96	381
Denver	246	1,208	285	529	2,268
Des Moines	180	1,774	477	864	3,295
Farje	52	309	66	140	566
Kansas City	278	1,610	504	1,050	3,442
Omaha	148	862	283	478	1,771
St. Louis	585	2,555	2,377	1,163	6,680
St. Paul	558	2,857	843	1,147	5,405
Wichita	59	1,181	285	590	2,115
Philadelphia region	3,708	15,027	5,182	6,819	29,936
Baltimore	946	3,619	1,418	1,584	7,566
Camden	180	934	243	337	1,693
Newark	586	2,229	837	992	4,643
Philadelphia	1,362	4,224	1,417	1,473	8,476
Pittsburgh	436	2,848	901	1,256	5,442
Scranton	150	922	304	297	1,674
Wilmington	49	251	63	79	442
San Francisco region	2,648	28,621	5,569	10,605	39,443
Beise	13	348	75	193	628
Hefena	58	481	101	162	715
Honolulu	1	568	150	176	895
Los Angeles	1,138	8,040	2,236	4,327	15,741
Phoenix	30	720	169	340	1,259
Portland	108	1,230	360	749	2,447
Reno	24	299	63	112	497
Salt Lake City	56	592	122	336	1,106
San Francisco	968	6,090	1,710	3,208	11,975
Seattle	262	2,334	584	1,002	4,181
Total	27,053	142,366	50,896	71,829	292,145
Totals for States and Territories comprising part of or more than one district					
Alaska	13	95	20	44	172
California	2,106	14,129	3,946	7,535	27,716
Illinois	2,930	12,019	5,275	5,265	25,489
Missouri	862	4,165	2,881	2,213	18,122
New Jersey	766	3,163	1,079	1,329	6,337
New York	7,726	24,568	12,619	18,777	63,690
Ohio	1,132	7,778	2,361	3,308	14,580
Pennsylvania	1,948	7,994	2,922	3,027	15,591
Texas	863	7,848	1,975	3,839	13,724
Washington	249	2,239	563	958	4,009
Puerto Rico					



Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories, fiscal year 1955—Continued

[In thousands of dollars. See table 3, p. 89, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts	Miscellaneous excise taxes						
	Sugar	Long-distance telephone, telegraph, cable, radio, etc.	Leased wires	Local telephone service	Transportation of oil by pipeline	Transportation of persons	Transportation of property
	(48)	(49)	(50)	(51)	(52)	(53)	(54)
Atlanta region	3,910	21,263	650	27,676	1,319	13,273	24,605
Atlanta	3,834	17,655	488	24,060	1,306	4,808	3,500
Birmingham		189	29	277		630	4,419
Columbia		276	4	276		26	833
Greensboro		1,385	20	1,353		2,133	7,324
Jackson		40	1	23	13	13	921
Jacksonville	76	1,286	92	1,161		4,973	3,678
Nashville		432	15	526		690	3,931
Boston region	2,567	17,178	697	17,489	2	7,127	15,352
Augusta		77	8	66	1	183	1,554
Boston	2,567	12,080	243	11,503	(*)	2,470	6,505
Burlington		55	27	44		139	703
Hartford		4,919	386	5,841	(*)	4,245	5,751
Portsmouth		47	8	33	(*)	35	411
Providence		(*)	24	1	1	55	427
Chicago region	1,241	22,191	1,486	40,953	1,461	35,489	70,676
Chicago	37	10,781	927	20,601	1,143	33,120	46,646
Detroit	1,138	7,125	312	13,270	261	2,009	16,982
Milwaukee	66	3,057	219	5,336	53	223	4,414
Springfield		1,228	27	1,747	5	138	2,624
Cincinnati region	103	17,556	899	28,761	1,876	11,263	46,225
Cincinnati		1,215	81	2,328		255	2,000
Cleveland		6,581	369	11,630	422	3,901	16,206
Columbus		663	33	1,100	(*)	63	1,622
Indianapolis	50	3,733	110	6,133	54	601	7,481
Louisville		486	35	818	211	2,765	4,317
Parkersburg		1,505	197	1,544	53	1,318	990
Richmond		2,622	65	4,107	(*)	2,229	10,956
Toledo	53	751	9	1,102	1,136	130	2,653
Dallas region	11,561	2,847	220	1,957	16,015	10,809	27,635
Albuquerque		53	8	36	36	140	404
Austin	2,458	290	29	206	6,124	1,877	9,232
Dallas		2,109	101	1,431	2,569	7,116	11,934
Little Rock		163	17	131	119	82	810
New Orleans	9,103	86	13	45	1,227	1,218	2,635
Oklahoma City	(*)	147	52	108	5,940	377	2,619

New York City region	30,323	53,011	9,910	58,951	1,297	50,824	51,399
Albany		389	40	405		221	2,145
Brooklyn		19	75	28	(*)	133	2,509
Buffalo		735	173	1,471	38	134	2,149
Lower Manhattan	26,751	51,655	9,509	56,815	389	1,613	15,203
Syracuse		211	42	229		255	1,516
Upper Manhattan	3,571	2	71	3		870	27,877
Omaha region	10,103	35,619	987	45,065	8,527	27,155	59,459
Aberdeen		76	(*)	120		58	722
Cheyenne		23	7	9	107	27	345
Denver	9,887	7,777	168	6,206	4	1,634	4,230
Des Moines		650	25	920		78	3,403
Fargo		50	1	56	(*)	13	347
Kansas City		188	17	233	6,414	8,830	4,052
Omaha		7,904	166	9,962	(*)	3,784	8,784
St. Louis	165	17,772	580	26,102	(*)	2,297	14,571
St. Paul		539	19	740	2	7,252	14,970
Wichita	51	642	4	716	1,999	3,182	8,034
Philadelphia region	3,947	19,025	1,532	28,664	4,240	25,757	61,274
Baltimore	(*)	3,757	200	7,071	(*)	9,396	17,652
Camden		7	6	5	(*)	206	1,040
Newark		6,977	156	6,964		1,496	5,825
Philadelphia	3,947	7,458	570	13,190	1,382	13,908	26,659
Pittsburgh		587	348	1,206	2,858	508	6,734
Scranton		238	252	228	(*)	152	2,846
Wilmington	(*)	1		(*)		92	517
San Francisco region	14,758	23,769	1,413	40,682	1,985	15,504	41,399
Boise	119	40	16	36	(*)	37	714
Helena		74	18	58		66	701
Honolulu	8	199	18	922	15	793	375
Los Angeles		2,831	103	4,461	802	4,007	8,882
Phoenix	(*)	39	26	22	(*)	64	463
Portland		285	30	222	(*)	241	4,059
Reno		254	1	122	(*)	132	133
Salt Lake City	4,283	46	4	27	395	53	964
San Francisco	10,347	18,883	1,052	33,699	735	8,384	20,344
Seattle		1,118	144	1,113	37	1,727	4,764
Total	78,512	212,458	17,793	290,198	36,722	197,201	398,023

Totals for States and Territories comprising part of or more than one district

Alaska		77	4	88		167	237
California	10,347	21,714	1,156	38,159	1,537	12,391	29,226
Illinois	37	12,010	955	22,348	1,147	33,257	49,270
Missouri	165	17,959	597	26,336	6,414	11,127	18,623
New Jersey		6,984	162	6,969	(*)	1,702	6,865
New York	27,951	53,011	9,910	58,951	1,297	50,824	51,399
Ohio	53	9,211	492	16,159	1,558	4,349	22,481
Pennsylvania	3,947	8,283	1,169	14,624	4,240	14,568	36,239
Texas	2,458	2,399	130	1,637	8,693	8,992	21,167
Washington		1,041	140	1,026	37	1,561	4,527
Puerto Rico	2,372						

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories, fiscal year 1955—Continued

[In thousands of dollars. See table 3, p. 89, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts	Miscellaneous excise taxes—Continued						
	Use of safe deposit boxes	Club dues and initiation fees	Bowling alleys, pool tables, etc.	Coin-operated amusement and gaming devices	Admissions—Theaters, concerts, athletic, racetracks, etc. <sup>17</sup>	Admissions—Roof gardens, cabarets, etc.	Narcotics, including marihuana and special taxes <sup>18</sup>
	(55)	(56)	(57)	(58)	(59)	(60)	(61)
Atlanta region.....	306	3,304	318	1,263	6,432	2,588	63
Atlanta.....	42	524	58	454	1,801	338	8
Birmingham.....	31	422	34	45	275	107	7
Columbia.....	16	196	26	129	257	35	9
Greensboro.....	45	659	59	66	503	68	16
Jackson.....	20	127	27	154	120	46	4
Jacksonville.....	106	888	53	136	2,820	1,845	10
Nashville.....	47	488	61	280	654	147	11
Boston region.....	390	2,663	236	360	6,235	1,979	33
Augusta.....	24	81	20	25	162	135	2
Boston.....	218	1,228	126	182	4,268	1,307	17
Burlington.....	10	34	8	8	89	28	1
Hartford.....	91	1,043	49	97	920	321	8
Pertsmouth.....	14	59	15	34	293	21	2
Providence.....	33	226	18	33	503	175	3
Chicago region.....	813	5,896	516	1,721	13,554	5,525	95
Chicago.....	380	3,027	145	561	6,942	2,936	25
Detroit.....	219	1,950	176	221	4,249	1,617	29
Milwaukee.....	124	539	94	279	1,623	432	10
Springfield.....	90	380	101	660	739	540	31
Cincinnati region.....	601	4,722	437	1,239	7,348	2,400	114
Cincinnati.....	56	610	36	91	955	286	9
Cleveland.....	189	1,326	86	177	2,287	786	11
Columbus.....	36	327	30	60	430	226	4
Indianapolis.....	118	701	82	137	1,380	241	60
Louisville.....	63	538	68	246	567	421	7
Parkersburg.....	31	218	38	341	385	76	5
Richmond.....	66	699	60	99	1,001	87	15
Toledo.....	42	302	37	88	344	278	4
Ballas region.....	335	4,187	313	1,084	5,995	2,116	63
Albuquerque.....	15	118	18	38	303	208	4
Austin.....	98	1,266	112	219	1,033	575	19
Dallas.....	87	1,606	55	111	2,985	525	18
Little Rock.....	39	173	44	115	180	55	4
New Orleans.....	41	435	31	456	922	660	9
Oklahoma City.....	55	590	54	146	572	92	7
New York City region.....	856	6,536	302	554	30,570	7,141	271
Albany.....	56	369	28	101	1,479	409	92
Brooklyn.....	162	1,135	74	131	3,411	734	95
Buffalo.....	88	773	67	95	929	657	9
Lewar Manhattan.....	347	754	16	30	610	931	9
Syracuse.....	49	321	46	111	573	287	5
Upper Manhattan.....	155	3,183	50	85	23,569	4,124	62
Dmahe region.....	649	3,466	470	868	8,596	3,046	68
Aberdeen.....	19	35	25	50	269	58	2
Cheyenne.....	11	21	9	40	190	84	1
Denver.....	70	460	33	60	1,639	648	5
Des Moines.....	132	391	87	89	1,111	150	8
Fargo.....	15	28	23	28	107	59	2
Kansas City.....	61	406	37	80	1,542	581	6
Dmahe.....	59	224	53	46	525	163	5
St. Louis.....	99	740	64	169	875	410	24
St. Paul.....	106	682	71	163	1,709	733	8
Wichita.....	78	480	69	143	629	159	6
Philadelphia region.....	767	5,568	377	2,519	9,535	3,992	204
Baltimore.....	104	1,191	72	1,638	2,287	1,160	11
Camden.....	54	400	24	138	1,815	1,027	4
Newark.....	186	1,125	70	166	1,192	638	132
Philadelphia.....	208	1,404	85	256	2,271	575	35
Pittsburgh.....	152	1,014	91	282	1,298	443	16
Scranton.....	47	243	27	108	373	112	4
Wilmington.....	16	191	7	11	300	37	1
San Francisco region.....	852	5,628	394	5,364	17,822	10,484	83
Boise.....	18	62	14	38	275	132	1
Helena.....	24	148	15	63	385	119	2
Honolulu.....	9	102	21	30	398	567	7
Los Angeles.....	192	2,322	109	221	8,206	3,860	29
Phoenix.....	21	284	18	85	439	247	3
Pertland.....	77	460	36	243	966	571	6
Rene.....	8	7	10	3,539	215	1,910	1
Sail Lake City.....	17	146	18	53	557	90	2
San Francisco.....	357	1,563	97	390	4,154	2,309	20
Seattle.....	130	616	55	703	2,227	580	12
Totals.....	5,568	41,963	3,364	14,994	106,086	39,271	993
Totals for States and Territories comprising part of or more than one district							
Alaska.....	3	1	4	18	96	75	(*)
California.....	548	3,885	206	611	12,360	6,169	49
Illinois.....	470	3,407	246	1,221	7,681	3,476	56
Missouri.....	160	1,146	101	249	2,416	991	31
New Jersey.....	240	1,524	95	304	3,007	1,665	136
New York.....	856	6,536	302	554	30,570	7,141	271
Ohio.....	323	2,566	189	416	4,015	1,576	28
Pennsylvania.....	407	2,661	204	566	3,941	1,131	56
Texas.....	185	2,872	167	331	4,018	1,100	38
Washington.....	127	615	51	685	2,131	505	11
Puerto Rico.....							

Footnotes on p. 93.

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories, fiscal year 1955—Continued

[In thousands of dollars. See table 3, p. 89, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts	Miscellaneous excise taxes—continued						Unclassified excise taxes <sup>2</sup> (68)	Grand total, all internal revenue taxes <sup>3</sup> (69)
	Coconut and other vegetable oils processed <sup>1</sup> (62)	Diesel fuel, including special motor fuel (63)	Wagering—occupational (64)	Wagering—Excise (65)	Other (66)	Total miscellaneous excise taxes (67)		
Atlanta region.....	81	1,190	40	402	(-91)	108,590	3,008	4,147,438
Atlanta.....	11	173	7	64	183	59,312	1,252	648,242
Birmingham.....		87	5	104	2	6,663	91	378,308
Columbia.....	(*)	45	1	4	(-1)	2,132	225	242,451
Greensboro.....	3	227	11	21	22	13,916	256	1,498,115
Jackson.....		223	7	65	(*)	1,805	7	138,671
Jacksonville.....		141	7	55	(-293)	17,033	667	736,528
Nashville.....	67	293	3	89	(-5)	7,729	510	505,123
Boston region.....	37	508	32	60	835	73,797	2,209	3,578,235
Augusta.....		38	(*)	(*)	1	2,370	(-38)	163,374
Boston.....	31	262	17	35	364	43,415	918	1,791,568
Burlington.....		14	(*)		(-1)	1,152	(-48)	64,950
Hartford.....	4	188	13	14	482	24,372	889	1,165,600
Pertsmouth.....		9	1	7	(-14)	974	58	118,039
Providence.....	2	6	2	4	2	1,514	429	274,704
Chicago region.....	1,165	2,028	100	1,241	666	206,818	61,266	12,319,491
Chicago.....	1,148	983	59	746	414	130,620	4,162	4,633,365
Detroit.....	6	298	8	136	220	50,235	56,531	5,672,468
Milwaukee.....	11	526	(*)	2	(-13)	16,997	1,207	1,206,835
Springfield.....	(*)	221	33	356	45	8,966	(-634)	806,832
Cincinnati region.....	8,491	1,668	170	2,553	387	136,812	10,334	8,282,999
Cincinnati.....	6,890	45	6	40	57	14,960	(-629)	1,066,671
Cleveland.....	1,420	458	15	276	280	46,419	10,830	2,263,527
Columbus.....	178	70	1	64	23	4,930	297	360,833
Indianapolis.....		225	105	1,103	67	22,383	(-1,687)	1,392,666
Louisville.....	3	425	7	599	8	11,583	729	1,342,125
Parkersburg.....		109	24	329	26	7,188	112	266,696
Richmond.....		161	6	17	(-57)	22,133	658	1,853,921
Toledo.....	(*)	176	5	124	(-18)	7,216	25	536,560
Dallas region.....	460	4,785	103	1,241	(-407)	91,318	5,554	3,720,514
Albuquerque.....		782	1		69	2,233	(-81)	117,744
Austin.....	(*)	371	51	511	(-68)	24,403	1,410	1,200,840
Dallas.....	(*)	1,005	6	21	(-594)	31,086	790	1,044,457
Little Rock.....		443	4	119	1	2,498	265	165,901
New Orleans.....	468	124	34	515	155	18,167	1,441	547,459
Oklahoma City.....	(*)	2,059	7	76	30	12,930	1,729	644,113

New York City region.....	1,970	2,786	26	31	1,578	308,338	(-15,830)	12,715,477
Albany.....	1	58	2	1	185	5,991	62	741,900
Brooklyn.....	25	58	4	16	975	9,584	715	1,204,297
Buffalo.....	174	125	(*)	3	39	7,679	329	899,325
Lower Manhattan <sup>2</sup> .....	20	823	4	1	407	165,887	(-28,826)	4,912,574
Syracuse.....	4	49	1	2	(-28)	3,674	(-87)	447,834
Upper Manhattan.....	1,747	1,663	14	9	(*)	115,523	11,177	4,509,547
Omaha region.....	357	2,197	25	120	(-13)	206,764	3,123	4,962,838
Aberdeen.....		88	(*)	(*)	(-1)	1,514	123	74,568
Cheyenne.....		177	16	39	(-1)	1,183	55	57,403
Denver.....		472			(-1)	33,291	674	679,509
Des Moines.....	22	195	(*)	(*)	(-3)	7,258	(-38)	534,708
Fargo.....		83	1	18	1	823	58	64,187
Kansas City.....	2	120	1	11	39	22,621	(-785)	527,385
Omaha.....	69	234	2	24	(-5)	32,000	90	399,670
St. Louis.....	242	329	2	8	(-37)	64,411	529	1,111,003
St. Paul.....	22	249	1	14	7	27,289	2,234	1,028,543
Wichita.....		258	2	15	(-12)	16,454	182	485,949
Philadelphia region.....	4,104	2,718	89	281	892	175,407	27,345	9,338,354
Baltimore.....	7	160	1	25	379	45,111	3,127	1,885,606
Camden.....	(*)	37	3	4	18	4,789	6,896	398,757
Newark.....	3,543	270	(*)	5	493	29,238	3,589	1,617,475
Philadelphia.....	78	1,038	19	28	40	73,143	10,924	2,300,847
Pittsburgh.....	5	1,155	55	74	(-58)	16,690	2,490	1,871,649
Scranton.....		43	2	21	23	4,720	242	485,009
Wilmington.....	478	15	8	45	(-4)	1,715	77	779,010
San Francisco region.....	2,284	6,996	249	1,123	3,543	194,325	17,678	7,223,345
Boise.....		95	(*)	13	(-44)	1,551	65	108,708
Helena.....		149	15	26	5	1,799	27	119,955
Honolulu.....		21	(*)	3	(-15)	3,459	55	126,340
Los Angeles.....	738	1,784	1	5	607	39,162	12,427	2,764,536
Phoenix.....		246	(*)	3	5	2,076	102	167,739
Portland.....	42	346	6	26	27	7,641	372	429,231
Reno.....		245	11	448	4	7,039	534	86,831
Salt Lake City.....		251	36	84	(*)	7,826	339	153,753
San Francisco.....	1,504	3,625	7	16	2,886	110,372	2,490	2,419,592
Seattle <sup>2</sup> .....	(*)	234	171	500	68	14,199	1,268	846,661
Total.....	18,950	24,876	835	6,973	7,390	1,502,168	114,687	66,288,692

Totals for States and Territories comprising part of or more than one district

Alaska.....		6	3	24	11	813	108	44,537
California.....	2,242	5,409	9	21	3,493	149,534	14,917	5,184,128
Illinois.....	1,148	1,204	92	1,102	459	139,586	3,529	5,440,196
Missouri.....	244	448	3	19	2	87,032	(-256)	1,638,388
New Jersey.....	3,544	307	3	9	512	34,028	10,486	2,016,232
New York.....	1,970	2,786	26	31	1,574	305,961	(-15,566)	12,683,627
Ohio.....	8,488	748	28	505	341	73,524	10,523	4,227,590
Pennsylvania.....	76	2,237	77	123	6	94,554	13,655	4,657,505
Texas.....	(*)	1,376	57	531	(-662)	55,490	2,201	2,245,297
Washington.....	(*)	228	169	476	57	13,386	1,160	802,124
Puerto Rico.....					5	2,376	(-264)	31,850

Table 2.—Internal revenue collections by sources and by months, fiscal year 1955

(In thousands of dollars)

Sources of revenue	1954						1955					
	July (1)	August (2)	September (3)	October (4)	November (5)	December (6)	January (7)	February (8)	March (9)	April (10)	May (11)	June (12)
Corporation income and profits taxes <sup>1</sup>	532,281	299,945	1,103,940	360,516	288,972	1,181,273	354,629	274,500	6,812,452	478,091	376,719	6,201,403
Individual income and employment taxes:												
Income tax not withheld <sup>2</sup>	252,145	93,008	1,429,465	199,101	77,617	271,658	2,239,048	880,678	769,768	2,374,701	672,642	1,464,288
Income tax withheld and old-age insurance <sup>3</sup>	1,252,385	3,320,589	1,696,174	1,265,005	3,313,289	1,687,218	996,937	3,471,502	2,257,864	1,098,542	3,705,232	2,200,818
Railroad retirement <sup>4</sup>	19,588	76,043	46,871	21,010	94,486	64,403	16,414	63,924	46,327	19,717	79,170	52,153
Unemployment insurance	3,884	15,841	586	3,912	15,292	474	30,903	167,208	19,795	4,498	14,898	2,695
Total individual income and employment taxes	1,528,001	3,505,481	3,173,096	1,489,029	3,500,684	2,023,753	3,283,303	4,583,312	3,093,755	3,497,459	4,471,941	3,719,955
Estate tax <sup>5</sup>	75,429	62,154	71,774	63,701	61,044	73,206	59,175	62,299	92,063	72,578	92,256	62,813
Gift tax	1,167	1,078	531	1,108	359	8,176	3,426	4,331	59,437	4,770	2,234	1,159
Alcohol taxes: <sup>7</sup>												
Distilled spirits:												
Excise:												
Imported (collected by Customs)	15,752	15,861	20,868	24,738	34,011	25,405	13,818	14,982	18,907	18,276	18,720	21,509
Domestic	110,750	108,847	154,439	178,729	177,702	122,725	97,279	111,980	156,447	127,496	124,829	155,032
Rectification	1,526	1,528	2,267	3,522	4,119	2,647	2,327	1,824	(-88)	869	986	2,340
Stamp <sup>8</sup>	857	926	1,141	1,633	1,646	465	4	(*)	(*)	103	(-22)	(-13)
Special or occupational <sup>9</sup>	6,656	2,865	371	412	256	150	138	134	167	105	242	4,283
Other <sup>10</sup>	106	54	39	79	62	25	75	46	930	51	44	34
Total distilled spirits taxes	135,647	130,081	179,126	209,113	217,795	151,418	113,642	128,966	176,364	146,901	144,799	183,185
Wines, cordials, etc.:												
Excise:												
Imported (collected by Customs)	236	282	362	493	688	688	231	275	331	346	403	354
Domestic	5,727	5,589	7,297	6,966	7,506	6,384	4,028	6,102	7,805	6,059	7,422	6,250
Special or occupational <sup>11</sup>	492	289	86	273	93	(-282)	148	74	19	(-278)	(*)	276
Floor stocks tax	(*)	(*)	1	(*)	1	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Total wines, cordials, etc., taxes	6,455	6,161	7,746	7,732	8,288	6,789	4,488	6,451	8,156	6,126	7,825	6,880
Beer:												
Excise	81,290	72,666	64,411	57,364	53,708	52,609	38,365	47,522	62,710	57,267	72,826	76,495
Special or occupational <sup>12</sup>	2,288	973	159	105	1,064	(-485)	255	(-115)	(-66)	(-233)	74	1,527
Floor stocks tax	(*)	1	(*)	(*)	24	(-24)	1	(*)	1	(*)	(*)	3
Total beer taxes	83,578	73,640	64,571	57,469	54,795	52,100	38,621	47,406	62,645	57,034	72,899	78,026
Total alcohol taxes	225,680	209,882	251,442	274,314	280,878	210,306	156,671	182,824	247,165	210,061	225,524	268,091
Tobacco taxes: <sup>7</sup>												
Cigarettes	117,728	135,435	130,742	127,368	117,574	103,957	126,023	113,972	133,462	116,362	137,637	143,936
Cigars <sup>13</sup>	3,382	3,944	4,418	4,360	4,275	3,045	3,294	3,304	3,924	3,715	3,936	4,650
Manufactured tobacco	1,408	1,779	1,893	1,795	1,608	1,413	1,624	1,539	1,782	1,719	1,770	1,734
Other <sup>14</sup>	52	78	36	116	91	33	62	38	95	35	71	(*)
Total tobacco taxes	122,570	141,236	137,090	133,638	123,548	108,448	131,004	118,852	139,263	121,831	143,413	150,321
Stamp taxes on documents, other instruments, and playing cards:												
Issues and transfers of bonds of indebtedness, or capital stock, foreign insurance policies, and deeds of conveyance:												
Sales by postmaster		5,613	6,077		(-3,621)	2,099	2,020	2,093	2,466	4,726	2,392	2,524
Sales by directors	7,032	6,176	5,992	6,013	6,360	6,714	7,348	6,490	6,712	7,158	5,984	6,921
Other <sup>15</sup>	291	513	595	772	606	511	600	594	676	558	550	494
Total stamp taxes on documents, other instruments, and playing cards	7,323	12,302	12,664	6,785	3,345	9,324	9,969	9,177	9,854	12,442	8,926	9,939
Manufacturers' excise taxes: <sup>3</sup>												
Gasoline	9,849	208,656	233	12,515	252,312	6,714	3,466	173,525	60,170	530	134,843	90,391
Lubricating oils	1,107	17,381	163	1,067	16,686	840	215	11,681	3,018	412	11,307	5,941
Tires (wholly or in part of rubber) and inner tubes	627	42,897	59	811	37,908	(*)	27	34,740	511	9	45,335	730
Automobile and truck chassis and bodies and parts and accessories for automobiles and motorcycles	5,528	314,881	319	6,653	252,672	373	2,460	290,173	7,011	1,316	432,145	5,754
Electric, gas, and oil appliances, mechanical refrigerators, quick freeze units, air-conditioners, etc.	842	9,593	534	2,065	20,266	166	1,234	14,730	5,395	1,433	26,237	6,368
Radio sets, television sets, phonographs, components, etc.	689	21,122	(-105)	528	32,120	402	1,022	41,719	6,349	323	24,274	8,406
Other <sup>16</sup>	2,238	31,803	637	2,661	36,244	349	1,535	36,002	3,714	(-326)	30,437	5,869
Total manufacturers' excise taxes	20,880	646,332	1,840	26,299	648,208	8,842	9,959	602,570	86,168	3,695	704,578	123,460
Retailers' excise taxes: <sup>3</sup>												
Furs	664	2,766	168	821	3,740	123	1,870	8,771	1,437	540	5,364	787
Jewelry	8,468	22,316	763	7,422	20,028	690	8,689	39,692	5,768	2,598	23,077	2,855
Luggage	3,390	9,008	147	2,764	12,657	130	2,884	7,612	2,920	802	7,813	770
Toilet goods	4,323	11,701	201	4,356	11,177	241	3,643	17,384	2,548	1,423	13,278	1,555
Total retailers' excise taxes	16,844	45,791	1,279	15,364	47,601	1,184	17,087	73,460	12,673	5,362	49,532	5,967
Miscellaneous excise taxes: <sup>3</sup>												
Sugar	1,580	17,194	148	784	16,982	(-71)	71	17,433	6,407	704	13,207	4,071
Long-distance telephone, telegraph, cable, radio, etc.	19,527	5,856	47,229	6,074	4,561	52,850	5,280	5,157	38,935	6,606	(-15,959)	36,343
Leased wires	2,738	1,547	1,124	531	1,560	1,044	407	1,606	3,837	(-1,159)	1,618	2,860
Local telephone service	18,214	6,239	51,857	2,042	6,664	46,638	1,640	6,097	64,161	452	26,390	59,804
Transportation of oil by pipeline	2,340	8,830	69	1,714	9,963	8	1,323	8,784	286	567	7,060	(-4,224)
Transportation of persons, seats and berths	2,198	44,462	723	2,770	49,076	1,320	967	42,706	6,339	210	39,210	7,220
Transportation of property	14,448	98,972	2,724	16,473	61,610	1,233	8,270	85,819	9,391	3,889	81,093	14,101

Footnotes on p. 93.

Table 2.—Internal revenue collections by sources and by months, fiscal year 1955—Continued  
[In thousands of dollars]

Sources of revenue	1954						1955					
	July (1)	August (2)	September (3)	October (4)	November (5)	December (6)	January (7)	February (8)	March (9)	April (10)	May (11)	June (12)
Miscellaneous excise taxes <sup>1</sup> —Continued												
Leases of safe deposit boxes	717	3,170	24	859	(-2,075)	12	591	569	66	582	947	105
Club dues and initiation fees	4,442	7,255	253	3,859	4,880	157	2,027	6,413	489	1,584	9,694	910
Bowling alleys, pool tables, etc.	1,083	7,797	316	238	58	45	2,027	30	35	47	25	843
Coin-operated amusement and gaming devices, etc. <sup>2</sup>	5,239	4,629	615	346	224	178	166	165	161	130	175	2,566
Admissions—Theaters, concerts, athletic contests, etc.	8,347	18,504	1,530	10,285	20,300	892	4,986	16,032	1,891	2,292	18,311	2,718
Admissions—Rooftop gardens, cabarets, etc.	2,252	6,863	441	2,795	6,711	313	1,495	7,698	812	1,066	7,364	1,461
Cocaine, including marihuana and special taxes <sup>3</sup>	2,207	34	59	62	27	73	52	49	63	37	58	2,272
Diesel fuel (including vegetable oils processed <sup>4</sup> )	541	4,231	22	185	4,535	1	100	4,588	89	34	2,409	2,235
Wagering—Occupational	982	5,350	46	987	4,945	220	746	22,865	(-16,565)	540	13,404	(-8,644)
Wagering—Excise	299	78	53	60	48	75	21	28	71	21	41	105
Other (including repeated taxes)	588	617	540	606	624	459	471	547	1,901	397	646	648
	2,950	(-2,717)	(-1,294)	5,059	(-15,222)	4,559	5,777	5,585	1,901	455	1,087	(-730)
Total miscellaneous excise taxes	88,690	231,909	106,479	55,731	175,483	110,105	34,504	232,171	118,979	18,453	206,779	122,884
Undistributed depositary receipts of excise taxes <sup>1</sup>	231,637	(-520,101)	257,557	274,885	(-500,351)	271,337	295,847	(-510,509)	231,551	347,081	(-492,607)	226,970
Unclassified advance payments of excise taxes												1,389
Grand total, all internal revenue taxes <sup>2</sup>	2,850,503	4,636,010	5,117,692	2,701,370	4,629,772	4,005,954	4,355,573	5,632,987	10,903,361	4,771,822	5,789,296	10,894,350

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## Internal Revenue Collections

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Table 3.—Internal revenue collections by sources, fiscal years 1954 and 1955  
[In thousands of dollars]

Sources of revenue	Fiscal year	
	1954	1955
Corporation income and profits taxes:		
Regular <sup>21</sup>	21,545,632	18,262,571
Exempt organization business income tax <sup>21</sup>	690	2,150
Total corporation income and profits taxes	21,546,322	18,264,720
Individual income and employment taxes:		
Income tax not withheld <sup>2</sup>	10,946,578	10,724,120
Withheld taxes:		
Income tax and old-age insurance: <sup>22</sup>		
Received with returns	26,085,633	25,673,490
Undistributed depositary receipts <sup>3</sup>		592,068
Total income tax and old-age insurance	26,085,633	26,265,558
Railroad retirement:		
Railroad employment compensation tax received with returns, 12 percent of taxable portion of payrolls to 12/31/54, 12½ percent thereafter	605,177	597,218
Railroad employees' representative tax received with returns, 12 percent of taxable portion of payrolls to 12/31/54, 12½ percent thereafter	44	44
Undistributed depositary receipts <sup>3</sup>		2,844
Total railroad retirement	605,221	600,106
Total withheld taxes	26,690,854	26,865,663
Unemployment insurance, 3 percent of taxable portion of payrolls	283,882	279,986
Total individual income and employment taxes	37,921,314	37,869,770
Estate tax <sup>4</sup>	863,344	848,492
Gift tax	71,778	87,775
Alcohol taxes:		
Distilled spirits: <sup>5</sup>		
Excise taxes:		
Imported (collected by Customs) \$10.50 per gallon	230,566	242,848
Domestic, \$10.50 per gallon	1,642,069	1,626,255
Seizures, penalties, etc.	995	1,497
Floor stocks tax (tax-paid stocks on hand)	282	45
Rectification tax, per proof gallon, 30 cents	24,951	23,867
Export stamps, 10 cents per case and 5 cents per case <sup>23</sup>	31	8
Container stamps, 1 cent per bottle, or ¼ cent if less than ½ pint: <sup>23</sup>		
Bottled in bond	1,088	519
Bottled other than in bond	13,013	6,213
Stillts or worms manufactured, \$22 each	5	6
Special or occupational taxes:		
Manufacturers of stillts, \$55 per year	9	6
Rectifiers:		
Less than 500 barrels, \$110 per year	10	8
500 barrels or more, \$220 per year	24	21
Wholesale liquor dealers, \$200 per year	1,339	1,272
Retail dealers in liquor or medicinal spirits, \$50 per year	13,710	14,367
Nonbeverage manufacturers of spirits, \$25, \$50, \$100 per year	115	105
Total distilled spirits	1,928,208	1,917,038
Wines, cordials, etc.:		
Excise taxes:		
Imported (collected by Customs)	4,152	4,689
Domestic	74,527	77,135
Floor stocks tax (tax-paid stocks on hand)	11	2
Special or occupational taxes:		
Wholesale dealers in wines or in wines and beer, \$200 per year	113	106
Retail dealers in wines or in wines and beer, \$50 per year	1,101	1,085
Total wines	79,904	83,017
Beer:		
Excise tax per barrel of 31 gallons, \$9	769,774	737,233
Floor stocks tax (tax-paid stocks on hand)	13	7
Special or occupational taxes:		
Brewers, 500 barrels or more, \$110 per year; less than 500 barrels, \$55 per year	35	34
Wholesale dealers in beer, \$100 per year	1,171	1,225
Retail dealers in beer, \$22 per year	3,907	4,285
Total beer	774,900	742,784
Total alcohol taxes	2,783,012	2,742,840

Footnotes on page 93.

Table 3.—Internal revenue collections by sources, fiscal years 1954 and 1955—Continued

[In thousands of dollars]

Sources of revenue	Fiscal year	
	1954	1955
<b>Tobacco taxes:</b> <sup>7</sup>		
Large cigars classified by intended retail prices:		
Class A, tax per thousand, \$2.50	79	78
Class B, tax per thousand, \$3	554	673
Class C, tax per thousand, \$4	8,972	9,274
Class D, tax per thousand, \$7	4,289	4,025
Class E, tax per thousand, \$10	25,100	25,353
Class F, tax per thousand, \$15	3,011	3,091
Class G, tax per thousand, \$20	3,570	3,706
Small cigars, tax per thousand, 75 cents	42	46
Cigar and cigarette floor stocks tax (tax-paid stocks on hand)	2	2
Cigarettes per thousand, class A (small) \$4, class B (large) \$8.40	1,513,740	1,504,197
Cigarette papers (1/2 cent) and tubes (1 cent)	695	693
Manufactured tobacco (chewing, smoking, and snuff), 10 cents per pound	20,173	20,064
Court fines, penalties, and taxes on leaf tobacco sold or removed in violation of sec. 5731, Internal Revenue Code of 1954	(*)	12
<b>Total tobacco taxes</b>	<b>1,580,229</b>	<b>1,571,213</b>
<b>Stamp taxes on documents, other instruments, and playing cards:</b>		
Issues and transfers of bonds of indebtedness, or capital stock, foreign insurance policies, and deeds of conveyance:		
Sales by postmasters	21,427	26,388
Sales by directors	61,608	78,901
Silver bullion transfers, 50 percent of profit	24	60
Playing cards, per pack, 13 cents	6,941	6,700
<b>Total stamp taxes on documents, etc.</b>	<b>90,000</b>	<b>112,049</b>
<b>Manufacturers' excise taxes:</b> <sup>24</sup>		
Lubricating oils, per gallon, 6 cents	68,029	69,818
Gasoline, per gallon, 2 cents	836,892	953,181
Floor stocks tax, gasoline, 1/4 cent per gallon	(*)	20
Tires (wholly or in part of rubber), per pound, 5 cents	130,055	141,383
Inner tubes, per pound, 9 cents	22,512	22,270
Mechanical pencils, pens, and lighters, 15 percent to 3/31/54, 10 percent thereafter	10,885	4,366
Automobile truck chassis and bodies, 8 percent	149,914	134,805
Other automobile chassis and bodies and motorcycles, 10 percent	867,482	1,047,813
Parts and accessories for automobiles and motorcycles, 8 percent	134,759	136,684
Electric, gas, and oil appliances, 10 percent to 3/31/54, 5 percent thereafter	97,415	50,859
Electric light bulbs, 20 percent to 3/31/54, 10 percent thereafter	35,390	18,673
Radio sets, television sets, phonographs, components, etc., 10 percent	135,535	136,849
Phonograph records, 10 percent	8,445	8,287
Musical instruments, 10 percent	9,191	10,783
Refrigerators, freezers, air-conditioners, etc., 10 percent to 3/31/54, 5 percent thereafter except for self-contained air-conditioning units which remains at 10 percent	75,059	38,004
Matches, per thousand, 2 cents, and fancy wooden or colored stems, 5 1/2 cents	9,373	5,808
Business and store machines, 10 percent	48,992	57,281
Cameras, lenses, and film, 20 percent to 3/31/54, 10 percent thereafter	25,196	15,157
Sporting goods, 15 percent to 3/31/54, 10 percent thereafter	8,140	8,112
Fishing rods, creels, etc., 10 percent	4,625	5,347
Firearms, shells, and cartridges, 11 percent	10,266	12,401
Pistols and revolvers, 11 percent to 3/31/54, 10 percent thereafter	975	949
<b>Total manufacturers' excise taxes</b>	<b>2,689,133</b>	<b>2,882,832</b>
<b>Retailers' excise taxes:</b> <sup>24</sup>		
Furs, 20 percent to 3/31/54, 10 percent thereafter	39,036	27,053
Jewelry, 20 percent to 3/31/54, 10 percent thereafter	209,256	142,366
Luggage, 20 percent to 3/31/54, 10 percent thereafter	79,891	50,896
Toilet goods, 20 percent to 3/31/54, 10 percent thereafter	110,149	71,829
<b>Total retailers' excise taxes</b>	<b>438,332</b>	<b>292,145</b>

Footnotes on p. 93.

Table 3.—Internal revenue collections by sources, fiscal years 1954 and 1955—Continued

[In thousands of dollars]

Sources of revenue	Fiscal year	
	1954	1955
<b>Miscellaneous excise taxes:</b> <sup>24</sup>		
Sugar, per pound, approximately 1/4 cent	74,477	78,512
Telephone, telegraph, cable, radio, 25 percent to 3/31/54, 10 percent thereafter	388,893	212,458
Leased wires, 25 percent to 3/31/54, 10 percent thereafter; wire and equipment service, 8 percent	23,615	17,793
Local telephone service, 15 percent to 3/31/54, 10 percent thereafter	359,473	290,198
Transportation of oil by pipeline, 4 1/2 percent	29,730	36,722
Transportation of persons, 15 percent to 3/31/54, 10 percent thereafter	247,415	197,201
Transportation of property, 3 percent of amount paid, except coal which is 4 cents per ton	395,554	398,023
Use of safe deposit boxes, 20 percent to 3/31/54, 10 percent thereafter	9,049	5,568
Club dues and initiation fees, 20 percent	31,978	41,963
Bowling alleys, pool tables, etc., \$20 per alley or table	3,227	3,364
Coin-operated amusement and gaming devices, \$10 and \$250 per device	14,616	14,994
<b>Admissions:</b>		
Admissions, 1 cent for each 5 cents or fraction of the amount paid to 3/31/54, 1 cent for each 10 cents thereafter	270,520	105,139
Ticket brokers' sales, for amounts in excess of box office price, 20 percent to 3/31/54, 10 percent thereafter	812	492
Leases of boxes or seats, at the amount for which similar accommodations are sold, 20 percent to 3/31/54, 10 percent thereafter	404	377
Roof gardens, cabarets, etc., 20 percent of total paid for admissions, services, etc.	38,312	39,271
Admissions sold by proprietors in excess of established price, 50 percent of such excess	215	77
<b>Total admissions taxes</b>	<b>310,264</b>	<b>145,357</b>
<b>Narcotics (Opium, coca leaves, or derivatives thereof):</b>		
Opium, coca leaves, etc., per ounce or fraction thereof, 1 cent	360	416
Opium order blanks, per hundred, \$1	17	20
Accepted offers in compromise, etc., on account of narcotics tax violations	46	44
<b>Special taxes:</b>		
Importers, manufacturers, and compounders, \$24 per year	7	3
Wholesale dealers, \$12 per year	16	15
Retail dealers, \$3 per year	174	180
Practitioners, \$1 per year	258	267
Dealers in unaltered narcotic preparations, and laboratories, \$1 per year	5	5
<b>Total narcotics taxes</b>	<b>883</b>	<b>550</b>
<b>Marihuana taxes</b>	<b>36</b>	<b>43</b>
<b>Coconut and other vegetable oils processed:</b>		
Coconut oil from the Philippines, per pound, 3 cents	14,842	16,064
Coconut oil from Trust Territory, per pound, 3 cents	76	46
Coconut oil from other United States possessions, per pound, 3 cents	21	17
Coconut oil and combination containing coconut oil (other than in preceding listing) per pound, 5 cents	93	47
Other, per pound, 3 cents	1,234	2,776
<b>Total coconut and other vegetable oils processed</b>	<b>16,266</b>	<b>18,950</b>
<b>Adulterated and process or renovated butter and filled cheese</b>	<b>12</b>	<b>23</b>
<b>Firearms transfer and occupational taxes</b>	<b>8</b>	<b>11</b>
Diesel fuel, including special motor fuels, 2 cents per gallon	17,969	24,876
<b>Wagering:</b>		
Occupational, \$50	1,008	835
Excise, 10 percent	8,550	6,973
Other receipts (including repealed taxes)	3,505	7,355
<b>Total miscellaneous excise taxes</b>	<b>1,936,527</b>	<b>1,508,624</b>
<b>Undistributed depository receipts—excise taxes</b>		<b>113,298</b>
<b>Unclassified advance payments of excise taxes</b>		<b>1,389</b>
<b>Grand total all internal revenue taxes</b>	<b>69,919,991</b>	<b>66,288,692</b>

Footnotes on page 93.

Table 4.—Internal revenue collections by principal sources, fiscal years 1940 through 1955  
[In thousands of dollars]

Fiscal year ended June 30	Income, profits and employment taxes			Estate and gift taxes	Alcohol taxes	Tobacco taxes	Manufacturers' excise taxes	All other taxes	Total internal revenue collections
	Corporation income and profits taxes	Individual income and employment taxes <sup>a</sup>	Total income, profits and employment taxes						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1940	1,147,592	1,815,538	2,963,130	360,071	624,253	508,518	447,088	337,392	5,340,452
1941	2,053,469	2,343,512	4,396,980	407,058	820,056	698,077	617,373	430,564	7,370,106
1942	4,744,083	4,448,162	9,192,245	432,540	1,048,517	780,982	711,902	821,682	13,047,869
1943	9,668,956	8,128,637	17,797,593	447,496	1,423,645	923,853	504,766	1,271,046	22,571,386
1944	14,766,796	19,999,378	34,766,174	511,210	1,618,775	988,483	503,462	1,753,555	40,421,760
1945	16,027,213	20,813,491	36,840,704	643,055	2,309,866	932,145	782,511	2,282,108	43,800,389
1946	12,553,602	20,405,364	32,958,966	676,832	2,526,165	1,155,519	922,611	2,427,044	40,672,902
1947	10,174,410	21,367,662	31,542,072	778,291	2,474,762	1,237,768	1,425,260	2,147,184	39,108,986
1948	9,676,459	23,379,123	33,055,533	899,348	2,255,327	1,300,280	1,649,234	2,206,969	41,864,642
1949	11,563,669	20,527,935	32,091,604	796,538	2,210,607	1,378,464	1,771,533	2,517,719	40,957,121
1950	14,387,569	26,624,788	41,012,357	833,147	2,546,808	1,380,366	2,383,677	2,592,719	50,446,686
1951	21,466,910	33,758,370	55,225,280	891,284	2,780,925	1,565,162	2,862,738	2,607,419	69,009,586
1952	21,594,515	37,254,619	58,849,134	935,121	2,783,012	1,654,911	2,889,133	2,647,492	69,819,891
1953	21,546,322	37,927,314	59,473,637	936,267	2,742,840	1,580,229	2,882,832	2,664,856	69,819,891
1954	18,264,720	37,869,770	56,134,490	936,267	2,742,840	1,571,213	2,882,832	2,621,043	68,288,692

Footnotes on p. 93.

Footnotes for Tables 1, 2, 3, and 4

<sup>a</sup> Less than \$500.<sup>1</sup> Includes tax on business income of exempt organizations.<sup>2</sup> Includes old-age insurance tax on self-employment income. Rates of tax are as follows:

Individual income tax: Graduated rates from 20 percent on first \$2,000 net income in excess of exemption to 91 percent on amount over \$200,000.

Self-employment tax: 3 percent of self-employment income.

<sup>3</sup> Under revised accounting procedures effective July 1, 1954, tax payments made to banks under the depositary receipts system are included in internal revenue collections for the month in which the depositary receipts are issued instead of the month in which tax returns supported by the depositary receipts are received in internal revenue offices. The revised procedure conforms to the practice followed in other Treasury Department reports dealing with internal revenue receipts. The classes of taxes affected by this change and its effect upon comparability of the data for 1954 and 1955 are shown in table 3, p. 89. It is not possible to make a complete classification of such payments until the returns are received. Accordingly, the items shown as "Undistributed depositary receipts" represent the amount of depositary receipts issued, less the amount of depositary receipts received with returns and distributed by classes of tax.<sup>4</sup> Includes railroad employment compensation tax and tax on railroad employee representatives.<sup>5</sup> Lower Manhattan district includes Puerto Rico; Baltimore district includes Maryland and the District of Columbia; Seattle district includes Washington and Alaska.<sup>6</sup> Advance payments of estate and gift taxes are reported in combined amount only and for the purpose of this tabulation are included in estate tax. The total amount of such advance payments for 1955 is \$16,116,000.<sup>7</sup> Included this year for the first time are amounts of tax collected in Puerto Rico upon articles of merchandise of Puerto Rican manufacture coming into the United States. For amounts of such collections see table 5. In previous reports such collections were shown separately but were excluded from overall collections results.<sup>8</sup> Includes export stamps, bottled-in-bond container stamps, and bottled other than in-bond container stamps. See note 23.<sup>9</sup> Includes special or occupational taxes on manufacturers of stills, rectifiers, wholesale liquor dealers, retail dealers in liquor or medicinal spirits, and nonbeverage manufacturers of spirits.<sup>10</sup> Includes floor stocks tax; tax on stills or worms manufactured; and seizures, penalties, etc.<sup>11</sup> Includes special or occupational taxes on wholesale and retail dealers in wines or in wines and beer.<sup>12</sup> Includes special or occupational taxes on brewers and wholesale and retail dealers in beer.<sup>13</sup> Includes taxes on large cigars, classes A through G, and on small cigars.<sup>14</sup> Includes floor stocks taxes, taxes on cigarette papers and tubes, court fines, penalties, and taxes on leaf tobacco sold or removed in violation of sec. 5731, Internal Revenue Code of 1954.<sup>15</sup> Includes taxes on silver bullion transfers and on playing cards.<sup>16</sup> Includes taxes on mechanical pens, pencils, and lighters; electric light bulbs; phonograph records; musical instruments; matches; business and store machines; cameras, lenses, and film; sporting goods; fishing rods, creels, etc.; firearms, shells, and cartridges; and pistols and revolvers.<sup>17</sup> Includes taxes on ticket brokers' sales, leases on boxes or seats, and admissions sold by proprietors in excess of established price, as well as general admissions tax.<sup>18</sup> Includes all narcotics and marihuana taxes.<sup>19</sup> Includes taxes on coconut oil from the Philippines, the Trust Territory, and United States possessions as well as other coconut and vegetable oils processed.<sup>20</sup> Includes undistributed depositary receipts and unclassified advance payments of excise taxes.<sup>21</sup> Corporation income and profits tax rates: First \$25,000 of net income, normal tax of 30 percent; net income in excess of \$25,000, combined normal tax and surtax of 52 percent. Normal tax and surtax rates also apply to net income derived by certain exempt organizations from unrelated trade or business.<sup>22</sup> Rates of income tax withheld and old-age insurance taxes: Income tax withheld: Wages in excess of exemptions taxed at 20 percent through Dec. 31, 1953; 18 percent beginning Jan. 1, 1954.

Old-age insurance taxes (including employers' and employees' taxes): Taxable portion of payrolls taxed at 3 percent through Dec. 31, 1953; 4 percent beginning Jan. 1, 1954.

<sup>23</sup> Effective January 1, 1955, container stamps and export stamps are furnished without charge.<sup>24</sup> The comparability of excise tax collections for the fiscal year 1955 with those for the fiscal year 1954 is affected by (1) the reductions in excise tax rates which were effective April 1, 1954, under the Excise Tax Reduction Act of 1954, and (2) the change from a monthly basis to a quarterly basis for the filing of substantially all excise tax returns, effective with the quarter beginning July 1, 1953. Also beginning July 1, 1953, the depositary receipt system for payment of taxes was extended to cover excise taxes.<sup>25</sup> Rates applicable in the case of race tracks remain the same as in effect prior to Apr. 1, 1954.<sup>26</sup> Beginning January 1951, withheld income taxes and social security employment taxes on employees and employers are paid into the Treasury in combined amounts without separation as to type of tax. The figures for prior periods have been combined accordingly in this table for purposes of comparison, but are shown separately in previous annual reports.<sup>c</sup> Revised.

**Table 5.—Internal revenue tax on manufactured products from Puerto Rico, by objects of taxation, fiscal years 1954 and 1955**

Articles taxed	Fiscal year	
	1954	1955
Distilled spirits, excise tax.....	\$14,286,853	\$16,285,057
Distilled spirits, rectification tax.....	419,219	459,398
Cigars, large:		
Class A.....	5	
Class B.....		
Class C.....		
Class D.....	12,782	5,612
Class E.....	1,859	4,267
Class F.....	263,027	642,046
Class G.....	2,946	2,582
Cigars, small.....	320	568
Cigarettes, small.....	560	440
Chewing and smoking tobacco.....	1,925	1,975
Total.....	14,989,496	17,401,945

Note.—Amounts of taxes collected in Puerto Rico on tobacco and liquor manufactures coming into the United States are covered into the Treasury of Puerto Rico under the provisions of section 7652 (a) (3) of the Internal Revenue Code of 1954.

Such amounts are included in overall collections results (tables 1 through 4) this year for the first time. Previous years' reports included in the overall results only the amounts of such taxes collected at United States ports of entry.

## Alcohol and Tobacco Taxes

Tables 6—



**Table 6.—Number of establishments qualified to engage in the production, distribution, storage, or use of alcohol and alcoholic liquors as of June 30, 1954 and 1955, or to engage in the production or distribution of tobacco products as of Dec. 31, 1953 and 1954.**

Class of establishment	June 30	
	1954	1955
<b>Alcohol, distilled spirits, beer, wines, etc.</b>		
Distilled spirits:		
Fruit distilleries	106	102
Registered distilleries	100	95
Internal revenue bonded warehouses	231	221
Distillery denaturing bonded warehouses	2	2
Tax-paid bottling houses	55	52
Rectifying plants	151	141
Industrial alcohol:		
Industrial alcohol plants	43	37
Industrial alcohol bonded warehouses	53	47
Industrial alcohol denaturing plants	48	46
Dealers in specially denatured alcohol	35	35
Users of specially denatured alcohol and rum	4,156	4,077
Reprocessors, rebottlers, etc., of specially denatured alcohol articles	1,604	1,545
Users of tax-free alcohol	7,608	7,592
Beer:		
Breweries	296	283
Wine:		
Bonded wine cellars <sup>1</sup>	684	621
Tax-paid wine bottling houses <sup>2</sup>		111
Vinegar:		
Vinegar factories using vaporizing process	7	7
Beverage dealers:		
Importers	1,249	1,290
Wholesale dealers in liquors	7,069	7,555
Wholesale dealers in beer	12,165	11,461
Retail dealers in liquors	288,367	277,456
Retail dealers in beer	176,450	164,323
Other:		
Manufacturers of nonbeverage products (drawback)	1,124	1,049
Bottle manufacturers	83	87
Carriers	469	470
Fruit-flavor concentrate plants	15	16
<b>Tobacco</b>		
	Dec. 31	
	1953	1954
Manufacturers of tobacco including snuff	256	246
Manufacturers of cigars and cigarettes	1,163	1,016
Sea stores warehouses	53	58
Export warehouses	4	6

<sup>1</sup> Includes bonded wineries, bonded wine storerooms, and bonded field warehouses previously reported separately.

<sup>2</sup> Category established by sec. 5352 of Internal Revenue Code of 1954.

<sup>3</sup> Revised.

**Table 7.—Permits for operations relating to alcoholic beverages, under the Federal Alcohol Administration Act, fiscal year 1955**

Status	Dis- tillers	Ware- housing and bottling	Recti- fiers	Wine pro- ducers and blenders	Wine blenders	Im- porters	Whole- salers	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
In effect July 1, 1954	271	319	209	606	75	1,246	13,193	15,919
Issued	42	46	18	56	21	1,797	2,170	2,170
Terminated	56	56	35	113	30	153	2,215	2,658
Revoked						1	32	33
Annulled								
Voluntarily surrendered	29	45	29	44	27	94	1,008	1,276
Automatically terminated	27	11	6	69	3	58	1,175	1,349
In effect June 30, 1955	257	303	192	549	66	1,289	12,775	15,431
Amended	55	123	56	122	11	153	1,164	1,684

**Table 8.—Permits relating to industrial alcohol, under chapter 51, Internal Revenue Code, fiscal year 1955**

Status	Industrial al- cohol plants, bonded ware- houses and denaturing plants <sup>1</sup>	Dealers in specially denatured alcohol	Users of specially denatured alcohol	Users of specially denatured rum	Users of tax-free alcohol	Carriers of tax-free and spe- cially de- natured alcohol	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
In effect July 1, 1954	78	36	4,105	53	7,608	469	12,349
Issued	5	3	297		289	31	625
Terminated	10	4	371	5	305	30	725
Revoked			2		7		9
Voluntarily surrendered	9	4	294	5	236	23	571
Involuntarily surrendered	1		6		1		8
Expired <sup>2</sup>			69		61	7	137
In effect June 30, 1955	73	35	4,031	48	7,592	470	12,249
Renewals approved	78	35	3,815	43	7,707	445	12,123
Amended	42	8	1,411		681	39	2,181

<sup>1</sup> Permits cover industrial alcohol plants, bonded warehouses, and denaturing plants, either singly or in combination.

<sup>2</sup> Represents permits terminated due to failure to file renewal applications, or to disapproval of renewal applications.

<sup>3</sup> Includes also the processing of renewal applications for permits to be issued during the ensuing year.

**Table 9.—Label activity under the Federal Alcohol Administration Act, fiscal year 1955**

	Applications received			Certificates issued		Applica- tions dis- approved	Total
	For ap- proval	For ex- emption	Total	Approvals	Exemp- tions		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Distilled Spirits</b>							
Domestic	14,141	62	14,203	13,554	47	239	13,840
Imported	1,429		1,429	1,255		98	1,353
Total	15,570	62	15,632	14,809	47	337	15,193
<b>Wines</b>							
Domestic	8,064	747	8,811	7,573	711	60	8,344
Imported	12,514		12,514	12,055		155	12,210
Total	20,578	747	21,325	19,628	711	215	20,554
<b>Malt beverages</b>							
Domestic	1,665		1,665	1,503		29	1,532
Imported	275		275	236		26	262
Total	1,940		1,940	1,739		55	1,794
Grand total	38,088	809	38,897	36,176	758	607	37,541

# Stamp Taxes

Table 10

Table 10—Occupations subject to special taxes

Number of each class of special taxpayers purchasing special-tax stamps covering the fiscal year 1935, or portion thereof, under the various annual rates, by internal revenue districts and States.

Internal revenue regions and districts	Distilled spirits									
	Manufac- turers of stills, \$55	Rectifiers		Wholesale dealers, \$200	Retail dealers			Manufacturers of nonbeverage products		
		Less than 500 bbls., \$110	500 bbls. or more, \$220		Retail dealers, \$50	All large, \$50	Medicinal spirits, \$50	Less than 25 gals., \$25	Not exceed- ing 50 gals., \$50	50 gals. or more, \$100
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Atlanta region	2	2		345	9,984		14	12	8	59
Atlanta	1			41	1,580			4	1	14
Birmingham				20	605		4	2	1	8
Columbia				11	996					1
Greensboro				60	306		6	1	2	7
Jackson		1		45	1,250		1	1		5
Jacksonville	1	1		102	4,444				2	2
Nashville				66	603		3	4	2	22
Boston region	9	11	10	420	16,805	6	790	14	8	91
Augusta			1	6	316					3
Boston	7	6	5	248	8,382	4	730	5	5	67
Burlington				5	454			1	1	1
Hartford	1	5	4	123	5,275			5	1	12
Portsmouth				1	392			1		2
Providence	1			37	1,986	2	60	2	1	6
Chicago region	11	8	11	955	56,342	8	526	6	10	132
Chicago	5		3	285	18,222			3	8	81
Detroit	4	4	4	461	18,939	6	4	1		29
Milwaukee		4	1	110	13,585	2	519	1	1	12
Springfield	2		3	99	5,596		2		1	10
Cincinnati region	15	12	29	664	29,786	28	11	7	12	99
Cincinnati	5		3	90	4,391	3		1	3	26
Cleveland	5		1	220	10,957			2	1	22
Columbus				98	2,772			2	1	7
Indianapolis		4	7	27	5,433			1	1	18
Louisville	2	8	18	146	2,005	25		1	2	5
Parkersburg	2			1	641					1
Richmond	1			5	421		11		3	12
Toledo				77	3,166				1	8
Dallas region	4	2		312	12,456	12	1	7	5	38
Albuquerque		1		44	1,471					
Austin	3			65	2,478					
Dallas				125	1,673	12		3	3	12
Little Rock				7	699		1			2
New Orleans		1		70	5,536			4	2	14
Oklahoma City	1			1	599					2

New York City region	15	4	4	540	30,372	160		5	16	163
Albany	2		1	17	5,298			1		10
Brooklyn	2	3	1	131	7,446	9		2	5	46
Buffalo	5			25	5,669				3	22
Lower Manhattan	3	1		107	2,042	151			4	42
Syracuse	2			17	4,180			1	2	12
Upper Manhattan	1		2	243	5,737			1	2	31
Omaha region	5	2	2	404	19,207	183	382	10	13	77
Aberdeen				6	1,102					1
Cheyenne				1	705		1			
Denver		1		38	2,362	17	291	2	1	8
Des Moines				3	1,906		2	1	3	7
Fargo				18	1,067					
Kansas City		1		112	2,410	11	3	1	2	5
Omaha				11	1,561	99	13			2
St. Louis	5		1	74	4,227	56	6	1	3	35
St. Paul			1	108	2,705		65	4	3	17
Wichita				33	1,162		1	1	1	2
Philadelphia region	41	9	27	1,179	41,812	198	7	14	13	170
Baltimore	3	4	7	268	5,041	168	6	3		24
Camden	4		3	52	3,920			1		7
Newark	17		7	162	10,313	14		3	4	61
Philadelphia	11	2	8	314	8,971	16	1	5	6	61
Pittsburgh	5	3	1	251	8,361			2	2	14
Scranton	1			115	4,494					3
Wilmington				19	712				1	
San Francisco region	6	16	12	1,498	52,592		53	8	14	99
Boise				5	709					
Helena				39	1,878					1
Honolulu				38	1,071					2
Los Angeles	3	6	4	354	16,549			4	4	42
Phoenix				77	2,328					
Portland				119	2,611		1	1	1	5
Reno				20	1,197		52			
Salt Lake City				1	143					1
San Francisco	3	9	8	579	19,230			2	7	41
Seattle		1		266	6,876			1	2	7
Total	108	66	95	6,317	269,356	595	1,784	83	99	928

Totals for States and Territories comprising part of or more than one internal revenue district

Alaska				21	818					1
California	6	15	12	933	35,779			6	11	83
Illinois	7		6	384	23,818		6	4	9	91
Missouri	5	1	1	186	6,637	67	9	2	5	40
New Jersey	21		10	214	14,233	14		4	4	68
New York	15	4	4	540	30,372	160		5	16	163
Ohio	10		4	485	21,286	3		5	6	63
Pennsylvania	17	5	10	680	21,826	16	1	7	8	78
Texas	3			190	4,151	12		3	3	20
Washington		1		245	6,058			1	2	6

Footnote at end of table.

Table 10—Occupations subject to special taxes—Continued

Number of each class of special taxpayers purchasing special-tax stamps covering the fiscal year 1955, or portion thereof, under the various annual rates, by internal revenue districts and States.

Internal revenue regions and districts	Wines				Beer					
	Wholesale dealers		Retail dealers		Brewers		Wholesale dealers, \$100	Retail dealers, \$22	Retail dealers at large, \$22	Temporary dealers in liquors (beer or wine) \$2.20 per mo.
	Wines, \$200	Wines and beer, \$200	Wines, \$50	Wines and beer, \$50	Less than 500 bbls., \$55	500 bbls. or more, \$110				
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Atlanta region	9	133	147	7,490		10	647	29,829	6	129
Atlanta	1	13	53	1,066		1	77	2,397		
Birmingham				2			64	2,973		2
Columbia	3	20	1	1,143			40	4,121	4	73
Greensboro	3	29	91	1,358		1	109	4,275		2
Jackson	2	1	2	190			76	3,666		15
Jacksonville		70		3,729		7	124	6,315	2	4
Nashville				2		1	117	6,082		33
Boston region		33		932		12	775	8,133	3	927
Augusta							60	2,244		2
Boston				930		8	430	2,244	3	511
Burlington		30		1			21	315		6
Hartford		1		1		2	184	2,910		391
Portsmouth							33	1,972		
Providence		2		1		2	47	57		17
Chicago region	5	38	9	519		80	2,089	7,412	2	3,278
Chicago	3	2	4	6		16	660	647		893
Detroit	2	35	5	507		15	308	516	2	939
Milwaukee						43	864	5,689		936
Springfield		1		6		6	257	560		510
Cincinnati region	15	81	14	6,773		32	837	13,770	3	1,484
Cincinnati	3	3	5	28		4	45	704		376
Cleveland				37		7	51	342		587
Columbus		5				2	23	413		74
Indianapolis	2	16	2	2,605		6	231	822		183
Louisville	2		2	3		6	176	2,867	3	113
Parkburg	1	1		502		1	141	4,254		1
Richmond	7	56	5	3,606		3	124	3,890		5
Teledo						3	46	478		225
Dallas region	1	26	7	4,084		10	1,025	31,192	19	285
Albuquerque	1	3	1	3			23	22		
Austin		5		3,454		6	506	15,990	5	59
Dallas		1		374			204	4,277	14	43
Little Rock		17	6	243			39	1,675		4
New Orleans						3	129	4,104		151
Oklahoma City				10		1	124	5,124		28

New York City region	98		89	175		27	794	29,323	39	1,277
Albany	2					4	108	3,829		163
Brooklyn	17		6	73		6	294	9,646	36	46
Buffalo	10		15			11	155	4,720		481
Lower Manhattan	43		43	43		1	34	1,514	3	41
Syracuse						3	106	3,200		395
Upper Manhattan	26		25	59		2	97	6,414		151
Omaha region	12	8	13	45	1	34	1,575	30,683	17	795
Aberdeen							78	1,694		16
Cheyenne							65	157		28
Denver		5		41		4	91	1,159		4
Des Moines				1		3	246	5,401		16
Fargo		1		1			54	446		20
Kansas City	5		5	1		3	119	2,138	8	27
Omaha						3	138	1,449		4
St. Louis	5		5			6	226	3,946	8	316
St. Paul	2	2	3	1	1	15	422	9,898	1	313
Wichita				1			136	4,395		51
Philadelphia region	18	3	15	558		51	3,131	6,968		1,814
Baltimore		1		550		7	196	2,496		1,052
Camden	1	2	3	2		3	214	195		171
Newark	14		10	3		6	371	350		556
Philadelphia						17	1,034	1,886		8
Pittsburgh	2		1	3		10	1,028	1,440		
Scranton	1		1			7	272	573		19
Wilmington						1	16	28		8
San Francisco region	16	21	29	179		42	919	20,853	1	1,133
Boise						2	99	1,811		28
Helena						5	85	492		33
Honolulu	1	1		1		5	30	77		4
Los Angeles						7	160	6,209		274
Phoenix						1	18	329		3
Portland							87	2,807		80
Reno						1	37	239		13
Salt Lake City						2	43	1,515		14
San Francisco	15	20	29	178		10	232	5,596	1	619
Seattle						9	128	1,778		65
Total	174	343	323	20,755	1	298	11,792	178,163	90	11,122

Totals for States and Territories comprising part of or more than one internal revenue district

Alaska							32	82		
California	15	20	29	178		17	392	11,805	1	893
Illinois	3	3	4	12		22	917	1,207		1,403
Missouri	10		10			9	345	6,084	16	343
New Jersey	15	2	13	5		9	585	545		727
New York	98		89	175		27	794	29,323	39	1,277
Ohio	3	8	5	57		16	165	1,937		1,262
Pennsylvania	3		2	3		34	2,334	3,899		27
Texas		6		3,828		6	710	20,267	19	102
Washington						9	96	1,696		65

Footnote a1 and of table.

Table 10—Occupations subject to special taxes—Continued

Number of each class of special taxpayers purchasing special-tax stamps covering the fiscal year 1955, or portion thereof, under the various annual rates, by internal revenue districts and States.

Internal revenue regions and districts	Narcotics						Marihuana				
	Manufacturers, importers, and compounders of opium, etc. \$24 (21)	Wholesale dealers \$12 (22)	Retail dealers \$3 (23)	Practitioners \$1 (24)	Dealers untaxed preparations \$1 (25)	Laboratories etc. \$1 (26)	Manufacturers \$24 (27)	Dealers \$3 (28)	Producers \$1 (29)	Practitioners \$1 (30)	Laboratories \$1 (31)
Atlanta region	9	142	6,264	23,810	393	22		1		6	
Atlanta	1	40	1,176	3,764	23	8				5	
Birmingham	1	19	808	2,714	13	3		1		1	
Columbia	1	8	640	1,978	2						
Greensboro		16	946	4,876	294	5					
Jackson		5	563	1,890	35						
Jacksonville	1	21	1,151	4,668	1						
Nashville	5	33	980	3,920	25	6					
Boston region	8	78	3,832	16,972	276	30		1		10	5
Augusta		5	279	1,348	4						
Boston	6	44	2,060	8,795	23	15				8	4
Burlington		3	115	633	81	2					
Hartford	1	16	949	4,108	132	11				2	1
Portsmouth	1	3	169	823	2						
Providence		7	360	1,265	34	1		1			
Chicago region	18	172	6,565	27,942	245	33	1	7	96	16	1
Chicago	3	49	2,318	11,122	52	15		3		7	1
Detroit	9	74	2,332	9,403	93	11		2		4	
Milwaukee	4	17	2,332	9,403	49		1	1	96	1	
Springfield	2	32	1,189	4,722	51	5		1		4	
Cincinnati region	24	168	6,023	25,923	473	20		7	23	15	2
Cincinnati	3	17	638	2,794	25	2		1		1	
Cleveland	7	35	1,204	5,534	23	6		1		3	
Columbus	3	13	478	1,948	20	2				4	
Indianapolis	6	48	1,408	5,016	51	5				3	1
Louisville		21	771	2,965	34			5	23	1	1
Parkersburg		8	389	2,075	1	1					
Richmond	4	13	774	3,912	300	2				1	
Toledo	1	13	369	1,687	19					2	
Dallas region	3	110	5,383	20,397	759	11		3		4	
Albuquerque		4	254	826	10						
Austin	2	26	1,363	5,909	301	3		2		3	
Dallas	1	36	1,360	5,241	390						
Little Rock		6	613	1,810	8	1					
New Orleans		17	879	3,581	19	6		1		1	
Oklahoma City		21	914	3,030	31						
<b>Total</b>	<b>155</b>	<b>1,216</b>	<b>54,264</b>	<b>240,148</b>	<b>2,752</b>	<b>262</b>	<b>5</b>	<b>38</b>	<b>120</b>	<b>171</b>	<b>16</b>

Totals for States and Territories comprising part of or more than one internal revenue district

Alaska			44	133							
California	8	71	3,770	24,746	73	22		1		18	1
Illinois	5	81	3,044	13,817	103	20		4		11	1
Missouri	9	42	1,551	6,362	71	11				2	
New Jersey	14	16	1,855	8,500	33	21		3		8	
New York	26	104	6,401	34,672	117	43	2	4		17	2
Ohio	14	78	2,681	11,955	87	12		2		10	
Pennsylvania	21	85	3,984	17,115	80	27	1	6		25	3
Texas	3	62	2,723	11,150	691	3		2		3	
Washington	3	28	1,081	3,757	12	3				2	

Footnote at end of table.

Table 10—Occupations subject to special taxes—Continued

Number of each class of special taxpayers purchasing special-tax stamps covering the fiscal year 1955, or portion thereof, under the various annual rates, by internal revenue districts and States.

Internal revenue regions and districts	National Firearms Act					Coin-operated devices, billiard, pool, and bowling alley premises			Adulterated, precess or renovated butter, and filled cheese	Wagering, \$50	Total number of all special taxpayers
	Manufacturers or importers		Pawn-brokers, class 3 \$300	Dealers other than pawn-brokers, class 4, \$200	Dealers, class 5, \$1	Billiard or pool room and bowling alley prem-ises, \$20	Amusement device premises, \$10	Gaming device premises, \$250			
	Class 1, \$500	Class 2, \$25									
	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
Atlanta region	1	1		1	102	3,615	30,973	799	1	499	114,665
Atlanta						528	3,924	358		157	15,233
Birmingham						354	2,553	5	1	78	10,252
Columbia						362	3,253	45		18	12,740
Graensboro					35	879	2,742	33		53	15,329
Jackson					1	363	3,823	262		124	12,321
Jacksonville	1	1		1	65	607	8,501	8		8	29,837
Nashville					1	522	6,177	88		61	18,953
Boston region	2			1	16	2,644	17,319	72		181	70,526
Augusta					3	349	1,637			1	6,670
Bosten	1					1,183	7,418	57		117	30,366
Burlington						165	725			1	3,489
Hartford	1			1	13	513	4,465	3		36	19,167
Portsmouth						250	1,228	9		9	4,895
Providence						184	1,846	3		17	5,939
Chicago region					29	4,833	52,970	778	35	1,163	166,345
Chicago						1,116	14,980	307		472	51,287
Detroit					29	1,433	14,255	9		64	49,496
Milwaukee						1,160	15,329			2	44,340
Springfield						1,124	8,406	462	35	625	21,222
Cincinnati region				2	7	4,924	43,087	545		1,924	136,839
Cincinnati						360	3,773			38	13,334
Cleveland				1		865	8,497	7		211	28,589
Columbus						369	3,043	3		37	9,338
Indianapolis						1,046	7,604	13		935	25,414
Louisville						638	5,058	237		212	15,349
Parkersburg					2	628	5,068	278		381	14,378
Richmond				1	5	549	5,839	5		18	19,572
Toledo						469	4,205	2		92	10,865
Dallas region		3			59	3,762	34,000	431	321	1,691	116,423
Albuquerque					22	182	1,892	6	7	2	4,775
Austin					29	1,591	11,727	95	162	770	44,569
Dallas		1				492	6,134	12	76	58	20,535
Little Rock						457	2,903	80	54	82	8,707
New Orleans						494	7,791	159		639	23,601
Oklahoma City		2			8	546	3,553	79	22	140	14,236

New York City region		1		2	4	2,167	27,916	11		18	134,608
Albany						345	5,591			4	18,537
Brooklyn		1				361	6,985			3	39,198
Buffalo					1	527	5,095	6		9	21,685
Lower Manhattan				1	1	117	1,395				7,616
Syracuse					1	474	4,642	5		1	16,160
Upper Manhattan				1	1	343	4,208			1	31,412
Omaha region					36	8,016	40,031	127	280	443	132,142
Aberdeen						1,826	1,261	41		1	7,020
Cheyenne						119	1,146	25		325	11,066
Denver					6	427	3,183		9		18,936
Des Moines						1,270	5,669				4,770
Fargo						546	1,761	3		22	13,206
Kansas City						539	4,153	6	94	15	9,667
Omaha					9	699	3,235			24	21,397
St. Louis					1	715	7,035	18	177	32	27,523
St. Paul					20	932	7,305	7		22	15,500
Wichita					8	943	5,283	27		377	149,777
Philadelphia region				4	20	4,290	47,888	1,861		377	11,316
Baltimore				3	7	546	7,988	1,733		5	26,980
Camden						278	3,786	24			11,316
Newark						661	8,421	5		6	28,784
Philadelphia						1,025	11,359	73		21	37,183
Pittsburgh				1	1	1,215	10,303	9		252	29,386
Scranton						492	5,463	16		39	13,997
Wilmington						73	568	1		54	2,131
San Francisco region	1			20	3	4,168	44,920	3,279	1	4,717	177,686
Boise						264	2,130	1	1	2	6,084
Helena						234	2,339	48		340	6,554
Honolulu						267	1,471	11		13	3,618
Los Angeles	1			20		953	10,583	84		13	51,983
Phoenix						181	2,155	34		3	6,654
Portland						456	3,721	128		127	13,431
Reno						41	1,101	1,262		190	4,580
Salt Lake City						200	1,321	21		669	5,294
San Francisco					3	967	13,039	428		7	53,017
Seattle						597	7,060	1,262		3,353	26,471
Total	4	5		30	264	38,411	339,104	7,903	638	11,013	1,199,011

Totals for States and Territories comprising part of or more than one internal revenue district

Alaska					1	67	496	108		168	1,971
California	1			20		1,920	23,622	512		20	105,000
Illinois					1	2,240	23,386	769	35	1,097	72,509
Missouri						1,254	11,188	24	271	47	34,603
New Jersey						1,939	12,207	29		6	40,100
New York		1		2	4	2,167	27,916	11		18	134,608
Ohio				1	1	2,063	19,518	12		378	62,126
Pennsylvania				1		2,732	27,125	98		312	80,566
Texas		1			29	2,083	17,861	107	238	828	65,104
Washington					2	530	6,564	1,154		3,185	24,500

<sup>1</sup> Baltimore district includes Maryland and the District of Columbia; Seattle district includes Washington and Alaska.

**Cases Receiving  
Appellate Consideration  
or in Litigation**

***Tables 11-23***

**Table 11.—Appellate Division receipt and disposal of income, profits, estate, and gift tax cases not before the Tax Court (pre-90-day and statutory notice cases), fiscal year 1955**

Status	Number of cases	Amount stated in revenue agent's report or in statutory notice		
		Deficiency in tax	Penalty	Overassess- ment
	(1)	(2)	(3)	(4)
		(In thousands of dollars)		
Pending July 1, 1954:				
Awaiting Appellate Division action.....	12, 251	510, 362	51, 513	116, 366
Awaiting taxpayer's action on statutory notice directed or sustained.....	1, 327	41, 975	7, 337	2, 923
Received during year.....	10, 608	222, 345	18, 664	111, 203
Disposed of during year:				
Closed.....	11, 897	207, 459	26, 754	34, 455
Petitioned to the Tax Court.....	3, 178	127, 931	18, 282	846
Total.....	15, 075	335, 390	45, 036	35, 301
Pending June 30, 1955:				
Awaiting Appellate Division action.....	8, 128	406, 530	27, 603	195, 115
Awaiting taxpayer's action on statutory notice directed or sustained.....	983	32, 761	4, 876	78
Total.....	9, 111	439, 291	32, 479	195, 192

**Table 12.—Results obtained in Appellate Division disposals of income, profits, estate, and gift tax cases not before the Tax Court, fiscal year 1955**

Disposal	Number of cases  (1)	Decision of Appellate Division		
		Amount of deficiency in tax  (2)	Amount of penalty  (3)	Amount of over-assessment  (4)
		(in thousands of dollars)		
Agreements before statutory notice (including agreed overassessments and agreed claim rejections)	9, 101	84, 069	7, 080	39, 806
Agreements on directors' statutory notice during 90-day period	272	316	17	61
Agreements on reconsideration after Appellate Division's statutory notices	206	1, 616	193	148
Defaults on Appellate Division's statutory notices (no petition filed)	1, 215	19, 832	4, 606	358
Defaults on directors' statutory notices sustained by Appellate Division (no petition filed)	52	184	25	6
Unagreed overassessments and claims rejections	1, 051	7		1, 159
Total	11, 897	105, 943	11, 922	41, 537

**Table 13.—Appellate Division receipt and disposal of income, profits, estate, and gift tax cases docketed in the Tax Court (pending settlement or trial), fiscal year 1955**

Status	Number of cases	Amount stated in statutory notice		
		Deficiency in tax	Penalty	Overassessment
	(1)	(2)	(3)	(4)
		(In thousands of dollars)		
Pending July 1, 1954.....	8, 495	573, 547	110, 071	32, 323
Received during year.....	14, 781	246, 726	45, 392	1, 654
Disposed of during year:				
Closed by stipulation—agreed settlement.....	4, 087	245, 495	33, 215	20, 610
Closed by dismissal or default.....	201	3, 964	1, 581	2
Tried before the Tax Court on merits.....	1, 027	65, 604	5, 830	449
Total.....	5, 315	315, 062	40, 626	21, 060
Pending June 30, 1955:				
In hands of technical advisers.....	3, 371	244, 550	70, 563	5, 385
In hands of regional counsel.....	4, 590	260, 661	44, 275	7, 532
Total.....	7, 961	505, 211	114, 837	12, 917

<sup>1</sup> Includes 2,905 cases considered before petition, 1,803 cases not considered before petition, and 73 cases reopened after trial.

**Table 14.—Results obtained in income, profits, estate, and gift tax cases docketed in the Tax Court and disposed of by stipulation (agreed settlement), fiscal year 1955**

Item	Stipulations filed
Cases	number 4,087
Deficiency in tax	thousand dollars 81,887
Penalty	do 10,959
Overassessment	do 18,502
Net deficiency and penalty	do 74,345

**Table 15.—Income, profits, estate, and gift tax cases docketed, stipulated, defaulted, and defended on the merits before the Tax Court, fiscal years 1940 to 1955**

Fiscal year	Number docketed (1)	Number stipulated (2)	Number defaulted (3)	Number defended on the merits (4)
1940	4,240	3,383	267	1,301
1941	4,366	3,064	239	1,522
1942	3,676	2,517	175	1,269
1943	3,380	2,754	163	1,138
1944	3,178	1,964	180	927
1945	3,185	1,787	160	993
1946	2,777	1,787	142	873
1947	3,652	1,913	217	791
1948	4,402	2,526	458	949
1949	4,537	3,065	413	946
1950	5,362	2,732	419	956
1951	6,137	3,364	541	1,064
1952	6,870	3,326	596	1,002
1953	7,122	4,189	520	1,014
1954	4,194	5,465	300	1,191
1955	4,971	4,018	201	1,027
Total	72,049	47,854	4,991	16,963

Source: For columns 1 and 2, data obtained from Tax Court records; for columns 3 and 4, data obtained from Appellate Division records.



**Table 16.—Appellate Division receipt and disposal of compromise and final closing agreement cases, fiscal year 1955**

Status	Compromise cases	Final closing agreement cases
Pending July 1, 1954.....	626	25
Received during year.....	299	126
Disposed of during year:		
Accepted, granted, or approved.....	281	
Rejected.....	310	
Withdrawn.....	91	
Total.....	682	124
Pending June 30, 1955.....	243	27

**Table 17.—Appellate Division receipt and disposal of nondocketed, docketed, and compromise cases (income, profits, estate, and gift taxes), fiscal years 1945 to 1955**

Type of case and status	Fiscal year										
	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>Nondocketed cases</b>											
Receipts.....	6,087	5,661	5,325	7,515	8,036	7,384	7,014	7,398	20,962	8,950	10,608
Disposals.....	5,754	4,579	5,243	5,473	6,108	6,896	7,147	7,528	11,674	14,737	15,075
Pending June 30.....	4,718	5,800	5,882	7,924	9,852	10,340	10,207	10,077	19,365	13,578	9,111
<b>Docketed cases</b>											
Receipts.....	3,181	2,745	3,332	4,598	4,624	5,335	6,115	6,434	7,677	4,433	4,781
Disposals.....	2,922	2,816	2,986	3,879	4,484	4,097	4,941	4,971	5,763	6,858	5,315
Pending June 30.....	3,997	3,926	4,272	4,991	5,131	6,369	7,543	9,006	10,920	8,495	7,961
<b>Compromise cases</b>											
Receipts.....	960	787	1,075	1,629	2,434	3,810	3,862	3,184	1,742	807	299
Disposals.....	815	702	863	1,293	1,942	2,327	3,348	3,445	3,263	2,085	682
Pending June 30.....	564	649	861	1,197	1,689	3,172	3,686	3,425	1,904	626	243
<b>Total cases</b>											
Receipts.....	10,228	9,193	9,732	13,742	15,094	16,529	16,991	17,016	30,381	14,190	15,688
Disposals.....	9,491	8,097	9,092	10,645	12,534	13,320	15,436	15,944	20,700	23,680	21,072
Pending June 30.....	9,279	10,375	11,015	14,112	16,672	19,881	21,436	22,508	32,189	22,699	17,315

<sup>1</sup> Receipts of nondocketed cases for the fiscal year 1953 include 10,069 cases transferred from internal revenue agents' conference sections merged into the Appellate Division during 1952 under Reorganization Plan No. 1 of 1952.

**Table 18.—Receipt and disposal of income, profits, estate, and gift tax cases in the Tax Court, fiscal year 1955**

Status	Number of cases	Amount in dispute		
		Deficiency in tax	Penalty	Over-payment
		(2)	(3)	(4)
	(1)			
		(in thousands of dollars)		
Pending July 1, 1954.....	9,798	638,914	119,326	951,572
Filed or reopened during year.....	4,639	242,641	44,894	292,653
Disposed of during year.....	5,194	283,934	39,831	164,177
Pending June 30, 1955.....	9,243	597,621	124,388	1,080,048

**Table 19.—Results obtained in income, profits, estate, and gift tax cases disposed of in Tax Court, fiscal year 1955**

Basis of closing	Number	Amount in dispute		Amount approved		Saved or recovered	
		Deficiency and penalty	Over-payment	Deficiency and penalty	Over-payment	Amount	Percent of amount in dispute
		(2)	(3)	(4)	(5)	(6)	(7)
	(1)	(In thousands of dollars)					
Dismissed.....	200	5,545	2,111	5,919	—1	8,031	104.9
Decision on merits.....	907	39,512	10,961	18,933	2,106	27,788	55.1
Agreed settlement.....	4,087	278,709	151,104	92,846	—130,595	374,546	87.1
Total.....	5,194	323,766	164,177	117,698	—128,490	410,365	84.1

**Table 20.—Receipt and disposal of Tax Court cases in courts of appeals or in Supreme Court, fiscal year 1955**

Status	In courts of appeals		In Supreme Court	
	Number of cases	Amount (thousand dollars)	Number of cases	Amount (thousand dollars)
Pending July 1, 1954:				
Appealed by Commissioner.....	58	3,842	1	97
Appealed by taxpayers.....	324	14,979		
Appealed by both.....	25	5,576		
Total.....	407	24,397	1	97
Appealed during year:				
By Commissioner.....	65	2,857	2	219
By taxpayers.....	230	9,978	4	1,810
By both.....	7	261		
Total.....	302	13,095	6	2,030
Disposed of during year:				
Favorable to Commissioner.....	150	6,254	1	58
Favorable to taxpayers.....	87	3,540		
Modified.....	21	695		
Settled.....	15	723		
Dismissed.....	53	2,171		
Total.....	326	13,382	1	58
Pending June 30, 1955:				
Appealed by Commissioner.....	59	4,681	3	316
Appealed by taxpayers.....	309	15,936	3	1,753
Appealed by both.....	15	3,493		
Total.....	383	24,110	6	2,069

**Table 21.—Receipt and disposal of suits filed by taxpayers in Federal courts, fiscal year 1955**

Courts	Pending July 1, 1954		Received during year		Disposed of during year		Refunded		Pending July 1, 1955	
	Number (1)	Amount in dispute (2)	Number (3)	Amount in dispute (4)	Number (5)	Amount in dispute (6)	Amount (7)	Percent (8)	Number (9)	Amount in dispute (10)
		(Thousand dollars)		(Thousand dollars)		(Thousand dollars)	(Thousand dollars)			(Thousand dollars)
Court of Claims.....	477	118,471	165	53,730	149	11,989	2,354	19.6	493	160,212
District Courts.....	2,576	115,054	852	30,353	1,077	28,348	6,441	22.7	12,351	117,059
Total.....	3,053	233,526	1,017	84,082	1,226	40,337	8,796	21.8	2,844	277,270

<sup>1</sup> Includes 6 precessing tax cases, \$259,876 in dispute.

Note: Suits filed by taxpayers are primarily suits for refund of taxes to enjoin the collection of taxes (other than those relating to alcohol, tobacco, and firearms taxes). For distribution of these cases by court involved and according to the nature of the decision see text on p. 28.

**Table 22.—Receipt and disposal of claims pending and suits filed by the United States in Federal and State courts, fiscal year 1955**

Status	Number in suit (1)	Number not in suit (2)	Total number (3)	Amount in dispute (4)	Amount recovered (5)	Percent recovered (6)
				(In thousands of dollars)		
Pending July 1, 1954.....	572	459	1,031	43,566		
Received during year in suit and for institution of suit.....	114	131	245	38,834		
Total.....	686	590				
Suits instituted during year.....	319	319				
Total to be accounted for.....	1,805	271	1,276	82,400		
Disposed of during year.....	393	70	463	52,185	6,354	12.2
Pending July 1, 1955.....	612	201	813	30,215		

Note: Claims and suits by the United States are primarily suits to collect taxes or to recover erroneous refunds (other than those relating to alcohol, tobacco and firearms taxes).

**Table 23.—Receipt and disposal by the Office of the Chief Counsel of lien cases, and insolvency and debtor proceedings,\* fiscal year 1955**

	Lien cases		Reorganization proceedings <sup>2</sup>	Bankruptcy and receivership proceedings <sup>4</sup>	Miscellaneous insolvency proceedings <sup>5</sup>	Non-Court civil advisory cases <sup>6</sup>	Total
	In Court <sup>1</sup> (1)	Not in Court <sup>1</sup> (2)					
Pending July 1, 1954.....	2,053	180	1,261	921	1,082	496	5,993
Received during year.....	1,393	1,532	846	933	744	1,461	6,909
Total cases.....	3,446	1,712	2,107	1,854	1,826	1,957	12,902
Disposed of during year.....	2,371	1,526	1,283	1,227	1,129	1,627	9,163
Pending June 30, 1955.....	1,075	186	824	627	697	330	3,739

<sup>1</sup> Primarily suits for foreclosure by mortgagees or other secured creditors and suits to quiet title to which the United States is made a party.

<sup>2</sup> Primarily applications for discharge of property from tax liens.

<sup>3</sup> Proceedings instituted under the following sections or chapters of the Bankruptcy Act: secs. 75 (agricultural compositions and extensions) and 77 (railroad reorganizations) and chs. X (corporate reorganizations), XI (arrangements as to unsecured indebtedness), XII (real property arrangements), and XIII (wage earners' plans) which involve tax claims and other rights and interests of the United States, and also require action by legal personnel.

<sup>4</sup> Bankruptcy liquidation proceedings and Federal or State receivership proceedings which involve tax claims of the United States, and also require action by legal personnel.

<sup>5</sup> Proceedings relating to corporate dissolutions, insolvent banks, assignments for the benefit of creditors or administration of estates of decedents which involve tax claims of the United States, and also require action by legal personnel.

<sup>6</sup> Primarily memorandums on civil advisory matters from Regional Counsel to District Directors which are not related to court proceedings or lien cases.

\* Includes cases handled at national and regional levels.

# **Cost of Administration**

***Tables 24-25***

Table 24.—Obligations incurred by the Internal Revenue Service, fiscal year 1955

[In thousands of dollars]

Internal Revenue office, district or region	Salaries	Travel	Rent and utility services	Communication services	Supplies and equipment	Other	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
<b>A. National office and regional totals (including Directors' offices)</b>							
Total, Internal Revenue Service	247,911	6,684	1,512	6,017	4,766	11,944	278,834
National office <sup>1</sup>	17,674	574	175	4,063	1,125	8,289	31,903
Atlanta region	20,732	921	60	171	387	445	22,715
Boston region	15,597	336	15	153	230	203	16,533
Chicago region	28,470	541	419	265	393	379	30,467
Cincinnati region	26,884	870	155	221	407	495	29,032
Dallas region	17,557	761	158	159	415	398	19,449
New York City region	32,795	340	222	381	416	426	34,501
Omaha region <sup>2</sup>	21,810	883	43	162	379	356	23,634
Philadelphia region	33,052	602	126	234	448	362	34,825
San Francisco region	27,828	852	140	288	566	587	30,261
Retroactive salary increase	5,511					4	5,515
<b>B. Regional offices (excluding Directors' offices)</b>							
Atlanta region	4,008	266	9	47	178	212	4,721
Boston region	2,120	59	1	23	63	39	2,305
Chicago region	4,019	111	44	52	115	88	4,429
Cincinnati region	5,657	244	12	36	126	143	6,216
Dallas region	2,746	172	2	31	107	87	3,144
New York City region	5,605	105	17	54	118	95	5,993
Omaha region <sup>2</sup>	2,911	210	38	31	100	102	3,392
Philadelphia region	5,540	169	15	39	120	85	5,967
San Francisco region	4,402	229	10	54	153	132	4,979
<b>C. District Directors' offices</b>							
Atlanta:							
Atlanta	2,818	110	1	20	32	36	3,018
Birmingham	2,225	98	10	21	31	25	2,404
Columbia	1,327	53	3	8	18	16	1,425
Greensboro	2,875	128	7	20	34	35	3,099
Jackson	1,246	75	8	9	16	45	1,398
Jacksonville	3,484	115	20	26	54	46	3,746
Nashville	2,748	84	1	18	23	29	2,904
Boston:							
Augusta	1,084	50	1	11	15	36	1,198
Boston	6,649	100	2	70	49	58	6,927
Burlington	401	23	4	6	10	6	530
Hartford	3,223	61	6	24	28	34	3,376
Portsmouth	771	29	1	6	11	9	829
Providence	1,269	14		12	53	21	1,369
Chicago:							
Chicago	9,724	70	277	183	98	141	10,413
Detroit	7,355	133	96	53	79	68	7,784
Milwaukee	4,113	107	1	31	49	49	4,351
Springfield	3,259	119	( <sup>3</sup> )	26	52	34	3,490
Cincinnati:							
Cincinnati	2,335	39	3	14	24	82	2,497
Cleveland	4,730	81	125	52	49	77	5,115
Columbus	1,476	39	( <sup>3</sup> )	11	38	23	1,588
Indianapolis	4,053	112	4	29	37	42	4,277
Louisville	2,486	107	3	21	30	34	2,682
Parkersburg	1,648	71	2	11	31	20	1,782
Richmond	3,023	138	3	36	45	42	3,290
Toledo	1,476	37	4	11	26	32	1,586
Dallas:							
Albuquerque	725	35	2	6	21	26	816
Austin	4,881	175	133	38	76	82	4,565
Oakland	4,049	163	8	36	71	58	4,385
Little Rock	1,388	80	3	12	31	65	1,480
New Orleans	2,448	89	9	19	64	39	2,668
Oklahoma City	2,200	67	1	18	45	61	2,381
New York City:							
Albany	2,171	43	( <sup>3</sup> )	16	33	22	2,285
Brooklyn	6,252	25	91	69	73	74	6,583
Buffalo	2,952	52	8	20	26	26	3,083
Lower Manhattan	6,089	39	19	38	62	78	6,324
Syracuse	1,791	48	6	14	20	18	1,897
Upper Manhattan	7,936	28	83	91	84	113	8,336

Table 24.—Obligations incurred by the Internal Revenue Service, fiscal year 1955—Continued

[In thousands of dollars]

Internal Revenue office, district or region	Salaries	Travel	Rent and utility services	Communication services	Supplies and equipment	Other	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
<b>Omaha:</b>							
Aberdeen	672	44		4	14	17	751
Cheyenne	416	31		3	11	10	471
Denver	2,001	59	1	23	26	23	2,133
Des Moines	2,636	97	1	15	43	37	2,829
Fargo	644	41		5	11	28	729
Kansas City	1,940	55	1	11	28	19	2,053
Omaha	1,734	64	( <sup>3</sup> )	9	32	26	1,865
St. Louis	2,817	60	( <sup>3</sup> )	11	39	39	2,966
St. Paul	3,642	120	1	27	43	25	3,858
Wichita	2,397	103	( <sup>3</sup> )	23	33	32	2,588
<b>Philadelphia:</b>							
Baltimore	6,076	82		58	72	73	6,367
Camden	1,808	44	( <sup>3</sup> )	12	32	22	1,918
Newark	5,514	53	103	50	62	60	5,841
Philadelphia	7,196	118	( <sup>3</sup> )	44	79	65	7,503
Pittsburgh	4,385	79	1	20	47	35	4,568
Scranton	1,837	41	( <sup>3</sup> )	9	24	15	1,927
Wilmington	697	17	1	3	10	6	733
<b>San Francisco:</b>							
Boise	725	43		9	20	22	819
Helena	740	47		7	13	13	821
Honolulu	1,028	27	( <sup>3</sup> )	11	20	38	1,117
Los Angeles	7,967	123	110	83	120	162	8,564
Phoenix	873	31	( <sup>3</sup> )	9	39	12	964
Portland	1,779	81	1	14	31	39	1,944
Reno	534	19	4	5	22	12	597
Salt Lake City	892	24	( <sup>3</sup> )	7	24	9	955
San Francisco	5,934	119	13	54	69	96	6,284
Seattle	2,955	109	2	35	56	61	3,217

<sup>1</sup> Includes processing branch, Kansas City, Mo.<sup>2</sup> Includes Regional Service Center, Kansas City, Mo.<sup>3</sup> Less than \$500.

Table 25.—Cost of printing and binding for Internal Revenue Service fiscal years 1954 and 1955

[Figures in thousands]

Class of work	Fiscal year			
	1954		1955	
	Quantity	Cost	Quantity	Cost
Tax return forms	871,349	\$2,801	953,260	\$2,616
Instructions for tax returns <sup>1</sup>	29,863	143	130,091	300
Administrative forms	258,537	939	429,326	1,240
Reports, regulations, etc.	1,065	184	1,643	191
Letterheads, miscellaneous binding, etc.	14,392	61	10,802	56
Reproductions	32,820	130	18,827	92
Total	1,208,026	4,258	1,543,949	4,495

<sup>1</sup> Includes school program.<sup>2</sup> Includes \$55,000 for field printing.