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**STATISTICS OF INCOME . . . 1954 - 56**

*Individual*  
**INCOME TAX  
RETURNS**



for 1954

U. S. TREASURY DEPARTMENT • INTERNAL REVENUE SERVICE

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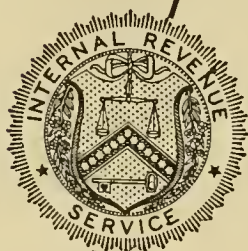


U.S. Internal Revenue Service  
Statistics of Income

1954

*Individual*  
INCOME TAX  
RETURNS

*for 1954*



*Prepared under the direction of the  
Commissioner of Internal Revenue  
by the Statistics Division*

U. S. TREASURY DEPARTMENT

*Internal Revenue Service • Publication No. 79*



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WASHINGTON : 1957

## LETTER OF TRANSMITTAL

TREASURY DEPARTMENT,  
OFFICE OF COMMISSIONER OF INTERNAL REVENUE,

*Washington, D. C., October 22, 1957.*

SIR: In compliance with the provisions of section 6108 of the Internal Revenue Code of 1954, which states that statistics shall be published annually with respect to the operation of income tax laws, I have the honor to submit this report for *Statistics of Income—1954, Individual Income Tax Returns for 1954*. Information relative to sources of income, items of deductions, exemptions, tax credits, and tax liability is tabulated by various classifications of income and taxpayers.

Emphasis has been given to several new features of the 1954 Code, such as exclusions from gross income for sick pay and dividends, retirement income and medical costs for significant age groups, contributions in excess of 20 percent of adjusted gross income, and the marital status for a surviving spouse. As the amount of taxable income was either reported or computed for each type of individual return, it was possible for the first time to classify the returns by the size of the tax base and to group them according to the applicable tax rate.

Respectfully,

RUSSELL C. HARRINGTON,  
*Commissioner of Internal Revenue.*

HONORABLE ROBERT B. ANDERSON,  
*Secretary of the Treasury.*

# OTHER STATISTICS OF INCOME PUBLICATIONS

## FOR 1954

- Corporations**     *Preliminary Statistics of Income, 1954—Corporation Income Tax Returns*  
Income statements, balance sheets, tax, dividends paid; classified by major industry groups. Historical summary of total compiled receipts, profit or loss, taxes, dividends paid by net income status, 1950-54. (39 pp., 30¢)  
*Statistics of Income, 1954—Corporation Income Tax Returns*  
Income statements, balance sheets, taxes, dividends paid, tax credit. Classifications by industry groups, size of net income, size of total assets, accounting periods, accounting and inventory valuation methods. Special tables on beginning and ending inventories of manufacturing and trade corporations, cash dividends paid, corporations filing first returns, returns with foreign tax credits, Western Hemisphere trade corporations, personal holding companies. Historical summary 1945-54.
- Individuals**     *Preliminary Statistics of Income, 1954—Individual Income Tax Returns*  
Adjusted gross income, taxable income, income tax liability, sources of income, exemptions, tax credits, itemized nonbusiness deductions; classified by size of adjusted gross income. Selected sources of income by States and Territories. (20 pp., 20¢)
- Fiduciaries**     *Statistics of Income, 1954—Fiduciary Income Tax Returns*  
Total income, taxable income, income tax, sources of income, deductions, exemptions; classified by size of total income. Selected sources of income by States and Territories. Taxable income and income tax by size of taxable income.
- Estates**     *Statistics of Income, 1954—Estate Tax Returns*  
Gross estate, deductions, net estate, taxes, and tax credits. Classifications by size of gross estate, size of net estate before specific exemptions. Selected estate tax data by States and Territories. (26 pp., 25¢)

## FOR 1953

### (Subjects not included for 1954)

- Sole proprietorships**     *Statistics of Income for 1953, Part 1, Individual Income Tax Returns, Estate Tax Returns, Gift Tax Returns*  
Sole proprietorship income, business receipts, net profit or loss. Classifications by size of total receipts, industry groups. (138 pp., 75¢)
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Partnership receipts, deductions, profit and loss, assets, liabilities. Classifications by industry groups, size of ordinary net income or deficit, size of total receipts. Frequency of returns by year of organization, new or successor business. Self-employment income and family partnership data. (62 pp., 45¢)
- Farmers' cooperatives**     *Statistics of Income, 1953—Farmers' Cooperative Income Tax Returns*  
Receipts, deductions, net income or deficit, tax, assets, liabilities, special deductions and adjustments. Classifications by size of business receipts, size of total assets, net income status, States and Territories, type of service performed, exemption status. (42 pp., 40¢)
- Gifts**     *Statistics of Income for 1953, Part 1, Individual Income Tax Returns, Estate Tax Returns, Gift Tax Returns*  
Total gifts, exclusions, deductions, net gifts, tax. Classifications by size of net gifts, size of total gifts plus gift tax, tax status, type of property. (138 pp., 75¢)

Statistics of Income publications are for sale by the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.



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## INTRODUCTION

This is one of several reports issued for *Statistics of Income—1954* in which data for Individual Income Tax Returns are published in a separate volume. Formerly, statistical data for individual income tax returns were included in the annual report, *Statistics of Income, Part 1*.

Information in this report was taken from individual income tax returns filed for the income year 1954 on Forms 1040, whether long- or short-forms, and on Form 1040A, the new card-form for income under \$5,000. Although these three types of returns varied in form and content, it was possible to integrate the data reported on each, so that the tabulations are a complete coverage for all individual returns.

Many new items resulted from changes in the law under the 1954 Code. Several of the text tables are devoted to such features. In addition, there are sixteen basic tables giving comprehensive data distributed by significant classifications. No data were compiled this year from the business schedule C or the farm schedule 1040F attached to the return of a sole proprietor. Following the basic tables, there are six historical tables with important information assembled for the most recent 10-year period.

A brief synopsis of the tax law, relating to individual income under recent acts, covering filing requirements, exemptions, income tax and self-employment tax rates, follows the statistical tables.

Facsimiles of Individual Income Tax Returns, Form 1040 and Form 1040A, for 1954 are inserted at the end of the report.

On August 21, 1957, a *Preliminary Report, Statistics of Income—1954, Individual Income Tax Returns* was issued containing four tables which are included in this report without change as tables 1, 4, 5, and 13.



*Individual  
Income Tax  
Returns*



# INDIVIDUAL INCOME TAX RETURNS FOR 1954

## CHARACTERISTICS OF THE YEAR

The total number of individual income tax returns filed for the income year 1954 was 56.7 million, a decrease of over one million from the all-time high filed for 1953. There were 42.6 million returns with income tax after credits and 14.1 million with no income tax liability for 1954.

Adjusted gross income of \$230.2 billion, reported on 56.3 million returns, was larger than for any previous year. This adjusted gross income exceeded that for 1953 by nearly \$400 million, even though there were 1.1 million fewer 1954 returns with adjusted gross income. An adjusted gross deficit of \$1 billion was reported on over 400 thousand 1954 returns with no adjusted gross income. This deficit was 12 percent less than that for the previous year although there was a 4 percent increase in the number of deficit returns for 1954. The net amount of adjusted gross income for the 56.7 million 1954 returns was \$229.2 billion, which was about \$500 million above the corresponding amount for 1953.

Taxable income, the tax base under the 1954 Code, was \$115.3 billion on 42.8 million returns, some of which had no income tax liability after credits. Unlike 1953, the tax base was either reported on or computed for each 1954 return.

income tax rates than for 1953, and two new tax credits granted under the 1954 Code. Other contributing causes were liberalized nonbusiness deductions and exemptions for dependents, and the broadened scope of taxpayers entitled to use split-income or the head of household rate.

The total tax credits claimed amounted to \$208 million, 11 percent of which occurred on returns with no income tax liability after credits, that is, nontaxable returns. The tax credit for dividends received of \$118 million was reported on 2.5 million returns. This was more than two-thirds of the returns showing an amount of dividends in adjusted gross income. Retirement income credit, reported on less than one-half million returns, amounted to \$71.2 million, of which 29 percent was on nontaxable returns. The remaining tax credits of \$18.8 million for foreign tax paid, tax paid at source, and for partially tax-exempt interest were practically all on taxable returns.

Self-employment tax imposed on self-employment income of individuals was reported on 4.2 million returns for 1954. The self-employment tax amounted to \$301.5 million, which is about \$75 million greater than the self-employment tax for 1953. The rate for 1954 was 3 percent, three-fourths of 1 percent higher than last year.

In text table A above, there is a comparison of 1954 and 1953 data for the number of returns, adjusted gross income and deficit, income tax, and self-employment tax, stating the increase or decrease over 1953. The classification of taxable and nontaxable returns was based on the presence or absence of an income tax liability after credits. The 1953 data in this comparison have been adjusted, since this classification for the 1953 tabulations, as published originally, related to total tax liability, i. e., income tax and self-employment tax.

The alternative income tax for 1954, reported on returns in the higher income classes which had a net long-term capital gain in excess of the net short-term capital loss, was \$2.4 billion. The number of returns with this tax for 1954 was nearly 5,000 greater than the number for 1953, and the tax was \$400 million greater, reflecting the increase in long-term capital gain for 1954.

The optional tax table was used to determine the income tax on 33 million returns with adjusted gross income under \$5,000 for 1954.

Part or all of the income tax on 1954 returns was paid under the current taxpayment method by tax withheld from wages or by payments on declaration of estimated tax. These payments amounted to \$27.7 billion; however, there were tax overpayments to the extent of \$3.7 billion on approximately 35 million returns. Self-

Table A.—NUMBER OF RETURNS, INCOME, DEFICIT, AND TAXES: 1954 AND 1953

Items	1954	1953 (adjusted)	Increase or decrease	
			Number or amount	Percent
<b>All returns:</b>				
Number of returns.....	56,747,008	57,838,184	-1,091,176	-1.9
Adjusted gross income thousand dollars..	230,235,855	229,863,409	+372,446	+2
Adjusted gross deficit thousand dollars..	1,014,480	1,155,153	-140,673	-12.2
Self-employment tax thousand dollars..	301,498	226,614	+74,884	+33.0
<b>Taxable returns:</b>				
Number of returns.....	42,633,060	44,159,622	-1,526,562	-3.5
Adjusted gross income thousand dollars..	209,668,830	210,483,602	-814,772	-4
Income tax.....thousand dollars..	26,665,753	29,430,659	-2,764,906	-9.4
<b>Nontaxable returns:</b>				
Total number of returns.....	14,113,948	13,678,562	+435,386	+3.2
With adjusted gross income:				
Number of returns.....	13,673,644	13,256,263	+417,381	+3.1
Adjusted gross income thousand dollars..	20,567,025	19,379,807	+1,187,218	+6.1
With no adjusted gross income:				
Number of returns.....	440,304	422,299	+18,005	+4.3
Adjusted gross deficit thousand dollars..	1,014,480	1,155,153	-140,673	-12.2

Income tax liability for 1954, reported on 42.6 million taxable returns, was \$26.7 billion after the tax credits were deducted. The income tax after credits was 9 percent, or \$2.8 billion, below that for 1953. Several reasons contribute to the decrease. Direct causes were 1.5 million fewer returns with income tax for 1954, lower



employment tax was not paid currently but, if the income tax was overpaid, no refund was available until the self-employment tax was satisfied. Refunds requested were \$3 billion and credit on 1955 estimated tax was \$700 million.

Adjusted gross income is a legally defined term and the amount may be less than the total of all income received by the taxpayer throughout the year. Three major reasons were responsible for this occurrence for 1954: (1) certain types of income, such as interest received on State and municipal bonds, are tax-exempt, (2) specific sources of income, such as salaries and wages, dividends received, and long-term capital gain, have certain legal limitations which can reduce the amounts received when they are included in adjusted gross income, and (3) most sources which result in a loss, instead of a gain or profit, can be subtracted when computing the composite adjusted gross income. Some of the outstanding features of the components of the 1954 adjusted gross income follow.

Salaries and wages reported in adjusted gross income for 1954 amounted to \$186 billion. These salaries and wages were exclusive of the wages received under wage continuation plans for sickness or injury which, under the new Code, are excludable from gross income. Salaries and wages included in adjusted gross income for 1954 were \$1.8 billion below the amount reported for 1953, and there were nearly 1 million less returns with salaries and wages than there were in the 1953 report. The amount of wages excluded from gross income on account of sick pay is tabulated in text table E and discussed under Salary Exclusions for Sick Pay, page 12.

Dividends received from corporate stock and included in adjusted gross income for 1954 amounted to \$7 billion. This amount, reported on Form 1040, was exclusive of dividends that qualified for the exclusion from gross income of dividends up to \$50, allowed under the new Code to each individual taxpayer (on joint returns, up to \$100 if both spouses received such dividends). The increase of \$1.2 billion of dividends in adjusted gross income for 1954 over the amount reported for 1953 was, to a large degree, the result of a change in method of reporting dividends received by beneficiaries from estates and trusts and by partners from their partnerships. For 1953, dividends received through partnerships and fiduciaries were reported as income from these entities, but for 1954, income that was accorded special treatment, such as dividends, retained its character and was reported separately.

Among the 1954 returns under \$5,000 adjusted gross income, 1 return in 28 had dividends in adjusted gross income, while 1 in every 7 returns with adjusted gross income of \$5,000 or more had dividends. In each case, the occurrence is less frequent than in 1953. The reduced frequency of dividend occurrence in 1954 was, to some extent, a result of the fact that receipt of dividends totaling less than the allowable dividend exclusion did not enter into the composition of adjusted gross

income. Additional information relating to dividends will be found under the section for Dividends Received, on pages 12-15.

The decrease of \$1 billion in the income from estates and trusts for 1954 resulted principally from the separation of dividends received by beneficiaries from the other fiduciary income received.

Interest received during 1954 income year was \$2.4 billion, an increase of 16 percent over that reported for 1953. Annuities and pensions for 1954 showed an increase of \$135 million, or 20 percent.

In determining the income received from businesses, partnerships, rents and royalties, sales of capital assets, and sales of property other than capital assets, both the income and loss from each type of transaction should be considered. Combining these positive and negative amounts resulted, for 1954, in a business profit, partnership profit, rent and royalty income, gain from sale of capital assets, and a loss from sales of property other than capital assets. Both business and partnership profits increased for 1954, but the rent and royalty income showed a slight decrease, as compared with 1953. Gain on the sale of all types of capital assets showed an exceptionally large increase of 62 percent over 1953. The loss from sales of property other than capital assets was smaller than for 1953. The net operating loss deduction was 28 percent less than that reported for 1953.

Standard deduction was elected by taxpayers on 41 million returns for 1954, or 72 percent of all returns filed. However, the proportion of standard deduction returns has been decreasing steadily for several years.

More than two-thirds of the itemized deduction returns for 1954 had interest paid and 93 percent showed a deduction for State and local taxes paid.

The deduction for contributions amounted to \$3.9 billion which was an increase of more than 9 percent over the deduction for 1953. This increase may be attributable to the increased allowance under the 1954 Code for contributions and gifts to hospitals, churches, and educational institutions, and to the contributions deducted by 1.1 million more persons claiming contributions on 1954 returns. A deduction was claimed on 93 percent of the itemized returns. The allowable deduction for contributions in excess of 20 percent of adjusted gross income is tabulated in text table H; and other features regarding the extra deduction are stated in the text under Contributions, page 15.

Medical expenses were deducted on 8.6 million, or 55 percent, of the 1954 returns with itemized deductions. There were 1.4 million more returns with this deduction than in the previous year. The medical deduction for 1954 amounted to nearly \$3 billion, which was an increase of \$600 million, or 24 percent, above the 1953 deduction. The increase was the result of the liberalized medical deduction under the 1954 Code which raised the amount of maximum deduction and lowered the excluded amount of such expenses from 5 to 3 percent of adjusted gross income. The latter enabled more tax-

payers to claim the deduction. The average medical deduction per return was \$344 for the 1954 returns, as compared with \$330 for the 1953 returns. The entire medical costs reported on the 1954 returns are set forth later in the text under the section for Drug and Medical Costs, together with its accompanying text table I, pages 16 and 17.

The new allowance for child care was claimed on 272,737 returns and the deduction amounted to \$88.7 million. Casualty losses showed an increase of 13 percent over the 1953 losses.

In connection with the claim for retirement income credit against the income tax, data relating to the income of retired persons are available on the 1954 returns. Of the 493,418 persons with this tax credit, more than 433,000 were 65 or more years of age. Further information about retired taxpayers is given in the section of the text on Retirement Income and text tables J and K, pages 17-19.

In chart 1, data from returns with adjusted gross income for 1954 illustrate the proportion of total returns, total adjusted gross income, and total income tax which was contributed by each of the three following adjusted gross income groups: Under \$5,000, \$5,000 under \$10,000, and \$10,000 or more.

The lowest income group, adjusted gross income under \$5,000, had 74 percent of all the returns with adjusted gross income, which is one-half of 1 percent less than for 1953. Adjusted gross income was 46 percent of the total adjusted gross income, or 1 percent less than

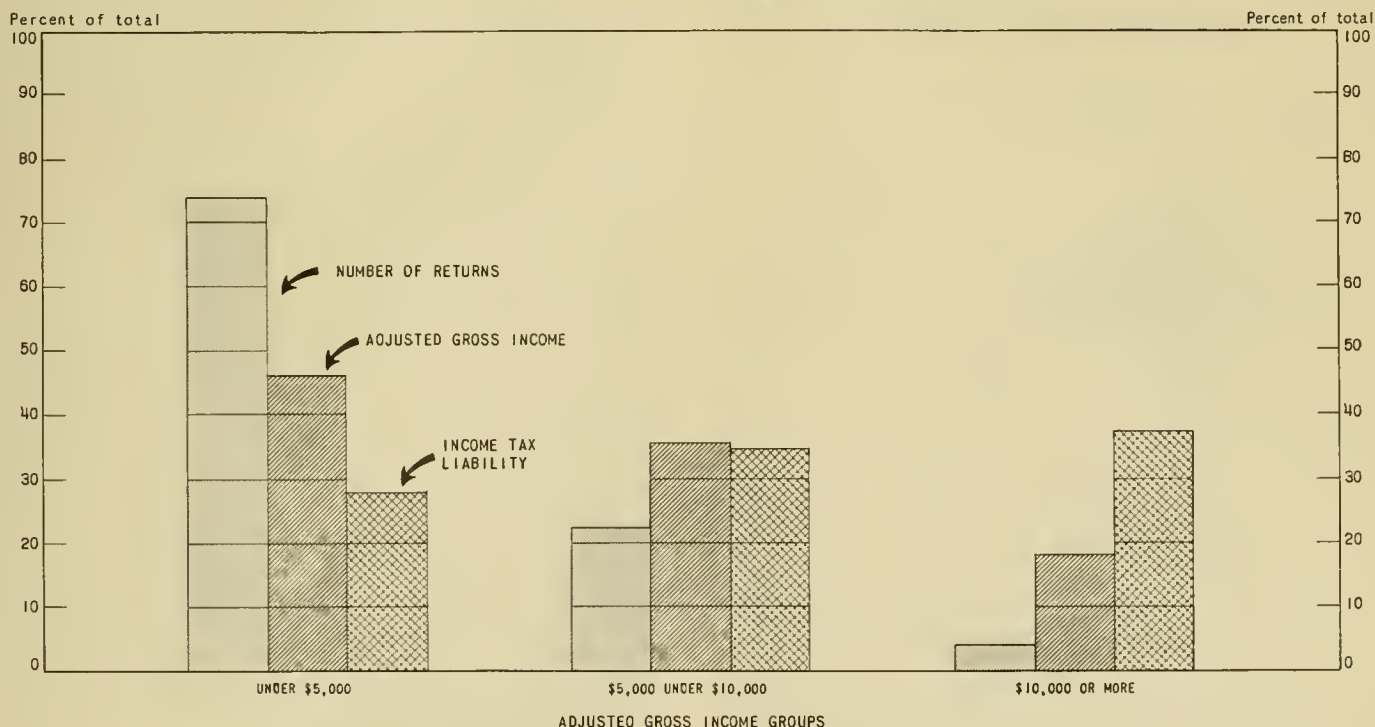
for 1953. Income tax was 28 percent of the total income tax, or 2 percent less than for 1953.

The middle income group, adjusted gross income \$5,000 under \$10,000, contributed 22 percent of the returns with adjusted gross income. Although this is a slight increase over the proportion contributed by this group for 1953, the number of returns for 1954 actually decreased by 120,652. The adjusted gross income was 35.5 percent of the total, a proportion slightly smaller than for the previous year. Income tax was 34.6 percent of the total income tax, but it is about 1 percent below the corresponding tax reported for 1953.

The highest income group, adjusted gross income \$10,000 or more, contributed nearly 4 percent of the returns with adjusted gross income. This group has had a steady, though small, increase annually since 1949 in the proportion of returns contributed. There was an increase of 127,463 returns for 1954 over 1953. This income group accounted for more than 18 percent of the adjusted gross income, as compared with less than 17 percent for 1953. The dollar increase in adjusted gross income for 1954 was \$3.3 billion. The proportion of adjusted gross income contributed by this group is the largest since 1949. Of the total income tax, this group reported over 37 percent, which is nearly 3 percent more than the 1953 proportion. However, there was a decrease in the 1954 amount of income tax, which was also a characteristic of the other two groups.

For the past few years, the lowest income group, adjusted gross income under \$5,000, has continued to show a decline in the proportion contributed toward the total

Chart 1.—RETURNS WITH ADJUSTED GROSS INCOME, BY INCOME GROUPS, 1954





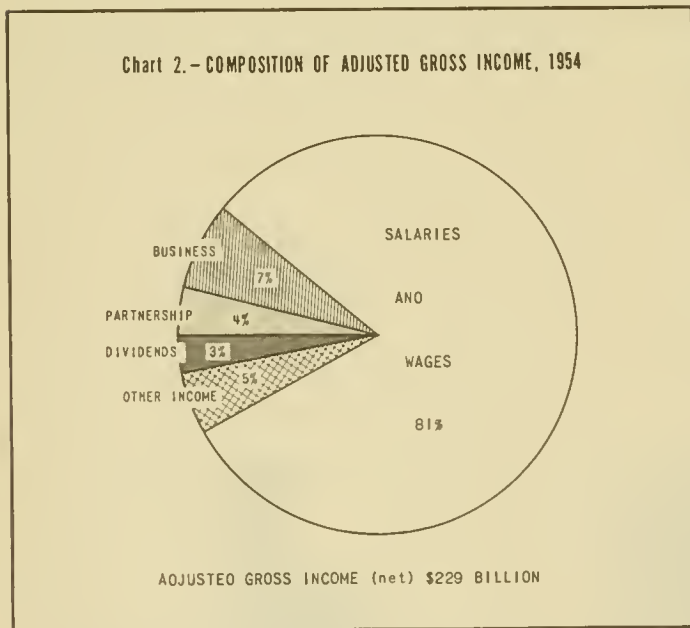
of each item compared. However, the trend in the proportion contributed by each of the two higher income groups has changed somewhat for 1954. The middle income group, adjusted gross income \$5,000 under \$10,000, shows, for the first time since 1949, a decrease in the proportion of adjusted gross income and of income tax. The highest income group, adjusted gross income \$10,000 or more, shows an increase in the proportion of adjusted gross income and of tax for the first time since 1950.

### COMPOSITION OF ADJUSTED GROSS INCOME

The principal sources of income comprising adjusted gross income for 1954 are shown in chart 2 by their percentage relationship to adjusted gross income. The four largest sources—salaries and wages, business, partnership, and dividends—are allotted separate areas. The remaining income, which is grouped together, includes interest, annuities and pensions, income and loss from estates and trusts, net income and net loss from rents and royalties, net gain and the deductible loss from sales of capital assets and other property, net operating loss deduction, and the other sources as reported in adjusted gross income.

Eighty-one percent of adjusted gross income consists of salaries and wages. Business and partnership enterprises together form 11 percent of adjusted gross income and dividends contribute 3 percent. The components of adjusted gross income for 1954 changed very little percentagewise when compared with their respective proportion of the 1953 adjusted gross income.

Chart 2.—COMPOSITION OF ADJUSTED GROSS INCOME, 1954



### INDIVIDUAL INCOME TAX PROVISIONS FOR 1954

The Internal Revenue Code of 1954 revised the internal revenue laws relating to the individual income

tax in many respects. Several of these changes affect the inclusion and exclusion of income items comprising gross income and consequently the amount of adjusted gross income to be reported. Nonbusiness deductions are altered in some cases and a new deduction is allowed. Tax credits in addition to those formerly permitted are provided. Definitions of some of the basic concepts are revised including that for dependents and a new marital status is created. It is not possible to state all of the numerous changes, but there are specified below some of the important revisions which affect statistical data tabulated from individual income tax returns for 1954.

Income tax provisions of the 1954 Code apply to income of individuals only with respect to tax years beginning after December 31, 1953, and ended after the date of enactment, August 16, 1954.

The amount of gross income for which a return of income must be filed by an individual 65 years of age or over, unless self-employed, is raised from \$600 to \$1,200.

The income tax rates applicable to 1954 income are lower than those applicable to 1953 income. For years beginning after December 31, 1953, two legislative actions are effective: (1) The graduated surtax rates were reduced slightly by an amendment to the 1939 Code, and (2) in the 1954 Code, the 3 percent normal tax and the reduced surtax are combined into a single comprehensive rate schedule. For 1953 income, the normal tax was 3 percent and the graduated surtax ranged from 19.2 percent to 89 percent. For 1954 income, according to the amendment to the 1939 Code, the normal tax was 3 percent and the graduated surtax rates were reduced so that they ranged from 17 percent to 88 percent. However, in the 1954 Code, the two latter sets of rates are combined into a single rate schedule, applicable to taxable income, ranging from 20 percent to 91 percent.

Three new credits against the income tax liability are permitted under the new Code. The retirement income credit is equal to 20 percent of the amount of retirement income up to \$1,200, but cannot exceed the tax otherwise due. Credit for dividends received is allowed on returns with tax year ended after July 31, 1954, in an amount equal to 4 percent of the domestic dividends (after exclusion) received subsequent to that date; however, the credit may not exceed the lesser of the total tax reduced by the foreign tax credit or an amount equal to 2 percent of taxable income for 1954 (4 percent in subsequent years). Tax credit for partially tax-exempt interest (allowed only if deductions are itemized) in the amount of 3 percent of such interest replaces the prior deduction from net income for normal tax purposes.

The new law eliminates the concept of net income, of normal tax net income, and of surtax net income and in place of these substitutes taxable income which means adjusted gross income less deductions, standard or itemized, and personal exemptions which are now a deduction in computing taxable income.

The new legislation makes changes which affect the



inclusion in gross income of amounts received from dividends, annuities, prizes and awards, alimony and separate maintenance payments, proceeds of life insurance, employee's death benefits, and income earned over a period of years.

Items specifically excluded from gross income are a partial exclusion of qualifying domestic dividends received, amounts received by employees under a wage continuation plan for loss of wages due to illness or personal injury to the extent of \$100 per week, and scholarship and fellowship grants with certain limitations.

The definition of adjusted gross income is modified in the case of employees to allow deduction from gross income of expenses as outside salesmen and non-reimbursed transportation expenses for local travel in connection with one's employment.

A new itemized deduction is granted for a working woman or widower for the care of a dependent child or stepchild under 12 years of age or of a dependent physically or mentally incapable of caring for himself. The care must be for the purpose of enabling the taxpayer to be employed. The deduction is limited to \$600. In case of a working wife, the deduction is allowed only if she files a joint return with her husband and the \$600 limitation is reduced by the amount by which their combined adjusted gross income exceeds \$4,500, except where the husband is incapable of self-support.

The limit on the amount of deduction allowed for charitable contributions and gifts is raised under the new law by allowing an additional amount equal to 10 percent of adjusted gross income, if the excess contributions represent contributions to churches or tax-exempt hospitals and educational institutions.

The new law allows deduction for medical expenses that are in excess of 3 percent (formerly 5 percent) of adjusted gross income, but permits the inclusion of drugs and medicines only to the extent that they exceed one percent of adjusted gross income. Also, the limitation on the maximum deduction for medical expenses is raised to \$2,500 per exemption other than age or blindness, with a maximum deduction of \$5,000 in the case of a single person or a married person filing a separate return, and a maximum deduction of \$10,000 in the case of married persons filing a joint return, or of a head of household, or of a surviving spouse.

The qualifications for head of household status are broadened to include any taxpayer who supports a dependent parent even though not living in the taxpayer's home, if the taxpayer provides over one-half the cost of the household which is the parent's principal abode.

The new Code allows a surviving spouse the full benefit of income splitting for 2 years following the death of a spouse, provided he has not remarried and maintains a household as his home which is also the principal abode for a child or stepchild for whom the taxpayer is entitled to the \$600 deduction for personal exemption.

The concept of dependent is liberalized in several re-

spects. The \$600 gross income test is eliminated for a child or a stepchild who is under 19 years of age or who, regardless of age, is a student at an educational institution. In addition, the new law adds to the list of those who may qualify as a dependent, any person supported by the taxpayer whose principal abode is the home of the taxpayer and who is a member of the taxpayer's household. Also, residents of Panama or the Canal Zone may be dependents if they otherwise qualify. Two changes in the support test for determining dependency are introduced. First, in cases where a group of taxpayers support a dependent, no one of whom contributes over one-half of the support, the dependency may be assigned to any one of the group who contributes over 10 percent of the support, if all other persons who contributed more than 10 percent agree in writing that they will not claim the dependent for that year. Second, in case of a child or stepchild of the taxpayer, amounts received as scholarships will not be taken into account in determining whether the taxpayer provided over half of the child's support.

The measurement of business income is modified by the more liberalized provisions relating to business deductions for depreciation, research and experimental expenses, soil and water conservation expenditures made by farmers, loss carryovers, and organizational expenses. Also, depletion and related allowances for mining and natural resource industries are revised.

The business enterprise of a sole proprietor may be taxed as if it were a corporation when the owner elects the option to be so taxed.

The self-employment tax rate of 3 percent on the 1954 self-employment income subject to this tax was carried into the new Code from the 1939 Code without change; however, this is an increase over the 2¼ percent rate applicable to 1953 self-employment income.

### RETURNS FROM WHICH DATA WERE TABULATED

Individual income tax returns used to compile data for this report were unaudited returns and, therefore, do not reflect increases nor decreases in tax liability, income, deductions, or other items reported by the taxpayer, that resulted from official audit of returns by the Internal Revenue Service.

Data were taken from all returns filed by citizens and resident aliens, except those with no information regarding income and tax data. Returns from which data were tabulated included returns of adults and of dependent children earning less than \$600 who were nontaxable but who filed a return to claim refund of income tax withheld, although they did not meet the income requirement for the filing of a return. Also, data were taken from returns of dependent children under 19 years of age and dependent students who reported \$600 or more of income, whether taxable or nontaxable, which met the requirement for filing.

The individual income tax returns used were Forms 1040 and 1040A for the 1954 income year covering calendar year returns, fiscal year returns ended within the period July 1954 through June 1955, and part year returns with the greater number of months falling in 1954. The majority of returns was for the calendar year 1954. Tentative returns were not used and amended returns were used only if the original returns were excluded. Fiscal year and part year returns beginning in 1953, and part year returns beginning in 1954 and ending before August 17, 1954, were subject to the 1939 Code. The 1954 Code applies to returns beginning after December 31, 1953 and ending after August 16, 1954.

Form 1040A, the new card-form return for 1954, was used by employees with less than \$5,000 total income consisting of wages reported on the Withholding Tax Statement, Form W-2, and not more than \$100 total of other wages, dividends, and interest. Husband and wife could file on this form if their combined incomes did not exceed these limits. Form 1040A could not be used as a separate return of a married person if one spouse itemized deductions or if divided community income was to be reported. Neither could this return form be used by an individual claiming status as head of household or as surviving widow or widower. Although exclusion for sick pay was reported on this card-form, no other deduction from salaries and wages could be made, such as deductions for transportation and out-of-town expenses, reimbursed expenses, or expenses of outside salesmen. In reporting other income on this form, dividends received from domestic corporations up to \$50 (\$100 on joint returns) were excluded but no provision was made to report the amount of the exclusion. The income tax liability of taxpayers filing on this form was determined by the district director of internal revenue, on the basis of income reported, from the optional tax table applying to 1954 income. The tax in this table made allowance for exemptions and the standard deduction which takes the place of nonbusiness deductions and tax credits.

Form 1040 for 1954, either the long-form or the short-form, was used by individuals who, by reason of the size or source of their income, were not permitted to use Form 1040A and by individuals who, although eligible to use Form 1040A, found it to their advantage to use Form 1040. To claim the new tax credit for dividends received or for retirement income, it was necessary to use Form 1040.

Individuals with adjusted gross income under \$5,000 from whatever source could elect to use the short-form return on which nonbusiness deductions were not reported, but on which allowable expenses in connection with the employer's business were deducted from salaries and wages. The income tax liability on this short-form was determined by the taxpayer from the optional tax table on the basis of adjusted gross income. The tax table made allowance for the standard deduction, ex-

emptions, and tax credits other than for dividends received and for retirement income, both of which could be claimed on the short-form return. Individuals with adjusted gross income under \$5,000 who wished to claim nonbusiness deductions in excess of the standard deduction or to claim tax credits other than dividends received and retirement income used the long-form return and itemized their deductions, deducted their exemptions, and computed the taxable income.

Individuals with adjusted gross income of \$5,000 or more used the long-form return, claimed their exemptions, and computed their taxable income. In computing the taxable income, the taxpayer could elect to use the standard deduction rather than to itemize non-business deductions. If he so elected, the standard deduction was the smaller of \$1,000 or an amount equal to 10 percent of the adjusted gross income, except that, in the case of a married person filing a separate return, the standard deduction was \$500. The standard deduction was not allowed on a separate return of husband or wife if the taxable income of the other spouse was computed by using itemized deductions. When the standard deduction was used, only the two tax credits for dividends received and retirement income could be claimed.

Individuals who used the long-form return, regardless of the amount of adjusted gross income, computed their income tax liability based on taxable income, by using the income tax rates from the tax rate schedule applicable to their marital status and claiming the relevant tax credits.

Facsimiles of the 1954 individual income tax returns, Forms 1040 and 1040A, are placed at the close of this report, pages 95-127.

In text table B below, the number of individual returns for 1954 is tabulated to show the volume of returns filed on the different forms, whether they had standard deduction or itemized deductions, and the division between taxable and nontaxable returns. Of the 56.7 million returns filed, 41 million, or 72.3 percent, had the standard deduction and the remainder itemized non-business deductions. Compared with 1953, the number with standard deduction decreased approximately 3 percent and the number with itemized deductions increased about 3 percent.

The total number of long-form returns was 23.6 million. On these the taxpayer computed the income tax on the basis of his taxable income. Among these returns, 7.9 million showed that the taxpayer elected to use the standard deduction in computing his taxable income.

The optional tax table applicable to total income under \$5,000 was used to determine the income tax on 13.2 million returns, Form 1040A, and on 19.9 million short-form returns, Form 1040, making a total of 33.1 million returns, or 58.4 percent of all returns filed for 1954. The optional tax was used on a smaller percentage of returns than last year.



Table B.—NUMBER OF RETURNS BY FORM OF RETURN AND BY TAXABLE AND NONTAXABLE RETURNS

Form of return	Total	Taxable	Nontaxable
Total number of returns.....	56,747,008	42,633,060	14,113,948
Standard deduction:			
Form 1040A with adjusted gross income.....	13,248,741	8,796,301	4,452,440
Short-form 1040 with adjusted gross income....	19,889,855	12,263,724	7,626,131
Long-form 1040 with adjusted gross income \$5,000 or more.....	7,906,817	7,861,205	45,612
Total.....	41,045,413	28,921,230	12,124,183
Itemized deductions (long-form):			
Returns with adjusted gross income under \$5,000.....	9,013,125	7,091,244	1,921,881
Returns with adjusted gross income \$5,000 or more.....	6,688,470	6,620,586	67,884
Total.....	15,701,595	13,711,830	1,989,765

### MARITAL STATUS OF TAXPAYER

Among the individual returns for 1954, there were 34.6 million returns filed jointly by husband and wife. This group formed nearly 61 percent of all the returns. Also, there were 2.3 million returns filed by married persons who reported their respective income and claimed their own exemptions on a return separate from that of the other spouse. This marital group formed only 4 percent of the total returns.

Single persons who did not claim status as head of household or surviving spouse filed 18.7 million returns for 1954, which was 33 percent of all returns. This was the second largest group of returns among the five marital groups. The remaining 2 percent of returns for 1954 were filed by unmarried individuals, 1.1 million of whom claimed head of household status and nearly 64,000 others who claimed status as surviving widow or widower.

Seventy-seven percent of the total adjusted gross income (net) was reported on joint returns, and another 18 percent was reported on returns of single persons not claiming head of household or surviving spouse status. The joint returns showed the taxable income (tax base) to be slightly less than half of the adjusted gross income reported on them, while in all other marital groups, the tax base was more than one-half of the adjusted gross income. The taxable income is all inclusive inasmuch as this item was computed for returns where it was not reported.

Text table C shows the number of returns, amount of adjusted gross income, and taxable income for each marital status group. These data were taken from Part I of basic table 10. For tabulating purposes, the classification of marital status of taxpayer was determined with regard to such items as the listing of a spouse's name, exemption claimed for taxpayer and/or wife, signatures of husband and wife, and particularly the check mark for head of household or surviving widow or widower, along with any other pertinent data supplied by the taxpayer. Each of the five classifications for marital status of taxpayer is described under Marital Status Classification on pages 23-24.

The marital classification was used in the distribution of data in basic tables 4, 8, 10, and 11, the last two of

Table C.—NUMBER OF RETURNS, ADJUSTED GROSS INCOME, AND TAXABLE INCOME BY MARITAL STATUS OF TAXPAYER

Marital status of taxpayer	Returns		Adjusted gross income less deficit ( <i>Thousand dollars</i> )	Taxable income ( <i>Thousand dollars</i> )
	Number	Percent of total		
Joint returns of husbands and wives...	34,568,482	60.9	176,477,817	86,038,669
Separate returns of husbands and wives	2,298,981	4.1	6,203,322	3,239,780
Returns of heads of household.....	1,089,440	1.9	4,344,178	2,450,458
Returns of surviving spouse.....	63,920	.1	270,242	145,238
Returns of single persons not heads of household or surviving spouse.....	18,726,185	33.0	41,925,806	23,457,155
Total.....	56,747,008	100.0	229,221,375	115,331,301

which show all five marital groups separately. Table 8 shows certain of the marital groups combined according to the applicable income tax rate.

Both basic tables 10 and 11 show that there were nearly 64,000 persons who claimed status as surviving spouse. However, examination of data for returns of surviving spouse in table 11, relative to the distribution of returns by number of exemptions other than age or blindness, reveals that among the individuals who claimed marital status as surviving spouse, there are 27,513 persons who had only one exemption other than age and blindness. This would indicate that during the first year in which the surviving spouse status was allowed, a considerable number of individuals misunderstood the requirement that, to qualify there must be at least one child or stepchild dependent for whom the taxpayer is entitled to a deduction for personal exemption of \$600. None of these 27,513 persons had a dependent according to their return. It is problematical whether these individuals could have qualified for head of household status and its special tax rate, or whether they were single persons not entitled to any special tax rate. Since the 27,513 persons claimed surviving spouse status and computed their income tax by the split-income method allowed for that status, data for them are tabulated among data for returns having the split-income tax rate along with others claiming this marital status, in Part I of basic table 8.

### PERSONAL EXEMPTIONS

A total of 155.5 million personal exemptions were claimed on the 56.7 million individual income tax returns for 1954. These personal exemptions were exemptions for the taxpayer and, on joint returns, his spouse, exemptions for dependents, and the additional exemptions for age and blindness. A résumé of exemptions is given on pages 27-28. Below in text table D, the number of each type of exemption claimed is presented by the five classifications for marital status of taxpayer.

There were 91.3 million exemptions for the taxpayer and, on joint returns, his wife who is generally considered a taxpayer; 58.2 million exemptions for dependents; and 6 million additional exemptions for age and blindness of taxpayer, including those for the spouse on joint returns.

Of the 58.2 million exemptions for dependents, 50 million, or 87 percent, were claimed on joint returns of

husbands and wives. Other married persons filing separate returns claimed 1.6 million dependents.

Among the unmarried taxpayers, heads of households claimed 1.1 million dependents, surviving widows and widowers claimed 62,263, and other single persons claimed nearly 5 million dependents. Although exemptions for 27,513 individuals who claimed surviving spouse status without a dependent are tabulated in that marital group (as previously explained), it has no effect on the number of dependents in this or any other group, since they did not have a dependent.

As compared with the 1953 report, the number of dependents increased by 1.7 million in 1954. However, exemptions for age and blindness decreased, as did the taxpayer exemptions.

Table D.—NUMBER OF EXEMPTIONS BY MARITAL STATUS OF TAXPAYER AND BY TYPE OF EXEMPTION

Marital status of taxpayer	Total number of exemptions	Number of exemptions for—		
		Taxpayer	Age and blindness	Dependents
Joint returns of husbands and wives.	123,675,873	69,136,964	4,104,404	50,434,505
Separate returns of husbands and wives.....	4,011,966	2,298,981	79,590	1,633,395
Returns of heads of household.....	2,253,758	1,089,440	58,497	1,105,821
Returns of surviving spouse.....	148,616	63,920	22,433	62,263
Returns of single persons not heads of household or surviving spouse...	25,404,216	18,726,185	1,719,631	4,958,400
Total.....	155,494,429	91,315,490	5,984,555	58,194,384

## SALARY EXCLUSIONS FOR SICK PAY

The 1954 Code specifically exempts from the income tax amounts received, as wages or in place of wages, under a continuation plan for the period during which an employee was absent from work on account of personal injury or sickness. The tax-exempt amount could not exceed a weekly rate of \$100, unless the plan was one to which the employee had contributed, then amounts received which were attributable to his contribution were excluded without limit. In case of sickness, a special rule disallowed tax exemption of amounts received for the first 7 days of illness unless the employee was hospitalized at least 1 day any time during the period of absence from work on account of sickness.

Each taxpayer was required to report his gross salary and wages and to give sufficient information to substantiate his claim for the sick-pay exclusion deducted from gross wages. The exclusion could be claimed on either Form 1040 or 1040A.

In order to register the amount of sick pay excluded on account of this new provision, it was necessary to use an item not included in adjusted gross income. The excludable portion of wages received as sick pay was tabulated especially for this purpose. Text table E shows the amount of salary exclusion for sick pay in connection with the amount of salaries and wages entering into the composition of adjusted gross income, and the total salaries and wages received. This table, by adjusted gross income classes corresponding to those in basic tables, also shows the number of taxable and nontaxable returns on which a sick-pay exclusion was claimed.

There are 928,628 returns with sick-pay exclusions amounting to \$352 million deducted from gross salaries and wages. The exclusion was about two-tenths of 1 percent of gross salaries and wages. Over one-half of the sick-pay exclusion was reported on returns with adjusted gross income under \$5,000.

Table E.—SALARY EXCLUSIONS FOR SICK PAY BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Total salaries and wages received (Thousand dollars)	Salary exclusions for sick pay		Salaries and wages (after exclusions) (Thousand dollars)
		Number of returns	Amount (Thousand dollars)	
<b>Taxable returns:</b>				
\$600 under \$1,000.....	996,636	3,524	1,086	995,550
\$1,000 under \$1,500.....	2,794,266	11,520	2,087	2,792,179
\$1,500 under \$2,000.....	3,763,445	18,579	8,010	3,755,435
\$2,000 under \$2,500.....	6,156,387	40,623	12,083	6,144,304
\$2,500 under \$3,000.....	8,564,533	55,198	16,140	8,548,393
\$3,000 under \$3,500.....	11,375,575	67,229	20,173	11,355,402
\$3,500 under \$4,000.....	13,974,643	84,780	26,494	13,948,149
\$4,000 under \$4,500.....	15,496,086	84,905	31,066	15,465,020
\$4,500 under \$5,000.....	15,653,723	69,168	19,199	15,634,524
\$5,000 under \$6,000.....	25,547,907	129,219	45,119	25,502,788
\$6,000 under \$7,000.....	19,561,328	103,260	36,894	19,524,434
\$7,000 under \$8,000.....	13,141,984	69,259	27,464	13,114,520
\$8,000 under \$9,000.....	8,437,226	48,074	15,825	8,421,401
\$9,000 under \$10,000.....	5,497,754	26,150	8,557	5,489,197
\$10,000 under \$15,000.....	9,330,721	38,355	17,614	9,313,107
\$15,000 under \$20,000.....	3,085,244	8,006	4,795	3,080,449
\$20,000 under \$30,000.....	2,936,768	6,345	4,341	2,932,427
\$30,000 under \$50,000.....	2,272,765	3,548	2,723	2,270,042
\$50,000 under \$100,000.....	1,553,979	1,763	1,609	1,552,370
\$100,000 under \$150,000.....	375,784	331	288	375,496
\$150,000 under \$200,000.....	120,404	83	73	120,331
\$200,000 under \$500,000.....	142,357	92	115	142,242
\$500,000 under \$1,000,000.....	17,011	6	9	17,002
\$1,000,000 or more.....	6,110	2	2	6,108
Total taxable returns.....	170,802,636	870,019	301,766	170,500,870
<b>Nontaxable returns:</b>				
No adjusted gross income.....	160,869	( <sup>1</sup> )	( <sup>1</sup> )	157,697
Under \$600.....	1,146,887	5,558	9,205	1,137,682
\$600 under \$1,000.....	967,178	5,512	4,645	962,533
\$1,000 under \$1,500.....	1,647,731	5,995	6,029	1,641,702
\$1,500 under \$2,000.....	2,123,116	5,984	4,556	2,118,560
\$2,000 under \$2,500.....	1,977,245	6,013	2,363	1,974,882
\$2,500 under \$3,000.....	2,103,467	9,512	10,308	2,093,159
\$3,000 under \$3,500.....	1,931,186	5,995	2,290	1,928,896
\$3,500 under \$4,000.....	1,561,500	6,006	3,785	1,557,715
\$4,000 under \$4,500.....	874,048	3,017	2,153	871,895
\$4,500 under \$5,000.....	497,190	( <sup>1</sup> )	( <sup>1</sup> )	497,136
\$5,000 under \$6,000.....	354,653	( <sup>1</sup> )	( <sup>1</sup> )	352,892
\$6,000 under \$8,000.....	141,053	-	-	141,053
\$8,000 under \$10,000.....	( <sup>1</sup> )	-	-	( <sup>1</sup> )
\$10,000 or more.....	11,425	-	-	11,425
Total nontaxable returns.....	15,502,074	58,609	50,321	15,451,753
Grand total.....	186,304,710	928,628	352,087	185,952,623
Returns under \$5,000.....	93,765,711	492,135	184,898	93,580,813
Returns \$5,000 or more.....	92,538,999	436,493	167,189	92,371,810

See text for "Description of Sample and Limitations of Data."

<sup>1</sup>Sample variability of this item is too large to warrant showing it separately. However, this value is included in each total.

## DIVIDENDS RECEIVED

Two special tabulations were prepared to show the details concerning dividends reported on individual returns, Form 1040, for 1954. The new features, provided under the 1954 Code for a partial exclusion of dividends and for a tax credit for dividends received, necessitated the reporting of information not required in previous years.

The new Code provides that, for any tax year ended after July 31, 1954, gross income does not include amounts received by an individual as dividends from domestic corporations to the extent that the dividends do not exceed \$50. In case the dividends exceed \$50, the exclusion applies to the dividends first received in the tax year. The exclusion, however, does not apply to div-



dividends received from domestic corporations whose earnings are not fully taxable.

Although dividend exclusions could be taken regardless of the return form used, the amount of exclusion was not reported on Form 1040A. If husband and wife filed a joint return of income, the exclusion applied separately to the dividends received by each as an individual taxpayer.

A credit against the income tax for dividends received is also allowed under the new law. The tax credit is allowed only for tax years ended after July 31, 1954, and only with respect to qualifying dividends received from domestic corporations after that date and included in gross income. Credit was allowed to the extent of 4 percent of such dividends, provided this credit did not exceed the lesser of the total income tax reduced by foreign tax credit, or 2 percent of taxable income. It was obligatory to file Form 1040, either long- or short-form, to claim benefit of this tax credit.

Taxpayers filing Form 1040 were required to report domestic dividends qualifying for the exclusion in two categories: those received before August 1, 1954, and those received after July 31, 1954. Qualifying dividends received through fiduciaries and partnerships were included, a new feature of dividend reporting. The dividend exclusion of \$50, or \$100 for joint income of husband and wife, was first applied to the early receipts and, if such dividends were insufficient, the remaining exclusion was then applied to the late receipts. If the taxpayer's dividend receipts totaled less than the maximum exclusion, they were nevertheless reported and the exclusion applied to that extent. Domestic dividends received after July 31, 1954, reduced by the applicable exclusions were eligible for the tax credit for dividends received. Foreign dividends and certain domestic dividends did not qualify for the exclusion nor for the tax credit. These were reported independently and combined with the dividends after exclusions to obtain the amount of dividends reported in adjusted gross income.

Table F.—DIVIDENDS ELIGIBLE FOR EXCLUSIONS AND TAX CREDIT FOR DIVIDENDS RECEIVED, BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Total dividends eligible for exclusions			Received before Aug. 1, 1954			Received after July 31, 1954 (eligible for tax credit)			Tax credit for dividends received	
	Number of returns	Amount (Thousand dollars)	Total exclusions (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Exclusions (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Exclusions (Thousand dollars)	Number of returns	Amount (Thousand dollars)
										(10)	(11)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>Taxable returns:</b>											
1 \$600 under \$1,000.....	20,555	7,963	990	19,055	4,440	878	18,555	3,523	112	15,522	58
2 \$1,000 under \$1,500.....	38,750	15,048	1,699	35,783	7,788	1,490	34,744	7,260	209	25,218	151
3 \$1,500 under \$2,000.....	72,740	40,855	3,563	69,193	23,203	3,260	62,690	17,652	303	51,593	424
4 \$2,000 under \$2,500.....	95,496	55,055	4,677	87,916	30,352	4,080	85,399	24,703	597	69,824	657
5 \$2,500 under \$3,000.....	111,370	58,947	5,913	101,846	32,865	5,080	100,870	26,082	833	82,739	799
6 \$3,000 under \$3,500.....	138,280	75,962	6,912	129,211	41,025	6,012	127,679	34,937	900	104,557	1,241
7 \$3,500 under \$4,000.....	160,776	88,217	8,410	146,651	47,345	7,074	141,075	40,872	1,336	101,328	1,210
8 \$4,000 under \$4,500.....	167,086	105,745	8,660	151,983	59,962	7,253	143,437	45,783	1,407	111,240	1,894
9 \$4,500 under \$5,000.....	163,187	125,337	9,013	154,647	70,040	7,669	147,093	55,297	1,344	111,891	1,791
10 \$5,000 under \$6,000.....	337,472	188,957	17,876	309,706	102,431	14,941	305,263	86,526	2,935	214,267	2,992
11 \$6,000 under \$7,000.....	311,092	195,880	17,312	290,860	106,762	14,522	276,839	89,118	2,790	203,389	3,202
12 \$7,000 under \$8,000.....	269,775	252,394	16,472	248,584	136,501	13,704	249,650	115,893	2,768	188,357	4,026
13 \$8,000 under \$9,000.....	198,953	177,726	12,358	186,278	92,758	10,403	183,212	84,968	1,955	145,465	3,140
14 \$9,000 under \$10,000.....	170,136	151,760	10,721	159,481	79,046	9,205	154,352	72,714	1,516	118,933	2,639
15 \$10,000 under \$15,000.....	458,445	233,683	30,269	429,407	387,464	26,467	425,311	336,219	3,802	362,617	13,064
16 \$15,000 under \$20,000.....	202,296	524,108	14,089	190,751	276,700	12,595	189,717	247,438	1,494	171,197	9,472
17 \$20,000 under \$30,000.....	187,289	778,880	13,325	176,181	407,898	12,059	176,292	371,022	1,266	164,555	14,142
18 \$30,000 under \$50,000.....	121,714	863,074	9,280	115,684	442,826	8,567	116,021	420,248	713	111,234	16,017
19 \$50,000 under \$100,000.....	59,465	991,328	4,807	57,603	497,622	4,546	57,620	493,706	261	56,531	17,999
20 \$100,000 under \$150,000.....	10,605	413,770	891	10,403	207,285	857	10,411	206,485	34	10,276	7,293
21 \$150,000 under \$200,000.....	2,993	197,104	252	2,948	95,847	245	2,941	101,257	7	2,901	3,397
22 \$200,000 under \$500,000.....	3,067	367,981	257	3,016	176,357	251	3,029	191,624	0	2,974	6,163
23 \$500,000 under \$1,000,000.....	420	139,075	34	420	64,655	34	412	74,420	(1)	395	2,069
24 \$1,000,000 or more.....	196	197,965	14	193	88,559	14	195	109,406	(1)	185	2,962
25 Total taxable returns.....	3,302,768	6,736,814	197,794	3,077,800	3,479,661	171,206	3,012,807	3,257,153	26,588	2,427,188	116,802
<b>Nontaxable returns:</b>											
26 No adjusted gross income.....	29,841	16,561	1,766	26,292	9,919	1,545	21,652	6,642	221	-	-
27 Under \$600.....	31,261	8,398	1,483	30,245	4,806	1,214	26,256	3,592	269	-	-
28 \$600 under \$1,000.....	58,842	22,605	2,875	55,319	12,882	2,561	49,824	9,723	314	(2)	(2)
29 \$1,000 under \$1,500.....	87,648	43,417	4,632	77,049	24,369	4,042	72,684	19,048	590	7,040	195
30 \$1,500 under \$2,000.....	69,873	40,836	3,660	64,826	23,908	3,363	60,899	16,928	297	19,692	157
31 \$2,000 under \$2,500.....	54,439	37,370	3,028	51,954	21,360	2,735	46,858	16,010	293	12,152	113
32 \$2,500 under \$3,000.....	36,413	33,160	2,124	35,424	18,865	1,942	31,379	14,295	182	10,135	116
33 \$3,000 under \$3,500.....	25,413	25,575	1,465	24,372	13,183	1,300	22,366	12,392	165	9,135	186
34 \$3,500 under \$4,000.....	11,118	13,042	745	10,618	7,488	682	11,118	5,554	63	5,098	71
35 \$4,000 under \$4,500.....	6,081	5,809	533	6,081	3,070	508	5,081	2,739	38	3,048	199
36 \$4,500 under \$5,000.....	5,040	7,555	287	5,040	4,150	281	5,040	3,405	6	(2)	(2)
37 \$5,000 under \$6,000.....	5,052	7,540	371	4,552	3,556	335	5,052	3,984	36	2,551	55
38 \$6,000 under \$8,000.....	3,029	9,141	227	2,540	4,432	173	3,029	4,709	54	-	-
39 \$8,000 under \$10,000.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	-	-	-
40 \$10,000 or more.....	1,604	17,525	100	1,532	8,681	90	1,536	8,844	10	269	19
41 Total nontaxable returns.....	426,177	289,505	23,322	396,367	161,021	20,784	363,297	128,484	2,538	72,615	1,222
42 Grand total.....	3,728,945	7,026,319	221,116	3,474,167	3,640,682	191,990	3,376,104	3,385,637	29,126	2,499,803	118,024
43 Returns under \$5,000.....	1,384,809	827,457	72,435	1,283,505	461,020	62,956	1,214,699	366,437	9,479	743,707	9,373
44 Returns \$5,000 or more.....	2,344,136	6,198,862	148,681	2,190,662	3,179,662	129,034	2,161,405	3,019,200	19,647	1,756,096	108,651

See text for "Description of Sample and Limitations of Data."

<sup>1</sup>Less than \$500.

<sup>2</sup>Sample variability of this item is too large to warrant showing it separately. However, this value is included in each total.

Table G.—DOMESTIC AND FOREIGN DIVIDENDS RECEIVED AND DIVIDENDS ELIGIBLE AND INELIGIBLE FOR EXCLUSIONS, BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Total domestic and foreign dividends received		Dividends eligible for exclusions			Dividends not eligible for exclusions or credit		Dividends (after exclusions)		
	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Total exclusions (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
<b>Taxable returns:</b>										
1	\$600 under \$1,000.....	23,623	8,915	20,555	7,963	990	5,602	952	22,123	7,925
2	\$1,000 under \$1,500.....	47,275	18,546	38,750	15,048	1,699	10,003	3,498	42,752	16,847
3	\$1,500 under \$2,000.....	86,386	46,395	72,740	40,855	3,563	15,153	5,540	74,769	42,832
4	\$2,000 under \$2,500.....	102,006	58,147	95,496	55,055	4,677	13,526	3,092	92,894	53,470
5	\$2,500 under \$3,000.....	129,472	62,986	111,970	58,347	5,913	22,025	4,039	121,420	57,073
6	\$3,000 under \$3,500.....	155,353	81,019	138,280	75,302	6,912	24,640	5,057	142,266	74,107
7	\$3,500 under \$4,000.....	174,866	92,553	162,776	88,417	8,410	22,178	4,336	150,641	84,143
8	\$4,000 under \$4,500.....	187,705	111,919	167,086	105,745	8,660	28,221	6,174	165,059	103,259
9	\$4,500 under \$5,000.....	191,770	134,822	163,187	125,337	9,013	32,100	9,485	172,643	125,809
10	\$5,000 under \$6,000.....	367,603	200,651	337,472	188,957	17,876	43,752	11,694	307,240	182,775
11	\$6,000 under \$7,000.....	341,138	204,496	311,092	195,880	17,312	45,734	9,116	286,674	187,684
12	\$7,000 under \$8,000.....	287,408	257,265	269,775	252,394	16,472	26,706	4,871	236,609	240,793
13	\$8,000 under \$9,000.....	214,538	184,334	198,953	177,726	12,358	24,717	6,608	184,722	171,976
14	\$9,000 under \$10,000.....	180,686	156,553	170,136	151,760	10,721	20,181	4,793	158,896	145,832
15	\$10,000 under \$15,000.....	475,217	742,747	458,445	723,683	30,269	42,973	19,064	421,750	712,478
16	\$15,000 under \$20,000.....	207,926	534,030	202,296	524,108	14,089	21,013	9,922	191,953	519,941
17	\$20,000 under \$30,000.....	190,958	792,345	187,299	778,880	13,325	20,884	13,465	179,527	779,020
18	\$30,000 under \$50,000.....	123,144	875,692	121,714	863,074	9,280	15,438	12,618	118,634	866,412
19	\$50,000 under \$100,000.....	59,913	1,010,783	59,465	991,328	4,807	10,484	19,455	58,885	1,005,976
20	\$100,000 under \$150,000.....	10,658	421,093	10,605	413,770	891	2,408	7,323	10,530	420,202
21	\$150,000 under \$200,000.....	3,007	200,735	2,993	197,104	252	844	3,631	2,975	200,483
22	\$200,000 under \$500,000.....	3,074	375,280	3,067	367,981	257	996	7,299	3,060	375,023
23	\$500,000 under \$1,000,000.....	426	143,053	420	139,075	34	188	3,978	425	143,019
24	\$1,000,000 or more.....	197	203,012	196	197,965	14	74	5,047	197	202,998
25	Total taxable returns.....	3,564,849	6,917,871	3,302,768	6,736,814	197,794	449,840	181,057	3,146,694	6,720,077
<b>Nontaxable returns:</b>										
26	No adjusted gross income.....	35,896	18,732	29,841	16,561	1,766	7,063	2,171	29,849	16,966
27	Under \$600.....	46,216	11,661	31,261	8,398	1,483	15,443	3,263	44,239	10,178
28	\$600 under \$1,000.....	84,412	31,851	58,842	22,605	2,875	27,110	9,246	84,412	28,978
29	\$1,000 under \$1,500.....	114,181	53,290	87,648	43,417	4,632	28,523	9,873	114,141	48,658
30	\$1,500 under \$2,000.....	98,673	56,276	69,873	40,836	3,660	34,823	15,440	93,712	52,616
31	\$2,000 under \$2,500.....	64,863	43,531	54,439	37,370	3,028	13,947	6,161	60,768	40,503
32	\$2,500 under \$3,000.....	45,444	39,660	36,413	33,160	2,124	10,548	6,900	42,893	37,536
33	\$3,000 under \$3,500.....	30,925	28,829	25,413	25,575	1,465	6,570	3,254	26,816	27,364
34	\$3,500 under \$4,000.....	13,624	15,592	11,118	13,042	745	4,495	2,550	13,624	14,847
35	\$4,000 under \$4,500.....	6,581	5,382	6,081	5,809	533	(1)	(1)	6,581	5,449
36	\$4,500 under \$5,000.....	6,074	9,263	5,040	7,555	287	(1)	(1)	6,074	8,976
37	\$5,000 under \$6,000.....	5,541	7,905	5,052	7,540	371	(1)	(1)	5,541	7,534
38	\$6,000 under \$8,000.....	3,529	9,476	3,029	9,141	227	(1)	(1)	3,529	9,249
39	\$8,000 under \$10,000.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
40	\$10,000 or more.....	1,618	18,092	1,604	17,525	100	110	567	1,611	17,992
41	Total nontaxable returns.....	558,100	351,111	426,177	289,505	23,322	152,172	61,606	534,313	327,789
42	Grand total.....	4,122,949	7,268,982	3,728,945	7,026,319	221,116	602,012	242,663	3,681,007	7,047,866
43	Returns under \$5,000.....	1,645,345	929,969	1,384,809	827,457	72,435	323,504	102,512	1,507,726	857,534
44	Returns \$5,000 or more.....	2,477,604	6,339,013	2,344,136	6,198,862	148,681	278,508	140,151	2,173,281	6,190,332

See text for "Description of Sample and Limitations of Data."

<sup>1</sup>Sample variability of this item is too large to warrant showing it separately. However, this value is included in each total.

Tabulated data pertaining to dividends had to be limited to information reported on returns, Form 1040. On the Form 1040A, the amount of dividends after the exclusion was included in "other income," and the amount of the exclusion was not reported.

In text table F, the number of returns, amount of dividends eligible for exclusions, and the amount of exclusions, are tabulated for all dividends eligible for the exclusion, as well as for dividends received before August 1, 1954, and for those received after July 31, 1954. Since dividends received after July 31, 1954, less the exclusions are the only dividends eligible for the tax credit, the tax credit claimed in regard to such dividends is tabulated here. All these data are distributed by adjusted gross income classes, taxable and nontaxable, similar to those in basic tables.

Text table G shows the total amount received by individuals from domestic and foreign dividends without regard to the exclusions. It also shows the amount of dividends included in adjusted gross income and the two components of dividends actually entering into this

amount, that is, (a) dividends eligible for exclusion together with the total exclusions claimed against these dividends, and (b) dividends not eligible for exclusion or credit. These items and their frequency are presented by size of adjusted gross income separately for taxable and nontaxable returns, as in text table F.

Data in table G reveal that the total dividend receipts reported for the income year 1954 was \$7.3 billion, of which \$7 billion qualified for the exclusion and \$0.2 billion were foreign and domestic dividends ineligible for exclusion or credit. Tax-exempt dividend exclusions of \$0.2 billion reduced qualifying dividends to \$6.8 billion which together with the nonqualifying dividends of \$0.2 billion were included in adjusted gross income. Receipt of dividends was reported on 4.1 million returns, but only 3.7 million returns showed dividends in adjusted gross income.

Nearly one-half of the \$7 billion of dividends qualifying for the exclusion were also eligible for the tax credit. These dividends, amounting to \$3.4 billion (text table F), although eligible for the tax credit, did not termi-



nate in a tax credit on each of the 3.4 million returns showing eligible dividends. In some cases, small dividend receipts may have been eliminated by the applicable exclusion. Returns without an income tax before credits naturally had no credit. On other returns where the taxpayer had taxable income and income tax, he failed to take advantage of the credit benefit even though he was entitled to do so. There are 2.5 million returns that had a tax credit for dividends received, amounting to \$118 million.

## CONTRIBUTIONS

Individuals who itemized their nonbusiness deductions were allowed a deduction for charitable contributions and gifts. A new provision under the 1954 Code allows a special additional deduction of up to 10 percent of adjusted gross income for contributions made to churches, associations of churches, tax-exempt educational institutions, and tax-exempt hospitals. In case all contributions are made to such organizations, a deduction up to 30 percent of adjusted gross income may be claimed. Contributions to organizations other than the above are still limited to 20 percent of adjusted gross income unless the taxpayer qualified for the unlimited deduction, retained under the new Code.

In computing the deduction for contributions the taxpayer must first figure his contributions to the special institutions to the extent of 10 percent of adjusted gross income, then any amount in excess of 10 percent can be added to the other contributions to which the 20-percent limitation applies. In reality, the deduction consists of two parts: one a deduction under the 10-percent limitation, the other a deduction under the 20-percent limitation. Both limitations apply to the combined adjusted gross income on joint returns as well as the adjusted gross income on separate returns. A description of contributions is given on pages 26-27.

Text table H was prepared to show the number of returns that had a deduction for contributions in excess of 20 percent of adjusted gross income and the amount of such excess. This was accomplished by a comparison of the amount deducted on each return with 20 percent of the reported adjusted gross income. If the deduction was found to be over 20 percent of the adjusted gross income, the number of returns with an excess and the amount of the excess were tabulated in this table along with the total number of returns with contributions and the amount deducted. These data are by classes for taxable and nontaxable returns similar to those in basic tables.

This table shows the total deduction on account of charitable contributions to be \$3.9 billion claimed on 14.6 million returns. There were 132,073 returns on which the deduction exceeded 20 percent of adjusted gross income. On these returns, the additional deduction allowed under the new provision amounted to \$67.6

Table H.—DEDUCTIBLE CONTRIBUTIONS IN EXCESS OF 20 PERCENT OF ADJUSTED GROSS INCOME BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Number of returns with contributions	Deduction for contributions (Thousand dollars)	Returns with deduction for contributions exceeding 20 percent of adjusted gross income	
			Number of returns	Amount in excess of 20 percent (Thousand dollars)
<b>Taxable returns:</b>				
\$600 under \$1,000.....	60,784	4,020	2,489	113
\$1,000 under \$1,500.....	184,179	17,494	2,500	23
\$1,500 under \$2,000.....	363,911	41,850	5,012	460
\$2,000 under \$2,500.....	546,431	76,645	7,070	525
\$2,500 under \$3,000.....	708,875	109,366	6,502	892
\$3,000 under \$3,500.....	988,001	171,502	5,006	633
\$3,500 under \$4,000.....	1,172,547	208,668	5,023	568
\$4,000 under \$4,500.....	1,375,148	255,590	3,540	1,081
\$4,500 under \$5,000.....	1,370,217	269,870	2,523	240
\$5,000 under \$6,000.....	2,199,234	469,598	3,574	493
\$6,000 under \$7,000.....	1,445,565	360,462	(1)	(1)
\$7,000 under \$8,000.....	845,034	234,297	(1)	(1)
\$8,000 under \$9,000.....	491,225	162,502	2,547	759
\$9,000 under \$10,000.....	282,426	101,068	(1)	(1)
\$10,000 under \$15,000.....	560,205	258,773	2,959	1,989
\$15,000 under \$20,000.....	226,164	141,346	1,713	1,566
\$20,000 under \$30,000.....	212,749	175,617	1,647	2,214
\$30,000 under \$50,000.....	135,864	174,238	1,676	3,156
\$50,000 under \$100,000.....	64,383	170,576	1,552	5,646
\$100,000 under \$150,000.....	11,101	72,188	630	3,588
\$150,000 under \$200,000.....	3,108	35,984	301	2,906
\$200,000 under \$500,000.....	3,148	77,679	456	7,766
\$500,000 under \$1,000,000.....	427	31,409	97	4,458
\$1,000,000 or more.....	199	50,420	52	13,311
<b>Total taxable returns.....</b>	<b>13,250,925</b>	<b>3,671,162</b>	<b>60,912</b>	<b>54,073</b>
<b>Nontaxable returns:</b>				
No adjusted gross income.....	9,388	1,374	4,057	472
Under \$600.....	18,083	2,595	9,530	1,560
\$600 under \$1,000.....	112,049	10,129	13,125	1,183
\$1,000 under \$1,500.....	153,023	16,769	11,076	1,283
\$1,500 under \$2,000.....	183,523	24,518	11,144	1,239
\$2,000 under \$2,500.....	184,278	27,875	6,089	666
\$2,500 under \$3,000.....	184,619	31,790	6,993	896
\$3,000 under \$3,500.....	152,302	26,460	3,057	794
\$3,500 under \$4,000.....	124,246	24,409	2,534	421
\$4,000 under \$4,500.....	87,555	19,937	(1)	(1)
\$4,500 under \$5,000.....	47,732	12,474	(1)	(1)
\$5,000 under \$6,000.....	35,797	8,968	(1)	(1)
\$6,000 under \$8,000.....	18,632	6,040	(1)	(1)
\$8,000 under \$10,000.....	(1)	(1)	-	-
\$10,000 or more.....	2,130	7,685	56	4,243
<b>Total nontaxable returns.....</b>	<b>1,314,381</b>	<b>221,384</b>	<b>71,161</b>	<b>13,489</b>
<b>Grand total.....</b>	<b>14,565,306</b>	<b>3,892,546</b>	<b>132,073</b>	<b>67,562</b>
Returns under \$5,000.....	8,026,891	1,353,335	109,259	13,593
Returns \$5,000 or more.....	6,538,415	2,539,211	22,814	53,969

See text for "Description of Sample and Limitations of Data."

<sup>1</sup>Sample variability of this item is too large to warrant showing it separately. However, this value is included in each total.

million. However, this does not signify the entire amount contributed to the special institutions, because in those instances where the special contributions exceeded the 10-percent limitation, the excess was mingled with the other contributions to which the 20-percent limitation applied, and in cases where the contributions did not exceed the 20-percent limitation, the deduction may have included contributions to the special organizations.

Less than 1 percent of the returns with a deduction for contributions showed the deduction to be in excess of 20 percent of adjusted gross income. Of the 132,073 returns with charitable deduction exceeding the 20-percent limitation, 82 percent were returns under \$5,000 adjusted gross income, but only one-fifth of the additional deduction occurred on these returns. The reverse situation was shown on returns over \$5,000 adjusted gross income, where 18 percent of the returns had 80 percent of the additional charitable deduction.

Table 1.—DEDUCTIBLE MEDICAL EXPENSE AND MEDICAL COST, BY AGE GROUPS AND BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Under 65 years of age										Age 65 years or over									
	Deduction for medical expenses			Adjusted gross income			Medical and drug cost				Deduction for medical expenses			Adjusted gross income			Medical and drug cost			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)		
Taxable returns:																				
\$600 under \$1,000.....	35,663	3,416	35,663	31,568	3,416	4,455	20,096	1,038	34,663	3,417	3,006	4,399	372	401	—	—	3,006	386		
\$1,000 under \$1,500.....	121,930	19,594	118,924	149,566	19,222	24,518	81,235	5,894	116,424	18,664	27,364	39,657	3,818	4,300	16,107	1,145	20,030	3,055		
\$1,500 under \$2,000.....	246,770	47,119	234,206	394,554	43,301	58,862	166,306	13,946	214,695	42,916	44,786	101,791	10,770	11,958	23,194	2,748	43,786	7,206		
\$2,000 under \$2,500.....	376,797	88,144	332,011	755,950	77,174	105,067	247,190	25,576	325,949	74,931	44,786	101,791	10,770	11,958	23,194	2,748	43,786	7,206		
\$2,500 under \$3,000.....	462,196	117,995	407,352	1,122,027	130,340	166,223	299,897	35,704	395,330	110,510	54,844	132,224	20,168	14,398	30,613	3,053	53,344	11,335		
\$3,000 under \$3,500.....	632,184	170,647	507,541	1,825,546	150,541	217,511	410,139	54,025	540,225	184,000	71,454	232,123	30,158	21,945	37,217	4,975	70,441	17,020		
\$3,500 under \$4,000.....	782,500	231,779	610,999	2,346,655	212,585	275,433	499,320	64,296	625,348	211,137	83,401	314,228	39,376	33,732	52,245	7,138	80,395	26,394		
\$4,000 under \$4,500.....	883,672	253,446	610,258	3,446,813	225,474	349,665	597,550	87,944	789,191	261,721	73,414	311,428	39,376	28,790	45,210	5,118	71,414	23,672		
\$4,500 under \$5,000.....	832,598	244,945	768,332	3,645,496	221,035	355,505	569,002	84,146	753,812	271,509	64,266	305,345	23,910	20,083	37,148	6,167	63,750	20,316		
\$5,000 under \$6,000.....	1,282,770	386,727	1,223,673	6,669,038	349,325	589,770	866,728	140,278	1,194,131	449,432	69,097	376,115	37,402	44,364	46,432	6,120	68,597	38,044		
\$6,000 under \$7,000.....	764,074	259,016	718,193	4,634,810	227,997	397,844	516,994	93,020	700,654	304,824	43,881	251,641	21,019	24,742	24,177	3,825	45,381	30,977		
\$7,000 under \$8,000.....	422,858	162,298	389,155	2,900,848	138,315	243,345	264,036	50,981	379,627	182,364	23,453	231,854	23,983	29,026	14,100	2,250	32,183	26,776		
\$8,000 under \$9,000.....	227,998	94,714	204,743	1,727,951	77,562	137,124	132,015	27,225	201,219	109,899	23,453	137,601	17,152	20,902	13,669	4,361	21,234	18,121		
\$9,000 under \$10,000.....	131,523	58,944	116,744	1,103,970	51,069	90,803	74,714	15,881	115,744	74,922	14,779	139,845	7,675	8,650	6,568	1,081	14,779	7,569		
\$10,000 under \$15,000.....	246,584	151,756	197,052	2,328,839	108,813	214,219	112,123	53,306	194,897	160,913	49,312	605,564	42,963	51,256	16,471	3,644	48,193	47,612		
\$15,000 under \$20,000.....	80,620	64,955	157,012	922,271	41,095	72,106	25,574	5,263	53,263	63,818	26,708	442,458	23,868	24,829	7,795	2,282	26,272	27,547		
\$20,000 under \$30,000.....	65,752	65,445	36,152	862,851	39,277	68,229	14,425	5,985	35,934	62,445	29,600	792,031	31,167	34,117	7,287	2,072	28,977	32,045		
\$30,000 under \$50,000.....	36,469	45,105	15,460	569,451	23,870	44,079	4,496	1,974	15,413	40,105	21,004	784,998	21,255	26,721	4,413	1,225	26,496	25,436		
\$50,000 under \$100,000.....	17,594	26,734	4,477	488,241	10,750	20,417	1,119	607	4,446	13,810	13,117	881,369	15,984	21,747	2,353	634	12,693	21,133		
\$100,000 under \$150,000.....	395	5,679	352	46,270	1,351	3,118	112	92	381	3,026	3,010	363,150	4,328	5,841	521	235	2,982	5,606		
\$150,000 under \$200,000.....	1,048	1,855	102	17,249	353	950	33	249	101	927	1,046	163,002	1,502	2,212	262	76	927	2,136		
\$200,000 under \$500,000.....	1,123	2,258	77	20,798	262	793	16	7	76	786	1,046	297,619	1,996	3,034	255	79	1,029	2,952		
\$500,000 under \$1,000,000.....	163	323	3	2,262	13	57	—	—	3	37	159	106,171	310	571	49	15	155	556		
\$1,000,000 or more.....	74	163	1	1,209	2	33	—	—	1	33	73	133,736	161	355	21	5	70	350		
Total taxable returns.....	7,636,364	2,482,057	6,886,710	35,764,101	2,098,119	3,418,328	4,903,156	773,735	6,729,283	2,646,593	749,654	7,248,915	383,938	654,810	388,616	56,483	729,473	398,327		
Non-taxable returns:																				
No adjusted gross income.....	5,272	4,276	2,667	2,730	3,018	3,017	(1)	(1)	2,667	2,824	2,605	2,197	1,258	1,392	(1)	(1)	(1)	(1)		
Under \$600.....	10,558	2,318	6,035	2,479	973	1,495	2,499	198	5,535	1,897	4,523	1,791	1,345	1,386	3,006	183	4,006	1,197		
\$600 under \$1,000.....	85,341	25,613	69,789	58,084	19,477	22,198	41,823	3,219	67,272	18,593	15,552	12,460	6,136	6,270	8,489	725	13,552	5,545		
\$1,000 under \$1,500.....	118,252	39,922	72,568	93,065	22,480	26,410	48,355	4,689	88,018	30,721	45,678	60,129	17,442	19,255	29,115	3,645	43,161	15,708		
\$1,500 under \$2,000.....	142,532	67,524	81,732	140,013	36,545	41,606	58,485	9,344	77,219	33,762	60,800	105,668	30,979	35,358	35,565	5,667	57,815	30,791		
\$2,000 under \$2,500.....	141,515	65,730	80,591	180,148	37,379	44,027	57,469	7,867	78,591	36,160	60,924	134,084	28,351	30,673	38,299	4,993	58,335	25,680		
\$2,500 under \$3,000.....	149,437	73,428	92,090	254,225	41,515	50,706	69,918	9,105	89,573	41,601	57,347	157,569	31,913	35,381	35,819	5,326	54,330	30,025		
\$3,000 under \$3,500.....	123,495	67,478	85,186	276,438	35,690	45,174	56,932	10,023	82,669	35,151	38,309	122,716	31,788	37,813	24,178	4,539	37,792	33,274		
\$3,500 under \$4,000.....	93,700	51,390	80,035	298,879	32,711	43,383	59,343	8,380	79,158	34,803	13,665	50,266	18,679	28,886	7,080	1,394	13,665	27,492		
\$4,000 under \$4,500.....	59,422	30,497	31,342	218,172	21,197	28,304	36,228	3,732	49,225	23,172	8,080	34,284	9,300	9,730	6,563	1,655	8,080	8,075		
\$4,500 under \$5,000.....	33,689	21,488	26,581	122,988	13,068	17,346	21,568	3,220	25,582	14,026	7,108	33,498	8,420	11,365	5,602	1,112	6,591	10,253		
\$5,000 under \$6,000.....	27,245	22,614	24,694	132,373	18,548	23,397	21,177	3,758	24,694	19,639	3,551	13,699	4,066	4,189	(1)	(1)	2,551	3,945		
\$6,000 under \$8,000.....	11,080	16,533	9,063	61,074	3,430	13,450	8,346	2,931	8,163	11,559	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
\$8,000 or more.....	751	1,054	491	8,056	681	990	132	60	491	930	260	7,222	373	725	87	31	255	694		
Total non-taxable returns.....	1,002,783	493,931	683,364	3,818,801	296,238	366,000	484,079	68,329	659,734	297,080	319,439	3,744,079	197,153	230,486	195,019	28,723	303,855	201,763		
Grand total.....	8,639,147	2,975,448	7,570,074	37,829,902	2,394,357	3,784,337	5,387,235	840,064	7,389,017	2,943,673	1,069,073	7,992,994	581,091	885,296	583,635	85,206	1,033,328	600,090		
Returns under \$5,000.....	5,307,517	1,605,749	4,575,187	15,527,764	1,861,707	2,344,639	3,344,639	435,657	4,458,873	1,426,050	732,330	2,169,877	313,611	360,150	436,653	58,840	704,198	301,310		
Returns \$5,000 or more.....	3,331,630	1,369,699	2,994,887	22,302,138	1,532,650	2,439,698	2,042,596	404,007	2,930,144	1,517,623	336,743	5,823,117	267,480	325,146	146,982	26,366	329,130	298,780		

See text for "Description of Sample and Limitations of Data."  
 \*Sample variability of this item is too large to warrant showing it separately. However, this value is included in each total.  
 †Adjusted gross deficit.  
 ‡Adjusted gross income less adjusted gross deficit.



## DRUG AND MEDICAL COSTS

Information relating to medical cost was tabulated from the schedule for itemized deductions on long-form returns, Form 1040, for 1954, if the taxpayer claimed a deduction on account of medical and dental expenses. These data are presented in text table I on page 16.

Three major changes regarding the medical and dental expenses and the allowable deduction were made by the 1954 Code. First, medical expenses in excess of 3 percent of adjusted gross income may be deducted. Second, outlays for drugs and medicines may be included in medical expenses only to the extent that they exceed 1 percent of adjusted gross income. Third, the limitations on the maximum deduction are raised to \$2,500 per exemption and to \$5,000 per return except that it is \$10,000 on a joint return, a head of household return, or a surviving spouse return.

When claiming a deduction for medical expenses, the taxpayer was required to report the cost of drugs and medicines separately from other medical and dental cost. Each of these two amounts was reported in its entirety as net, that is, they did not contain any expenses compensated by insurance or otherwise. These reported costs, however, were before any of the limitations applicable to the deduction had been applied. Drugs were reported without regard to an amount equal to one percent of adjusted gross income to be excluded later, and medical costs were reported without regard to an amount equal to 3 percent of adjusted gross income whether or not it was later excluded.

In text table I, the entire expense of both drugs and medical costs, as reported by the taxpayer, are shown for each of two age groups: under 65 years and 65 years or over. Data taken from joint returns where only one spouse was 65 years of age or over were tabulated with age group 65 years or over, because on such returns, the medical deduction was allowed as though both spouses were 65 or over. In addition to the drug and medical costs, there are tabulated also the actual medical deduction claimed, the related adjusted gross income, and number of returns involved. All of these items are shown for taxable and nontaxable returns, each by adjusted gross income classes used in the basic tables.

A description of medical expenses to be considered for this deduction and the limitations on the amount to be deducted, whether under 65 or 65 or more years of age, whether joint or separate return, are given on page 27 in the description of Medical and Dental Expenses.

There were 8.6 million returns which had a deduction for medical expenses; 7.6 million of these returns showed age under 65 years and 1.1 million showed age 65 years or over.

The cost of drugs was reported as \$0.9 billion and other medical cost reported as \$3.5 billion. Of the combined drug and medical costs amounting to \$4.5 billion, \$3 billion was claimed as a deduction from adjusted

gross income. Thus two-thirds of the entire cost was taken as a deduction. However, there was a wide variation in the percentage of cost claimed between the returns with age under 65 and returns with age 65 or over. The combined drug and medical costs reported on returns with age under 65 were \$3.8 billion of which \$2.4 billion, or 63.3 percent, was claimed as a medical deduction. On returns with age 65 or over, the combined drug and medical costs were \$0.7 billion of which \$0.6 billion, or 84.8 percent, was claimed as a deduction. While both age groups show that there were disallowed medical expenses, the special provision for age 65 years or over permitted this group to claim 21.5 percent more of their expenses than could be claimed by the group under 65 years of age.

Of the total deduction for medical and dental expenses, \$1.6 billion was claimed on returns with adjusted gross income under \$5,000. This deduction represented 72 percent of the combined drug and medical costs reported on this category of returns. The remaining medical deduction of \$1.4 billion, reported on returns with \$5,000 or more adjusted gross income, was 58 percent of the combined drug and medical costs reported on these returns. By coincidence, the two categories of returns each reported \$2.2 billion combined drug and medical costs before the limitations.

## RETIREMENT INCOME

The new provisions relating to retirement income allow an individual a credit against the income tax for retirement income, if certain conditions are met. To qualify, an individual must have received earned income in excess of \$600 in each of 10 calendar years (not necessarily consecutive) before the beginning of the current year. Widows and widowers whose spouse had received such prior earnings are considered to have received such earned income. If husband and wife both qualify and have retirement income, each is entitled to the credit as individuals, even though filing jointly.

For the purpose of tax credit, retirement income in the case of individuals under 65 years of age differs from retirement income of individuals 65 years of age or over. If the individual has not attained the age of 65 before the close of the tax year, retirement income means only amounts received from pensions or annuities under a public retirement system. For individuals who are 65 years of age or over before the close of the tax year, retirement income means amounts received as pensions, annuities, interest, dividends, and gross rents. To be considered retirement income, such amounts must be included in adjusted gross income. Regardless of age, the maximum amount of retirement income allowed for computation of tax credit is \$1,200. However, the amount of retirement income allowed as the base of tax credit is the smaller of (a) the retirement income received, or (b) \$1,200 reduced by amounts received and excluded from gross income as pensions or annuities

under social security and railroad retirement, or tax-exempt pensions and annuities, and, in the case of an individual who is not 75 years of age before the end of the year, reduced by the amount of earned income in excess of \$900 received during the tax year.

The tax credit, computed at 20 percent on the base for tax credit, is limited in that it may not exceed the income tax reduced by credits for dividends received, partially tax-exempt interest, foreign tax paid, and tax paid at source on tax-free covenant bonds. In order to secure this tax credit, an individual must file Form 1040, either long- or short-form.

Data relating to retirement income reported in schedule K, Credit for Retirement Income, on returns that had a tax credit for retirement income, are tabulated in two text tables. In both tables, data are distributed by adjusted gross income classes for the taxable and the nontaxable returns, corresponding to those in the basic tables.

Text table J shows the number of returns with a tax credit for retirement income, the total amount of retirement income that met the specified definition, the tax deductions from the \$1,200 limit, the base for credit, and the tax credit for retirement income. Frequencies in this tabulation are on a return-count basis.

In text table K, the number of persons with a tax credit for retirement income, the amount of retirement income conforming to the definition, and the base for credit are shown for two groups: persons under 65 years and persons 65 years or over. In addition, there are the total number of persons with a tax credit and the two deductions from the \$1,200 limit, but the deductions are without the division as to age groups. Frequencies for items in this table are on a per capita basis.

There were 473,243 returns with a tax credit for retirement income. A total of \$2.3 billion of retirement income was reported on these returns. However, only a portion of this retirement income was used as the base for credit, because of the limitation on the amount of

Table J.—RETIREMENT INCOME, SPECIAL DEDUCTIONS, AND TAX CREDIT FOR RETIREMENT INCOME, BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Number of returns with tax credit for retirement income	Total retirement income (Thousand dollars)	Deductions from the \$1,200 limit				Base for credit (Thousand dollars)	Tax credit for retirement income (Thousand dollars)
			Retirement income excluded from adjusted gross income		Earned income in excess of \$900			
			Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)		
			(3)	(4)	(5)	(6)		
<b>Taxable returns:</b>								
1 \$600 under \$1,000.....	(1) -	(1) -	-	-	-	(1) -	(1) -	
2 \$1,000 under \$1,500.....	7,114	9,922	4,551	4,012	(1)	(1)	2,636	
3 \$1,500 under \$2,000.....	16,158	21,842	9,601	6,766	4,051	2,845	6,981	
4 \$2,000 under \$2,500.....								
5 \$2,500 under \$3,000.....	15,624	34,074	5,068	4,693	(1)	(1)	11,030	
6 \$3,000 under \$3,500.....	25,818	61,936	11,614	8,380	3,092	2,253	18,401	
7 \$3,500 under \$4,000.....	23,782	61,362	10,635	7,661	(1)	(1)	13,997	
8 \$4,000 under \$4,500.....	26,751	71,626	7,085	5,848	4,540	5,499	19,434	
9 \$4,500 under \$5,000.....	24,271	73,126	9,126	7,054	4,051	3,580	17,717	
10 \$5,000 under \$6,000.....	28,886	106,588	7,597	6,808	2,547	6,308	25,590	
11 \$6,000 under \$7,000.....	19,767	92,103	4,557	3,606	3,051	3,170	19,465	
12 \$7,000 under \$8,000.....	19,171	89,917	5,533	5,081	(1)	(1)	15,696	
13 \$8,000 under \$9,000.....	14,168	98,587	3,051	2,795	(1)	(1)	15,345	
14 \$9,000 under \$10,000.....	8,040	51,165	(1)	(1)	(1)	(1)	7,759	
15 \$10,000 under \$15,000.....	29,588	247,792	9,142	8,380	1,685	3,327	28,832	
16 \$15,000 under \$20,000.....	12,709	142,532	4,024	3,622	752	861	13,702	
17 \$20,000 under \$30,000.....	11,851	191,196	3,935	3,453	449	1,126	11,143	
18 \$30,000 under \$50,000.....	8,192	182,661	3,054	2,939	422	3,570	7,453	
19 \$50,000 under \$100,000.....	4,577	187,541	1,534	1,405	232	2,037	4,591	
20 \$100,000 under \$150,000.....	1,013	71,976	339	454	47	173	937	
21 \$150,000 under \$200,000.....	341	35,310	134	131	15	226	317	
22 \$200,000 under \$500,000.....	354	54,779	107	102	17	241	351	
23 \$500,000 under \$1,000,000.....	60	21,079	13	14	2	16	60	
24 \$1,000,000 or more.....	29	26,554	6	5	3	1	30	
25 Total taxable returns.....	298,764	1,933,939	102,223	84,742	31,048	40,253	241,738	
<b>Nontaxable returns:</b>								
26 No adjusted gross income.....	-	-	-	-	-	-	-	
27 Under \$600.....	(1)	(1)	-	-	-	-	(1)	
28 \$600 under \$1,000.....	19,643	23,210	(1)	(1)	-	-	18,657	
29 \$1,000 under \$1,500.....	50,346	81,810	10,584	6,572	3,534	1,355	48,351	
30 \$1,500 under \$2,000.....	41,892	82,159	7,091	3,942	(1)	(1)	40,932	
31 \$2,000 under \$2,500.....								
32 \$2,500 under \$3,000.....	25,238	70,534	(1)	(1)	(1)	(1)	28,224	
33 \$3,000 under \$3,500.....	17,760	53,279	(1)	(1)	(1)	(1)	20,392	
34 \$3,500 under \$4,000.....	6,615	17,541	(1)	(1)	-	-	6,828	
35 \$4,000 under \$4,500.....	4,054	12,091	(1)	(1)	-	-	5,932	
36 \$4,500 under \$5,000.....	4,546	17,099	(1)	(1)	-	-	5,466	
37 \$5,000 under \$6,000.....	3,068	11,882	-	-	-	-	5,322	
38 \$6,000 under \$8,000.....	-	-	-	-	-	-	-	
39 \$8,000 under \$10,000.....	-	-	-	-	-	-	-	
40 \$10,000 or more.....	328	1,083	-	-	-	-	117	
41 Total nontaxable returns.....	174,479	371,534	26,334	18,724	7,636	3,847	181,197	
42 Grand total.....	473,243	2,305,473	128,557	103,466	38,684	44,100	422,935	
43 Returns under \$5,000.....	311,101	692,728	84,014	63,138	27,945	22,107	266,225	
44 Returns \$5,000 or more.....	162,142	1,612,745	44,543	40,328	10,739	21,993	156,710	

See text for "Description of Sample and Limitations of Data."  
 1 Sample variability of this item is too large to warrant showing it separately. However, this value is included in each total.



Table K.—RETIREMENT INCOME AND SPECIAL DEDUCTIONS FOR PERSONS WITH TAX CREDIT FOR RETIREMENT INCOME BY AGE GROUPS AND ADJUSTED GROSS INCOME CLASSES

No.	Adjusted gross income classes	Number of persons with tax credit for retirement income	Under 65 years of age			Age 65 years or more			Deductions from the \$1,200 limit				
			Number of persons	Retirement income (Thousand dollars)	Base for credit (Thousand dollars)	Number of persons	Retirement income (Thousand dollars)	Base for credit (Thousand dollars)	Retirement income excluded from adjusted gross income		Earned income in excess of \$900		
									Number of persons	Amount (Thousand dollars)	Number of persons	Amount (Thousand dollars)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)			
<b>Taxable returns:</b>													
1	\$600 under \$1,000.....	-	-	-	-	-	-	-	-	-	-	1	
2	\$1,000 under \$1,500.....	(1)	(1)	(1)	-	-	-	-	-	-	(1)	2	
3	\$1,500 under \$2,000.....	7,114	(1)	(1)	6,097	9,279	1,993	4,551	4,012	(1)	(1)	3	
4	\$2,000 under \$2,500.....	16,158	2,023	3,616	14,135	18,226	5,031	9,601	6,766	4,051	2,845	4	
5	\$2,500 under \$3,000.....	15,624	4,017	7,604	11,607	26,470	6,881	5,068	4,693	(1)	(1)	5	
6	\$3,000 under \$3,500.....	26,252	2,000	3,215	1,515	24,252	58,721	16,886	12,114	8,380	3,092	2,253	6
7	\$3,500 under \$4,000.....	23,782	2,049	3,176	1,696	21,733	58,186	12,301	11,652	7,661	(1)	(1)	7
8	\$4,000 under \$4,500.....	26,751	6,119	9,518	4,763	20,632	62,108	14,671	7,102	5,848	5,557	5,499	8
9	\$4,500 under \$5,000.....	24,271	2,040	6,039	1,771	22,231	67,087	15,946	8,609	7,054	4,051	3,580	9
10	\$5,000 under \$6,000.....	30,386	3,068	3,157	2,082	27,318	103,431	23,508	7,597	6,808	4,081	6,308	10
11	\$6,000 under \$7,000.....	22,790	5,068	12,552	3,840	17,722	79,551	15,625	5,546	3,606	4,051	3,170	11
12	\$7,000 under \$8,000.....	19,171	2,523	3,035	2,659	16,648	86,882	13,037	6,033	5,081	(1)	(1)	12
13	\$8,000 under \$9,000.....	15,692	(1)	(1)	(1)	14,175	94,222	13,641	3,051	2,795	(1)	(1)	13
14	\$9,000 under \$10,000.....	8,040	(1)	(1)	(1)	7,040	46,401	6,650	(1)	(1)	(1)	(1)	14
15	\$10,000 under \$15,000.....	32,164	1,567	3,072	1,386	30,597	244,720	27,446	10,768	8,380	1,882	3,327	15
16	\$15,000 under \$20,000.....	13,668	412	1,536	323	13,256	140,996	13,379	4,600	3,622	858	861	16
17	\$20,000 under \$30,000.....	12,418	404	1,660	425	12,014	189,536	10,718	4,251	3,453	473	1,126	17
18	\$30,000 under \$50,000.....	8,815	142	952	145	8,673	181,709	7,308	3,247	2,939	430	3,570	18
19	\$50,000 under \$100,000.....	4,728	75	1,460	56	4,653	186,081	4,535	1,647	1,405	211	2,037	19
20	\$100,000 under \$150,000.....	1,035	4	380	4	1,031	71,596	933	346	454	50	173	20
21	\$150,000 under \$200,000.....	362	3	327	4	359	34,983	313	143	131	14	226	21
22	\$200,000 under \$500,000.....	372	2	1	1	370	54,777	350	116	102	17	241	22
23	\$500,000 under \$1,000,000.....	60	-	-	-	60	21,079	60	14	14	2	16	23
24	\$1,000,000 or more.....	29	-	-	-	29	26,554	30	6	3	1	24	
25	Total taxable returns.....	310,182	35,550	71,344	30,496	274,632	1,862,595	211,242	107,579	84,742	35,432	40,253	25
<b>Nontaxable returns:</b>													
26	No adjusted gross income.....	-	-	-	-	-	-	-	-	-	-	-	26
27	Under \$600.....	-	-	-	-	-	-	-	-	-	-	-	27
28	\$600 under \$1,000.....	(1)	(1)	(1)	(1)	-	-	-	-	-	-	-	28
29	\$1,000 under \$1,500.....	19,643	4,557	5,550	4,397	15,086	17,660	14,260	(1)	(1)	-	-	29
30	\$1,500 under \$2,000.....	50,346	7,067	10,290	8,129	43,279	71,520	40,222	10,584	6,572	3,534	1,355	30
31	\$2,000 under \$2,500.....	41,892	4,568	7,017	4,657	37,324	75,142	36,275	7,591	(1)	(1)	(1)	31
32	\$2,500 under \$3,000.....	25,238	4,585	7,846	4,669	20,653	62,688	23,555	(1)	(1)	(1)	(1)	32
33	\$3,000 under \$3,500.....	21,362	(1)	(1)	(1)	19,845	51,307	18,857	(1)	(1)	-	-	33
34	\$3,500 under \$4,000.....	7,689	(1)	(1)	(1)	7,200	15,736	6,241	(1)	(1)	-	-	34
35	\$4,000 under \$4,500.....	5,577	-	-	-	5,577	12,091	5,932	(1)	(1)	-	-	35
36	\$4,500 under \$5,000.....	5,070	-	-	-	5,070	17,099	5,466	(1)	(1)	-	-	36
37	\$5,000 under \$6,000.....	5,102	(1)	(1)	(1)	4,585	10,532	4,702	-	-	-	-	37
38	\$6,000 under \$8,000.....	-	-	-	-	-	-	-	-	-	-	-	38
39	\$8,000 under \$10,000.....	-	-	-	-	-	-	-	-	-	-	-	39
40	\$10,000 or more.....	328	-	-	-	328	1,083	117	-	-	-	-	40
41	Total nontaxable returns.....	183,236	24,289	36,676	25,570	158,947	334,858	155,627	30,994	18,724	8,653	3,847	41
42	Grand total.....	493,418	59,839	108,020	56,066	433,579	2,197,453	366,869	138,573	103,466	44,085	44,100	42
43	Returns under \$5,000.....	318,258	43,537	69,408	41,708	274,721	623,320	224,517	89,691	63,138	30,496	22,107	43
44	Returns \$5,000 or more.....	175,160	16,302	38,612	14,358	158,858	1,574,133	142,352	48,882	40,328	13,589	21,993	44

See text for "Description of Sample and Limitations of Data."

<sup>1</sup>Sample variability of this item is too large to warrant showing it separately. However, this value is included in each total.

retirement income that could be used in the computation of retirement credit. The tabulations show that the base for credit was \$0.4 billion. This is only 18 percent of the reported retirement income. The maximum retirement income allowed for computing the credit was \$1,200 for each retired person, but this maximum was reduced by the amount of nontaxable pensions and annuities and by the earnings in excess of \$900. Moreover, this diminished limitation was allowed as the base for credit only where it was less than the retirement income received. There were many instances in which retirement income was smaller than the diminished limitation and, therefore, became the base for credit.

Deductions from the \$1,200 limit were \$103.5 million for nontaxable pensions and annuities and \$44.1 million for the excess earned income.

Text table K shows that there were 493,418 persons who claimed the tax credit for retirement income. Approximately 20,000 of these individuals were the spouse of a retired person who also claimed a retirement income tax credit, both being reported on a joint return

of husband and wife. Of the 493,418 persons with retirement credit, 12 percent were under 65 years of age. Their retirement income was \$0.1 billion, less than 5 percent of the total reported. Eighty-eight percent of the individuals were 65 years of age or over and they had \$2.2 billion of retirement income. However, persons under 65 years, as a group, were able to use 52 percent of their retirement income as the base for credit, while those 65 years or over were able to use only 17 percent of theirs.

### TABULATED DATA

In addition to the specific data tabulated in the text tables, financial data reported on individual income tax returns for 1954, relating to income, deductions, and taxes are tabulated in sixteen basic tables. The first 12 tables and table 15 present information on a national basis, while tables 13, 14, and 16 present information on a State basis. Data are distributed by size of adjusted gross income in 12 of these basic tables, 6 of which show

the taxable and nontaxable returns separately and in the remaining 6 they are combined. In one basic table, data are tabulated by size of taxable income, a new classification. In tables where data from taxable and nontaxable returns are tabulated together, the data from nontaxable returns are in the class indicated by the amount of adjusted gross income reported.

Table 1 shows the number of returns with adjusted gross income, amounts of adjusted gross income, taxable income, and income tax liability after credits, tabulated by adjusted gross income classes, as well as cumulations at every income class level from the lowest class and from the highest class, together with corresponding percentages of the total. In these distributions, taxable and nontaxable returns with adjusted gross income are combined, but nontaxable returns with no adjusted gross income are shown in aggregate, apart from the returns with income.

In table 2, the amounts of income and loss from each of the sources comprising adjusted gross income are shown as reported on returns with standard deduction and with itemized deductions. For returns with itemized deductions, these items are subdivided between returns with adjusted gross income and returns with no adjusted gross income, and the amount of each nonbusiness deduction is given for both categories of returns. These items include the combined taxable and nontaxable data.

Table 3 contains the sources of income and loss comprising adjusted gross income for all returns and the nonbusiness deductions reported on returns with itemized deductions. These items are combined for taxable and nontaxable returns and are distributed by adjusted gross income classes, the intervals of which are broader in some instances than in other basic tables.

Table 4 presents, by adjusted gross income classes, the amount of each source of income and loss comprising adjusted gross income, as well as exemptions, taxable income, income tax before credits, tax credits, income tax liability after credits, and items pertaining to taxpayments. In addition to the amounts, there are frequencies for these items where pertinent. Part I of this table includes data for all returns; Part II shows these data for joint returns only; and Part III has similar data for returns other than joint returns. Throughout the table, taxable and nontaxable returns are shown independently.

Table 5 includes data for returns with itemized nonbusiness deduction only, tabulated separately for taxable and nontaxable returns, each by adjusted gross income classes. These data embrace the number of returns, amount of adjusted gross income, the various itemized deductions, exemptions, taxable income, income tax before credits, tax credits, and income tax liability after credits, together with appropriate frequencies.

In table 6, there is a distribution of the number of returns by adjusted gross income classes, cross classified by size of a specified source of income or loss reported

in adjusted gross income. Most of the sources are included in this cross classification, however, frequencies for net operating loss deduction and fiduciary loss are not available. Taxable and nontaxable returns are combined and certain of the adjusted gross income classes are merged.

Table 7 has a distribution of the number of returns by adjusted gross income classes, cross classified by the size of specified itemized deductions. Only four deductions—contributions, interest paid, taxes, and medical expenses—are included in this tabulation. Taxable and nontaxable returns are combined and the adjusted gross income classes are the same as those in table 6.

Table 8 shows data tabulated by a new classification based on the amount of taxable income. In this table, there are the number of returns with taxable income, the amount of taxable income, total tax credits, dividend received credit, retirement income credit, normal tax and surtax, and alternative tax, both taxes being after credits. Because different tax rates, depending on the marital status of taxpayer, are applied to taxable income, the tabulation of these data are set in three parts, each signifying an applicable tax rate. Part I is for joint returns and returns of surviving spouse, both of which are entitled to split-income. The taxable income class intervals correspond to the brackets of the graduated rate schedule used for such returns. Part II is for separate returns of husbands and wives and returns of single persons not head of household or surviving spouse, both of which use the regular tax rates. The taxable income class intervals correspond to the brackets of that graduated rate schedule. Part III is for returns of heads of household entitled to use the rates provided for this status. The taxable income class intervals in this part correspond to the bracket of that graduated rate schedule. In each part, taxable and nontaxable returns are shown separately. Taxable income was mechanically computed for short-form returns, Form 1040, and for returns, Form 1040A, so that all returns with a positive amount of taxable income were included in this table whether or not the amount was reported by the taxpayer.

Table 9 contains data from taxable returns only and shows the number of returns with income tax, amount of adjusted gross income, taxable income, income tax liability after credits, average income tax per return, and effective income tax rate based on taxable income. All these data are distributed by adjusted gross income classes for all taxable returns, for returns with normal tax and surtax, and for returns with alternative tax.

In table 10, the number of returns, amount of adjusted gross income, exemptions, taxable income, and income tax liability after credits are shown for all returns and for returns in each of the five categories in the classification for marital status of taxpayer. These items are tabulated by adjusted gross income classes for taxable returns and for nontaxable returns.



Table 11 gives an analysis of the personal exemptions claimed by the taxpayer. Here are the total number of exemptions claimed, the number of additional exemptions claimed for age and blindness, and the number of exemptions other than age and blindness, that is, the per capita exemption for the taxpayer, his spouse on a joint return, and his dependents. In addition, there is a frequency distribution of returns by specified numbers of exemptions other than age or blindness (per capita). These data are distributed by size of adjusted gross income, separately for taxable and nontaxable returns, for each of the five categories in the classification for marital status of taxpayer.

Data in table 12 pertain to the details making up the net gain and net loss from sales of capital assets included in adjusted gross income. Because of the different treatment for capital gain and for capital loss, details from returns with a deduction on account of a capital loss are shown apart from details from returns with a capital gain. Returns with a capital loss are subject to normal tax and surtax, but returns with a capital gain are subject to the alternative tax under certain circumstances. Therefore, the latter returns are segregated in the tabulation to show details for capital gain subject to normal tax and surtax apart from details for capital gain subject to alternative tax. In each breakdown, there are the amounts of net short-term capital gain and loss (after carryover), net long-term capital gain and loss, and capital loss carryover from the 5 preceding years. Other data include capital loss before statutory limitation regarding the deductible loss, amount of capital loss deducted from gross income, capital gain included in adjusted gross income, and the entire excess of net long-term capital gain over net short-term capital loss which was taxed at the special rate of 25 percent. All these data are shown separately for taxable and nontaxable returns, by adjusted gross income classes.

Table 13 presents in aggregate for each State and Territory certain sources of income, adjusted gross income, and income tax liability after credits reported on returns with adjusted gross income. These data are for taxable and nontaxable returns combined. For the first time, Puerto Rico is a separate entity in the State and Territory classification. The sources of income tabulated by States have been expanded this year to include the combined business net profit and loss, the combined partnership net profit and loss, the combined net gain and loss from sales of capital assets, and the combined rents and royalties net income and loss, in addition to the amounts of salaries and wages, dividends, and interest, which were the only items of income formerly tabulated. A frequency of the number of returns for each source presented is also shown.

In table 14, the number of returns, amount of adjusted gross income, and income tax liability after credits, reported on returns with adjusted gross income, are tabulated for each State and Territory, by adjusted gross income classes established especially for this table,

which differ somewhat from those used elsewhere for national distributions. Taxable and nontaxable returns are combined in this tabulation.

Table 15 shows information taken from returns, Form 1040, that had a self-employment tax reported by the taxpayer. This information is presented on a national basis by adjusted gross income classes without regard to the income tax status. The number of returns with self-employment tax, amount of adjusted gross income on these returns, and the self-employment tax are shown for all returns with this tax. In addition, the returns which had self-employment tax without an income tax, although included in the distribution for all returns with self-employment tax, are also shown by themselves.

Table 16 presents data from returns, Form 1040, with adjusted gross income and with self-employment tax. These data include the number of returns with self-employment tax, amount of adjusted gross income, and self-employment tax, distributed on a State basis. No self-employment tax was reported on returns filed by citizens residing in Puerto Rico. Returns, Form 1040 P. R., filed by Puerto Ricans for self-employment tax purposes were not processed for statistics.

### DESCRIPTION OF THE SAMPLE AND LIMITATIONS OF DATA

The data presented for individual income tax returns for 1954 are based on a stratified systematic sample consisting of 100 percent of returns showing adjusted gross income of \$150,000 or more and of various lesser percentages of returns showing adjusted gross income under \$150,000. More than 240,000 returns were selected in 64 district directors' offices. These represented about 0.4 percent of the total population of 56.8 million individual returns filed throughout the country.

**Description of the sample.**—Table L shows the number of returns processed, the number of returns in the sample, the prescribed sampling ratio, and the achieved sampling ratio, by estimating strata. The difference between the prescribed sampling ratio, and the achieved sampling ratio arises from three sources: incomplete numbering series, nonresponse, and the normal variation between expected sample size and actual sample size.

In addition to the stratification imposed by selecting returns from each internal revenue district, the sample selection was adapted to the regular return sorting procedures which are employed in the district offices to fa-

Table L.—NUMBER OF INDIVIDUAL INCOME TAX RETURNS PROCESSED FOR 1954, NUMBER OF RETURNS IN SAMPLE, AND SAMPLE RATIOS, BY ESTIMATING STRATUM

Form	Sample stratum		Number of returns processed	Number of returns in sample	Sample ratios	
	Adjusted gross income	Type of return			Prescribed	Achieved
1040A	.....	.....	13,278,525	26,204	1/500	1/507
	.....	.....	41,456,390	82,663	1/489	1/502
1040	Under \$10,000.....	All.....	1,914,376	79,304	1/23	1/24
	\$10,000 under \$30,000.....	Business.....				
	\$30,000 under \$50,000.....	Nonbusiness.....	161,777	45,175	9/30	9/32
	\$50,000 under \$150,000.....	Business.....				
\$150,000 and over.....	All.....	7,130	7,130	1/1	1/1	
Grand total, all returns.....			56,818,198	240,476	-	-

Facilitate collection and audit requirements. Returns are sorted on the basis of type of form, kind of schedules attached, size of adjusted gross income, and taxpayment status, as reported by the taxpayer. These sorts constituted effective sampling strata because the characteristics on which the strata are based correlate highly with income and tax characteristics.

**Inflating sample values to population size.**—The sample values were extended to the returns they represented by multiplying them by "weighting factors." These weighting factors were derived for each class of return by dividing the number of sample returns into the total number of returns filed. For instance, the weighting factor of 507 for Form 1040A returns was obtained by dividing the number of returns in the sample, 26,204, into the total number of returns filed, 13,278,525. The primary sources of population data were counts made and submitted by the district offices showing the numbers of Form 1040A and Form 1040 returns processed.

In comparing the weighted sample numbers of returns with the figures presented as national totals for similar classes of returns, slight discrepancies will be noted. As shown in table M, the discrepancies result from the elimination of certain returns and the reclassification of others in preparing the tables.

Table M.—SOURCES OF DEVIATION BETWEEN WEIGHTED SAMPLE NUMBER OF RETURNS AND NUMBER OF RETURNS APPEARING IN TABLES FOR 1954

Adjusted gross income class	Number of returns		Deviation from weighted sample	Source of deviation	
	National totals	Weighted sample		Returns with no information <sup>1</sup>	Misclassified returns
Under \$10,000.....	54,617,989	54,734,915	-116,926	-70,701	-46,225
\$10,000 under \$150,000..	2,121,937	2,076,153	+45,784	-489	+46,273
\$150,000 and over.....	7,082	7,130	-48	0	-48
All classes.....	56,747,008	56,818,198	-71,190	-71,190	0

<sup>1</sup>These figures are estimated from sample returns filed with the Internal Revenue Service but which contain no information on income. They are in the population of returns sampled but are excluded from tabulations.

Separate systems of weighting were used for the national tabulations and for the State tabulations. The weights for the national tabulations were derived from nationwide populations obtained by adding the populations reported by the district directors' offices. The separate district office populations were used to derive the independent district office weights for the State tabulations. Achieved sampling rates varied sufficiently among districts to warrant using two separate systems of weights.

As a result of using two weighting systems and rounded weighting factors, there exist slight discrepancies between items in tables showing distributions by States and corresponding items shown in the national tables.

**Sampling variability.**—The data from returns with adjusted gross income of \$150,000 or more are not subject to sampling variability since all such returns were included in the sample. However, the estimates which include data from returns with adjusted gross income

of less than \$150,000 are subject to sampling variability. Table N below shows the range within which we would expect to find 19 out of 20 estimates prepared from samples similarly selected. In the preparation of this table, it was assumed that systematic selection within strata would yield results equivalent to simple random sampling. For instance, if data from returns showing adjusted gross income of under \$10,000 reveal 500,000 returns having a certain characteristic, the chances are 19 out of 20 that the difference between this figure and the one that would have been obtained from a complete count is less than 31,530.

Table N.—SAMPLING VARIABILITY OF ESTIMATED NUMBER OF RETURNS

If the estimated number of returns is—	And if the adjusted gross income class of returns to which the estimate refers is—		
	Under \$10,000	\$10,000 under \$50,000	\$50,000 under \$150,000
	Then the chances are about 19 out of 20 that the difference between this estimated number of returns and the figure that would be obtained from a count of all returns is less than—		
1,000.....	( <sup>1</sup> )	280	100
5,000.....	3,160	630	230
25,000.....	7,080	1,410	460
50,000.....	10,010	1,980	560
100,000.....	14,150	2,770	410
500,000.....	31,530	5,480	-
1,000,000.....	44,390	6,280	-
5,000,000.....	95,490	-	-

<sup>1</sup>Sample is not large enough to give reliable estimate of the sampling variability for this item.

A general table of sampling variability for estimates that are based on returns from the several strata is not practical to prepare because of the large number of entries in the tables. The sampling variability for the value in each such cell must be estimated individually.

It is reasonable to assume that the estimates of adjusted gross income by class are subject to less relative sampling variability than are the associated frequencies. Since other money amounts are closely related to or dependent on adjusted gross income, it may be confidently assumed that these too are subject to less sampling variability. Presented in table O are selected aggregate money amounts together with the range in percent that would include 19 out of 20 estimates prepared from similarly selected samples.

Table O.—RELATIVE SAMPLING VARIABILITY OF ESTIMATED ADJUSTED GROSS INCOME AGGREGATES FOR SELECTED CLASSES OF RETURNS

Adjusted gross income class	Estimated adjusted gross income aggregate (Thousand dollars)	Estimated relative sampling variability in percent
Under \$10,000.....	188,190,533	0.35
\$10,000 under \$50,000.....	33,829,629	0.19
\$50,000 under \$150,000.....	6,047,527	0.25
\$150,000 and over.....	2,168,166	0.00
All classes.....	230,235,855	0.29

**Deletion of certain entries.**—Throughout the tables the policy has been followed of deleting where possible those entries where the estimated relative error traceable to sampling variability was judged to be excessive. These cells are appropriately noted in each instance where this deletion has occurred.



**Other limitations of the data.**—In addition to sampling variability, the data are subject to certain other limitations. The data do not reflect changes that resulted from the audit program affecting Form 1040 and 1040A for 1954. In addition, controls maintained over the selection and processing of the returns used in compiling the data do not completely eliminate the possibility of error. Practical operating considerations necessitate allowance of reasonable tolerances in processing controls.

## EXPLANATION OF CLASSIFICATIONS AND TERMS

### Classifications for Individual Returns

For the tabulations in this report, individual returns were classified by size of adjusted gross income, by size of taxable income, by size of certain sources of income and deductions, as standard or itemized deductions returns, as taxable or nontaxable for income tax, by types of tax, by marital status of taxpayer, by number of exemptions other than age and blindness, and by States and Territories.

**Adjusted gross income classes.**—The amount of adjusted gross income reported by the taxpayer was the basis for this classification. With one exception, the class intervals remain the same as last year. This year, the class \$100,000 under \$200,000 was subdivided into two classes: \$100,000 under \$150,000, and \$150,000 under \$200,000. Returns with an adjusted gross deficit, whatever the amount, and returns with a breakeven in adjusted gross income are designated "No adjusted gross income" and appear as a separate class. Returns with no information on them were not used for statistics. In tables where the taxable and nontaxable returns are combined, the nontaxable returns are included in the adjusted gross income class corresponding to the amount of adjusted gross income reported, without regard to the class interval into which nontaxable returns are grouped when shown separately.

**Taxable and nontaxable returns.**—This classification was based on the presence or absence of an income tax liability after credits. This is a departure from the tax status classification for the years 1951 through 1953 in that the current basis included only the income tax, and disregarded the self-employment tax.

Taxable returns are those which showed an income tax liability remaining after the five tax credits allowed for dividends received, for retirement income, for foreign taxes paid, for tax paid at source, and for partially tax-exempt interest. The last three tax credits were allowed only to taxpayers who itemized their nonbusiness deductions.

Nontaxable returns are returns with no income tax liability after credits. Nontaxable returns may have had an income tax before credits, in which case the tax credits were sufficient to eliminate the original tax.

**Returns with standard deduction or with itemized deductions.**—Returns classified as returns with standard deduction were card-form returns, Form 1040A, and short-form returns, Form 1040, on both of which the adjusted gross income was less than \$5,000 and standard deduction was automatically allowed through use of the optional tax table; and the long-form returns, Form 1040, with adjusted gross income of \$5,000 or more on which the optional standard deduction was elected by the taxpayer.

Returns classified as returns with itemized deductions were long-form returns, Form 1040, on which nonbusiness deductions allowed against adjusted gross income were reported in detail by the taxpayer, or on which no deductions (standard or itemized) were taken, and all returns with a deficit or a breakeven in adjusted gross income whether long-form or short-form returns.

**Size of income or deduction.**—For the purpose of a frequency distribution of significant items, the returns were segregated according to the size of specified sources of income or loss comprising adjusted gross income and the size of certain itemized deductions. The class intervals are narrow providing adequate classifications of small items of income or deduction.

**Taxable income classes.**—The amount of taxable income, which is the tax base, supplied the basis for this size classification. Taxable income was reported by the taxpayer on long-form returns, Form 1040, but was mechanically computed for returns, Form 1040A, and for short-form returns, Form 1040, on which the taxable income was not reported. This made it possible to classify all individual returns by taxable income classes. Returns with no taxable income are so designated. The class intervals coincide with the taxable income brackets of the three income tax rate schedules applying to (1) joint returns and returns of surviving spouse, (2) separate returns of husbands and wives and of single persons not head of household or surviving spouse, and (3) heads of household. There are 24 income brackets in the first two groups and 26 brackets in the third group, each group having its distinct class intervals.

**Marital status.**—Classification of returns for marital status of taxpayer was based on the marital status indicated by the taxpayer. The Code provides that the marital status be determined at the close of the tax year or on the date of the death of a spouse. The five classifications are: joint returns of husbands and wives, separate returns of husbands and wives, returns of heads of household, returns of surviving spouse, and returns of other single persons. When using data tabulated by marital status, the user should first read the discussion under Marital Status of Taxpayer, on page 11.

Joint returns of husbands and wives are those on which a married couple reported their combined income, or returns of a married person whose spouse had no income but who, nevertheless, was entitled to claim exemption for the spouse. This group includes joint returns filed on Form 1040A even though the district

director may have determined the minimum tax on the basis of separate incomes of husband and wife, on some of these returns.

Separate returns of husbands and wives are returns of married persons who filed a return independently from their spouse, each reporting his or her respective income and claiming his own exemptions. Returns showing divided community income were classified as separate returns of husbands and wives. This group does not include joint returns, Form 1040A, even though the district director determined the minimum tax on the basis of separate incomes of husband and wife.

Returns of heads of household are returns, Form 1040, filed by individuals who indicated on the face of their returns that they claimed this status. The Code specifies head of household as an unmarried person who furnished over half the maintenance of a home which was his residence and which he shared during the entire year with any related person for whom he was entitled to the exemption (except multiple support), or with his unmarried child, stepchild, or grandchild even though such child was not a dependent, or who paid more than half the cost of maintaining a household which was the principal abode of his parents, either of whom qualified as a dependent.

Returns of surviving spouse are returns, Form 1040, filed by a widow or widower who signified this marital status on the face of his return. The Code defines a surviving spouse as a taxpayer whose spouse died during either of 2 previous years and who had not remarried, but who had maintained as his home a household which was also the principal abode of a child or stepchild for whom the taxpayer was entitled to the deduction for personal exemption.

Returns of single persons are returns of unmarried individuals who did not claim status as head of household or as surviving spouse.

**Number of exemptions other than age and blindness.**—For a frequency distribution of returns by number of exemptions, only the per capita exemption of the taxpayer, his spouse on a joint return, and each dependent was utilized. This maintained the same basis for this distribution that was used in previous years. There is a class for each of 1 through 5 exemptions and for 6 or more exemptions for all returns and for joint returns; and a class for each of 1 through 3 exemptions and for 4 or more exemptions for separate returns of husbands and wives, for returns of heads of household, for returns of surviving spouse, and for returns of single persons not head of household or surviving spouse.

**Types of tax.**—Returns were recognized as having two kinds of income tax, that is, the combined normal tax and surtax or the alternative tax, and as having an unrelated self-employment tax.

Normal tax and surtax was computed at the regular rates and occurred on all types of returns. This tax includes the optional tax paid in lieu thereof. Normal

tax and surtax applied to all kinds of income as well as to the capital gain or loss from sales of capital assets unless the alternative tax was imposed in regard to the capital gain.

Alternative tax occurred on returns with taxable income above \$18,000 which included a net long-term capital gain or an excess of net long-term capital gain over net short-term capital loss, but only if the alternative tax was less than the regular normal tax and surtax computed on taxable income containing capital gain subject to normal tax and surtax.

Self-employment tax was imposed on the self-employment income of individuals owning and operating a business that conformed to the statutory definition of trade or business for self-employment tax purposes.

**States and Territories.**—This classification consists of the 48 States, Hawaii, District of Columbia, and Puerto Rico, determined by the location of the internal revenue district in which the return was filed, except that for the District of Columbia and Puerto Rico, the geographic location was determined from the address of the taxpayer. Internal revenue districts, or groups of such districts, are coextensive with States and Territories, with the exceptions that the District of Columbia is a part of the Baltimore (Md.) district, Puerto Rico and Virgin Islands are a part of the Lower Manhattan (N. Y.) district, Alaska is a part of the Seattle (Wash.) district, and Canal Zone is a part of the Jacksonville (Fla.) district.

### Sources Comprising Adjusted Gross Income

On returns, Form 1040, where the taxpayer reported income attributable to several tax years and filed his return under provisions of Subchapter Q, Part I, of the 1954 Code, the amount of income tabulated is only that portion of income pertaining to the current year.

Such income originates from back pay, created inventions or artistic works, and compensation for long term services either as an individual or as a partner, if the fee or compensation therefor was received in 1 year but the work was performed over a period of time including prior tax years. In general, the provisions for taxing such income have the effect of including the income ratably over the period in which it was earned. Therefore, only the portion of salaries, business, partnership, or other income allocated to the current year was tabulated for these sources in current statistics.

The descriptions given below relate to items reported under the 1954 provisions.

**Salaries and wages (after exclusions)** are the amounts of compensation included in adjusted gross income, except wages reported in other income on Form 1040A. Salaries and wages after exclusions are exclusive of amounts received as wages or, in place of wages, under a wage continuation plan for the period during which the employee was absent from work on account of sickness or personal injury. Generally, the exclusion was limited to \$100 per week, but was reported on



all types of returns. Total salaries and wages, that is before exclusions for sick pay, included bonuses, tips, commissions, and other kinds of compensation received by the employee for services rendered. Amounts paid to the employee by his employer to cover expenses incurred in connection with the employer's business were included as income from wages. On Form 1040, travel and lodging expenses incurred while away from home overnight and transportation expenses were deducted before reporting the total salary and wages, while expenses other than travel and transportation were deducted only to the extent that reimbursed expenses were included in wages. Also, outside salesmen deducted all ordinary and necessary business expenses from their compensation before entering total salary.

**Dividends (after exclusions)** included in adjusted gross income are those reported on Form 1040 but exclude up to \$50 of domestic dividends qualifying for the exclusion, which were received by each taxpayer, or up to \$100 on joint returns if both husband and wife received such dividends. Dividends reported included foreign and domestic dividends received directly, and dividends qualifying for the exclusion received through partnerships and fiduciaries, but excluded the so-called dividends from mutual savings banks, cooperative banks, domestic building and loan associations, domestic savings and loan associations, and Federal savings and loan associations, which the taxpayer was instructed to report as interest income. This is the first year in which any part of the dividends received through partnerships and fiduciaries have been reported in this source. Formerly, all dividends received through these entities were left in the income from partnerships or from estates and trusts.

**Interest received** is that reported on Form 1040; it includes interest on bonds, debentures, notes, mortgages, bank deposits, savings accounts, loans, and tax-free covenant bonds, together with the partially tax-exempt interest. The partially tax-exempt interest includes that received through partnerships and fiduciaries. According to the instructions on the return, the so-called dividends mentioned in the previous paragraph were to be reported as interest income.

**Business or professional net profit or net loss** was reported by individuals who were sole proprietors of a business, farm, or profession. If a taxpayer had more than one sole proprietorship activity during the year, the single amount of net profit or net loss reported in adjusted gross income represented a combination of the profits and losses from all of his business activities.

Business expenses deductible from total receipts from business activities included such items as cost of goods sold, salaries and wages to employees, interest on business debts, taxes on business and business property, bad debts arising from sales or service, depreciation and obsolescence, depletion, casualty losses on business property, rent, repairs, supplies, advertising, selling expenses, insurance, and other expenses of running the business.

Compensation of the sole proprietor was not allowed as a business deduction and the net operating loss deduction was not reported among the business deductions.

**Partnership net profit or net loss** was reported by individuals who were members of a partnership, syndicate, joint venture, or the like. If the taxpayer was a member of more than one partnership during the year, the single amount of partnership net profit or net loss reported in adjusted gross income represented a combination of the ordinary net income or loss from all of his partnership shares (whether or not actually received). In reporting the net profit or the net loss from partnership, however, the taxpayer was required to exclude his share of partially tax-exempt interest, of dividends qualifying for the exclusion, and of net short- and long-term capital gain or loss and to report them in their respective sources.

**Net operating loss deduction** relates to net operating losses sustained in business or partnership after December 31, 1949, and losses suffered from fire, storm, or other casualty, or from theft after December 31, 1950, but prior to 1954. The deduction claimed in the current year represented the portion of such losses which had not been absorbed by the required carrybacks and carryovers applied to the net income of prior years.

**Net gain from sales of capital assets** included in adjusted gross income is the amount of gain from sales or exchanges of properties that were treated as capital assets. It was a combination of net short-term capital gain or loss (including the capital loss carryover from 1949-53) and 100 percent of the net long-term capital gain or loss. If the net long-term capital gain exceeded the net short-term capital loss, only 50 percent of the excess gain was included in adjusted gross income. If the net short-term capital gain exceeded the net long-term capital loss, then the entire excess short-term gain was included in adjusted gross income. In making this combination, net short- and long-term capital gain or loss from partnerships and net short- and long-term capital gain from fiduciaries were included. This is the first year in which capital gain from fiduciaries has been reported in this source of income.

**Net loss from sales of capital assets** reported as a component of adjusted gross income is the deductible loss resulting from sales or exchanges of properties that were treated as capital assets. In determining the deductible loss, all short-term capital gains and losses (including the capital loss carryover from 1949-53) and 100 percent of all long-term gains and losses were merged, and the excess capital loss was allowed to the extent of (a) capital loss, (b) taxable income (adjusted gross income, if tax was determined from tax table) computed without regard to capital gains and losses and the deduction for exemptions, or (c) \$1,000, whichever was smallest. In the determination of the excess capital loss, net short- and long-term capital gain or loss from partnerships and net short- and long-term capital gain from fiduciaries were included. Heretofore, capital gain

from fiduciaries was not included. The excess capital loss not deductible in the current year may be carried into each of 5 succeeding years as a short-term capital loss until it has been eliminated by capital gains or through the capital loss deduction allowed in computing adjusted gross income.

**Short term** applies to gains and losses from sales of capital assets held 6 months or less. Such gains and losses, together with the capital loss carryover, are merged to obtain the net short-term capital gain or loss. In this merger, the net short-term capital gain or loss from partnerships and the net short-term capital gain from fiduciaries are also included.

**Long term** applies to gains and losses from sales of property treated as capital assets but held more than 6 months. These gains and losses are taken into account at 100 percent. Long-term capital gains and losses together with net long-term capital gain or loss received through partnerships and net long-term capital gain received from fiduciaries are merged to determine the net long-term capital gain or loss.

**Capital loss carryover from 1949-53** is the remaining portion of net capital loss sustained in those years but which the taxpayer had not yet been able to eliminate through his capital gains or the \$1,000 deduction allowed for capital losses in computing his adjusted gross income, in years subsequent to the year in which the capital loss arose. This carryover was reported with and treated as a current year, short-term capital loss by the taxpayer.

**Net loss from sales of capital assets before limitation** is the entire net loss from sales or exchanges of property treated as capital assets and reported on returns showing a capital loss deduction from gross income on account of this loss. It is a combination of the net short-term capital gain or loss including the capital loss carryover and the net long-term capital gain or loss, without regard to the statutory limitation on the allowable deduction.

**Net long-term capital gain in excess of net short-term capital loss** is the entire amount of this excess occurring on returns with the alternative tax; it is not the amount included in adjusted gross income. This excess long-term capital gain is the amount to which the special rate of 25 percent is applied in computing the alternative tax.

**Net gain or loss from property other than capital assets** is that from sales or exchanges of property which was not treated as a capital asset. Unlike the excess net long-term capital gain above, all of this type of net gain was included in adjusted gross income. Also, a net loss of this type was wholly deducted in computing adjusted gross income.

**Annuities and pensions** included in adjusted gross income are only the taxable portion of amounts received within the tax year. The full amount of a pension or annuity received by a retired employee who contributed nothing toward the cost was taxable. In cases where

the annuitant contributed to the cost, new methods were provided for computing the taxable amount to be reported, each depending upon the type of pension or annuity but, in general, provision was made to exclude a portion of the receipts as recovery of cost.

**Rents and royalties** were reported in a single schedule on the income tax return. Therefore, the annual net income or net loss which was available represented a combination of the net income and net loss from both types of investment. Rents included not only rents from real estate but also amounts received from renting any kind of property, and included the fair market value of crops received as rent from farm property. Royalties included revenue from copyrights, patents, trademarks, formulas, natural resources under lease, and the like. Deductions against the gross income received from these investments were claimed for maintenance, insurance, repairs, interest, taxes, depreciation, depletion, and other expenses pertaining to the respective income.

**Income or loss from estates and trusts** is the taxpayer's share of fiduciary income from an estate or trust under which he was a beneficiary. Fiduciary income includes amounts required to be distributed, and amounts credited to the beneficiary's account whether actually received or not, as well as amounts paid to the beneficiary. Income from estates and trusts was reduced by the taxpayer's share of depreciation. Capital gain, dividends qualifying for the exclusion, and partially tax-exempt interests were excluded and reported in their respective source. A loss from estates and trusts was distributed to a beneficiary only upon termination of a trust or an estate which had a net operating loss carryover, or a capital loss carryover, or for its last tax year had deductions (other than exemption and charitable deduction) in excess of gross income.

**Other sources** of income include alimony received, prizes, awards, sweepstakes winnings, gambling profits, recovery of bad debts and taxes deducted in a prior year, insurance received as reimbursement of medical expenses previously deducted, and any other item of income not separately reported. Also there was included a total of \$22,912,000 which consisted of wages not subject to income tax withholding, dividends after exclusions, and interest, not exceeding \$100 per return, reported in one sum as other income on 431,819 returns, Form 1040A.

### Itemized Nonbusiness Deductions

The descriptions of itemized deductions which follow are confined to the nonbusiness deductions permitted under the 1954 Code as a deduction from adjusted gross income.

**Contributions** consist of gifts to organizations created in the United States or its possessions, or under our laws and operated for religious, charitable, scientific, literary, or educational purposes exclusively, or for the prevention of cruelty to children or animals; and gifts



made to veterans' organizations or to governmental agencies which use the gifts for public purposes. Persons who were members of a partnership included their pro rata share of contributions made by their partnership. In general, the deduction may not exceed 20 percent of adjusted gross income, but under the new Code, there is allowed an additional deduction up to 10 percent of adjusted gross income for contributions made to churches, tax-exempt hospitals and tax-exempt educational institutions. So it was possible to have a deduction equal to 30 percent of adjusted gross income. Also, there is an unlimited deduction if, in the current year and in 8 of the 10 preceding years, the amount of contributions plus the amount of income tax paid during such year (in respect to such year or preceding years) exceeds 90 percent of taxable income for the respective year, computed with modifications.

**Interest paid** is that paid on personal debts, mortgages, bank loans, and installment purchases of real or personal property, but does not include interest on money borrowed to buy tax-exempt securities or single-premium life insurance and endowment contracts; neither does it include interest relating to rents, royalty, or business income which was reported in those schedules.

**Taxes paid** include personal property taxes, State income taxes, certain State and local retail sales taxes, State gasoline taxes and automobile license fees, taxes paid to a foreign country or possession of the United States unless a foreign tax credit was claimed, and real estate taxes except those levied for improvements that tended to increase the value of the property. Federal taxes were not deductible. Taxes paid on business property were reported in the rent and business schedules.

**Medical and dental expenses** are allowed as a deduction from adjusted gross income with limitations. Expenditures considered for this deduction were the actual amounts paid during the tax year for the care of the taxpayer, his spouse, and any dependent who received over one-half of his support from the taxpayer regardless of the dependent's gross income. Such expenses included payments to physicians, surgeons, dentists, nurses, hospitals, oculists, chiropractors, and osteopaths, as well as X-rays, therapy treatments, dentures, crutches, hearing aids, and the like. Amounts paid for medicines and drugs could be included only to the extent of 1 percent of adjusted gross income under the new law. However, the allowable deduction was liberalized in that medical costs in excess of 3 percent (formerly 5 percent) of adjusted gross income were allowed. Any sick and health insurance or hospital coverage received was subtracted from the total medical expenses, after which the deduction was allowed if within the limitations. If neither the taxpayer nor his spouse had attained the age of 65, the deductible medical expenses for both, including those for their dependents, were that portion of such expenses which exceeded an amount equal to 3 percent of adjusted gross income. If either the taxpayer or his spouse was 65 years of age or over before the close of the tax year,

the deductible expenses for both were not restricted to the excess over 3 percent of adjusted gross income; and the entire medical expenses for both together with medical expenses for their dependents in excess of 3 percent of the adjusted gross income constituted their deductible expenses. However, the maximum deduction allowed in any case was limited to \$2,500 multiplied by the number of allowable exemptions other than age and blindness, but could not exceed \$10,000 for husband and wife filing jointly, for a head of household, or for a surviving spouse, nor could it exceed \$5,000 for a single person, or for married persons filing separate returns.

**Child care** is a deduction provided under the new Code, for working women and widowers. The deduction was allowed on account of expenses for the care of a dependent child or stepchild under 12 years of age, or of any dependent who was physically or mentally incapable of caring for himself, while the taxpayer was employed. The deduction was limited to \$600, regardless of the amount of expense incurred. In the case of a working wife, the deduction was allowed only if (1) she filed a joint return with her husband, and (2) their combined adjusted gross income was less than \$5,100 (unless the husband was incapable of self-support.) This second limitation for a working wife resulted from the provision that the maximum allowable deduction of \$600 is reduced by the amount of adjusted gross income in excess of \$4,500.

**Losses from fire, storm, or other casualty, or theft** reported as a deduction are the net losses on nonbusiness property resulting from destruction by fire, storm, automobile accident, shipwreck, flood, or other natural physical forces, and from losses due to theft. The deduction was limited to the net loss sustained, that is, the value of property just before the loss less salvage value and insurance or other reimbursement received.

**Other deductions** include all other authorized non-business deductions not separately reported, such as alimony and separate maintenance payments, expenses incurred in the collection of taxable income or for the management, conservation, or maintenance of property held for the production of taxable income, taxpayer's share of interest and taxes paid by a cooperative apartment corporation, gambling losses not in excess of winnings reported in income, and expenses in connection with the taxpayer's job, for example, dues to unions or professional societies, cost of tools and supplies, fees to employment agencies, and any allowable expense in connection with his employer's business which was in excess of reimbursed amounts.

### Exemptions

In computing taxable income for the tax year 1954, a deduction of \$600 was allowed for each exemption to which an individual was entitled. A per capita exemption of \$600 was allowed for the taxpayer and, on a joint return, his spouse, and for each child (including a step-

child or an adopted child) who received more than one-half of his support from the taxpayer and who was under 19 years of age or was a student. If the child was 19 or over and not a student, exemption was allowed only if the child met the support test and had gross income under \$600. Also, an exemption was allowed for each other dependent (specified below) with less than \$600 gross income who received over one-half of his support from the taxpayer. To qualify as a dependent, the child or other dependent must have been a citizen or resident of the United States, or a resident of Canada, Mexico, Republic of Panama, or the Canal Zone.

Additional exemptions of \$600 for age 65 or over and \$600 for blindness were allowed the taxpayer and, if a joint return was filed, the taxpayer's spouse.

If the dependency qualifications were met, exemption was claimed for parent, grandparent, grandchild, brother, sister, stepbrother, stepsister, stepmother, stepfather, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, and daughter-in-law; for uncle, aunt, nephew, or niece if related by blood; and for any person who lived in the taxpayer's home and who was a member of his household, whether or not related to the taxpayer.

The new law made an exception to the support test for a dependent who was supported by several persons none of whom contributed more than one-half. Under this provision, any one of the group who had contributed more than 10 percent of the support could claim the exemption if each of the others who contributed more than 10 percent of the support filed a declaration that he would not claim the exemption.

The number of exemptions and the amount claimed, as tabulated in this report, include exemptions from every return filed. There is some duplication of exemptions inasmuch as dependents with less than \$600 of gross income from wages subject to income tax withholding filed a return to claim refund of tax; and children dependents under 19 years of age and children dependents over 19 years who were students, with gross income of \$600 or more, filed a return because their income met the requirement for filing. Exemptions claimed on returns filed by these dependents were tabulated, as well as the exemptions for these dependents reported on the return of the taxpayer rightfully claiming the dependent.

### Measures of Individual Income

Items explained here are in accordance with the definitions under the new provisions of the 1954 Code.

**Adjusted gross income** is defined as gross income minus (a) allowable expenses attributable to the taxpayer's trade or business, (b) expenses paid or incurred in connection with services as an employee under a reimbursement or other expense allowance arrangement with the employer, (c) expenses of travel, meals, and lodging while away from home incurred by the taxpayer in connection with services rendered as an em-

ployee, (d) expenses of transportation paid by the taxpayer in connection with the performance of services as an employee, (e) expenses of outside salesmen attributable to business carried on by the taxpayer if such business consists of the performance of services as an employee and if the business is to solicit, away from the employer's place of business, business for the employer, (f) deductions attributable to rents and royalties, (g) deductions for depreciation and depletion allowable to a life tenant or an income beneficiary of property held in trust, (h) allowable losses from sales of capital assets and other property, and (i) a deduction equal to 50 percent of the excess of net long-term capital gain over net short-term capital loss.

**Adjusted gross deficit** occurred in the event that the deductions allowed for the computation of adjusted gross income, stated above, exceeded the gross income.

**Taxable income** tabulated for individual returns is adjusted gross income minus deductions, itemized or standard, and personal exemptions. The amount of taxable income, shown throughout this report, includes both the taxable income reported by taxpayers on the long-form return, Form 1040, and a mechanically computed amount of taxable income for taxpayers who used the short-form return, Form 1040, or the return, Form 1040A, wherein the amount of taxable income was not a factor because the optional tax table was used for tax purposes. Taxable income for the latter taxpayers was computed by (a) using the midpoint of the adjusted gross income bracket of the tax table into which the income fell as the amount of adjusted gross income, and (b) providing a 10-percent standard deduction based on the midpoint, and (c) allowing \$600 for each exemption claimed. This formula resulted in the actual amount of taxable income upon which the tax was based. This is the only instance in which an item, not reported on the individual income tax return, was supplied for the tabulations.

The concept of taxable income may be considered similar to the concept of surtax net income of former years, if the other changes in the new law are ignored.

### Tax Items

The reduced tax rates, previously enacted as applicable to individual income on and after January 1, 1954, were carried from the 1939 Code into the 1954 Code. However, in the 1954 Code, the normal tax rate and the graduated surtax rates were consolidated into a single comprehensive rate schedule.

The income tax rates for 1954 income were 20 percent of the first \$2,000 of taxable income, increasing to 91 percent of taxable income in excess of \$200,000 for all persons except heads of household, and in excess of \$300,000 for heads of household. However, under the split-income provision, the 91-percent rate was operative only on taxable income in excess of \$400,000 on joint returns and returns of surviving spouse. The maximum tax was limited to 87 percent of taxable in-



come. These rates are somewhat lower than those on 1953 income.

Fiscal-year and part-year returns covering a period that embraced January 1, 1954, showed a proration of tax to give effect to the change in tax rates on January 1, 1954.

The descriptions of tax items are given in terms of the 1954 tax provisions.

**Income tax before credits** is the tax based on taxable income and calculated at the prescribed rates. It may be the optional tax, the regular income tax, or the alternative tax and it is without regard to tax credits allowed as a reduction thereof.

**Normal tax and surtax** is the regular income tax which includes the optional tax. The normal tax and surtax was computed on taxable income at the rates stated above and reported by taxpayers who filed the long-form return, Form 1040. Optional tax was reported by taxpayers who used the short-form return, Form 1040, while the optional tax was determined by the district director for taxpayers who filed the card-form return, Form 1040A. The optional tax table stated the tax for the various adjusted gross income brackets and numbers of exemptions, for taxpayers with adjusted gross income under \$5,000 from whatever source.

**Alternative tax** applied only in case the taxpayer had an excess of net long-term capital gain over net short-term capital loss and only if the alternative tax was less than the regular income tax. Alternative tax was the sum of (a) a partial tax computed at the regular income tax rates on taxable income reduced by 50 percent of the excess net long-term capital gain over the net short-term capital loss, and (b) an amount equal to 25 percent of the entire excess. The alternative tax is not effective on taxable income under \$18,000.

**Tax credit for dividends received** is a new income tax credit, allowed on returns with tax year ended after July 31, 1954, for domestic dividends received after that date. This credit is equal to 4 percent of the qualifying dividends in excess of the dividends excluded from gross income. However, the credit could not exceed the lesser of (a) the income tax reduced by foreign tax credit, or (b) 2 percent of the taxable income.

**Tax credit for retirement income**, under the new law, is allowed against the income tax, if the taxpayer qualified with regard to earned income in prior years. The credit is 20 percent of the retirement income, as defined by statute, with a maximum limit of \$240 for each individual. The credit, however, could not exceed the income tax reduced by the other four tax credits.

**Tax credit for foreign tax paid** was allowed against the income tax only to taxpayers who itemized deductions but who did not deduct this tax among those deductions. The credit pertains to income and profits taxes paid to a foreign country or possession of the United States, including the taxpayer's share of such taxes paid through partnerships and fiduciaries. The credit could not exceed the same proportion of the tax

against which the credit was taken which the taxable income from sources in such foreign country bore to the entire taxable income computed without personal exemption.

**Tax credit for tax paid at source** relates to income tax withheld and paid, by the debtor corporation, on interest from tax-free covenant bonds. Credit for the amount of tax paid including the taxpayer's share of such tax paid through partnerships and fiduciaries was allowed against the income tax but only if deductions were itemized.

**Tax credit for partially tax-exempt interest** replaces the former deduction from net income and was allowed against the income tax only if deductions were itemized. The tax credit is 3 percent of the partially tax-exempt interest included in gross income, but was limited to the lesser of (a) 3 percent of taxable income, or (b) the income tax reduced by the credit for foreign tax paid and the credit for dividends received.

**Income tax liability after credits** is the remaining tax after the subtraction of all tax credits, but prior to adjustments for tax withheld and the payments on declaration.

**Self-employment tax** was reported by an individual who had net earnings from self-employment derived from a trade or business carried on by him, or from his share of self-employment net earnings from a partnership of which he was a member. However, farmers and most professional services were excluded from the definition of self-employment earnings, and certain types of income and deductions were excluded, such as rents, interest, dividends, capital gains and losses, net operating loss deduction, and casualty losses. If such net earnings were \$400 or more, they were considered self-employment income. In determining the amount of self-employment income to be taxed, three factors were considered: first, the amount of net earnings from self-employment must be \$400 or more; second, the maximum amount of self-employment income to be taxed is \$3,600; and third, the amount of wages received on which social security tax had been withheld by an employer. If social security tax was withheld from wages, the amount of such wages was subtracted from the maximum amount of \$3,600 to determine the limit on self-employment income to be taxed. The amount of self-employment income subject to tax was the smaller of (a) the amount of the limit on self-employment income to be taxed, determined as stated, or (b) the amount of net earnings from self-employment. No exemption was allowed against the self-employment income for purpose of computing the self-employment tax at 3 percent.

**Tax withheld** is the income tax withheld at source on wages together with the over withholding of social security employee tax. The amount of income tax to be withheld by employers was stated in wage bracket withholding tables or was determined by applying the pre-

scribed 18 percent withholding tax rate to the amount of wages in excess of withholding exemptions. The over withheld social security tax, that is, the excess over the maximum tax of \$72, occurred because the employer received wages from more than one employer.

**Payments on 1954 declaration** of estimated income tax were reported on returns, Form 1040 only. These payments, made on account of the 1954 Declaration of Estimated Income Tax, Form 1040-ES, also included any credit which was applied against the estimated tax for 1954 by reason of an overpayment of the 1953 tax liability.

**Tax due at time of filing** is the amount of tax that remained after the tax withheld and payments on 1954

declaration had been applied against the total tax liability for the year which included both the self-employment tax and the income tax liability after credits.

**Overpayment** of tax occurred when the tax withheld and payments on 1954 declaration exceeded the combined self-employment tax and income tax liability after credits. Overpayment of tax gave rise to a refund or to a credit on the subsequent year's estimated income tax.

**Refund** of tax overpayment is the amount indicated by the taxpayers who requested a refund.

**Credit on 1955 tax** is the amount of 1954 tax overpayment which the taxpayers specified be credited on 1955 estimated income tax.

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## BASIC TABLES

### INDIVIDUAL RETURNS, 1954

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Table 1.—NUMBER OF RETURNS, ADJUSTED GROSS INCOME, TAXABLE INCOME, AND INCOME TAX, BY ADJUSTED GROSS INCOME CLASSES AND CLASSES CUMULATED

Adjusted gross income classes and classes cumulated	Returns		Adjusted gross income		Taxable income		Income tax liability after credits	
	Number	Percent of total	Amount (Thousand dollars)	Percent of total	Amount (Thousand dollars)	Percent of total	Amount (Thousand dollars)	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
ADJUSTED GROSS INCOME CLASSES								
Returns with adjusted gross income, taxable and nontaxable:								
1 Under \$600.....	3,939,817	7.0	1,294,816	0.6	-	-	-	-
2 \$600 under \$1,000.....	3,180,541	5.6	2,542,668	1.1	188,587	0.2	37,648	0.1
3 \$1,000 under \$1,500.....	4,520,595	8.0	5,630,728	2.4	1,072,631	0.9	213,519	0.8
4 \$1,500 under \$2,000.....	4,206,678	7.5	7,357,621	3.2	1,748,614	1.5	344,635	1.3
5 \$2,000 under \$2,500.....	4,311,673	7.7	9,703,996	4.2	2,915,272	2.5	575,180	2.2
6 \$2,500 under \$3,000.....	4,484,779	8.0	12,304,840	5.3	4,125,877	3.6	817,847	3.1
7 \$3,000 under \$3,500.....	4,607,975	8.2	14,979,298	6.5	5,606,880	4.9	1,120,604	4.2
8 \$3,500 under \$4,000.....	4,548,399	8.1	17,062,187	7.4	6,699,047	5.8	1,346,691	5.1
9 \$4,000 under \$4,500.....	4,202,754	7.5	17,849,574	7.8	7,409,011	6.4	1,489,975	5.6
10 \$4,500 under \$5,000.....	3,708,206	6.6	17,586,011	7.6	7,759,499	6.7	1,559,856	5.8
11 \$5,000 under \$6,000.....	5,189,199	9.2	28,346,771	12.3	13,786,654	12.0	2,770,109	10.4
12 \$6,000 under \$7,000.....	3,352,077	6.0	21,656,984	9.4	11,821,063	10.2	2,385,403	8.9
13 \$7,000 under \$8,000.....	2,016,601	3.6	15,025,572	6.5	8,945,178	7.8	1,820,597	6.8
14 \$8,000 under \$9,000.....	1,187,245	2.1	10,036,658	4.4	6,324,419	5.5	1,301,277	4.9
15 \$9,000 under \$10,000.....	721,146	1.3	6,812,809	3.0	4,479,948	3.9	932,992	3.5
16 \$10,000 under \$15,000.....	1,217,149	2.2	14,410,918	6.3	10,097,287	8.8	2,185,166	8.2
17 \$15,000 under \$20,000.....	368,907	0.7	6,323,542	2.7	4,809,174	4.2	1,145,589	4.3
18 \$20,000 under \$30,000.....	291,858	0.5	7,023,496	3.1	5,611,824	4.9	1,521,883	5.7
19 \$30,000 under \$50,000.....	161,995	0.3	6,071,673	2.6	5,052,815	4.4	1,683,981	6.3
20 \$50,000 under \$100,000.....	70,400	0.1	4,656,424	2.0	3,946,903	3.4	1,708,710	6.4
21 \$100,000 under \$150,000.....	11,628	(1)	1,391,103	0.6	1,170,329	1.0	614,555	2.3
22 \$150,000 under \$200,000.....	3,197	(1)	547,816	0.2	452,603	0.4	257,014	1.0
23 \$200,000 under \$500,000.....	3,245	(1)	919,072	0.4	740,497	0.6	455,363	1.7
24 \$500,000 under \$1,000,000.....	439	(1)	294,745	0.1	234,854	0.2	154,785	0.6
25 \$1,000,000 or more.....	201	(1)	406,533	0.2	332,335	0.3	222,374	0.8
26 Total.....	56,306,704	100.0	230,235,855	100.0	115,331,301	100.0	26,665,753	100.0
27 Returns with no adjusted gross income, nontaxable.....	440,304	-	2,014,480	-	-	-	-	-
28 Grand total.....	56,747,008	-	229,221,375	-	115,331,301	-	26,665,753	-
CUMULATED FROM LOWEST ADJUSTED GROSS INCOME CLASS								
Returns with adjusted gross income, taxable and nontaxable:								
29 Under \$600.....	3,939,817	7.0	1,294,816	0.6	-	-	-	-
30 Under \$1,000.....	7,120,358	12.6	3,837,484	1.7	188,587	0.2	37,648	0.1
31 Under \$1,500.....	11,640,953	20.7	9,468,212	4.1	1,261,218	1.1	251,167	0.9
32 Under \$2,000.....	15,847,631	28.1	16,825,833	7.3	3,009,832	2.6	595,802	2.2
33 Under \$2,500.....	20,159,304	35.8	26,529,829	11.5	5,925,104	5.1	1,170,982	4.4
34 Under \$3,000.....	24,644,083	43.8	38,834,669	16.9	10,050,981	8.7	1,988,829	7.5
35 Under \$3,500.....	29,252,058	52.0	53,813,967	23.4	15,657,861	13.6	3,109,433	11.7
36 Under \$4,000.....	33,800,457	60.0	70,876,154	30.8	22,356,908	19.4	4,456,124	16.7
37 Under \$4,500.....	38,003,211	67.5	88,725,728	38.5	29,765,919	25.8	5,946,999	22.3
38 Under \$5,000.....	41,711,417	74.1	106,311,739	46.2	37,525,918	32.5	7,505,955	28.1
39 Under \$6,000.....	46,900,616	83.3	134,658,510	58.5	51,312,072	44.5	10,276,064	38.5
40 Under \$7,000.....	50,252,693	89.2	156,315,494	67.9	63,133,135	54.7	12,661,467	47.5
41 Under \$8,000.....	52,269,294	92.8	171,341,066	74.4	72,078,313	62.5	14,482,064	54.3
42 Under \$9,000.....	53,456,539	94.9	181,377,724	78.8	78,402,732	68.0	15,783,341	59.2
43 Under \$10,000.....	54,177,685	96.2	188,190,533	81.7	82,882,680	71.9	16,716,333	62.7
44 Under \$15,000.....	55,394,834	98.4	202,601,451	88.0	92,979,967	80.6	18,901,499	70.9
45 Under \$20,000.....	55,763,741	99.0	208,924,993	90.7	97,789,141	84.8	20,047,088	75.2
46 Under \$30,000.....	56,055,599	99.6	215,948,489	93.8	103,400,965	89.7	21,568,971	80.9
47 Under \$50,000.....	56,217,594	99.8	222,020,162	96.4	108,453,780	94.0	23,252,952	87.2
48 Under \$100,000.....	56,287,994	99.9	226,676,586	98.5	112,400,683	97.5	24,961,662	93.6
49 Under \$150,000.....	56,299,622	99.9	228,067,689	99.1	113,571,012	98.5	25,576,217	95.9
50 Under \$200,000.....	56,302,819	99.9	228,615,505	99.3	114,023,615	98.9	25,833,231	96.9
51 Under \$500,000.....	56,306,064	99.9	229,534,577	99.7	114,764,112	99.5	26,288,594	98.6
52 Under \$1,000,000.....	56,306,503	99.9	229,829,322	99.8	114,998,966	99.7	26,443,379	99.2
53 All returns.....	56,306,704	100.0	230,235,855	100.0	115,331,301	100.0	26,665,753	100.0
54 Returns with no adjusted gross income, nontaxable.....	440,304	-	2,014,480	-	-	-	-	-
55 Total returns.....	56,747,008	-	229,221,375	-	115,331,301	-	26,665,753	-
CUMULATED FROM HIGHEST ADJUSTED GROSS INCOME CLASS								
Returns with adjusted gross income, taxable and nontaxable:								
56 \$1,000,000 or more.....	201	(1)	406,533	0.2	332,335	0.3	222,374	0.8
57 \$500,000 or more.....	640	(1)	701,278	0.3	567,189	0.5	377,159	1.4
58 \$200,000 or more.....	3,885	(1)	1,620,350	0.7	1,307,686	1.1	832,522	3.1
59 \$150,000 or more.....	7,082	(1)	2,168,166	0.9	1,760,289	1.5	1,089,536	4.1
60 \$100,000 or more.....	18,710	(1)	3,599,269	1.5	2,930,618	2.5	1,704,091	6.4
61 \$50,000 or more.....	89,110	0.2	8,215,693	3.6	6,877,521	6.0	3,412,801	12.8
62 \$30,000 or more.....	251,105	0.4	14,287,366	6.2	11,930,336	10.3	5,096,782	19.1
63 \$20,000 or more.....	542,963	1.0	21,310,862	9.3	17,542,160	15.2	6,618,665	24.8
64 \$15,000 or more.....	911,870	1.6	27,634,404	12.0	22,351,334	19.4	7,764,254	29.1
65 \$10,000 or more.....	2,129,019	3.8	42,045,322	18.3	32,448,621	28.1	9,949,420	37.3
66 \$9,000 or more.....	2,850,165	5.1	48,858,131	21.2	36,928,569	32.0	10,882,412	40.8
67 \$8,000 or more.....	4,037,410	7.2	58,894,789	25.6	43,252,988	37.5	12,183,689	45.7
68 \$7,000 or more.....	6,054,011	10.8	73,920,361	32.1	52,198,166	45.3	14,004,286	52.5
69 \$6,000 or more.....	9,436,088	16.7	95,577,345	41.5	64,019,229	55.5	16,389,689	61.5
70 \$5,000 or more.....	14,595,287	25.9	123,924,116	53.8	77,805,883	67.5	19,159,798	71.9
71 \$4,500 or more.....	18,303,493	32.5	141,510,127	61.5	85,565,382	74.2	20,719,654	77.7
72 \$4,000 or more.....	22,506,247	40.0	159,359,701	69.2	92,974,393	80.6	22,209,629	83.3
73 \$3,500 or more.....	27,054,646	48.0	176,421,888	76.6	99,673,440	86.4	23,556,320	88.3
74 \$3,000 or more.....	31,662,621	56.2	191,401,186	83.1	105,280,320	91.3	24,676,924	92.5
75 \$2,500 or more.....	36,147,400	64.2	203,706,026	88.5	109,406,197	94.9	25,494,771	95.6
76 \$2,000 or more.....	40,459,073	71.9	213,410,022	92.7	112,321,469	97.4	26,069,951	97.8
77 \$1,500 or more.....	44,665,751	79.3	220,767,643	95.9	114,070,083	98.9	26,414,586	99.1
78 \$1,000 or more.....	49,186,346	87.4	226,398,371	98.3	115,142,714	99.8	26,628,105	99.9
79 \$600 or more.....	52,366,887	93.0	228,941,039	99.4	115,331,301	100.0	26,665,753	100.0
80 All returns.....	56,306,704	100.0	230,235,855	100.0	115,331,301	100.0	26,665,753	100.0
81 Returns with no adjusted gross income, nontaxable.....	440,304	-	2,014,480	-	-	-	-	-
82 Total returns.....	56,747,008	-	229,221,375	-	115,331,301	-	26,665,753	-

See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."

<sup>1</sup>Less than 0.05 percent.

<sup>2</sup>Adjusted gross deficit.

<sup>3</sup>Adjusted gross income less adjusted gross deficit.

Table 2.—SOURCES OF INCOME AND LOSS AND NONBUSINESS DEDUCTIONS, BY RETURNS WITH STANDARD OR ITEMIZED DEDUCTIONS

Items	All returns (taxable and nontaxable)		Returns with standard deduction		Returns with itemized deductions			
	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Showing adjusted gross income		Showing no adjusted gross income	
					Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sources:								
1 Salaries and wages (after exclusions).....	49,925,305	185,952,623	36,304,499	115,401,617	13,525,349	70,393,308	95,457	157,697
2 Dividends (after exclusions).....	3,681,007	7,047,866	1,915,025	1,584,015	1,736,134	5,446,885	29,849	16,966
3 Interest received.....	6,124,385	2,370,230	3,533,688	1,061,124	2,544,793	1,288,790	45,904	20,315
Business or profession:								
4 Net profit.....	6,320,812	19,234,612	4,766,078	12,069,791	1,538,100	7,148,782	16,634	16,041
5 Net loss.....	1,464,726	2,308,809	753,186	675,529	361,734	617,988	349,806	1,015,290
Partnership:								
6 Net profit.....	1,588,046	9,004,043	975,539	3,962,516	601,681	5,011,377	10,826	30,150
7 Net loss.....	228,949	478,242	94,978	70,255	86,068	189,471	47,903	218,518
8 Net operating loss deduction.....	34,781	144,965	18,166	38,383	5,569	20,447	11,046	86,136
Sales of capital assets:								
9 Net gain.....	2,411,147	3,731,862	1,340,293	1,216,824	1,009,483	2,397,190	61,371	117,850
10 Net loss.....	664,084	379,446	304,181	160,593	335,305	202,031	24,598	16,821
Sales of property other than capital assets:								
11 Net gain.....	135,062	107,811	77,387	56,780	54,641	48,151	3,034	2,881
12 Net loss.....	207,456	199,058	87,844	56,613	98,128	72,409	21,484	70,035
13 Annuities and pensions.....	730,279	806,069	439,563	443,262	288,141	356,032	2,575	6,777
Rents and royalties:								
14 Net income.....	3,863,618	3,536,292	2,163,521	1,661,011	1,650,108	1,836,905	49,989	38,375
15 Net loss.....	1,143,837	429,542	534,497	174,149	578,931	227,591	30,409	27,802
Estates and trusts:								
16 Income.....	368,806	685,140	172,787	239,025	193,970	444,408	(1)	(1)
17 Loss.....	12,258	5,800	5,482	1,517	6,752	4,024	(1)	(1)
18 Other sources.....	5,019,718	690,691	3,134,372	368,877	1,825,258	310,191	60,088	11,624
19 Adjusted gross income or deficit.....	56,747,008	229,221,375	41,045,413	136,887,797	15,261,291	93,348,058	440,304	3,104,480
Itemized nonbusiness deductions:								
20 Contributions.....	14,565,306	3,892,547	-	-	14,555,918	3,891,173	9,388	1,374
21 Interest paid.....	10,727,798	3,204,542	-	-	10,721,354	3,201,287	6,444	3,255
22 Taxes.....	14,577,343	4,085,362	-	-	14,565,630	4,076,630	11,713	8,732
23 Medical and dental expenses.....	8,639,147	2,975,448	-	-	8,633,875	2,971,172	5,272	4,276
24 Child care.....	272,737	88,714	-	-	272,237	87,960	(1)	(1)
25 Losses from fire, storm, other casualty, or theft.....	2,107,002	444,300	-	-	2,106,457	444,245	(1)	(1)
26 Other deductions.....	11,507,354	2,731,267	-	-	11,504,665	2,730,760	2,689	507
27 Total itemized deductions.....	15,243,545	17,422,180	-	-	15,229,351	17,403,227	14,194	18,953

See text for individual returns for "Explanation of Classifications and Terms" and "Description of Sample and Limitations of Data."

<sup>1</sup>Sample variability of this item is too large to warrant showing it separately. However, this value is included in each total.<sup>2</sup>Adjusted gross income less adjusted gross deficit.<sup>3</sup>Adjusted gross deficit.









Table 4.—SOURCES OF INCOME AND LOSS, EXEMPTIONS, AND TAX ITEMS—ALL RETURNS, JOINT RETURNS, AND OTHER RETURNS, BY ADJUSTED GROSS INCOME CLASSES—Continued

PART I.—ALL RETURNS—Continued

Adjusted gross income classes	Net operating loss deduction		Sales of capital assets				Sales of property other than capital assets				Annuities and pensions			Rents and royalties				
	Number of returns	Amount (Thousand dollars)	Net gain		Net loss		Number of returns	Amount (Thousand dollars)	Net gain		Net loss		Number of returns	Amount (Thousand dollars)	Net income		Net loss	
			Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)			Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)			Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)
<b>Taxable returns:</b>	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)		
1 \$600 under \$1,000	(2)	(4)	16,022	3,635	3,006	948	(3)	(3)	(3)	(3)	2,989	1,978	27,800	10,049	3,900	503		
2 \$1,000 under \$1,500	(3)	(4)	33,009	10,410	11,624	7,436	(4)	(4)	(4)	(4)	2,074	4,872	56,927	33,948	15,601	4,106		
3 \$1,500 under \$2,000	(4)	(4)	50,084	8,191	13,233	8,191	3,268	1,873	3,099	993	19,072	19,647	96,812	64,922	26,953	8,342		
4 \$2,000 under \$2,500	(4)	(4)	73,198	34,017	18,679	10,725	3,223	784	5,336	2,102	26,129	24,684	124,700	80,375	37,873	11,643		
5 \$2,500 under \$3,000	(3)	(4)	75,887	42,370	26,390	13,379	4,006	2,893	7,625	6,158	27,181	28,138	158,190	97,409	54,386	14,793		
6 \$3,000 under \$3,500	(4)	(4)	90,715	43,390	18,273	12,859	4,247	2,061	10,607	7,117	37,446	34,682	177,436	104,209	64,358	17,992		
7 \$3,500 under \$4,000	(4)	(4)	114,859	67,208	25,239	13,697	4,037	2,894	12,139	6,674	31,219	24,357	203,021	125,352	74,985	18,398		
8 \$4,000 under \$4,500	(4)	(4)	111,927	34,839	34,839	18,563	5,054	1,161	13,158	9,357	33,351	26,115	193,128	104,877	54,777	24,708		
9 \$4,500 under \$5,000	(4)	(4)	93,395	59,262	29,796	15,058	7,343	5,887	6,375	4,805	31,968	31,968	235,021	116,385	89,303	23,240		
10 \$5,000 under \$6,000	(3)	(4)	207,008	152,244	55,207	27,670	6,023	3,439	22,325	10,993	42,874	46,242	272,966	232,256	152,735	39,543		
11 \$6,000 under \$7,000	(4)	(4)	199,512	113,075	45,658	26,313	7,113	3,230	13,227	5,021	30,263	30,889	375,393	187,130	113,140	31,097		
12 \$7,000 under \$8,000	(4)	(4)	136,418	83,650	33,012	15,000	4,364	4,364	4,737	4,737	19,642	23,279	180,083	147,812	68,164	18,091		
13 \$8,000 under \$9,000	(4)	(4)	90,384	86,855	30,663	14,634	7,615	8,623	3,053	796	13,215	17,386	121,096	147,812	64,271	14,298		
14 \$9,000 under \$10,000	(4)	(4)	87,251	75,058	23,292	14,447	3,065	2,987	2,371	365	15,167	15,167	85,629	109,284	22,994	8,553		
15 \$10,000 under \$15,000	1,171	3,351	247,265	370,790	61,848	36,192	10,765	13,331	11,414	11,047	29,901	37,827	196,103	329,963	48,125	28,038		
16 \$15,000 under \$20,000	312	1,477	111,526	235,366	30,229	18,875	4,106	4,932	5,022	5,047	12,171	17,686	189,818	16,763	12,108	16,763		
17 \$20,000 under \$30,000	291	445	111,404	314,511	31,380	21,011	3,624	9,321	4,134	5,493	10,338	17,068	70,912	34,342	16,132	17,071		
18 \$30,000 under \$50,000	200	716	77,293	398,954	21,651	15,111	1,877	4,451	3,009	4,228	7,798	18,093	44,356	224,968	10,355	19,040		
19 \$50,000 under \$100,000	47	1,044	42,215	398,766	10,037	7,617	695	3,365	1,318	3,428	4,293	12,115	21,250	163,599	4,999	14,370		
20 \$100,000 under \$150,000	(3)	(2)	8,190	190,331	1,488	1,102	136	1,052	361	1,435	971	3,489	8,337	54,837	1,097	4,863		
21 \$150,000 under \$200,000	3	87	2,413	103,000	394	327	37	97	96	431	352	1,615	1,040	16,755	361	2,649		
22 \$200,000 under \$300,000	2	5	2,592	243,397	375	503	63	244	108	639	370	2,120	1,099	23,988	443	5,138		
23 \$300,000 under \$500,000	1	1	372	107,300	46	39	16	38	11	79	36	293	170	7,544	73	1,038		
24 \$500,000 or more	2	51	164	166,997	32	30	11	32	10	108	23	293	80	11,377	29	259		
<b>Total taxable returns</b>	14,174	30,296	1,943,303	3,359,499	526,371	299,537	87,272	78,666	137,327	91,887	405,327	454,372	2,786,097	2,825,125	967,123	339,833		
<b>Non-taxable returns:</b>																		
26 No adjusted gross income	11,046	86,136	61,371	117,850	24,598	16,821	3,034	2,881	21,484	70,035	2,975	6,777	49,989	38,375	30,409	27,802		
27 Under \$600	(2)	(2)	40,216	20,495	21,635	11,749	4,536	1,768	7,183	12,427	13,003	5,199	127,365	41,127	23,732	13,656		
28 \$600 under \$1,000	(3)	(4)	60,870	26,775	17,452	9,238	5,040	1,510	8,055	5,034	41,015	22,586	191,310	94,241	17,742	6,374		
29 \$1,000 under \$1,500	(3)	(4)	85,736	46,757	17,639	11,679	8,980	4,695	8,048	3,987	82,661	70,466	235,080	154,871	24,714	7,593		
30 \$1,500 under \$2,000	(2)	(3)	68,343	38,157	19,083	10,197	7,085	2,887	6,180	4,426	82,029	95,354	178,149	122,355	15,662	6,170		
31 \$2,000 under \$2,500	(2)	(2)	50,999	32,059	10,324	4,729	6,584	4,100	5,546	2,929	51,765	73,443	115,311	98,977	16,209	5,110		
32 \$2,500 under \$3,000	(2)	(2)	41,954	24,080	10,614	6,160	4,991	5,418	5,546	3,070	29,727	49,055	74,499	62,370	18,184	11,685		
33 \$3,000 under \$3,500	(2)	(2)	22,770	25,765	6,090	3,988	3,034	2,085	4,023	2,908	12,176	16,866	39,777	35,242	10,101	2,722		
34 \$3,500 under \$4,000	(2)	(2)	15,104	13,021	6,984	2,974	(2)	(2)	(2)	(2)	4,085	5,085	23,076	13,154	10,597	4,103		
35 \$4,000 under \$4,500	(2)	(2)	5,532	3,088	2,551	1,410	(2)	(2)	(2)	(2)	2,514	2,472	19,662	19,413	4,068	683		
36 \$4,500 under \$5,000	(2)	(2)	2,551	297	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	9,087	8,761	(2)	(2)		
37 \$5,000 under \$6,000	(2)	(2)	9,036	6,759	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	8,540	7,526	2,518	1,049		
38 \$6,000 under \$8,000	(2)	(2)	3,529	5,438	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	4,553	6,417	(2)	(2)		
39 \$8,000 under \$10,000	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)		
40 \$10,000 or more	(2)	(2)	711	9,573	820	773	33	13	41	123	151	244	623	7,163	244	775		
<b>Total nontaxable returns</b>	20,607	114,669	467,844	372,363	137,513	79,909	47,790	29,145	70,129	107,171	324,752	351,497	1,077,521	711,167	176,714	89,709		
<b>Grand total</b>	34,781	144,965	2,411,147	3,731,862	664,084	379,446	135,062	107,811	207,456	199,058	730,279	806,069	3,863,618	3,536,292	1,143,837	429,542		
43 Returns under \$5,000	28,194	127,102	1,113,140	700,586	316,766	179,910	81,558	47,569	131,392	143,781	537,252	555,828	2,396,742	1,437,063	643,877	210,171		
44 Returns \$5,000 or more	6,587	17,863	1,298,007	3,031,276	347,318	199,536	53,504	60,242	76,064	55,277	193,027	250,241	1,466,876	2,099,229	499,960	219,371		

See footnotes at end of table. See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."





Table 4.—SOURCES OF INCOME AND LOSS, EXEMPTIONS, AND TAX ITEMS—ALL RETURNS, JOINT RETURNS, AND OTHER RETURNS, BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	Tax credits for—				Income tax liability after credits (Thousand dollars)	Tax withheld		Payments on 1954 declaration		Tax due at time of filing		Refund		Overpayment				
	Foreign tax paid		Tax paid at source			Number of returns <sup>5</sup>	Amount (Thousand dollars)	Number of returns <sup>6</sup>	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)			
	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)														
Taxable returns:	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)	
1 \$600 under \$1,000	-	-	-	-	-	-	37,648	1,109,765	93,295	20,912	1,711	222,194	5,540	1,047,007	61,184	9,702	787	
2 \$1,000 under \$1,500	-	-	-	-	-	-	213,519	2,132,468	262,790	69,814	8,468	735,394	24,716	1,971,148	77,486	24,951	1,862	
3 \$1,500 under \$2,000	-	-	-	-	-	-	344,635	3,074,637	379,768	113,698	19,147	1,133,258	43,319	1,964,877	44,206	4,647	4,647	
4 \$2,000 under \$2,500	(2)	(2)	-	-	(2)	(2)	575,180	2,677,970	627,970	166,195	36,902	954,966	61,384	1,946,813	130,963	63,679	8,707	
5 \$2,500 under \$3,000	-	-	-	-	(2)	(2)	817,847	3,075,596	886,582	206,357	47,299	1,061,023	71,032	2,176,929	164,143	59,902	6,586	
6 \$3,000 under \$3,500	-	-	-	-	(2)	(2)	1,120,604	1,180,154	1,505,897	363,499	56,304	1,505,897	94,328	1,505,897	180,528	73,987	8,778	
7 \$3,500 under \$4,000	(2)	(2)	-	-	(2)	(2)	1,346,631	3,729,857	1,413,191	254,484	70,213	1,599,087	107,501	2,310,148	211,356	80,925	11,632	
8 \$4,000 under \$4,500	(2)	(2)	(2)	(2)	(2)	(2)	1,489,975	3,665,993	1,565,993	265,846	86,471	1,439,029	2,377,382	2,377,382	235,959	41,529	13,411	
9 \$4,500 under \$5,000	(2)	(2)	(2)	(2)	(2)	(2)	1,559,856	3,332,693	1,619,377	250,805	84,602	1,283,192	108,461	2,177,162	220,965	85,460	14,019	
10 \$5,000 under \$5,000	(2)	(2)	(2)	(2)	(2)	(2)	2,770,109	4,758,254	2,792,259	436,389	178,300	1,701,170	195,435	3,214,847	340,293	147,795	26,985	
11 \$6,000 under \$7,000	3,054	426	-	-	(2)	(2)	2,385,403	3,101,022	2,327,300	359,286	170,601	1,246,805	159,232	1,943,184	228,441	119,836	22,807	
12 \$7,000 under \$8,000	(2)	(2)	(2)	(2)	(2)	(2)	1,820,597	1,828,585	1,674,977	306,311	173,945	882,426	132,629	1,037,964	127,737	83,385	17,994	
13 \$8,000 under \$9,000	(2)	(2)	(2)	(2)	(2)	(2)	1,301,277	1,042,254	1,126,227	239,222	158,777	577,976	117,682	544,417	72,627	17,594	13,411	
14 \$9,000 under \$10,000	(2)	(2)	(2)	(2)	(2)	(2)	932,992	619,522	769,337	192,576	143,843	369,106	87,760	295,273	43,630	56,904	15,635	
15 \$10,000 under \$15,000	7,650	1,264	1,236	3	883	18	2,185,166	895,545	1,229,769	568,047	795,295	741,384	338,160	314,184	78,372	165,079	77,248	
16 \$15,000 under \$20,000	5,891	844	1,971	1	620	11	1,145,589	264,249	473,563	260,697	533,021	243,136	219,573	54,415	46,376	72,696	25,402	
17 \$20,000 under \$30,000	7,437	1,553	1,071	1	885	9	1,521,883	184,773	487,463	243,255	854,337	27,720	280,291	70,198	65,579	17	17	
18 \$30,000 under \$50,000	7,620	2,720	2,843	5	1,365	22	1,683,981	61,661	565,277	146,614	1,057,477	111,025	297,511	9,784	215,239	18	18	
19 \$50,000 under \$100,000	7,391	4,484	2,008	11	893	24	1,708,710	41,867	67,283	1,180,511	11,347	49,279	285,936	2,757	17,070	18,446	62,262	
20 \$100,000 under \$150,000	2,113	1,393	579	2	256	7	614,555	6,867	75,072	11,347	466,534	8,229	94,183	323	2,083	3,080	18,880	
21 \$150,000 under \$200,000	1,192	1,192	154	(7)	75	4	2,250,529	22,880	3,154	202,529	2,250	3,337	112	1,205	6,655	21	21	
22 \$200,000 under \$500,000	939	1,977	172	(7)	82	11	457,014	1,887	28,743	3,202	378,397	2,230	66,969	830	1,246	915	17,433	
23 \$500,000 under \$1,000,000	163	773	27	11	17	3	154,785	215	2,904	431	136,302	296	19,194	22	869	123	2,738	
24 \$1,000,000 or more	68	719	-	-	7	1	222,374	99	1,086	201	197,252	138	26,753	11	416	53	2,299	
Total taxable returns	52,192	18,078	13,135	39	9,113	144	26,665,753	38,092,403	19,921,850	4,409,825	7,038,238	15,647,041	2,984,554	24,821,679	2,365,645	1,377,973	665,149	
Non-taxable returns:																		
No adjusted gross income	-	-	-	-	-	-	-	74,922	20,020	58,176	27,037	10,080	330	94,858	35,113	31,475	11,519	26
Under \$600	-	-	-	-	-	-	-	3,224,143	104,233	29,636	6,723	80,007	1,150	3,233,360	107,636	15,805	2,801	27
\$600 under \$1,000	-	-	-	-	-	-	-	983,438	54,319	41,578	9,990	155,540	3,563	991,571	77,737	25,259	5,797	28
\$1,000 under \$1,500	-	-	-	-	-	-	-	962,228	75,907	59,019	10,094	186,641	6,247	973,935	79,048	32,850	5,354	29
\$1,500 under \$2,000	-	-	-	-	-	-	-	923,457	80,068	71,691	14,137	161,233	6,936	936,946	84,627	34,552	7,334	30
\$2,000 under \$2,500	-	-	-	-	-	-	-	657,207	59,135	60,223	9,931	99,393	5,341	672,249	63,088	25,800	3,542	31
\$2,500 under \$3,000	-	-	-	-	-	-	-	619,836	62,872	44,550	9,456	91,658	6,013	615,998	66,052	22,005	3,895	32
\$3,000 under \$3,500	-	-	-	-	-	-	-	498,585	46,365	35,498	7,581	58,993	4,045	497,249	48,808	16,000	3,358	33
\$3,500 under \$4,000	-	-	-	-	-	-	-	355,203	37,204	31,024	3,891	30,939	2,595	376,255	38,391	10,235	1,461	34
\$4,000 under \$4,500	-	-	-	-	-	-	-	173,412	12,925	8,800	1,729	18,533	1,333	170,372	22,219	4,143	660	35
\$4,500 under \$5,000	(2)	(2)	(2)	(2)	(2)	(2)	91,762	12,403	7,150	1,693	1,693	5,153	465	94,785	13,261	(2)	(2)	
\$5,000 under \$6,000	(2)	(2)	(2)	(2)	(2)	(2)	62,075	11,325	6,661	2,639	6,661	5,174	(2)	64,133	11,646	4,102	1,839	
\$6,000 under \$8,000	(2)	(2)	(2)	(2)	(2)	(2)	5,029	4,602	5,042	(2)	(2)	(2)	(2)	19,079	9,376	2,585	1,379	
\$8,000 under \$10,000	159	402	-	-	901	13	(2)	(2)	(2)	1,492	3,795	121	13	1,379	3,477	636	1,939	
\$10,000 or more	1,676	560	(2)	(2)	-	-	8,646,805	593,883	448,124	113,745	903,982	38,488	8,723,392	641,234	227,508	51,477	41	
Total nontaxable returns	53,868	18,638	13,652	43	9,113	144	26,665,753	46,739,208	20,515,733	4,857,949	7,151,983	16,551,023	3,023,042	33,545,071	3,006,879	1,605,481	716,626	
Grand total	4,017	370	517	1	1,541	10	7,505,955	33,877,913	8,603,571	2,006,955	513,379	10,414,210	661,727	26,014,341	1,984,144	784,526	116,728	
Returns under \$5,000	49,851	18,268	13,135	42	7,572	134	19,159,798	12,861,295	11,912,162	2,850,994	6,638,604	6,136,813	2,361,315	7,550,730	1,022,735	850,955	599,898	
Returns \$5,000 or more	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."

1 Excludes returns, Form 1040A, in adjusted gross income classes under \$5,000.

2 Sample variability of this item is too large to warrant showing it separately. However, this value is included in each total.

3 Adjusted gross deficit.

4 Adjusted gross income less adjusted gross deficit.

5 Includes returns with income tax withheld, or with excess social security tax withheld, or with both.

6 Includes returns with payments on declaration, or with credit for overpayment of prior year's tax, or with both.

7 Less than \$500.





Table 4.—SOURCES OF INCOME AND LOSS, EXEMPTIONS, AND TAX ITEMS—ALL RETURNS, JOINT RETURNS, AND OTHER RETURNS, BY ADJUSTED GROSS INCOME CLASSES—Continued

FART II.—JOINT RETURNS—Continued

Adjusted gross income classes	Net operating loss deduction		Sales of capital assets			Sales of property other than capital assets			Annuities and pensions			Rents and royalties				
	Number of returns	Amount (Thousand dollars)	Net gain		Net loss	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Net income		Net loss		
			Number of returns	Amount (Thousand dollars)								Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns
Taxable returns:	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)
\$600 under \$1,000	-	-	7,922	1,541	2,513	1,192	-	-	(2)	(2)	(2)	(2)	7,114	4,085	(2)	(2)
\$1,000 under \$1,500	(2)	(2)	15,998	7,701	2,633	2,633	(2)	(2)	2,582	803	2,989	2,976	31,382	19,183	11,193	4,619
\$1,500 under \$2,000	(2)	(2)	38,008	17,810	10,630	6,652	(2)	(2)	3,502	1,841	8,005	7,072	54,724	31,779	18,294	6,350
\$2,000 under \$3,000	(2)	(2)	45,207	26,403	12,746	8,133	2,989	2,268	6,125	6,040	15,059	5,865	50,188	50,188	32,193	9,128
\$3,000 under \$4,000	(2)	(2)	54,513	24,241	9,731	6,293	4,047	1,785	8,607	5,674	18,159	14,965	54,306	43,796	11,371	1,371
\$4,000 under \$5,000	(2)	(2)	80,636	47,385	16,222	8,840	2,520	953	6,959	4,011	14,071	12,837	87,837	67,242	55,361	11,788
\$5,000 under \$6,000	(2)	(2)	74,167	47,328	27,268	15,653	4,054	1,063	6,966	4,966	18,703	21,234	194,521	100,571	87,484	21,508
\$6,000 under \$7,000	(2)	(2)	67,168	47,208	24,155	12,692	7,043	5,687	6,075	4,173	19,157	23,289	193,171	81,095	74,486	20,196
\$7,000 under \$8,000	(2)	(2)	132,971	96,667	41,974	21,409	3,489	1,391	20,791	10,136	30,689	36,127	320,949	169,216	133,095	32,473
\$8,000 under \$9,000	(2)	(2)	130,151	85,358	38,431	22,708	6,613	3,193	13,203	5,019	22,220	25,438	247,544	141,524	106,593	28,267
\$9,000 under \$10,000	(2)	(2)	108,238	81,883	28,923	12,419	6,108	3,169	7,629	4,659	16,654	20,083	160,860	113,675	63,141	16,622
\$10,000 under \$15,000	(2)	(2)	75,891	66,118	24,972	10,908	5,581	3,411	3,055	1,796	11,158	14,199	105,315	92,608	39,282	12,715
\$15,000 under \$20,000	(2)	(2)	76,047	63,723	21,703	13,334	2,541	2,485	2,571	585	9,159	8,657	80,049	85,786	22,427	8,521
\$20,000 under \$25,000	1,051	3,123	206,131	286,641	51,267	28,834	9,838	12,333	10,066	9,248	21,500	26,078	170,302	255,156	42,578	24,365
\$25,000 under \$30,000	1,286	1,327	95,734	188,019	25,373	15,449	3,767	4,465	4,459	4,707	9,433	14,126	68,151	148,316	15,040	10,613
\$30,000 under \$35,000	267	423	95,123	253,192	26,045	16,792	3,507	8,050	3,779	4,932	7,760	10,462	60,795	201,858	14,366	15,321
\$35,000 under \$40,000	196	689	68,259	282,370	18,963	12,894	1,793	4,072	2,789	3,871	6,322	15,413	39,399	187,416	9,306	17,391
\$40,000 under \$50,000	47	1,044	37,195	336,486	8,584	6,437	64	3,027	1,414	3,240	3,603	8,698	18,643	132,195	4,455	12,270
\$50,000 under \$100,000	(2)	(2)	7,076	163,971	1,243	933	115	921	340	1,306	796	2,932	3,339	43,802	1,015	4,488
\$100,000 under \$150,000	3	87	2,065	87,129	307	257	34	42	80	333	289	1,286	1,632	6,562	317	2,468
\$150,000 under \$200,000	1	1	2,183	205,720	279	226	57	214	96	581	50	1,668	18,149	18,149	378	4,245
\$200,000 under \$300,000	2	5	86,048	86,048	29	24	4	44	8	70	14	391	3,919	3,919	57	823
\$300,000 under \$500,000	2	51	113,851	113,851	4	4	6	12	2	(7)	159	48	7,434	7,434	14	86
Total taxable returns	12,455	29,341	1,441,066	2,616,793	393,830	224,716	68,321	65,524	119,558	80,288	227,077	276,056	2,117,599	2,023,729	776,118	275,937
Non-taxable returns:																
No adjusted gross income	8,471	82,079	46,603	101,166	15,881	11,138	3,030	2,869	11,339	52,510	2,575	6,777	34,651	30,345	16,350	20,985
Under \$600	(2)	(2)	23,324	16,294	11,049	3,608	2,513	493	4,115	11,261	6,008	3,022	41,182	15,177	6,619	8,136
\$600 under \$1,000	(2)	(2)	35,313	18,242	9,461	5,466	3,040	1,011	4,036	4,149	18,511	10,415	76,033	34,666	6,662	3,188
\$1,000 under \$1,500	3,030	10,100	57,666	34,110	13,133	8,765	5,991	2,669	7,048	3,420	39,027	35,814	123,332	78,086	12,675	3,640
\$1,500 under \$2,000	(2)	(2)	50,809	31,279	18,062	9,261	6,585	2,840	5,663	4,600	42,795	44,913	129,308	86,043	12,662	5,301
\$2,000 under \$2,500	(2)	(2)	45,548	28,780	8,507	3,477	6,084	4,093	5,057	2,195	34,607	44,753	93,705	74,175	13,186	5,548
\$2,500 under \$3,000	(2)	(2)	36,403	21,442	8,097	4,757	4,991	5,418	5,546	3,070	20,109	29,391	66,966	55,145	18,184	11,685
\$3,000 under \$3,500	(2)	(2)	18,747	22,795	5,573	3,471	3,034	2,085	4,023	2,908	8,108	10,732	31,460	31,460	9,584	2,499
\$3,500 under \$4,000	(2)	(2)	12,087	12,250	4,495	2,485	(2)	(2)	(2)	(2)	3,568	5,046	20,070	10,474	9,080	3,688
\$4,000 under \$4,500	(2)	(2)	5,032	3,054	2,551	1,410	(2)	(2)	(2)	(2)	(2)	(2)	17,682	16,155	3,568	5,550
\$4,500 under \$5,000	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	7,553	7,699	(2)	(2)
\$5,000 under \$6,000	(2)	(2)	8,019	4,986	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	8,540	7,526	2,518	1,049
\$6,000 under \$8,000	(2)	(2)	3,529	5,438	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	4,036	5,394	(2)	(2)
\$8,000 under \$10,000	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
\$10,000 or more	(2)	(2)	535	5,542	775	732	33	13	35	96	75	84	533	5,833	160	496
Total non-taxable returns	16,537	108,076	345,659	306,875	99,107	54,761	39,774	25,279	50,885	86,241	178,931	195,793	660,766	459,333	115,282	67,888
Grand total	28,992	137,417	1,786,725	2,923,668	492,937	279,477	108,095	90,803	170,443	166,529	406,008	471,849	2,778,365	2,483,062	891,400	343,825
Returns under \$5,000	23,083	120,015	716,695	509,301	203,059	116,045	63,445	38,716	99,097	116,596	264,963	283,390	1,487,430	843,478	435,911	151,939
Returns \$5,000 or more	5,909	17,402	1,070,030	2,414,367	289,878	163,432	44,650	52,087	71,346	49,933	341,045	188,459	1,290,935	1,634,584	455,489	191,886

See footnotes at end of table. See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."

Table 4.—SOURCES OF INCOME AND LOSS, EXEMPTIONS, AND TAX ITEMS—ALL RETURNS, JOINT RETURNS, AND OTHER RETURNS, BY ADJUSTED GROSS INCOME CLASSES—Continued

PART II.—JOINT RETURNS—Continued

	Estate and trusts				Other sources (Thousand dollars)	Adjusted gross income (Thousand dollars)	Exemptions (Thousand dollars)	Taxable income		Number of returns with no taxable income	Income tax before credits (Thousand dollars)	Tax credits for—			
	Income		Loss					Number of returns	Amount (Thousand dollars)			Dividends received	Retirement income		
	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)									Number of returns	Amount (Thousand dollars)	
1	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)
Adjustable gross income classes															
Taxable returns:															
1															
2															
3															
4															
5															
6															
7															
8															
9															
10															
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16															
17															
18															
19															
20															
21															
22															
23															
24															
25															
Total taxable returns.....															
Nontaxable returns:															
26															
27															
28															
29															
30															
31															
32															
33															
34															
35															
36															
37															
38															
39															
40															
Total nontaxable returns.....															
Grand total.....															
41															
42															
43															
44															

See footnotes at end of table. See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."



Table 4.—SOURCES OF INCOME AND LOSS, EXEMPTIONS, AND TAX ITEMS—ALL RETURNS, JOINT RETURNS, AND OTHER RETURNS, BY ADJUSTED GROSS INCOME CLASSES—Continued

PART II.—JOINT RETURNS—Continued

Adjusted gross income classes	Tax credits for—						Income tax liability after credits			Tax withheld			Payments on 1954 declaration			Tax due at time of filing			Refund			Overpayment																																							
	Foreign tax paid		Tax paid at source		Partially tax-exempt interest		Liability after credits			Tax withheld			Payments on 1954 declaration			Tax due at time of filing			Refund			Overpayment																																							
	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)																																					
Taxable returns:	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
\$600 under \$1,000.....	-	-	-	-	-	-	1,845	91,658	9,089	4,108	310	48,311	1,242	87,090	7,850	-	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
\$1,000 under \$1,500.....	-	-	-	-	-	-	30,088	308,739	43,588	34,907	6,396	149,024	9,585	256,783	23,314	-	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
\$1,500 under \$2,000.....	-	-	-	-	-	-	86,092	728,156	122,552	70,480	14,895	290,085	21,123	603,673	63,045	-	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
\$2,000 under \$3,000.....	-	-	-	-	-	-	205,352	1,218,240	262,660	115,118	24,560	420,080	35,865	984,506	100,931	-	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
\$3,000 under \$4,000.....	-	-	-	-	-	-	390,533	1,752,578	456,051	137,361	33,036	600,194	52,698	1,342,650	125,690	-	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
\$4,000 under \$5,000.....	-	-	-	-	-	-	688,409	2,371,604	742,182	178,018	46,282	763,569	65,755	1,755,554	166,345	-	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
\$5,000 under \$6,000.....	-	-	-	-	-	-	1,111,971	2,704,523	1,019,004	229,861	59,013	829,861	73,578	2,007,420	202,959	-	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
\$6,000 under \$7,000.....	-	-	-	-	-	-	2,284,220	4,213,339	2,377,709	336,391	129,431	1,324,943	142,756	3,008,459	319,331	-	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
\$7,000 under \$8,000.....	-	-	-	-	-	-	2,120,545	2,873,778	2,119,455	285,779	126,609	1,078,852	127,214	1,866,462	214,091	-	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
\$8,000 under \$9,000.....	-	-	-	-	-	-	1,652,977	1,723,451	1,564,750	247,064	132,145	786,191	107,431	1,010,334	123,169	-	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
\$9,000 under \$10,000.....	-	-	-	-	-	-	1,197,047	989,685	1,057,148	199,358	121,228	530,817	101,724	529,491	69,587	-	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
\$10,000 under \$15,000.....	-	-	-	-	-	-	864,177	592,156	731,393	175,056	121,147	340,523	74,956	288,227	41,603	-	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
\$15,000 under \$20,000.....	-	-	-	-	-	-	1,937,566	845,631	1,156,607	487,946	653,189	673,033	284,596	302,286	72,534	-	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
\$20,000 under \$30,000.....	-	-	-	-	-	-	993,377	209,754	443,440	228,452	218,201	1,270,760	238,224	25,880	43,307	-	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
\$30,000 under \$50,000.....	-	-	-	-	-	-	1,291,791	152,473	453,578	215,418	685,421	1,746,760	238,224	25,880	43,307	-	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
\$50,000 under \$100,000.....	-	-	-	-	-	-	1,460,666	85,605	541,007	883,666	99,951	259,439	259,439	8,848	15,168	-	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
\$100,000 under \$150,000.....	-	-	-	-	-	-	521,726	6,415	70,399	9,807	387,436	7,206	81,405	273	1,866	-	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
\$150,000 under \$200,000.....	-	-	-	-	-	-	212,916	1,727	20,999	2,660	164,680	1,925	31,480	94	805	-	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
\$200,000 under \$500,000.....	-	-	-	-	-	-	363,303	1,725	26,625	2,628	297,824	1,960	54,841	81	974	-	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
\$500,000 under \$1,000,000.....	-	-	-	-	-	-	110,888	186	793	793	110,888	230	14,509	754	28	-	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
\$1,000,000 or more.....	-	-	-	-	-	-	102,888	75	793	793	102,888	77	17,344	7	28	-	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44

Table 4.—SOURCES OF INCOME AND LOSS, EXEMPTIONS, AND TAX ITEMS—ALL RETURNS, JOINT RETURNS, AND OTHER RETURNS, BY ADJUSTED GROSS INCOME CLASSES—Continued

PART III.—OTHER THAN JOINT RETURNS

Adjusted gross income classes	Number of returns		Salaries and wages (after exclusions)		Dividends (after exclusions)		Interest received		Business or profession			Partnership					
	(1)	(2)	Number of returns <sup>1</sup>	Amount (Thousand dollars)	Number of returns <sup>1</sup>	Amount (Thousand dollars)	Number of returns <sup>1</sup>	Amount (Thousand dollars)	Net profit		Net loss		Net profit		Net loss		
									(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
Taxable returns:																	
1 \$600 under \$1,000.....	1,292,988	1,204,820	22,123	7,925	45,676	8,819	69,868	8,078	13,750	9,645	(2)	(2)	(2)	(2)	(2)	(2)	(2)
2 \$1,000 under \$1,500.....	2,289,763	2,155,465	40,267	16,730	84,471	20,486	97,672	11,914	23,643	23,155	(2)	(2)	(2)	(2)	(2)	(2)	(2)
3 \$1,500 under \$2,000.....	2,002,073	1,861,534	63,215	30,956	117,709	30,951	132,172	13,693	8,656	34,641	(2)	(2)	(2)	(2)	(2)	(2)	(2)
4 \$2,000 under \$2,500.....	2,144,636	2,016,864	70,112	44,720	137,351	36,374	84,756	13,658	8,757	34,789	(2)	(2)	(2)	(2)	(2)	(2)	(2)
5 \$2,500 under \$3,000.....	1,988,101	1,898,248	85,765	46,044	135,320	35,296	58,957	10,061	19,924	42,337	(2)	(2)	(2)	(2)	(2)	(2)	(2)
6 \$3,000 under \$3,500.....	1,853,625	1,764,982	91,992	56,559	149,383	36,513	49,195	12,650	25,522	41,772	(2)	(2)	(2)	(2)	(2)	(2)	(2)
7 \$3,500 under \$4,000.....	1,437,290	1,376,381	80,115	57,424	149,397	37,668	37,668	7,633	18,428	45,522	(2)	(2)	(2)	(2)	(2)	(2)	(2)
8 \$4,000 under \$4,500.....	1,013,893	975,871	86,206	73,968	128,512	32,808	21,858	47,464	3,085	25,525	(2)	(2)	(2)	(2)	(2)	(2)	(2)
9 \$4,500 under \$5,000.....	695,267	653,633	73,164	81,480	99,125	28,077	21,966	4,034	13,262	40,239	(2)	(2)	(2)	(2)	(2)	(2)	(2)
10 \$5,000 under \$6,000.....	617,203	555,477	111,733	102,470	155,089	48,079	35,248	138,133	16,986	67,620	(2)	(2)	(2)	(2)	(2)	(2)	(2)
11 \$6,000 under \$7,000.....	268,015	231,821	76,821	83,675	84,530	27,583	19,441	89,535	4,461	41,028	(2)	(2)	(2)	(2)	(2)	(2)	(2)
12 \$7,000 under \$8,000.....	142,142	107,634	50,928	103,360	52,396	23,254	13,693	79,883	2,006	46,844	(2)	(2)	(2)	(2)	(2)	(2)	(2)
13 \$8,000 under \$9,000.....	74,027	55,120	37,534	70,993	33,535	22,555	6,717	44,630	2,549	33,211	(2)	(2)	(2)	(2)	(2)	(2)	(2)
14 \$9,000 under \$10,000.....	41,792	28,883	24,539	41,440	18,376	9,439	6,742	26,215	517	6,247	(2)	(2)	(2)	(2)	(2)	(2)	(2)
15 \$10,000 under \$15,000.....	106,025	54,318	67,862	279,975	64,724	66,737	18,148	143,990	3,038	16,318	(2)	(2)	(2)	(2)	(2)	(2)	(2)
16 \$15,000 under \$20,000.....	37,412	16,444	27,272	169,974	24,333	29,970	6,681	1,202	4,771	70,783	(2)	(2)	(2)	(2)	(2)	(2)	(2)
17 \$20,000 under \$30,000.....	33,440	14,656	20,009	27,384	269,035	38,097	4,436	68,988	1,127	6,696	(2)	(2)	(2)	(2)	(2)	(2)	(2)
18 \$30,000 under \$50,000.....	16,922	7,149	3,242	14,708	236,346	29,347	2,510	55,661	739	3,393	(2)	(2)	(2)	(2)	(2)	(2)	(2)
19 \$50,000 under \$100,000.....	8,115	3,119	81,837	258,577	6,535	21,691	826	24,981	595	1,447	(2)	(2)	(2)	(2)	(2)	(2)	(2)
20 \$100,000 under \$150,000.....	1,576	579	1,495	103,137	1,289	6,767	138	5,756	111	243	(2)	(2)	(2)	(2)	(2)	(2)	(2)
21 \$150,000 under \$200,000.....	499	186	8,908	48,655	427	2,586	36	2,075	60	3,751	(2)	(2)	(2)	(2)	(2)	(2)	(2)
22 \$200,000 under \$500,000.....	578	234	11,338	97,335	492	4,084	42	2,512	94	6,349	(2)	(2)	(2)	(2)	(2)	(2)	(2)
23 \$500,000 under \$1,000,000.....	115	45	1,382	112	40,348	882	8	882	22	5,757	(2)	(2)	(2)	(2)	(2)	(2)	(2)
24 \$1,000,000 or more.....	91	37	1,695	137,367	84	3,409	10	1,611	23	5,633	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Total taxable returns.....	16,065,588	14,983,212	1,057,897	2,458,193	1,523,206	616,608	647,038	1,639,873	1,074,536	123,568	249,253	986,352	32,150	38,614	32,150	38,614	32,150
Nontaxable returns:																	
No adjusted gross income.....	130,872	20,337	20,888	4,408	16,723	4,624	4,143	2,907	93,522	207,614	2,585	17,623	17,259	48,111	48,111	48,111	48,111
Under \$600.....	3,381,407	3,109,003	30,656	6,510	73,717	12,609	171,872	62,941	23,442	14,738	25,061	8,264	4,102	1,794	1,794	1,794	1,794
\$600 under \$1,000.....	1,057,291	797,227	63,334	20,484	117,734	30,122	126,029	84,369	9,078	4,602	18,009	13,146	(2)	(2)	(2)	(2)	(2)
\$1,000 under \$1,500.....	771,390	541,323	61,081	29,627	115,264	36,416	101,410	104,945	6,021	3,028	9,624	10,717	(2)	(2)	(2)	(2)	(2)
\$1,500 under \$2,000.....	423,618	314,811	526,936	45,810	61,176	22,553	35,996	50,994	3,539	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
\$2,000 under \$2,500.....	164,403	119,608	205,166	16,937	28,667	15,152	9,669	17,787	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
\$2,500 under \$3,000.....	96,549	75,879	195,542	12,822	14,069	3,828	5,532	12,075	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
\$3,000 under \$3,500.....	46,830	34,630	106,304	9,084	9,608	6,195	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
\$3,500 under \$4,000.....	21,095	14,587	51,766	3,023	2,506	2,775	3,002	9,373	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
\$4,000 under \$4,500.....	11,519	11,019	42,737	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
\$4,500 under \$5,000.....	4,547	3,041	8,621	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
\$5,000 under \$6,000.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
\$6,000 under \$8,000.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
\$8,000 under \$10,000.....	370	135	1,293	4,875	136	387	33	686	42	2,006	7	189	13	1,147	1,147	1,147	1,147
Total nontaxable returns.....	6,112,938	5,043,160	3,402,675	153,772	443,195	137,970	460,127	357,333	139,696	237,187	66,998	69,142	23,908	52,657	52,657	52,657	52,657
Grand total.....	22,178,526	20,026,372	44,224,995	1,318,712	2,611,965	1,966,401	1,107,165	1,997,206	2,472,232	360,755	316,251	1,095,494	56,058	89,271	89,271	89,271	89,271
Returns under \$5,000.....	20,827,137	18,969,005	37,860,393	872,497	1,485,962	407,435	991,867	1,231,805	226,971	291,150	233,311	386,536	46,112	67,473	67,473	67,473	67,473
Returns \$5,000 or more.....	1,351,389	1,057,367	6,164,602	446,215	2,045,028	480,439	347,143	765,401	202,261	69,605	82,940	668,958	9,946	17,798	17,798	17,798	17,798

See footnotes at end of table. See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."

Table 4.—SOURCES OF INCOME AND LOSS, EXEMPTIONS, AND TAX ITEMS—ALL RETURNS, JOINT RETURNS, AND OTHER RETURNS, BY ADJUSTED GROSS INCOME CLASSES—Continued

PART III.—OTHER THAN JOINT RETURNS—Continued

Adjusted gross income classes	Net operating loss deduction			Sales of capital assets			Sales of property other than capital assets			Annuities and pensions			Rents and royalties											
	Number of returns	Amount (Thousand dollars)	(17)	Net gain		Net loss		Number of returns	Amount (Thousand dollars)	(22)	Net gain		Net loss		Number of returns	Amount (Thousand dollars)	(29)	Net loss		Number of returns	Amount (Thousand dollars)	(30)	(31)	
				Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)				Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)				Number of returns	Amount (Thousand dollars)					Number of returns
1 Taxable returns:																								
2 \$600 under \$1,500.....	(2)	(2)	16,022	3,635	3,006	948	(2)	(2)	(2)	(2)	(2)	(2)	(2)	2,989	1,978	10,049	27,800	3,500	14,562	3,879	3,823	5,113	503	
3 \$1,500 under \$2,500.....	(3)	(3)	25,087	8,869	9,111	6,264	(3)	(3)	(3)	(3)	(3)	(3)	6,057	4,012	29,863	49,813	29,863	65,430	15,566	3,823	5,113	503		
4 \$2,500 under \$3,500.....	(3)	(3)	35,190	16,207	10,165	5,058	(3)	(3)	(3)	(3)	(3)	(3)	15,124	17,612	65,976	69,976	48,796	47,221	22,693	19,624	3,823	5,113	503	
5 \$3,500 under \$4,500.....	(3)	(3)	30,680	15,967	13,644	5,246	(3)	(3)	(3)	(3)	(3)	(3)	19,158	22,263	58,994	58,994	47,221	49,279	20,352	19,624	3,823	5,113	503	
6 \$4,500 under \$5,000.....	(3)	(3)	36,202	19,249	9,142	6,336	(3)	(3)	(3)	(3)	(3)	(3)	22,269	19,177	62,269	62,269	49,279	58,110	20,352	19,624	3,823	5,113	503	
7 \$5,000 under \$6,000.....	(3)	(3)	44,223	19,223	9,017	4,857	(3)	(3)	(3)	(3)	(3)	(3)	17,148	11,660	62,263	62,263	49,279	58,110	20,352	19,624	3,823	5,113	503	
8 \$6,000 under \$7,000.....	(3)	(3)	37,760	23,266	9,571	2,910	(3)	(3)	(3)	(3)	(3)	(3)	14,648	14,950	34,557	34,557	34,557	34,557	34,557	34,557	3,823	5,113	503	
9 \$7,000 under \$8,000.....	(3)	(3)	24,527	12,054	5,641	2,366	(3)	(3)	(3)	(3)	(3)	(3)	10,367	8,679	35,450	35,450	35,450	35,450	35,450	35,450	3,823	5,113	503	
10 \$8,000 under \$9,000.....	(2)	(2)	54,037	55,277	13,233	6,264	(2)	(2)	(2)	(2)	(2)	(2)	12,185	10,115	63,053	63,053	63,053	63,053	63,053	63,053	3,823	5,113	503	
11 \$9,000 under \$10,000.....	(2)	(2)	29,381	27,717	7,207	3,605	(2)	(2)	(2)	(2)	(2)	(2)	8,643	4,462	37,569	37,569	37,569	37,569	37,569	37,569	3,823	5,113	503	
12 \$10,000 under \$11,000.....	(2)	(2)	28,180	31,767	4,089	2,601	(2)	(2)	(2)	(2)	(2)	(2)	9,995	3,137	34,137	34,137	34,137	34,137	34,137	34,137	3,823	5,113	503	
13 \$11,000 under \$12,000.....	(2)	(2)	14,693	20,737	5,691	1,728	(2)	(2)	(2)	(2)	(2)	(2)	3,567	1,781	15,864	15,864	15,864	15,864	15,864	15,864	3,823	5,113	503	
14 \$12,000 under \$13,000.....	(2)	(2)	11,204	11,355	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	3,608	4,473	23,458	23,458	23,458	23,458	23,458	23,458	3,823	5,113	503	
15 \$13,000 under \$14,000.....	(2)	(2)	41,134	34,149	10,881	7,358	(2)	(2)	(2)	(2)	(2)	(2)	11,769	11,769	25,801	25,801	25,801	25,801	25,801	25,801	3,823	5,113	503	
16 \$14,000 under \$15,000.....	(2)	(2)	15,792	47,347	4,896	3,426	(2)	(2)	(2)	(2)	(2)	(2)	2,728	3,577	10,459	10,459	10,459	10,459	10,459	10,459	3,823	5,113	503	
17 \$15,000 under \$16,000.....	(2)	(2)	16,281	63,319	5,235	3,772	(2)	(2)	(2)	(2)	(2)	(2)	2,578	6,446	10,117	10,117	10,117	10,117	10,117	10,117	3,823	5,113	503	
18 \$16,000 under \$17,000.....	(2)	(2)	9,034	54,984	2,668	2,217	(2)	(2)	(2)	(2)	(2)	(2)	1,476	2,650	4,957	4,957	4,957	4,957	4,957	4,957	3,823	5,113	503	
19 \$17,000 under \$18,000.....	(2)	(2)	5,020	26,280	1,453	1,150	(2)	(2)	(2)	(2)	(2)	(2)	991	3,417	2,607	2,607	2,607	2,607	2,607	2,607	3,823	5,113	503	
20 \$18,000 under \$19,000.....	(2)	(2)	1,114	26,360	245	169	(2)	(2)	(2)	(2)	(2)	(2)	175	557	486	486	486	486	486	486	3,823	5,113	503	
21 \$19,000 under \$20,000.....	(2)	(2)	348	15,874	87	70	(2)	(2)	(2)	(2)	(2)	(2)	63	352	181	181	181	181	181	181	3,823	5,113	503	
22 \$20,000 under \$21,000.....	(2)	(2)	409	37,637	96	77	(2)	(2)	(2)	(2)	(2)	(2)	64	532	180	180	180	180	180	180	3,823	5,113	503	
23 \$21,000 under \$22,000.....	(2)	(2)	93	21,452	17	15	(2)	(2)	(2)	(2)	(2)	(2)	6	28	42	42	42	42	42	42	3,823	5,113	503	
24 \$22,000 under \$23,000.....	(2)	(2)	60	53,146	28	26	(2)	(2)	(2)	(2)	(2)	(2)	9	108	32	32	32	32	32	32	3,823	5,113	503	
25 Total taxable returns.....	1,719	955	502,237	742,706	132,741	74,821	18,951	13,142	17,769	11,599	178,450	178,450	178,450	178,450	178,450	801,396	668,498	191,005	63,876	63,876	63,876	63,876	63,876	
26 Nontaxable returns:																								
27 No adjusted gross income.....	2,575	4,057	14,768	16,684	8,717	5,683	(2)	(2)	10,145	17,525	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
28 Under \$600.....	(2)	(2)	16,882	4,201	10,586	8,141	(2)	(2)	3,068	1,166	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
29 \$1,000 under \$1,500.....	(2)	(2)	25,257	8,253	7,991	3,772	(2)	(2)	2,019	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
30 \$1,500 under \$2,000.....	(2)	(2)	28,070	12,847	4,506	2,914	(2)	(2)	2,989	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
31 \$2,000 under \$2,500.....	(2)	(2)	17,252	6,878	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
32 \$2,500 under \$3,000.....	(2)	(2)	5,651	2,638	2,517	1,403	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
33 \$3,000 under \$3,500.....	(2)	(2)	2,023	2,970	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
34 \$3,500 under \$4,000.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
35 \$4,000 under \$4,500.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
36 \$4,500 under \$5,000.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
37 \$5,000 under \$6,000.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
38 \$6,000 under \$7,000.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
39 \$7,000 under \$8,000.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
40 \$10,000 or more.....	(2)	(2)	176	4,031	45	41	(2)	(2)	6	27	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
41 Total nontaxable returns.....	4,070	6,593	122,185	65,488	38,406	25,148	8,016	3,856	19,344	20,930	145,821	155,704	155,704	155,704	251,834	61,432	61,432	61,432	61,432	61,432	61,432	61,432	61,432	
42 Grand total.....	5,789	7,548	624,422	808,194	171,147	99,969	26,967	17,018	37,013	32,529	324,271	334,220	334,220	334,220	1,053,430	252,437	252,437	252,437	252,437	252,437	252,437	252,437	252,437	
43 Returns under \$5,000.....	5,111	7,087	396,445	191,985	113,707	63,865	18,113	8,853	32,295	27,185	473,289	473,289	473,289	473,289	588,585	207,946	207,946	207,946	207,946	207,946	207,946	207,946	207,946	
44 Returns \$5,000 or more.....	678	461	227,977	616,909	57,440	36,104	8,854	8,155	4,718	3,344	51,982	61,732	61,732	61,732	464,645	44,471	44,471	44,471	44,471	44,471	44,471	44,471	44,471	

See footnotes at end of table. See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."



Table 4.—SOURCES OF INCOME AND LOSS, EXEMPTIONS, AND TAX ITEMS—ALL RETURNS, JOINT RETURNS, AND OTHER RETURNS, BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	PART III.—OTHER THAN JOINT RETURNS—Continued										Tax credits for—		
	Estate and trusts			Other sources (Thousand dollars) (3c)	Adjusted gross income (Thousand dollars) (37)	Exemptions (Thousand dollars) (38)	Taxable income (Thousand dollars) (40)		Income tax before credits (Thousand dollars) (42)	Dividends received (Thousand dollars) (44)		Retirement income (Thousand dollars) (46)	
	Number of returns (32)	Amount (Thousand dollars) (33)	Loss (34)				Number of returns (39)	Amount (Thousand dollars) (40)		Number of returns (43)	Amount (Thousand dollars) (44)	Number of returns (45)	Amount (Thousand dollars) (46)
1 Taxable returns:													
2 \$600 under \$1,000.....	2,500	767	-	4,432	1,078,798	775,793	1,292,988	188,445	37,706	15,322	58	-	1
3 \$1,000 under \$1,500.....	5,016	3,469	-	10,813	2,655,213	1,469,851	2,289,763	1,060,265	211,677	24,701	149	(2)	2
4 \$1,500 under \$2,000.....	9,075	5,112	(2)	12,983	3,485,441	1,479,360	2,004,073	1,279,779	491,256	44,023	318	7,114	3
5 \$2,000 under \$2,500.....	8,375	7,165	(2)	13,812	4,650,702	1,763,240	2,104,656	2,460,560	491,168	57,056	533	14,141	4
6 \$2,500 under \$3,000.....	7,540	4,180	-	13,337	5,450,433	1,698,875	1,968,101	3,078,926	615,290	60,650	669	13,607	5
7 \$3,000 under \$3,500.....	11,208	12,931	-	15,803	6,017,510	1,659,179	1,953,625	3,636,177	734,102	79,368	974	17,209	6
8 \$3,500 under \$4,000.....	6,306	3,716	-	19,745	5,582,553	1,332,241	1,457,290	3,292,860	691,371	29,868	832	13,115	7
9 \$4,000 under \$4,500.....	5,699	6,030	(2)	9,419	4,291,415	961,192	1,013,693	2,784,008	571,683	63,093	1,977	12,052	8
10 \$4,500 under \$5,000.....	6,085	6,223	-	4,793	3,286,757	699,393	699,393	2,184,974	451,456	59,092	1,164	11,658	9
11 \$5,000 under \$6,000.....	8,085	14,364	(2)	12,261	3,351,870	582,162	617,203	1,336,413	490,130	90,009	1,644	12,213	10
12 \$6,000 under \$7,000.....	9,252	8,732	(2)	13,451	1,723,623	259,754	1,299,854	1,299,854	267,627	63,796	1,983	6,609	11
13 \$7,000 under \$8,000.....	7,074	11,937	-	7,218	1,051,510	170,093	1,221,700	667,000	178,162	44,766	1,703	6,091	12
14 \$8,000 under \$9,000.....	7,067	13,316	-	7,069	824,940	101,695	74,027	468,936	106,932	30,471	1,217	2,060	13
15 \$9,000 under \$10,000.....	4,057	17,174	-	1,139	595,383	44,249	41,792	299,283	69,870	30,424	670	(2)	14
16 \$10,000 under \$15,000.....	12,254	40,538	188	14,158	1,269,874	108,476	106,225	921,143	255,488	63,139	4,771	14,426	15
17 \$15,000 under \$20,000.....	2,971	29,277	263	7,777	500,106	99,082	104,025	992,143	126,653	29,889	2,948	5,884	16
18 \$20,000 under \$30,000.....	9,173	31,571	(2)	8,176	809,888	31,936	33,440	667,000	236,971	26,234	4,687	5,873	17
19 \$30,000 under \$50,000.....	2,364	23,074	115	9,106	650,601	18,082	16,222	529,762	209,147	1,137	4,223	3,352	18
20 \$50,000 under \$100,000.....	462	23,074	(2)	3,454	544,965	9,145	8,112	453,946	243,721	7,219	4,348	2,084	19
21 \$100,000 under \$150,000.....	156	3,381	11	1,688	188,883	1,751	1,576	154,116	94,794	1,470	1,613	463	20
22 \$150,000 under \$200,000.....	203	4,111	13	615	86,290	563	563	69,072	46,466	466	782	123	21
23 \$200,000 under \$300,000.....	31	4,311	2	260	168,239	667	578	134,942	94,120	542	154	31	22
24 \$300,000 or more.....	32	6,971	1	38	76,332	136	115	61,398	44,841	104	581	26	23
Total taxable returns.....	126,550	290,794	3,350	193,006	48,434,009	13,108,061	16,065,888	29,227,427	6,744,847	839,551	40,214	157,776	25
25 Total taxable returns.....													
26 Nontaxable returns:													
27 No adjusted gross income.....	(2)	(2)	(2)	3,119	211,498	113,556	-	-	-	130,872	-	-	26
28 Under \$600.....	(2)	(2)	(2)	8,865	1,096,181	2,262,616	(2)	(2)	3,381,407	(2)	(2)	(2)	27
29 \$600 under \$1,000.....	10,505	5,248	-	7,063	790,192	1,031,926	20,136	2,994	1,056,302	6,023	16	18,637	28
30 \$1,000 under \$1,500.....	9,022	7,225	-	7,753	939,417	1,048,503	48,346	18,741	717	3,827	140	47,329	29
31 \$1,500 under \$2,000.....	6,533	4,774	-	7,718	739,532	379,012	30,250	16,631	3,272	17,698	107	29,750	30
32 \$2,000 under \$2,500.....	(2)	(2)	-	9,344	366,355	336,127	14,648	13,496	4,094	10,635	85	14,148	31
33 \$2,500 under \$3,000.....	(2)	(2)	-	3,466	259,691	216,616	6,074	6,061	7,101	3,533	64	6,074	32
34 \$3,000 under \$4,000.....	(2)	(2)	-	1,997	150,751	121,061	(2)	(2)	2,688	(2)	(2)	(2)	33
35 \$4,000 under \$4,500.....	(2)	(2)	-	1,520	78,041	65,341	(2)	(2)	1,209	(2)	(2)	(2)	34
36 \$4,500 under \$5,000.....	-	-	-	(2)	48,102	39,098	(2)	(2)	(2)	(2)	(2)	(2)	35
37 \$5,000 under \$6,000.....	-	-	-	(2)	21,666	11,740	(2)	(2)	(2)	(2)	(2)	(2)	36
38 \$6,000 under \$8,000.....	-	-	-	(2)	5,700	1,220	(2)	(2)	(2)	(2)	(2)	(2)	37
39 \$8,000 under \$10,000.....	-	-	-	(2)	12,901	5,965	(2)	(2)	(2)	(2)	(2)	(2)	38
40 \$10,000 or more.....	52	1,265	4	1,122	12,315	476	52	371	119	31	2	49	39
Total nontaxable returns.....	33,153	24,093	528	888	4,309,550	5,983,074	122,502	65,207	13,359	48,504	560	118,992	41
Grand total.....	159,703	314,887	3,878	246,202	45,743,559	19,091,132	16,188,090	29,292,634	6,758,206	888,055	40,774	276,768	42
43 Returns under \$5,000.....	95,443	72,421	(2)	156,601	4,049,737	17,784,840	14,839,569	20,430,403	4,133,017	500,083	6,691	207,802	43
44 Returns \$5,000 or more.....	64,260	262,466	1,854	89,601	11,796,612	1,306,292	1,348,521	8,862,231	2,625,189	387,972	34,083	68,966	44

See footnotes at end of table. See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."

Table 4.—SOURCES OF INCOME AND LOSS, EXEMPTIONS, AND TAX ITEMS—ALL RETURNS, JOINT RETURNS, AND OTHER RETURNS, BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	Tax credits for—										Income tax liability after credits		Tax withheld		Payments on 1954 declaration		Tax due at time of filing		Refund		Overpayment		
	Foreign tax paid		Tax paid at source		Partially tax-exempt interest		Amount		Number of returns		Amount		Number of returns		Amount		Number of returns		Amount		Number of returns		
	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)						
1 Taxable returns:																							
2 \$600 under \$1,000	-	-	-	-	-	-	37,648	93,295	20,912	1,711	22,194	5,540	1,047,007	61,184	9,702	1,824	7,728	31,610	20,962	7,728	31,610	20,962	7,728
3 \$1,000 under \$1,500	-	-	-	-	-	-	211,674	253,701	65,705	8,158	687,082	23,474	1,484,059	69,596	24,434	9,702	1,484	10,445	14,350	10,445	14,350	10,445	14,350
4 \$1,500 under \$2,000	-	-	-	-	-	-	314,547	336,180	78,791	12,751	566,234	33,374	1,308,094	62,824	31,886	10,445	1,308	15,772	15,772	15,772	15,772	15,772	15,772
5 \$2,000 under \$2,500	(2)	(2)	-	-	(4)	(4)	489,088	505,418	95,716	22,017	664,881	40,261	1,343,154	69,918	33,826	10,445	1,343	1,923	1,923	1,923	1,923	1,923	1,923
6 \$2,500 under \$3,000	-	-	-	-	(4)	(4)	612,495	623,923	91,239	22,739	640,943	39,167	1,192,422	63,212	25,077	10,445	1,192	2,579	2,579	2,579	2,579	2,579	2,579
7 \$3,000 under \$4,000	(2)	(2)	-	-	(4)	(4)	730,071	724,103	86,138	23,268	905,703	41,630	1,862,498	54,838	25,077	10,445	1,862	3,548	3,548	3,548	3,548	3,548	3,548
8 \$4,000 under \$4,500	(2)	(2)	-	-	(4)	(4)	688,282	671,009	76,466	22,892	835,518	42,219	1,584,543	45,022	21,208	10,445	1,584	4,847	4,847	4,847	4,847	4,847	4,847
9 \$4,500 under \$5,000	(2)	(2)	-	-	(4)	(4)	568,178	961,644	67,833	24,227	609,168	33,850	369,962	32,431	24,770	10,445	568	13,772	13,772	13,772	13,772	13,772	13,772
10 \$5,000 under \$6,000	(2)	(2)	(4)	(4)	(4)	(4)	447,885	420,140	64,981	25,521	424,913	31,024	239,426	23,676	26,567	10,445	447	6,680	6,680	6,680	6,680	6,680	6,680
11 \$6,000 under \$7,000	(2)	(2)	(4)	(4)	(4)	(4)	485,889	434,550	100,197	48,869	376,227	52,679	206,388	20,962	31,610	10,445	485	14,350	14,350	14,350	14,350	14,350	14,350
12 \$7,000 under \$8,000	(2)	(2)	(4)	(4)	(4)	(4)	264,898	207,243	73,507	43,992	167,953	32,018	76,722	14,350	22,885	10,445	264	4,847	4,847	4,847	4,847	4,847	4,847
13 \$8,000 under \$9,000	(2)	(2)	(4)	(4)	(4)	(4)	167,620	110,227	59,247	41,800	96,235	25,198	27,630	4,568	15,772	10,445	167	3,040	3,040	3,040	3,040	3,040	3,040
14 \$9,000 under \$10,000	(2)	(2)	(4)	(4)	(4)	(4)	104,230	52,569	39,864	37,549	47,159	15,958	13,634	3,040	4,568	10,445	104	2,027	2,027	2,027	2,027	2,027	2,027
15 \$10,000 under \$15,000	2,260	232	1,226	3	308	7	247,600	73,162	89,101	142,106	68,352	53,564	11,898	5,838	25,331	13,792	2,260	5,838	5,838	5,838	5,838	5,838	5,838
16 \$15,000 under \$20,000	1,538	295	853	1	283	8	152,212	14,496	35,246	99,758	33,871	3,145	3,069	9,551	7,987	16	1,538	1,538	1,538	1,538	1,538	1,538	1,538
17 \$20,000 under \$30,000	1,929	338	1,071	1	383	5	230,092	12,300	33,885	168,916	20,792	42,067	1,840	3,396	10,445	17	1,929	1,929	1,929	1,929	1,929	1,929	1,929
18 \$30,000 under \$50,000	1,766	974	1,099	4	436	11	223,315	6,097	24,270	16,289	17,811	38,020	936	1,923	4,913	18	1,766	1,766	1,766	1,766	1,766	1,766	1,766
19 \$50,000 under \$100,000	1,479	876	537	1	304	11	235,098	2,462	7,939	193,475	5,307	36,497	239	1,208	2,579	19	1,479	1,479	1,479	1,479	1,479	1,479	1,479
20 \$100,000 under \$150,000	333	261	107	(7)	88	2	92,829	4,673	1,540	79,098	1,023	12,778	50	217	500	20	333	333	333	333	333	333	333
21 \$150,000 under \$200,000	156	91	35	(1)	14	(1)	44,098	196	494	44,592	3,145	6,057	159	330	159	21	156	156	156	156	156	156	156
22 \$200,000 under \$500,000	173	523	35	(1)	19	2	92,060	2,118	574	80,573	342	12,128	22	370	183	22	173	173	173	173	173	173	173
23 \$500,000 under \$1,000,000	52	340	11	11	43,902	29	201	115	115	39,980	66	4,685	4	45	45	22	52	52	52	52	52	52	52
24 \$1,000,000 or more	35	548	-	-	4	(7)	119,486	287	91	111,230	61	9,409	4	111	25	35	35	35	35	35	35	35	35
25 Total taxable returns	13,264	5,047	7,015	25	3,884	62	6,671,932	14,476,913	5,198,050	1,111,341	1,487,986	6,405,098	674,632	8,750,741	544,197	371,540	111,943	111,943	111,943	111,943	111,943	111,943	111,943
26 Nontaxable returns:																							
27 No adjusted gross income	-	-	-	-	-	-	-	3,301	14,029	7,097	3,109	76	25,079	7,475	6,212	2,924	2,924	2,924	2,924	2,924	2,924	2,924	2,924
28 Under \$600	-	-	-	-	-	-	-	94,772	12,693	1,944	46,962	579	2,987,566	95,834	7,085	659	2,924	2,924	2,924	2,924	2,924	2,924	2,924
29 \$600 under \$1,000	-	-	-	-	-	-	628,349	35,591	19,903	2,988	64,038	1,339	636,440	37,369	8,744	1,019	659	659	659	659	659	659	659
30 \$1,000 under \$1,500	-	-	-	-	-	-	364,409	26,838	18,870	1,675	40,872	1,321	374,552	27,780	6,684	405	2,924	2,924	2,924	2,924	2,924	2,924	2,924
31 \$1,500 under \$2,000	-	-	-	-	-	-	232,824	19,163	24,358	2,390	18,106	775	249,488	20,757	5,642	29	3,396	3,396	3,396	3,396	3,396	3,396	3,396
32 \$2,000 under \$2,500	-	-	-	-	-	-	88,975	1,670	3,626	1,670	3,626	190	98,617	9,637	2,585	31	2,585	2,585	2,585	2,585	2,585	2,585	2,585
33 \$2,500 under \$3,000	-	-	-	-	-	-	60,327	8,712	9,092	1,934	2,572	263	67,852	10,447	(2)	32	(2)	(2)	(2)	(2)	(2)	(2)	(2)
34 \$3,000 under \$4,000	-	-	-	-	-	-	25,117	2,375	8,143	1,042	3,086	(2)	30,713	3,086	3,582	33	3,582	3,582	3,582	3,582	3,582	3,582	3,582
35 \$4,000 under \$4,500	-	-	-	-	-	-	12,564	2,473	(2)	(2)	2,532	(2)	13,587	2,532	(2)	34	(2)	(2)	(2)	(2)	(2)	(2)	(2)
36 \$4,500 under \$5,000	-	-	-	-	-	-	8,513	927	(2)	(2)	(2)	(2)	8,513	927	(2)	35	(2)	(2)	(2)	(2)	(2)	(2)	(2)
37 \$5,000 under \$6,000	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
38 \$6,000 under \$8,000	-	-	-	-	-	-	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
39 \$8,000 under \$10,000	8	5	-	-	-	-	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
40 \$10,000 or more	-	-	-	-	-	-	-	119	268	1,099	(2)	(2)	207	839	135	746	746	746	746	746	746	746	746
41 Total nontaxable returns	525	13	(2)	(2)	-	-	4,428,063	204,265	124,675	23,341	183,393	4,840	4,496,662	218,207	44,295	8,070	8,070	8,070	8,070	8,070	8,070	8,070	8,070
42 Grand total	13,789	5,060	7,532	29	3,884	62	6,671,932	14,904,976	5,402,315	1,226,016	1,511,327	6,588,491	679,472	13,247,403	762,404	415,835	120,013	120,013	120,013	120,013	120,013	120,013	120,013
43 Returns under \$5,000	(2)	(2)	-	-	(2)	(2)	4,099,868	17,860,636	1,879,229	1,044,938	1,044,938	58	4,377,729	17,860,636	1,879,229	291,739	291,739	291,739	291,739	291,739	291,739	291,739	291,739
44 Returns \$5,000 or more	11,789	4,881	7,532	29	2,843	58	2,572,064	1,024,286	465,380	1,323,399	848,468	387,733	351,824	63,404	145,625	90,434	90,434	90,434	90,434	90,434	90,434	90,434	90,434

See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."

1 Excludes returns, Form 1040A, in adjusted gross income classes under \$5,000.

2 Sample variability of this item is too large to warrant showing it separately. However, this value is included in each grand total.

3 Adjusted gross income less adjusted gross deficit.

4 Includes returns with income tax withheld, or with both.

5 Includes returns with payments on declaration, or with credit for overpayment of prior year's tax, or with both.

6 Less than \$500.



Table 6.—ITEMIZED NONBUSINESS DEDUCTIONS, EXEMPTIONS, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES—RETURNS WITH ITEMIZED DEDUCTIONS

Adjusted gross income classes	Deduction for—													Total deductions			
	Number of returns	Adjusted gross income (Thousand dollars)	Contributions		Interest paid		Taxes		Medical and dental expenses		Child care		Losses from fire, casualty, or theft		Other deductions (Thousand dollars)	Number of returns	Amount (Thousand dollars)
			Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)			
Taxable returns:	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
\$600 under \$1,000.....	70,877	63,192	60,784	4,020	17,557	971	52,781	2,921	35,663	3,416	—	—	5,000	265	1,926	70,336	13,519
\$1,000 under \$1,500.....	211,328	266,386	185,179	17,494	65,220	5,288	179,741	13,521	121,930	19,594	—	(?)	25,617	2,755	8,767	209,822	67,489
\$1,500 under \$2,000.....	393,034	691,011	363,911	41,850	144,760	15,165	347,853	30,719	246,770	47,119	4,000	4,434	28,070	3,111	21,131	392,021	160,329
\$2,000 under \$2,500.....	590,723	1,341,012	546,431	76,645	259,586	30,552	540,174	58,388	376,797	88,144	11,506	3,235	49,107	7,667	32,860	590,699	297,491
\$2,500 under \$3,000.....	749,143	2,065,264	708,875	109,366	399,686	57,172	703,911	89,506	462,196	117,995	29,033	7,540	73,263	9,701	53,151	749,143	444,431
\$3,000 under \$3,500.....	1,033,328	3,368,740	988,001	171,502	639,578	104,587	1,033,328	143,287	639,578	170,647	19,036	10,016	13,520	13,520	81,721	1,033,328	694,684
\$3,500 under \$4,000.....	1,219,794	4,581,113	1,219,794	208,668	862,537	166,292	1,178,171	200,496	792,503	212,779	35,053	11,291	142,234	18,420	120,207	1,219,794	938,153
\$4,000 under \$4,500.....	1,415,523	6,016,619	1,375,148	255,950	1,063,211	235,265	1,375,148	263,742	883,672	251,446	32,794	9,339	190,418	18,605	152,329	1,415,523	1,196,316
\$4,500 under \$5,000.....	1,407,038	6,681,374	1,370,217	269,870	1,124,821	283,095	1,381,869	299,734	832,598	244,945	38,605	10,269	185,720	21,828	171,787	1,407,038	1,301,528
\$5,000 under \$6,000.....	2,255,312	12,321,563	2,199,234	469,598	1,878,930	529,660	2,199,234	535,419	1,292,770	386,727	24,046	7,952	348,673	49,712	330,259	2,255,312	2,309,327
\$6,000 under \$7,000.....	1,483,371	9,587,108	1,445,565	360,462	1,248,771	399,918	1,458,121	411,749	764,074	259,016	16,534	5,043	275,439	40,101	272,698	1,483,371	1,748,987
\$7,000 under \$8,000.....	856,123	6,383,513	845,034	234,297	719,202	254,367	839,461	178,113	422,858	162,298	9,534	3,602	155,983	26,246	185,496	856,123	1,144,430
\$8,000 under \$9,000.....	499,880	4,221,040	491,225	162,502	433,030	172,634	491,265	188,424	227,998	94,714	6,034	1,836	97,998	17,353	131,867	499,880	769,310
\$9,000 under \$10,000.....	285,485	2,699,270	282,426	101,068	236,233	102,630	282,886	123,744	131,523	58,944	500	250	64,459	15,753	79,666	285,485	482,055
\$10,000 under \$15,000.....	571,445	6,845,784	560,205	258,773	436,271	220,567	560,785	306,229	246,584	151,756	2,016	929	107,530	29,694	230,776	571,445	1,198,724
\$15,000 under \$20,000.....	230,281	3,959,864	230,281	141,346	159,441	94,589	226,200	172,123	80,620	64,955	373	208	35,569	12,858	116,081	230,281	602,160
\$20,000 under \$30,000.....	216,857	5,252,227	216,857	175,617	141,353	105,777	212,631	216,713	65,752	65,445	383	182	33,624	16,617	139,846	216,857	720,257
\$30,000 under \$50,000.....	138,216	5,208,818	135,864	174,238	85,302	82,767	135,576	204,714	36,469	45,105	86	43	21,920	15,862	126,650	138,216	649,179
\$50,000 under \$100,000.....	65,381	4,337,356	64,383	170,576	39,200	64,686	64,310	161,728	17,594	26,734	33	18	11,638	16,273	113,257	65,381	553,572
\$100,000 under \$150,000.....	11,258	1,346,755	11,101	72,188	6,824	21,553	11,062	49,361	3,405	1,875	4	2	2,586	5,815	41,030	11,258	195,628
\$150,000 under \$200,000.....	3,144	538,896	3,108	31,088	1,932	9,016	3,081	20,627	1,830	1,655	2	805	2,292	2,292	88,081	3,144	68,081
\$200,000 under \$500,000.....	3,197	905,132	3,146	77,679	2,080	20,700	3,155	33,884	1,123	2,258	3	1	921	3,137	31,102	3,197	168,762
\$500,000 under \$1,000,000.....	436	292,532	427	31,409	2,788	9,869	427	31,409	162	323	1	1	146	1,005	9,602	436	57,445
\$1,000,000 or more.....	200	405,431	199	50,420	134	2,882	195	11,133	74	163	—	—	82	772	8,474	200	73,844
Total taxable returns.....	13,711,830	89,380,676	13,250,925	3,671,162	9,946,163	2,984,663	13,254,109	3,826,184	7,636,364	2,482,057	231,077	73,264	1,968,204	359,292	2,479,288	13,706,612	15,875,910
Non-taxable returns:																	
No adjusted gross income.....	440,304	1,014,480	9,388	1,374	6,444	3,255	11,713	8,732	5,272	4,276	(?)	(?)	(?)	(?)	507	14,194	18,953
Under \$600.....	30,603	11,155	18,083	2,595	8,032	1,300	15,075	3,482	10,558	2,318	(?)	(?)	(?)	(?)	3,407	23,101	13,119
\$600 under \$1,000.....	149,683	121,718	116,049	10,129	33,740	5,744	114,166	11,076	85,341	25,613	(?)	(?)	7,551	546	7,363	144,654	60,730
\$1,000 under \$1,500.....	199,179	297,250	153,023	16,769	66,598	11,593	145,564	24,561	118,246	39,922	3,006	917	8,074	1,487	10,672	196,190	105,921
\$1,500 under \$2,000.....	222,800	385,260	185,278	24,518	82,342	15,721	186,077	29,493	142,532	67,524	4,500	928	16,070	6,745	18,500	219,244	163,429
\$2,000 under \$2,500.....	217,040	480,911	186,278	27,875	93,244	21,592	186,926	33,055	141,515	65,730	4,495	1,807	18,574	4,537	19,109	214,433	173,705
\$2,500 under \$3,000.....	212,268	584,700	184,619	31,790	114,700	27,850	184,163	33,970	149,437	73,428	8,519	3,313	18,548	7,220	28,010	211,740	205,581
\$3,000 under \$3,500.....	172,376	558,175	152,302	26,460	112,022	29,746	124,793	34,330	123,495	67,478	7,568	3,055	14,622	3,905	26,749	171,887	191,723
\$3,500 under \$4,000.....	133,301	496,633	128,246	24,409	101,546	28,812	124,799	24,785	93,700	51,390	5,551	1,663	17,046	9,196	24,483	133,301	164,738
\$4,000 under \$4,500.....	387,964	387,964	87,555	19,937	68,465	19,868	87,573	19,178	59,422	30,497	6,000	2,371	16,505	11,364	28,382	90,590	131,597
\$4,500 under \$5,000.....	52,738	249,478	47,732	12,474	43,689	14,389	49,747	11,552	33,689	21,488	(?)	(?)	6,582	3,857	25,120	52,738	89,263
\$5,000 under \$6,000.....	43,797	236,622	35,797	8,968	31,730	13,061	37,264	10,810	27,245	22,614	—	—	8,517	15,431	12,603	41,296	83,487
\$6,000 under \$8,000.....	20,667	141,322	18,632	6,040	16,616	7,857	18,144	7,857	11,080	16,533	—	—	4,523	12,109	29,656	20,150	89,619
\$8,000 under \$10,000.....	2,396	47,033	2,130	7,686	1,923	8,739	2,230	5,829	751	1,054	—	—	600	6,181	16,785	2,395	46,274
\$10,000 or more.....	1,989,765	2,952,902	1,314,381	221,385	781,635	219,879	1,323,234	259,178	1,002,783	493,391	41,660	15,450	138,798	85,008	251,979	1,536,933	1,546,270
Total non-taxable returns.....	15,701,595	292,333,378	14,265,306	3,892,547	10,727,798	3,204,542	14,577,343	4,085,362	8,639,147	2,975,448	272,737	88,714	2,107,002	444,300	2,731,267	15,243,545	17,422,180
Grand total.....	9,013,125	277,993,551	8,026,891	1,353,335	5,287,798	1,077,791	8,012,517	1,336,508	5,307,517	1,605,749	213,187	68,644	935,469	1,547,331	836,186	8,559,124	6,432,899
Returns \$5,000 or more.....	6,688,470	64,740,027	6,538,915	2,539,212	5,440,000	2,126,791	6,564,826	2,748,826	3,331,630	1,269,699	59,550	20,070	1,171,533	289,569	1,895,086	6,684,424	10,989,281

See footnotes at end of table. See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."



Table 6.—ITEMIZED NONBUSINESS DEDUCTIONS, EXEMPTIONS, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES—RETURNS WITH ITEMIZED DEDUCTIONS—Continued

Adjusted gross income classes	Exemptions (Thousand dollars)			Taxable income		Number of returns with no taxable income	Income tax before credits (Thousand dollars)	Tax credits for—				Partially tax-exempt interest		Income tax liability after credits (Thousand dollars)		
	(18)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)			Dividends received		Retirement income		Foreign tax paid			Tax paid at source	
								(23)	Amount (Thousand dollars)	(25)	Amount (Thousand dollars)	(27)	Amount (Thousand dollars)		(29)	Amount (Thousand dollars)
1 Taxable returns:																
2 \$600 under \$1,000.....	42,526	70,877	7,147	70,877	1,419	2,500	5	-	-	-	-	-	-	-	1,414	
3 \$1,000 under \$1,500.....	132,824	211,328	66,073	145,255	13,203	10,611	40	-	-	-	-	-	-	-	13,163	
4 \$1,500 under \$2,000.....	335,069	393,034	195,413	197,621	39,129	18,198	108	-	-	-	-	-	-	-	38,960	
5 \$2,000 under \$2,500.....	595,934	590,723	447,587	143,136	89,200	30,316	283	587	-	-	-	-	-	-	88,308	
6 \$2,500 under \$3,000.....	910,303	749,143	710,530	238,613	141,720	31,589	291	448	-	-	-	-	-	-	140,978	
7 \$3,000 under \$3,500.....	1,504,141	1,033,784	1,033,784	470,360	234,942	42,208	406	1,860	-	-	-	-	-	-	232,676	
8 \$3,500 under \$4,000.....	2,042,360	1,219,794	1,219,794	822,970	320,628	43,032	461	1,423	-	-	-	-	-	-	318,739	
9 \$4,000 under \$4,500.....	2,643,165	1,415,523	1,415,523	1,227,047	437,559	56,589	860	1,665	-	-	-	-	-	-	434,524	
10 \$4,500 under \$5,000.....	2,831,498	1,407,038	2,548,348	883,690	512,406	32,206	913	1,667	-	-	-	-	-	-	509,806	
11 \$5,000 under \$6,000.....	4,801,424	2,255,312	5,210,812	1,937,500	1,046,594	79,132	1,156	2,961	-	-	-	-	-	-	1,042,204	
12 \$6,000 under \$7,000.....	3,173,984	1,683,371	4,664,137	1,981,764	939,184	88,347	1,429	1,874	-	-	-	-	-	-	935,453	
13 \$7,000 under \$8,000.....	1,822,633	856,123	3,416,461	1,560,344	693,971	77,933	1,738	3,054	-	-	-	-	-	-	689,799	
14 \$8,000 under \$9,000.....	1,058,366	499,880	2,393,244	1,893,364	490,014	59,092	1,583	1,208	-	-	-	-	-	-	487,174	
15 \$9,000 under \$10,000.....	618,096	285,485	1,599,119	1,313,634	330,544	45,910	997	843	-	-	-	-	-	-	328,675	
16 \$10,000 under \$15,000.....	1,221,334	571,445	4,425,726	3,854,281	957,178	181,548	7,091	3,780	-	-	-	-	-	-	945,022	
17 \$15,000 under \$20,000.....	495,136	230,281	2,862,568	2,632,287	680,746	114,480	6,651	1,817	-	-	-	-	-	-	671,422	
18 \$20,000 under \$30,000.....	465,522	216,857	4,067,048	3,850,191	1,105,641	131,222	11,695	1,948	-	-	-	-	-	-	1,090,435	
19 \$30,000 under \$50,000.....	295,636	138,216	4,264,003	4,125,785	1,430,810	99,532	14,673	1,393	-	-	-	-	-	-	1,411,995	
20 \$50,000 under \$100,000.....	136,996	65,381	3,646,788	3,581,407	1,597,416	53,690	17,553	893	-	-	-	-	-	-	1,574,453	
21 \$100,000 under \$150,000.....	22,740	11,258	1,128,387	1,117,129	600,245	10,111	7,228	194	-	-	-	-	-	-	591,421	
22 \$150,000 under \$200,000.....	6,289	3,144	444,526	441,382	257,223	2,865	3,386	340	-	-	-	-	-	-	252,575	
23 \$200,000 under \$500,000.....	6,406	3,197	729,964	726,767	457,790	2,946	6,147	66	-	-	-	-	-	-	449,583	
24 \$500,000 under \$1,000,000.....	809	436	238,278	237,842	157,180	394	2,058	72	-	-	-	-	-	-	154,322	
25 \$1,000,000 or more.....	352	200	331,235	331,035	225,117	184	2,961	6	-	-	-	-	-	-	221,430	
Total taxable returns.....	25,163,543	13,711,830	48,341,223	44,629,393	12,759,459	1,236,635	89,713	164,768	26,954	52,192	18,078	13,135	9,113	144	12,624,531	
Non-taxable returns:																
26 No adjusted gross income.....	723,910	-	-	-	440,304	-	-	-	-	-	-	-	-	-	-	-
27 Under \$600.....	36,979	-	-	-	30,603	-	-	-	-	-	-	-	-	-	-	-
28 \$600 under \$1,000.....	126,454	-	-	-	149,683	-	-	-	-	-	-	-	-	-	-	-
29 \$1,000 under \$1,500.....	235,999	-	-	-	198,679	-	-	-	-	-	-	-	-	-	-	-
30 \$1,500 under \$2,000.....	314,759	14,169	3,656	338,928	1,326	9,118	97	1,229	-	-	-	-	-	-	-	-
31 \$2,000 under \$2,500.....	385,123	13,152	4,833	401,008	1,566	5,551	34	1,532	-	-	-	-	-	-	-	-
32 \$2,500 under \$3,000.....	446,641	15,665	10,714	467,010	2,144	8,101	91	2,053	-	-	-	-	-	-	-	-
33 \$3,000 under \$3,500.....	420,229	9,676	6,260	435,905	1,251	4,068	65	1,186	-	-	-	-	-	-	-	-
34 \$3,500 under \$4,000.....	369,278	4,108	2,818	377,194	594	3,608	57	4,108	-	-	-	-	-	-	-	-
35 \$4,000 under \$4,500.....	286,531	3,020	2,232	292,763	88,569	446	2,520	264	-	-	-	-	-	-	-	-
36 \$4,500 under \$5,000.....	171,215	4,040	2,662	179,255	48,698	533	3,540	499	-	-	-	-	-	-	-	-
37 \$5,000 under \$6,000.....	169,916	2	2	171,918	616	2	2	2	-	-	-	-	-	-	-	-
38 \$6,000 under \$8,000.....	71,024	2	2	73,026	139	2	2	2	-	-	-	-	-	-	-	-
39 \$8,000 under \$10,000.....	6,508	365	4,119	7,883	1,209	245	16	791	-	-	-	-	-	-	-	-
40 \$10,000 or more.....	3,766,980	67,246	41,218	3,835,444	10,016	36,790	642	65,162	8,810	1,676	560	13,135	144	-	-	-
Total non-taxable returns.....	28,930,523	13,779,076	48,382,441	45,068,837	12,769,475	1,273,425	90,355	129,930	35,764	53,868	18,638	13,652	9,113	144	12,624,531	
Grand total.....	14,554,938	7,155,574	8,956,153	8,956,153	1,875,951	323,743	3,945	229,086	15,364	4,017	370	517	10	10	1,778,568	
41 Returns under \$5,000.....	14,375,585	6,623,288	39,426,288	39,426,288	64,968	949,682	86,410	100,844	20,400	49,851	18,268	13,135	134	134	10,845,963	
42 Returns \$5,000 or more.....	1,179,353	532,286	4,930,165	4,530,165	1,810,490	323,743	3,535	128,142	15,364	4,017	370	517	10	10	1,778,568	
43 Returns \$5,000 or more.....	1,179,353	532,286	4,930,165	4,530,165	1,810,490	323,743	3,535	128,142	15,364	4,017	370	517	10	10	1,778,568	
44 Returns \$5,000 or more.....	1,179,353	532,286	4,930,165	4,530,165	1,810,490	323,743	3,535	128,142	15,364	4,017	370	517	10	10	1,778,568	

See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."  
 1 Adjusted gross income.  
 2 Sample variability of this item is too large to warrant showing it separately. However, this value is included in each total.  
 3 Adjusted gross income less adjusted gross deficit.  
 4 Less than \$500.

Table 6.—NUMBER OF RETURNS BY SIZE OF SOURCE AND BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes (AFTER EXCLUSIONS)	Number of returns by size of source																		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
<b>RETURNS WITH SALARIES AND WAGES (AFTER EXCLUSIONS)</b>																			
Taxable and nontaxable returns:																			
No adjusted gross income:																			
Under \$600:	95,457	10,022	7,610	7,489	6,999	2,513	24,130	7,597	5,613	6,111	4,621	4,620	3,690	3,124	(1)	(1)	(1)	(1)	
Under \$1,000:	3,416,298	398,238	569,154	612,026	579,379	584,504	648,240	2,340,772	19,009	2,537	2,530	7,737,367	17,969	(1)	(1)	(1)	(1)	(1)	
Under \$1,000 to \$1,500:	2,503,020	19,463	23,114	27,082	27,082	29,012	29,012	19,009	6,070	3,970	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Under \$1,500 to \$2,000:	3,663,803	27,585	26,637	22,149	19,036	23,749	150,596	20,637	24,800	7,516	7,044	12,969	3,502	2,561	(1)	(1)	(1)	(1)	
Under \$2,000 to \$2,500:	3,491,466	18,601	16,031	22,132	20,181	16,133	46,543	3,321	3,095,335	40,142	13,507	12,969	3,502	2,561	(1)	(1)	(1)	(1)	
Under \$2,500 to \$3,000:	3,733,227	10,147	16,603	18,170	15,831	16,133	46,543	75,582	134,645	38,011	28,920	3,047	9,329	3,047	(1)	(1)	(1)	(1)	
Under \$3,000 to \$4,000:	3,999,125	9,111	11,584	14,646	10,760	10,172	41,527	47,406	53,969	134,894	80,572	19,033	15,033	22,513	(1)	(1)	(1)	(1)	
Under \$4,000 to \$5,000:	8,449,907	13,280	13,280	14,122	12,266	14,888	62,266	55,202	61,563	102,866	7,737,367	121,102	22,963	22,963	(1)	(1)	(1)	(1)	
Under \$5,000 to \$10,000:	7,449,769	20,378	8,754	9,240	8,199	8,235	25,937	36,102	46,334	59,498	168,778	6,745,163	106,757	106,757	(1)	(1)	(1)	(1)	
Under \$10,000 to \$15,000:	11,597,191	20,378	19,402	19,824	11,773	8,177	42,682	36,027	34,277	54,293	58,733	10,708,682	408,515	10,708,682	(1)	(1)	(1)	(1)	
Under \$15,000 to \$20,000:	936,587	4,116	4,815	3,322	3,547	2,479	12,326	9,958	7,847	7,953	19,197	17,969	17,969	174,472	(1)	(1)	(1)	(1)	
Under \$20,000 to \$30,000:	244,587	1,964	2,363	1,725	1,563	1,121	5,369	3,840	3,474	3,230	2,878	6,547	5,166	26,874	(1)	(1)	(1)	(1)	
Under \$30,000 to \$40,000:	182,211	1,373	1,915	1,371	1,209	1,218	4,999	3,835	3,606	3,606	4,229	17,941	17,941	17,941	(1)	(1)	(1)	(1)	
Under \$40,000 to \$50,000:	102,556	913	1,025	1,012	809	667	2,371	2,088	1,447	1,031	2,737	11,760	11,760	11,760	(1)	(1)	(1)	(1)	
Under \$50,000 to \$100,000:	47,208	384	435	482	372	297	1,068	806	705	651	1,099	3,391	3,391	3,391	(1)	(1)	(1)	(1)	
Under \$100,000 to \$150,000:	8,030	109	64	63	54	69	232	218	86	68	86	142	142	499	(1)	(1)	(1)	(1)	
Under \$150,000 to \$200,000:	2,213	18	19	19	23	20	66	41	27	32	21	46	46	173	(1)	(1)	(1)	(1)	
Under \$200,000 to \$300,000:	2,259	20	28	21	18	18	46	40	32	36	33	54	54	173	(1)	(1)	(1)	(1)	
Under \$300,000 to \$500,000:	279	4	11	5	4	3	6	16	3	6	3	5	5	26	(1)	(1)	(1)	(1)	
Under \$500,000 to \$1,000,000:	130	3	3	2	1	1	6	6	1	1	1	4	4	8	(1)	(1)	(1)	(1)	
Under \$1,000,000 or more:	1	1	1	1	1	1	1	1	1	1	1	1	1	1	(1)	(1)	(1)	(1)	
Total:	49,925,305	546,402	722,863	771,889	720,096	718,412	3,491,647	3,776,723	3,466,625	3,773,053	3,966,409	8,440,511	7,334,716	11,081,123	1,003,473	92,757	16,535	2,071	2,071
<b>RETURNS WITH DIVIDENDS<sup>2</sup> (AFTER EXCLUSIONS)</b>																			
Taxable and nontaxable returns:																			
No adjusted gross income:																			
Under \$600:	29,849	7,652	5,511	3,553	(1)	2,536	4,151	2,548	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Under \$1,000:	44,239	18,684	6,980	5,489	6,040	2,517	3,006	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Under \$1,000 to \$1,500:	106,535	31,163	17,050	12,069	7,050	9,080	28,088	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Under \$1,500 to \$2,000:	136,893	44,193	24,660	15,148	11,132	8,535	30,702	16,106	2,506	2,506	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Under \$2,000 to \$2,500:	168,481	42,221	24,660	15,148	11,132	8,535	30,702	16,106	2,506	2,506	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Under \$2,500 to \$3,000:	153,662	44,927	17,663	12,665	11,565	7,561	16,138	16,138	12,169	8,023	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Under \$3,000 to \$4,000:	164,307	46,756	27,586	19,423	10,746	7,887	22,713	9,887	10,376	3,051	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Under \$4,000 to \$5,000:	330,397	119,568	64,307	30,725	10,778	10,778	16,256	16,256	11,084	12,662	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Under \$5,000 to \$10,000:	1,183,734	408,971	162,444	108,860	67,914	42,039	143,509	62,525	45,581	29,076	20,713	36,384	36,384	36,384	(1)	(1)	(1)	(1)	
Under \$10,000 to \$15,000:	422,856	80,888	47,326	33,704	24,629	20,326	60,655	35,419	21,024	15,229	10,412	15,687	15,687	15,687	(1)	(1)	(1)	(1)	
Under \$15,000 to \$20,000:	192,192	27,444	16,351	11,237	9,597	7,819	26,641	16,511	10,718	8,297	6,267	9,917	9,917	9,917	(1)	(1)	(1)	(1)	
Under \$20,000 to \$30,000:	118,718	16,198	10,384	6,655	6,703	6,716	22,237	14,716	11,308	8,017	7,807	10,747	10,747	10,747	(1)	(1)	(1)	(1)	
Under \$30,000 to \$40,000:	86,860	5,159	4,220	3,723	3,723	2,718	10,925	8,235	6,433	5,930	4,700	7,226	7,226	7,226	(1)	(1)	(1)	(1)	
Under \$40,000 to \$50,000:	58,942	1,803	1,371	1,057	1,043	805	3,264	2,471	2,639	1,680	1,650	2,797	2,797	2,797	(1)	(1)	(1)	(1)	
Under \$50,000 to \$100,000:	10,534	160	106	144	93	90	319	276	215	209	150	208	247	1,100	(1)	(1)	(1)	(1)	
Under \$100,000 to \$150,000:	2,980	32	19	25	16	15	72	59	39	39	39	55	55	206	(1)	(1)	(1)	(1)	
Under \$150,000 to \$200,000:	3,071	26	23	18	18	11	47	42	37	32	24	63	36	160	(1)	(1)	(1)	(1)	
Under \$200,000 to \$500,000:	426	5	3	2	2	1	5	5	3	3	2	3	3	20	(1)	(1)	(1)	(1)	
Under \$500,000 to \$1,000,000:	197	1	1	1	1	1	3	3	2	2	1	3	3	6	(1)	(1)	(1)	(1)	
Under \$1,000,000 or more:	1	1	1	1	1	1	1	1	1	1	1	1	1	1	(1)	(1)	(1)	(1)	
Total:	3,681,007	1,021,095	461,315	317,417	213,336	159,514	484,532	245,213	155,088	101,205	77,177	111,515	69,871	137,370	89,019	23,947	9,171	4,022	4,022
<b>RETURNS WITH INTEREST RECEIVED<sup>2</sup></b>																			
Taxable and nontaxable returns:																			
No adjusted gross income:																			
Under \$600:	45,904	15,172	6,115	8,652	(1)	3,531	7,112	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Under \$1,000:	113,393	45,249	30,123	14,035	11,445	4,006	7,067	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Under \$1,000 to \$1,500:	219,948	79,081	51,574	25,114	14,561	16,596	30,563	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Under \$1,500 to \$2,000:	314,694	103,963	63,838	33,328	31,089	23,098	39,632	17,568	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Under \$2,000 to \$2,500:	1,150,500	114,853	66,456	35,608	17,088	23,086	42,830	11,990	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Under \$2,500 to \$3,000:	322,930	121,024	66,200	37,299	23,632	16,740	43,233	13,182	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Under \$3,000 to \$4,000:	311,873	136,494	81,601	41,583	21,653	10,179	30,567	10,179	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Under \$4,000 to \$5,000:	680,333	329,756	124,773	66,498	39,773	29,129	56,632	12,115	9,077	6,040	3,506	2,517	2,517	2,517	(1)	(1)	(1)	(1)	
Under \$5,000 to \$10,000:	739,493	373,488	139,393	64,034	47,710	28,159	54,442	11,014	6,043	5,085	3,506	4,568	4,568	4,568	(1)	(1)	(1)	(1)	
Under \$10,000 to \$15,000:	2,024,476	1,033,153	433,358	193,358	103,932	69,154	163,586	55,725	23,786	17,224	6,147	8,596	8,596	8,596	(1)	(1)	(1)	(1)	
Under \$15,000 to \$20,000:	485,992	169,759	75,450	50,720	32,703	26,131	63,593	27,229	13,455	8,926	4,389	4,183	4,183	4,183	(1)	(1)	(1)	(1)	
Under \$20,000 to \$30,000:	191,591	49,472	27,333	14,440	11,192	32,327	13,760	8,454	5,372										



Table 6.—NUMBER OF RETURNS BY SIZE OF SOURCE AND BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	Number of returns	Number of returns by size of source										\$100,000 or more						
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(11)	(12)	(13)	(14)	(15)	(16)
<b>RETURNS WITH BUSINESS OR PROFESSION</b>																		
<b>With profit</b>																		
Taxable and nontaxable returns:																		
No adjusted gross income.....	16,634	(1)	2,540	(1)	6,152	(1)	9,540	306,266	(1)	306,266	5,384	3,020	(1)	(1)	(1)	(1)	(1)	(1)
Under \$600.....	379,036	51,347	56,458	62,017	72,580	72,580	91,850	97,767	107,811	111,181	111,181	111,181	111,181	111,181	111,181	111,181	111,181	111,181
\$600 under \$1,000.....	1,175,523	12,614	20,602	17,462	30,564	30,564	40,088	47,401	51,868	51,868	51,868	51,868	51,868	51,868	51,868	51,868	51,868	51,868
\$1,000 under \$1,500.....	688,667	18,589	13,549	18,007	18,541	18,541	21,286	24,398	24,398	24,398	24,398	24,398	24,398	24,398	24,398	24,398	24,398	24,398
\$1,500 under \$2,000.....	8,509	15,124	14,092	12,577	20,335	20,335	24,940	28,775	28,775	28,775	28,775	28,775	28,775	28,775	28,775	28,775	28,775	28,775
\$2,000 under \$2,500.....	560,208	10,584	10,070	13,154	11,181	11,181	13,154	15,181	15,181	15,181	15,181	15,181	15,181	15,181	15,181	15,181	15,181	15,181
\$2,500 under \$3,000.....	517,914	12,625	11,579	13,014	12,138	12,138	14,138	16,138	16,138	16,138	16,138	16,138	16,138	16,138	16,138	16,138	16,138	16,138
\$3,000 under \$4,000.....	834,952	26,248	19,570	22,912	20,214	20,214	23,337	26,460	26,460	26,460	26,460	26,460	26,460	26,460	26,460	26,460	26,460	26,460
\$4,000 under \$5,000.....	591,020	21,939	23,848	17,222	15,189	15,189	18,189	21,189	21,189	21,189	21,189	21,189	21,189	21,189	21,189	21,189	21,189	21,189
\$5,000 under \$10,000.....	1,095,093	26,933	29,015	31,096	18,936	18,936	24,224	28,224	28,224	28,224	28,224	28,224	28,224	28,224	28,224	28,224	28,224	28,224
\$10,000 under \$15,000.....	261,417	2,936	2,409	1,775	2,099	2,099	2,409	2,722	2,722	2,722	2,722	2,722	2,722	2,722	2,722	2,722	2,722	2,722
\$15,000 under \$20,000.....	105,992	838	367	495	611	611	722	833	833	833	833	833	833	833	833	833	833	833
\$20,000 under \$30,000.....	84,558	436	357	355	286	286	286	286	286	286	286	286	286	286	286	286	286	286
\$30,000 under \$40,000.....	44,284	419	277	260	160	160	160	160	160	160	160	160	160	160	160	160	160	160
\$40,000 under \$50,000.....	14,371	147	160	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86
\$50,000 under \$100,000.....	14,371	147	160	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86
\$100,000 under \$150,000.....	1,773	39	15	15	18	18	18	18	18	18	18	18	18	18	18	18	18	18
\$150,000 under \$200,000.....	424	9	5	2	4	4	4	4	4	4	4	4	4	4	4	4	4	4
\$200,000 under \$500,000.....	376	4	3	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
\$500,000 under \$1,000,000.....	49	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
\$1,000,000 or more.....	25	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
<b>Total.....</b>	6,320,812	173,458	197,087	204,607	193,318	224,004	995,329	835,914	656,392	532,414	434,311	603,102	330,214	620,535	269,816	43,297	6,263	751
<b>With loss</b>																		
Taxable and nontaxable returns:																		
No adjusted gross income.....	349,806	17,579	17,444	20,960	19,047	16,950	61,871	43,434	25,492	22,968	16,585	23,158	18,753	24,876	16,214	3,207	(1)	(1)
Under \$10,000.....	1,042,932	136,939	116,088	95,736	95,184	79,696	239,049	119,741	55,681	36,209	18,045	26,264	7,114	14,168	2,501	(1)	(1)	(1)
\$10,000 under \$30,000.....	16,865	413	3,378	3,281	2,324	2,664	10,453	5,286	4,733	3,123	2,949	3,025	2,474	5,071	595	(1)	(1)	(1)
\$30,000 or more.....	1,464,726	158,210	137,296	120,389	116,908	99,702	312,877	169,644	86,897	63,111	38,259	53,709	29,228	47,227	23,903	5,448	1,601	317
<b>Total.....</b>	6,320,812	173,458	197,087	204,607	193,318	224,004	995,329	835,914	656,392	532,414	434,311	603,102	330,214	620,535	269,816	43,297	6,263	751
<b>RETURNS WITH PARTNERSHIP</b>																		
<b>With profit</b>																		
Taxable and nontaxable returns:																		
No adjusted gross income.....	10,826	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Under \$600.....	41,251	5,534	6,514	7,087	6,008	7,087	10,089	11,974	11,974	11,974	11,974	11,974	11,974	11,974	11,974	11,974	11,974	11,974
\$600 under \$1,000.....	55,618	2,551	2,534	(1)	(1)	(1)	13,176	43,019	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$1,000 under \$1,500.....	67,816	(1)	(1)	(1)	(1)	(1)	11,185	10,130	40,412	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$1,500 under \$2,000.....	78,434	(1)	(1)	(1)	(1)	(1)	9,227	5,167	8,666	37,603	3,019	3,019	(1)	(1)	(1)	(1)	(1)	(1)
\$2,000 under \$2,500.....	93,225	2,551	2,551	(1)	(1)	(1)	6,653	8,221	9,162	10,285	45,125	4,570	(1)	(1)	(1)	(1)	(1)	(1)
\$2,500 under \$3,000.....	191,550	4,051	2,089	3,092	3,551	5,136	11,928	11,251	11,393	13,908	22,064	98,301	2,582	(1)	(1)	(1)	(1)	(1)
\$3,000 under \$4,000.....	168,908	4,044	3,092	3,551	3,551	5,136	11,928	11,251	11,393	13,908	22,064	98,301	2,582	(1)	(1)	(1)	(1)	(1)
\$4,000 under \$5,000.....	423,706	11,805	10,620	8,601	3,562	3,562	17,932	17,932	17,932	19,956	15,941	24,259	33,589	217,957	2,634	(1)	(1)	(1)
\$5,000 under \$10,000.....	150,808	3,055	2,519	2,071	1,838	1,611	7,234	4,409	4,620	4,335	3,576	5,354	5,795	34,441	68,875	(1)	(1)	(1)
\$10,000 under \$15,000.....	73,818	1,089	850	1,003	878	982	4,048	2,402	2,159	1,518	1,249	2,233	1,787	9,746	43,928	(1)	(1)	(1)
\$15,000 under \$20,000.....	84,3	843	943	645	627	691	3,010	2,061	1,430	1,031	2,430	2,190	2,190	8,007	38,812	(1)	(1)	(1)
\$20,000 under \$30,000.....	79,771	788	532	456	379	330	1,372	1,611	1,004	878	865	1,551	1,058	3,998	10,353	24,312	270	(1)
\$30,000 under \$50,000.....	23,286	344	194	179	125	132	500	310	310	380	314	525	383	1,679	3,216	6,645	7,653	57
\$50,000 under \$100,000.....	3,744	82	24	18	29	29	64	64	61	47	72	200	61	200	425	402	1,141	953
\$100,000 under \$150,000.....	974	6	14	7	7	7	28	20	14	18	6	13	10	61	114	87	140	405
\$150,000 under \$200,000.....	887	27	8	10	7	9	24	13	11	10	11	21	11	56	100	77	91	401
\$200,000 under \$500,000.....	32	3	1	1	2	2	5	2	1	1	1	2	2	5	6	6	6	42
\$500,000 under \$1,000,000.....	30	1	1	1	1	1	3	1	1	1	1	2	1	3	2	2	2	10
\$1,000,000 or more.....	1,588,046	43,823	37,346	40,886	27,439	32,301	170,584	122,167	104,966	104,703	106,120	165,957	127,413	281,240	169,513	42,170	9,531	1,887
<b>Total.....</b>	1,588,046	43,823	37,346	40,886	27,439	32,301	170,584	122,167	104,966	104,703	106,120	165,957	127,413	281,240	169,513	42,170	9,531	1,887
<b>With loss</b>																		
Taxable and nontaxable returns:																		
No adjusted gross income.....	47,903	2,495	2,543	(1)	3,505	(1)	6,059	5,136	5,088	(1)	2,551	2,565	(1)	(1)	(1)	(1)	(1)	(1)
Under \$10,000.....	144,136	30,030	21,725	8,649	11,752	9,608	28,789	13,621	4,593	6,644	3,644	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$10,000 under \$30,000.....	26,112	956	2,564	1,921	1,805	1,289	4,059	3,492	1,468	1,097	945	1,075	642	1,359	778	122	(1)	(1)
\$30,000 or more.....	10,798	956	537	501	350	832	1,334	1,021	474	471	455	607	586	1,017	1,053	366	138	100
<b>Total.....</b>	228,949	37,141	27,369	12,060	1													



Table 6.—NUMBER OF RETURNS BY SIZE OF SOURCE AND BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	Number of returns	Number of returns by size of source																																	
		Under \$100		\$100 under \$200		\$200 under \$300		\$300 under \$400		\$400 under \$500		\$500 under \$1,000		\$1,000 under \$1,500		\$1,500 under \$2,000		\$2,000 under \$2,500		\$2,500 under \$3,000		\$3,000 under \$4,000		\$4,000 under \$5,000		\$5,000 under \$10,000		\$10,000 under \$25,000		\$25,000 under \$50,000		\$50,000 under \$100,000		\$100,000 or more	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)																
<b>RETURNS WITH SALES OF CAPITAL ASSETS</b>																																			
With net gain																																			
Taxable and nontaxable returns:																																			
No adjusted gross income.....																																			
Under \$600.....																																			
\$600 under \$1,000.....																																			
\$1,000 under \$1,500.....																																			
\$1,500 under \$2,000.....																																			
\$2,000 under \$2,500.....																																			
\$2,500 under \$3,000.....																																			
\$3,000 under \$4,000.....																																			
\$4,000 under \$5,000.....																																			
\$5,000 under \$10,000.....																																			
\$10,000 under \$15,000.....																																			
\$15,000 under \$20,000.....																																			
\$20,000 under \$30,000.....																																			
\$30,000 under \$50,000.....																																			
\$50,000 under \$100,000.....																																			
\$100,000 under \$150,000.....																																			
\$150,000 under \$200,000.....																																			
\$200,000 under \$500,000.....																																			
\$500,000 under \$1,000,000.....																																			
\$1,000,000 or more.....																																			
Total.....																																			
With net loss																																			
Taxable and nontaxable returns:																																			
No adjusted gross income.....																																			
Under \$10,000.....																																			
\$10,000 under \$30,000.....																																			
\$30,000 or more.....																																			
Total.....																																			
<b>RETURNS WITH SALES OF PROPERTY OTHER THAN CAPITAL ASSETS</b>																																			
With net gain																																			
Taxable and nontaxable returns:																																			
No adjusted gross income.....																																			
Under \$650.....																																			
\$650 under \$1,000.....																																			
\$1,000 under \$1,500.....																																			
\$1,500 under \$2,000.....																																			
\$2,000 under \$2,500.....																																			
\$2,500 under \$3,000.....																																			
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\$150,000 under \$200,000.....																																			
\$200,000 under \$500,000.....																																			
\$500,000 under \$1,000,000.....																																			
\$1,000,000 or more.....																																			
Total.....																																			
With net loss																																			
Taxable and nontaxable returns:																																			
No adjusted gross income.....																																			
Under \$10,000.....																																			
\$10,000 under \$30,000.....																																			
\$30,000 or more.....																																			
Total.....																																			

See footnotes at end of table. See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."

Table 6.—NUMBER OF RETURNS BY SIZE OF SOURCE AND BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	Number of returns by size of source																	\$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
<b>RETURNS WITH ANNUITIES AND PENSIONS</b>																		
Number of returns																		
Under \$100																		
\$100 under \$200																		
\$200 under \$300																		
\$300 under \$400																		
\$400 under \$500																		
\$500 under \$1,000																		
\$1,000 under \$1,500																		
\$1,500 under \$2,000																		
\$2,000 under \$2,500																		
\$2,500 under \$3,000																		
\$3,000 under \$4,000																		
\$4,000 under \$5,000																		
\$5,000 under \$10,000																		
\$10,000 under \$15,000																		
\$15,000 under \$20,000																		
\$20,000 under \$30,000																		
\$30,000 under \$50,000																		
\$50,000 under \$100,000																		
Total	730,279	63,964	57,418	41,792	36,435	22,170	158,252	143,556	101,410	53,232	17,336	13,868	3,756	5,030	1,944	95	19	
<b>RETURNS WITH RENTS AND ROYALTIES</b>																		
With net income																		
Taxable and nontaxable returns:																		
No adjusted gross income	49,989	6,600	8,372	6,091	6,574	3,329	9,254	(1)	2,586	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Under \$600	127,365	25,094	25,114	14,504	24,136	17,496	16,968	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$600 under \$1,000	219,110	32,201	33,210	23,166	21,153	24,685	91,690	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$1,000 under \$1,500	292,007	29,251	33,210	33,280	23,737	21,081	67,283	77,623	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$1,500 under \$2,000	274,961	37,752	33,721	35,756	23,068	21,637	50,607	30,705	41,141	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$2,000 under \$2,500	240,011	34,705	31,639	25,205	23,390	15,633	44,987	18,678	17,585	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$2,500 under \$3,000	232,689	40,794	36,303	25,191	24,825	14,694	39,487	15,682	10,082	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$3,000 under \$4,000	443,510	93,726	81,503	58,420	42,932	37,332	58,205	25,900	11,705	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$4,000 under \$5,000	517,100	122,275	92,551	76,439	55,729	30,742	66,076	28,980	13,630	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$5,000 under \$10,000	1,048,760	203,873	160,016	133,255	105,247	77,133	156,481	68,465	35,028	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$10,000 under \$15,000	196,552	24,300	19,549	17,320	13,679	11,501	34,655	18,155	11,555	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$15,000 under \$20,000	78,694	8,320	6,076	5,309	4,512	4,004	12,993	7,165	5,295	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$20,000 under \$30,000	70,973	6,907	5,227	4,067	3,441	3,178	9,122	6,749	4,219	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$30,000 under \$40,000	44,388	3,618	2,512	2,038	1,669	1,315	5,435	3,463	2,720	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$40,000 under \$50,000	21,275	1,665	1,102	904	725	604	2,201	1,441	1,088	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$50,000 under \$100,000	3,377	316	202	148	104	129	372	226	150	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$100,000 under \$200,000	1,044	75	39	37	38	32	130	56	47	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$200,000 under \$500,000	1,103	100	55	47	43	35	128	81	49	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$500,000 under \$1,000,000	170	13	9	8	7	7	21	10	6	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$1,000,000 or more	80	10	5	1	3	3	6	5	2	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Total	3,863,618	671,995	560,401	458,186	377,012	284,767	666,101	308,935	159,709	102,352	66,858	67,641	36,851	72,007	26,689	3,709	931	274
<b>RETURNS WITH NET LOSS</b>																		
Taxable and nontaxable returns:																		
No adjusted gross income	30,609	4,516	6,546	3,051	3,544	(1)	4,602	4,017	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Under \$10,000	1,014,807	352,500	227,711	135,163	90,154	57,655	104,629	4,587	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$10,000 under \$30,000	81,235	17,321	14,134	10,119	6,498	5,997	13,385	5,213	2,945	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$30,000 or more	17,386	2,408	1,635	1,312	898	898	2,933	857	456	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Total	1,143,837	376,745	250,026	149,715	101,199	64,674	125,349	13,985	8,503	3,789	1,129	5,719	1,129	2,856	1,615	218	89	28

See footnotes at end of table. See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."

Table 6.—NUMBER OF RETURNS BY SIZE OF SOURCE AND BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	Number of returns	Number of returns by size of source															\$100,000 or more		
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)		(16)	(17)
RETURNS WITH INCOME FROM ESTATES AND TRUSTS																			
Taxable and nontaxable returns:																			
No adjusted gross income:	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Under \$600.....	4,006	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$600 under \$1,000.....	14,522	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$1,000 under \$1,500.....	16,527	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$1,500 under \$2,000.....	23,105	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$2,000 under \$2,500.....	16,113	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$2,500 under \$3,000.....	15,148	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$3,000 under \$4,000.....	30,737	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$4,000 under \$5,000.....	26,261	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$5,000 under \$10,000.....	103,248	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$10,000 under \$15,000.....	40,921	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$15,000 under \$20,000.....	20,480	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$20,000 under \$30,000.....	23,228	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$30,000 under \$50,000.....	16,459	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$50,000 under \$100,000.....	11,627	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$100,000 under \$150,000.....	2,438	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$150,000 under \$200,000.....	800	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$200,000 under \$300,000.....	933	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$300,000 under \$500,000.....	136	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$500,000 under \$1,000,000.....	66	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$1,000,000 or more.....	368,806	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Total.....	368,806	55,886	38,036	29,154	27,120	20,533	68,121	40,633	21,531	8,696	6,454	14,007	8,529	18,448	8,862	2,054	393	169	

See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."  
 \*Sample variability of this item is too large to warrant showing it separately. However, this value is included in each total.  
 †Excludes returns, Form 1040A, with this source of income.



INDIVIDUAL INCOME TAX RETURNS FOR 1954

Table 7.—NUMBER OF RETURNS BY SIZE OF NONBUSINESS DEDUCTION AND BY ADJUSTED GROSS INCOME CLASSES—RETURNS WITH ITEMIZED DEDUCTIONS

Adjusted gross income classes	Number of returns	Number of returns by size of deduction													
		Under \$100	\$100 under \$200	\$200 under \$300	\$300 under \$400	\$400 under \$500	\$500 under \$1,000	\$1,000 under \$1,500	\$1,500 under \$2,000	\$2,000 under \$2,500	\$2,500 under \$3,000	\$3,000 under \$4,000	\$4,000 under \$5,000	\$5,000 under \$10,000	\$10,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
<b>RETURNS WITH CONTRIBUTIONS DEDUCTED</b>															
Taxable and nontaxable returns:															
No adjusted gross income.....	9,388	4,607	2,572	(1)	(1)	(1)	(1)	(1)	(1)	-	-	-	-	-	-
Under \$600.....	18,083	10,614	3,970	(1)	(1)	(1)	-	(1)	-	-	-	-	-	-	-
\$600 under \$1,000.....	172,833	124,017	37,254	9,528	(1)	(1)	(1)	-	-	-	-	-	-	-	-
\$1,000 under \$1,500.....	337,202	188,841	117,168	24,175	4,984	(1)	(1)	-	-	-	-	-	-	-	-
\$1,500 under \$2,000.....	547,434	264,879	191,509	64,310	16,660	6,081	3,995	-	-	-	-	-	-	-	-
\$2,000 under \$2,500.....	730,709	305,918	223,521	142,890	31,150	19,098	8,108	(1)	-	-	-	-	-	-	-
\$2,500 under \$3,000.....	893,494	351,936	269,667	166,468	57,745	22,149	25,529	-	-	-	-	-	-	-	-
\$3,000 under \$4,000.....	2,437,096	837,183	737,630	419,764	266,300	99,430	74,272	(1)	-	-	-	-	-	-	-
\$4,000 under \$5,000.....	2,880,652	957,600	816,958	469,530	300,326	197,655	134,071	3,512	(1)	-	-	-	-	-	-
\$5,000 under \$10,000.....	5,318,937	1,296,725	1,407,944	944,815	642,623	377,426	596,762	45,533	4,579	(1)	(1)	-	-	-	-
\$10,000 under \$15,000.....	561,669	52,985	92,922	92,044	79,354	61,403	132,094	33,867	10,530	3,607	1,222	1,338	303	-	-
\$15,000 under \$20,000.....	226,519	14,060	25,806	28,056	28,131	23,982	69,059	20,606	8,351	3,537	1,783	1,167	890	291	-
\$20,000 under \$30,000.....	212,877	9,199	19,123	20,109	22,876	21,519	66,527	26,215	11,394	6,037	3,304	3,599	1,777	1,598	-
\$30,000 under \$50,000.....	135,953	4,160	8,233	8,378	10,015	9,768	38,929	22,441	11,365	6,479	3,682	5,442	2,285	4,107	669
\$50,000 under \$100,000.....	64,449	1,136	2,211	2,597	2,847	2,782	13,066	9,328	6,606	5,245	3,263	4,197	2,352	5,111	3,708
\$100,000 under \$150,000.....	11,113	114	174	263	270	319	1,202	1,092	822	754	677	844	623	1,557	2,402
\$150,000 under \$200,000.....	3,111	30	37	46	39	53	227	227	193	159	123	241	174	478	1,084
\$200,000 under \$500,000.....	3,159	29	45	36	36	33	164	137	144	94	100	141	125	397	1,678
\$500,000 under \$1,000,000.....	429	4	3	2	1	3	24	19	11	10	9	9	4	32	298
\$1,000,000 or more.....	199	-	3	-	-	3	4	4	3	3	3	5	6	17	148
Total.....	14,565,306	4,424,037	3,956,750	2,395,944	1,466,403	844,246	1,165,591	166,018	54,999	27,442	15,179	16,983	8,139	13,588	9,987
<b>RETURNS WITH INTEREST PAID</b>															
Taxable and nontaxable returns:															
No adjusted gross income.....	6,444	(1)	(1)	(1)	(1)	(1)	(1)	(1)	-	-	(1)	(1)	(1)	(1)	(1)
Under \$600.....	8,052	3,557	(1)	(1)	(1)	(1)	-	-	-	-	-	-	-	-	-
\$600 under \$1,000.....	51,297	29,654	9,540	5,568	3,000	(1)	(1)	-	-	-	-	-	-	-	-
\$1,000 under \$1,500.....	131,818	73,332	31,238	10,602	9,608	(1)	5,017	-	-	-	-	-	-	-	-
\$1,500 under \$2,000.....	227,102	133,160	42,889	18,720	15,608	9,602	7,119	(1)	-	-	-	-	-	-	-
\$2,000 under \$2,500.....	352,830	179,541	90,916	39,399	19,751	10,126	11,097	(1)	-	-	-	(1)	-	-	-
\$2,500 under \$3,000.....	514,386	241,265	115,089	74,931	37,682	24,740	19,679	-	(1)	(1)	-	-	-	-	-
\$3,000 under \$4,000.....	1,695,683	638,696	390,733	274,972	207,753	100,209	76,712	5,574	(1)	-	-	-	(1)	-	-
\$4,000 under \$5,000.....	2,300,186	617,442	475,941	427,527	377,475	215,351	179,231	6,085	(1)	-	-	-	-	-	-
\$5,000 under \$10,000.....	4,565,036	735,143	693,560	766,384	888,670	674,644	760,553	36,429	4,633	3,085	(1)	-	-	-	(1)
\$10,000 under \$15,000.....	437,650	42,648	43,772	45,704	58,110	61,366	152,975	22,559	6,210	1,789	929	782	543	239	(1)
\$15,000 under \$20,000.....	159,703	18,332	15,202	15,427	16,703	18,397	53,932	13,498	4,284	1,388	1,042	691	327	408	(1)
\$20,000 under \$30,000.....	141,505	16,240	14,562	11,502	13,097	12,233	44,918	14,972	5,703	2,790	1,756	1,475	808	1,147	302
\$30,000 under \$50,000.....	85,562	11,578	7,196	6,290	6,989	7,346	10,279	4,611	2,673	1,647	1,862	901	1,522	425	225
\$50,000 under \$100,000.....	39,259	4,990	3,125	2,578	2,402	2,727	8,119	4,382	2,640	1,790	1,297	1,603	919	1,777	910
\$100,000 under \$150,000.....	6,828	822	376	380	348	243	1,249	716	477	300	332	314	231	570	470
\$150,000 under \$200,000.....	1,927	200	126	77	94	74	286	188	137	93	61	121	82	197	231
\$200,000 under \$500,000.....	2,087	180	104	91	59	72	256	200	131	80	74	119	87	223	411
\$500,000 under \$1,000,000.....	279	19	8	10	5	7	26	24	12	14	13	11	13	40	77
\$1,000,000 or more.....	134	11	4	5	3	3	7	7	7	4	8	6	9	10	50
Total.....	10,727,798	2,747,830	1,937,423	1,703,239	1,658,415	1,141,719	1,346,619	116,428	30,879	15,023	8,686	7,488	4,441	6,131	3,477
<b>RETURNS WITH TAXES PAID</b>															
Taxable and nontaxable returns:															
No adjusted gross income.....	11,713	2,599	2,600	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Under \$600.....	15,075	6,518	4,999	(1)	(1)	(1)	-	-	-	-	-	-	-	-	-
\$600 under \$1,000.....	166,947	116,561	32,266	13,568	3,017	-	(1)	-	-	-	-	-	-	-	-
\$1,000 under \$1,500.....	325,305	185,315	84,060	35,749	10,126	4,021	5,034	(1)	-	-	-	-	-	-	-
\$1,500 under \$2,000.....	533,930	322,622	124,869	49,585	21,744	8,059	6,551	(1)	-	-	-	-	-	-	-
\$2,000 under \$2,500.....	728,100	384,862	202,895	83,764	32,858	15,098	7,623	(1)	-	-	-	-	-	-	-
\$2,500 under \$3,000.....	890,074	400,175	284,113	134,975	43,411	17,241	9,142	(1)	-	-	-	-	-	-	-
\$3,000 under \$4,000.....	2,444,351	784,974	918,163	482,830	170,252	56,137	29,427	(1)	(1)	-	-	-	-	(1)	-
\$4,000 under \$5,000.....	2,897,022	482,556	1,071,047	839,755	342,350	108,266	50,986	(1)	(1)	-	-	-	-	-	-
\$5,000 under \$10,000.....	5,345,178	367,537	1,172,726	1,575,684	1,223,604	582,782	400,464	15,744	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$10,000 under \$15,000.....	562,318	11,620	32,366	58,180	81,985	98,843	244,151	26,638	4,965	2,067	550	503	261	185	(1)
\$15,000 under \$20,000.....	226,557	2,877	6,788	16,344	22,269	114,766	37,502	7,922	2,452	747	447	239	120	120	(1)
\$20,000 under \$30,000.....	212,783	2,338	4,696	7,061	10,043	82,465	57,065	21,991	7,773	2,973	1,634	462	479	285	(1)
\$30,000 under \$50,000.....	135,674	1,052	1,790	2,947	3,921	4,934	34,306	32,135	22,415	13,824	8,709	6,118	2,019	1,399	285
\$50,000 under \$100,000.....	64,372	341	574	733	1,084	1,414	8,863	10,513	8,583	6,850	5,506	8,830	4,917	5,655	509
\$100,000 under \$150,000.....	11,074	66	87	105	118	143	881	972	973	815	669	1,131	1,071	3,337	706
\$150,000 under \$200,000.....	3,085	19	13	21	28	33	172	216	173	158	163	243	211	929	706
\$200,000 under \$500,000.....	3,165	7	9	19	17	26	128	153	139	130	116	235	196	664	1,326
\$500,000 under \$1,000,000.....	425	2	1	2	3	3	18	10	18	16	17	19	21	50	245
\$1,000,000 or more.....	195	-	1	1	1	2	1	7	10	7	7	5	9	10	134
Total.....	14,577,343	3,072,041	3,944,063	3,302,807	1,961,921	933,507	999,215	188,642	70,283	36,195	22,528	19,145	9,410	13,643	3,943
<b>RETURNS WITH MEDICAL EXPENSES DEDUCTED</b>															
Taxable and nontaxable returns:															
No adjusted gross income.....	5,272	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Under \$600.....	10,558	4,064	4,016	(1)	(1)	(1)	-	-	(1)	-	-	-	-	-	-
\$600 under \$1,000.....	121,004	44,637	32,168	17,007	9,574	6,542	8,518	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$1,000 under \$1,500.....	240,176	78,802	59,760	40,208	27,686	13,693	13,487	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$1,500 under \$2,000.....	389,302	96,391	106,965	69,846	46,719	19,648	31,179	9,525	4,023	(1)	3,017	(1)	(1)	(1)	(1)
\$2,000 under \$2,500.....	518,312	112,822	132,120	96,556	73,225	31,676	55,350	9,491	3,978	(1)	(1)	(1)	(1)	(1)	(1)
\$2,500 under \$3,000.....	611,633	128,975	154,039	11											

Table 8.—TAXABLE INCOME, TAX CREDITS, AND INCOME TAX, BY TAXABLE INCOME CLASSES FOR APPLICABLE TAX RATES

## PART I.—JOINT RETURNS AND RETURNS OF SURVIVING SPOUSE

Taxable income classes	Number of returns with taxable income	Taxable income (Thousand dollars)	Total of the 5 tax credits (Thousand dollars)	Dividends received credit		Retirement income credit		Income tax liability after credits			
				Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Normal tax and surtax		Alternative tax	
								Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
<b>Taxable returns:</b>											
1 Not over \$4,000.....	20,653,492	36,586,333	18,044	484,160	5,676	84,552	11,579	20,653,492	7,299,805	-	-
2 Over \$4,000 not over \$8,000.....	4,950,699	24,300,549	14,887	479,035	8,870	28,550	5,397	4,950,699	4,966,290	-	-
3 Over \$8,000 not over \$12,000.....	680,064	6,524,803	9,725	221,446	6,801	10,549	2,184	680,064	1,414,859	-	-
4 Over \$12,000 not over \$16,000.....	259,616	3,576,927	7,260	120,617	5,818	4,848	978	259,616	837,470	-	-
5 Over \$16,000 not over \$20,000.....	142,310	2,536,840	5,975	73,396	4,517	2,901	727	142,258	640,152	-	-
6 Over \$20,000 not over \$24,000.....	87,830	1,119,341	4,887	51,063	4,107	2,311	422	87,809	520,676	-	-
7 Over \$24,000 not over \$28,000.....	56,890	1,471,633	4,090	34,944	3,366	1,779	403	56,761	427,474	-	-
8 Over \$28,000 not over \$32,000.....	39,633	1,182,355	3,378	26,232	2,898	1,072	184	39,435	366,860	-	-
9 Over \$32,000 not over \$36,000.....	27,760	940,843	3,073	18,841	2,643	928	169	27,294	306,311	-	-
10 Over \$36,000 not over \$40,000.....	20,555	780,125	3,073	14,644	2,158	786	128	13,167	174,646	8,254	107,420
11 Over \$40,000 not over \$44,000.....	16,159	677,049	2,622	11,900	2,151	488	105	9,791	150,851	6,368	97,747
12 Over \$44,000 not over \$52,000.....	21,554	1,028,256	4,273	16,621	3,607	766	159	11,705	219,270	9,849	182,544
13 Over \$52,000 not over \$64,000.....	19,070	1,095,708	5,048	14,684	3,957	695	143	9,248	227,852	9,822	235,519
14 Over \$64,000 not over \$76,000.....	10,355	719,415	3,839	8,404	3,179	452	94	4,294	137,549	6,061	188,880
15 Over \$76,000 not over \$88,000.....	6,005	489,461	4,041	5,085	2,504	323	64	2,407	95,339	3,598	138,078
16 Over \$88,000 not over \$100,000.....	3,481	372,847	2,350	3,377	1,956	195	37	1,373	66,555	2,608	119,770
17 Over \$100,000 not over \$120,000.....	3,865	420,911	2,780	3,402	2,339	196	40	1,272	75,916	2,593	144,692
18 Over \$120,000 not over \$140,000.....	2,244	289,145	2,311	1,957	1,603	148	30	651	48,342	1,593	108,832
19 Over \$140,000 not over \$160,000.....	1,258	187,660	1,653	1,125	1,211	93	16	329	29,609	929	76,024
20 Over \$160,000 not over \$180,000.....	809	137,051	1,361	724	987	65	12	171	18,180	638	60,300
21 Over \$180,000 not over \$200,000.....	571	108,316	991	507	799	34	8	138	17,111	433	47,471
22 Over \$200,000 not over \$300,000.....	1,202	286,369	2,876	1,104	2,232	90	20	213	35,023	989	138,529
23 Over \$300,000 not over \$400,000.....	364	124,073	1,195	328	867	33	5	58	14,375	306	62,988
24 Over \$400,000.....	490	387,569	3,371	444	2,722	55	13	69	43,577	421	199,320
25 Total taxable returns.....	26,606,776	86,143,559	113,079	1,594,108	76,768	141,909	22,917	26,552,314	18,134,092	54,462	1,908,114
<b>Nontaxable returns:</b>											
26 Not over \$4,000.....	60,282	36,334	8,276	24,351	656	55,306	7,469	-	-	-	-
27 Over \$4,000 not over \$8,000.....	130	867	180	51	6	94	121	-	-	-	-
28 Over \$8,000 not over \$12,000.....	27	245	53	-	-	24	46	-	-	-	-
29 Over \$12,000 not over \$16,000.....	75	1,072	256	71	1	71	244	-	-	-	-
30 Over \$16,000 not over \$20,000.....	24	435	111	24	-	24	111	-	-	-	-
31 Over \$20,000.....	33	1,393	561	14	12	18	222	-	-	-	-
32 Total nontaxable returns.....	60,571	40,346	9,437	24,511	675	55,537	8,212	-	-	-	-
33 Grand total.....	26,667,347	86,183,905	122,516	1,618,619	77,443	197,446	31,130	26,552,314	18,134,092	54,462	1,908,114

## PART II.—SEPARATE RETURNS OF HUSBANDS AND WIVES AND OF SINGLE PERSONS NOT HEAD OF HOUSEHOLD OR SURVIVING SPOUSE

Taxable income classes	Number of returns with taxable income	Taxable income (Thousand dollars)	Total of the 5 tax credits (Thousand dollars)	Dividends received credit		Retirement income credit		Income tax liability after credits			
				Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Normal tax and surtax		Alternative tax	
								Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
<b>Taxable returns:</b>											
1 Not over \$2,000.....	10,289,384	9,281,844	12,175	252,192	2,618	65,718	9,498	10,289,384	1,833,208	-	-
2 Over \$2,000 not over \$4,000.....	3,970,670	10,889,328	10,416	204,498	3,779	32,953	6,391	3,970,670	2,219,516	-	-
3 Over \$4,000 not over \$6,000.....	558,529	2,647,968	6,874	126,574	3,435	15,134	3,411	558,529	567,906	-	-
4 Over \$6,000 not over \$8,000.....	119,755	814,502	4,122	50,871	2,238	8,848	1,817	119,755	185,154	-	-
5 Over \$8,000 not over \$10,000.....	46,124	411,297	3,131	27,206	1,853	5,718	1,822	46,124	100,597	-	-
6 Over \$10,000 not over \$12,000.....	29,807	325,527	2,611	19,106	1,720	4,377	770	29,807	86,154	-	-
7 Over \$12,000 not over \$14,000.....	17,954	232,070	2,012	12,779	1,346	2,730	550	17,954	65,729	-	-
8 Over \$14,000 not over \$16,000.....	12,319	184,348	1,518	8,782	1,041	1,961	399	12,319	56,182	-	-
9 Over \$16,000 not over \$18,000.....	9,638	163,138	1,475	7,681	1,187	1,374	251	9,638	52,750	-	-
10 Over \$18,000 not over \$20,000.....	7,296	138,289	1,397	5,547	1,052	1,323	258	5,420	34,953	1,876	12,247
11 Over \$20,000 not over \$22,000.....	6,043	126,533	1,073	4,767	832	1,003	213	4,484	33,881	1,557	11,652
12 Over \$22,000 not over \$26,000.....	7,462	177,396	1,992	6,005	1,511	1,791	329	4,693	42,632	2,771	25,166
13 Over \$26,000 not over \$32,000.....	7,459	214,485	2,549	6,431	1,979	1,705	326	4,683	56,394	2,776	32,395
14 Over \$32,000 not over \$38,000.....	3,956	137,024	1,495	3,397	1,123	777	139	2,071	32,276	1,885	28,438
15 Over \$38,000 not over \$44,000.....	2,311	94,262	1,122	1,937	846	466	82	1,110	21,843	1,201	22,669
16 Over \$44,000 not over \$50,000.....	1,751	81,953	982	1,587	769	438	76	853	20,240	898	20,236
17 Over \$50,000 not over \$60,000.....	2,091	114,081	1,458	1,875	1,063	492	121	899	26,099	1,192	32,890
18 Over \$60,000 not over \$70,000.....	1,496	83,580	1,019	1,199	850	353	69	581	21,330	715	24,380
19 Over \$70,000 not over \$80,000.....	714	53,297	712	646	541	192	40	232	10,443	482	19,693
20 Over \$80,000 not over \$90,000.....	574	48,655	706	533	562	165	33	233	12,288	341	16,455
21 Over \$90,000 not over \$100,000.....	488	46,410	614	414	459	172	39	130	7,924	358	20,249
22 Over \$100,000 not over \$150,000.....	828	99,689	1,266	781	1,074	264	44	246	20,453	582	42,867
23 Over \$150,000 not over \$200,000.....	291	49,848	824	271	549	87	17	92	11,579	199	21,253
24 Over \$200,000.....	477	218,606	4,299	445	3,140	105	21	147	70,597	330	126,246
25 Total taxable returns.....	15,097,217	26,634,130	65,942	745,704	35,567	148,146	26,076	15,080,054	5,590,128	17,163	456,836
<b>Nontaxable returns:</b>											
26 Not over \$2,000.....	116,961	61,139	12,566	47,087	531	115,401	12,020	-	-	-	-
27 Over \$2,000 not over \$4,000.....	(1)	(1)	(1)	-	-	(1)	(1)	-	-	-	-
28 Over \$4,000 not over \$6,000.....	-	-	-	-	-	-	-	-	-	-	-
29 Over \$6,000 not over \$8,000.....	-	-	-	-	-	-	-	-	-	-	-
30 Over \$8,000 not over \$10,000.....	-	-	-	-	-	-	-	-	-	-	-
31 Over \$10,000.....	24	340	105	-	-	24	105	-	-	-	-
32 Total nontaxable returns.....	117,485	62,810	12,944	47,087	531	115,925	12,398	-	-	-	-
33 Grand total.....	15,214,702	26,696,940	78,886	792,791	36,098	264,071	38,474	15,080,054	5,590,128	17,163	456,836

See footnotes at end of table. See text for individual returns for "Explanation of Classifications and Terms" and "Description of Sample and Limitations of Data."

Table 8.— TAXABLE INCOME, TAX CREDITS, AND INCOME TAX, BY TAXABLE INCOME CLASSES FOR APPLICABLE TAX RATES—Continued

PART III.—RETURNS OF HEADS OF HOUSEHOLD

Taxable income classes	Number of returns with taxable income	Taxable income (Thousand dollars)	Total of the 5 tax credits (Thousand dollars)	Dividends received credit		Retirement income credit		Income tax liability after credits				
				Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Normal tax and surtax		Alternative tax		
								Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
<b>Taxable returns:</b>												
1 Not over \$2,000.....	439,114	433,419	361	13,641	160	2,017	201	439,114	85,908	-	-	1
2 Over \$2,000 not over \$4,000.....	373,004	1,031,559	758	29,835	658	1,024	100	373,004	208,299	-	-	2
3 Over \$4,000 not over \$6,000.....	70,602	332,388	803	18,419	394	2,105	409	70,602	69,266	-	-	3
4 Over \$6,000 not over \$8,000.....	18,092	124,642	455	8,066	270	1,422	181	18,092	27,256	-	-	4
5 Over \$8,000 not over \$10,000.....	8,520	75,385	281	4,236	200	393	80	8,520	17,442	-	-	5
6 Over \$10,000 not over \$12,000.....	4,313	47,405	255	2,438	162	383	88	4,313	11,558	-	-	6
7 Over \$12,000 not over \$14,000.....	3,095	40,081	211	1,808	147	243	53	3,095	10,326	-	-	7
8 Over \$14,000 not over \$16,000.....	2,027	30,302	165	1,221	121	194	41	2,027	8,286	-	-	8
9 Over \$16,000 not over \$18,000.....	2,021	34,179	387	1,429	242	166	33	2,021	9,954	-	-	9
10 Over \$18,000 not over \$20,000.....	1,272	24,185	96	832	82	48	12	1,248	7,188	-	-	10
11 Over \$20,000 not over \$22,000.....	1,051	22,064	134	660	108	121	24	1,051	6,964	-	-	11
12 Over \$22,000 not over \$24,000.....	1,523	34,772	278	1,303	251	75	18	1,470	10,914	-	-	12
13 Over \$24,000 not over \$26,000.....	1,061	27,423	156	785	132	69	10	862	7,743	276	2,394	13
14 Over \$26,000 not over \$28,000.....	704	20,855	139	546	121	58	13	439	4,876	265	2,849	14
15 Over \$28,000 not over \$30,000.....	742	25,763	482	572	153	103	18	434	6,089	308	3,854	15
16 Over \$30,000 not over \$32,000.....	528	21,623	121	397	109	60	8	198	3,560	330	5,697	16
17 Over \$32,000 not over \$34,000.....	308	14,620	92	240	82	39	5	158	3,472	150	3,101	17
18 Over \$34,000 not over \$36,000.....	353	19,101	253	281	114	46	8	172	4,444	181	4,436	18
19 Over \$36,000 not over \$38,000.....	209	13,533	154	174	127	36	7	94	3,083	115	3,570	19
20 Over \$38,000 not over \$40,000.....	158	11,841	148	153	132	49	11	51	2,034	107	4,149	20
21 Over \$40,000 not over \$42,000.....	55	4,732	44	47	34	20	4	30	1,433	25	1,115	21
22 Over \$42,000 not over \$44,000.....	86	8,100	73	81	67	12	2	24	1,311	62	3,215	22
23 Over \$44,000 not over \$46,000.....	126	14,740	143	118	127	10	1	32	2,393	94	6,048	23
24 Over \$46,000 not over \$48,000.....	41	7,160	147	39	88	6	1	11	1,373	30	3,053	24
25 Over \$48,000 not over \$50,000.....	30	7,235	105	26	80	5	1	7	1,274	23	3,361	25
26 Over \$50,000.....	32	21,947	124	29	106	5	1	5	1,597	27	11,699	26
27 Total taxable returns.....	929,067	2,449,054	6,365	87,376	4,267	8,709	1,330	927,074	518,043	1,993	58,541	27
<b>Nontaxable returns:</b>												
28 Not over \$2,000.....	3,017	1,402	280	1,017	16	3,017	264	-	-	-	-	28
29 Over \$2,000 not over \$4,000.....	-	-	-	-	-	-	-	-	-	-	-	29
30 Over \$4,000 not over \$6,000.....	-	-	-	-	-	-	-	-	-	-	-	30
31 Over \$6,000 not over \$8,000.....	-	-	-	-	-	-	-	-	-	-	-	31
32 Over \$8,000 not over \$10,000.....	-	-	-	-	-	-	-	-	-	-	-	32
33 Over \$10,000.....	-	-	-	-	-	-	-	-	-	-	-	33
34 Total nontaxable returns.....	3,017	1,402	280	1,017	16	3,017	264	-	-	-	-	34
35 Grand total.....	932,084	2,450,456	6,645	88,393	4,283	11,726	1,594	927,074	518,043	1,993	58,541	35

See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."  
<sup>1</sup>Sample variability of this item is too large to warrant showing it separately. However, this value is included in each total.



Table 9.—ADJUSTED GROSS INCOME, TAXABLE INCOME, INCOME TAX, AVERAGE TAX, AND EFFECTIVE TAX RATE, BY TYPES OF INCOME TAX AND BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes		Number of returns with income tax	Adjusted gross income	Taxable income	Income tax liability after credits	Average income tax	Effective tax rate—income tax after credits as a percent of taxable income	
			(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(Dollars)	(6)	
ALL TAXABLE RETURNS		(1)	(2)	(3)	(4)	(5)	(6)	
1	\$600 under \$1,000.....	1,292,988	1,078,798	188,445	37,648	29	20.0	1
2	\$1,000 under \$1,500.....	2,426,670	3,047,987	1,069,613	213,519	88	20.0	2
3	\$1,500 under \$2,000.....	2,431,232	4,237,823	1,728,796	344,635	142	19.9	3
4	\$2,000 under \$2,500.....	3,078,559	6,922,726	2,890,502	575,180	187	19.9	4
5	\$2,500 under \$3,000.....	3,452,029	9,505,225	4,107,080	817,847	237	19.9	5
6	\$3,000 under \$3,500.....	3,867,430	12,592,640	5,594,041	1,120,604	290	20.0	6
7	\$3,500 under \$4,000.....	4,057,107	15,219,849	6,692,852	1,346,691	332	20.1	7
8	\$4,000 under \$4,500.....	3,959,609	16,818,643	7,404,211	1,489,975	376	20.1	8
9	\$4,500 under \$5,000.....	3,585,645	17,010,192	7,754,769	1,559,856	435	20.1	9
10	\$5,000 under \$6,000.....	5,108,368	27,910,808	13,782,379	2,770,109	542	20.1	10
11	\$6,000 under \$7,000.....	3,331,451	21,524,454	11,821,062	2,385,403	716	20.2	11
12	\$7,000 under \$8,000.....	2,008,053	14,961,906	8,944,484	1,820,597	907	20.4	12
13	\$8,000 under \$9,000.....	1,186,721	10,032,034	6,324,419	1,301,277	1,097	20.6	13
14	\$9,000 under \$10,000.....	720,646	6,808,273	4,479,948	932,992	1,295	20.8	14
15	\$10,000 under \$15,000.....	1,215,482	14,390,558	10,096,351	2,185,166	1,798	21.6	15
16	\$15,000 under \$20,000.....	368,492	6,316,307	4,808,176	1,145,589	3,109	23.8	16
17	\$20,000 under \$30,000.....	291,668	7,018,963	5,610,769	1,521,883	5,218	27.1	17
18	\$30,000 under \$50,000.....	161,897	6,067,727	5,052,115	1,683,981	10,402	33.3	18
19	\$50,000 under \$100,000.....	70,332	4,651,794	3,946,268	1,708,710	24,295	43.3	19
20	\$100,000 under \$150,000.....	11,617	1,389,769	1,170,329	614,555	52,901	52.5	20
21	\$150,000 under \$200,000.....	3,192	546,951	452,450	257,014	80,518	56.8	21
22	\$200,000 under \$500,000.....	3,234	915,760	740,497	455,363	140,805	61.5	22
23	\$500,000 under \$1,000,000.....	437	293,111	234,854	154,785	354,199	65.9	23
24	\$1,000,000 or more.....	201	406,532	332,333	222,374	1,106,338	66.9	24
25	Total.....	42,633,060	209,668,830	115,226,743	26,665,753	625	23.1	25
RETURNS WITH NORMAL TAX AND SURTAX								
26	\$600 under \$1,000.....	1,292,988	1,078,798	188,445	37,648	29	20.0	26
27	\$1,000 under \$1,500.....	2,426,670	3,047,987	1,069,613	213,519	88	20.0	27
28	\$1,500 under \$2,000.....	2,431,232	4,237,823	1,728,796	344,635	142	19.9	28
29	\$2,000 under \$2,500.....	3,078,559	6,922,726	2,890,502	575,180	187	19.9	29
30	\$2,500 under \$3,000.....	3,452,029	9,505,225	4,107,080	817,847	237	19.9	30
31	\$3,000 under \$3,500.....	3,867,430	12,592,640	5,594,041	1,120,604	290	20.0	31
32	\$3,500 under \$4,000.....	4,057,107	15,219,849	6,692,852	1,346,691	332	20.1	32
33	\$4,000 under \$4,500.....	3,959,609	16,818,643	7,404,211	1,489,975	376	20.1	33
34	\$4,500 under \$5,000.....	3,585,645	17,010,192	7,754,769	1,559,856	435	20.1	34
35	\$5,000 under \$6,000.....	5,108,368	27,910,808	13,782,379	2,770,109	542	20.1	35
36	\$6,000 under \$7,000.....	3,331,451	21,524,454	11,821,062	2,385,403	716	20.2	36
37	\$7,000 under \$8,000.....	2,008,053	14,961,906	8,944,484	1,820,597	907	20.4	37
38	\$8,000 under \$9,000.....	1,186,721	10,032,034	6,324,419	1,301,277	1,097	20.6	38
39	\$9,000 under \$10,000.....	720,646	6,808,273	4,479,948	932,992	1,295	20.8	39
40	\$10,000 under \$15,000.....	1,215,482	14,390,558	10,096,351	2,185,166	1,798	21.6	40
41	\$15,000 under \$20,000.....	368,464	6,315,756	4,807,668	1,145,414	3,109	23.8	41
42	\$20,000 under \$30,000.....	285,773	6,870,670	5,482,206	1,475,208	5,162	26.9	42
43	\$30,000 under \$50,000.....	143,050	5,270,463	4,358,078	1,421,960	9,940	32.6	43
44	\$50,000 under \$100,000.....	34,553	2,227,259	1,877,893	813,611	23,547	43.3	44
45	\$100,000 under \$150,000.....	3,900	461,847	384,746	210,347	53,935	54.7	45
46	\$150,000 under \$200,000.....	874	149,163	120,032	73,622	84,235	61.3	46
47	\$200,000 under \$500,000.....	721	200,453	155,105	108,947	151,106	70.2	47
48	\$500,000 under \$1,000,000.....	74	50,030	37,833	29,774	402,351	78.7	48
49	\$1,000,000 or more.....	43	96,253	72,842	61,880	1,439,062	85.0	49
50	Total.....	42,559,442	203,703,810	110,175,355	24,242,262	570	22.0	50
RETURNS WITH ALTERNATIVE TAX								
51	Under \$15,000.....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	51
52	\$15,000 under \$20,000.....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	52
53	\$20,000 under \$30,000.....	5,895	148,293	128,563	46,675	7,918	36.3	53
54	\$30,000 under \$50,000.....	18,847	797,264	694,037	262,021	13,903	37.8	54
55	\$50,000 under \$100,000.....	35,779	2,424,535	2,068,375	895,099	25,017	43.3	55
56	\$100,000 under \$150,000.....	7,717	927,922	785,583	404,208	52,379	51.5	56
57	\$150,000 under \$200,000.....	2,318	397,788	332,418	183,392	79,117	55.2	57
58	\$200,000 under \$500,000.....	2,513	715,307	585,392	346,416	137,850	59.2	58
59	\$500,000 under \$1,000,000.....	363	243,081	197,021	125,011	344,383	63.5	59
60	\$1,000,000 or more.....	158	310,279	259,491	160,494	1,015,786	61.8	60
61	Total.....	73,618	5,965,020	5,051,388	2,423,491	32,920	48.0	61
62	Returns under \$5,000.....	28,151,269	86,433,883	37,430,309	7,505,955	267	20.1	62
63	Returns \$5,000 or more.....	14,481,791	123,234,947	77,796,434	19,159,798	1,323	24.6	63

See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."  
<sup>1</sup>Sample variability of this item is too large to warrant showing it separately. However, this value is included in each total.

Table 10.—ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND INCOME TAX, BY MARITAL STATUS OF TAXPAYER, BY RETURNS WITH STANDARD OR ITEMIZED DEDUCTIONS, AND BY ADJUSTED GROSS INCOME CLASSES

PART I.—ALL RETURNS

Adjusted gross income classes	All returns					Joint returns of husbands and wives					Separate returns of husbands and wives				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	Total number of returns	Adjusted gross income (Thousand dollars)	Exemptions (Thousand dollars)	Taxable income (Thousand dollars)	Income tax liability after credits (Thousand dollars)	Number of returns	Adjusted gross income (Thousand dollars)	Exemptions (Thousand dollars)	Taxable income (Thousand dollars)	Income tax liability after credits (Thousand dollars)	Number of returns	Adjusted gross income (Thousand dollars)	Exemptions (Thousand dollars)	Taxable income (Thousand dollars)	Income tax liability after credits (Thousand dollars)
<b>Taxable returns:</b>															
1 \$600 under \$1,000.....	1,292,988	1,078,798	775,793	188,445	37,548	—	—	—	—	—	82,615	68,201	47,569	11,201	2,276
2 \$1,000 under \$1,500.....	2,456,670	3,047,987	1,634,140	1,069,613	213,519	136,307	192,774	164,488	9,348	1,845	162,049	204,747	109,721	72,706	14,395
3 \$1,500 under \$2,000.....	2,451,232	4,237,833	1,994,975	1,728,796	344,635	429,159	782,382	514,995	149,017	30,088	187,351	328,064	169,956	137,444	27,347
4 \$2,000 under \$2,500.....	3,078,759	6,932,756	3,178,049	2,890,702	575,180	933,923	2,102,024	1,414,809	429,922	86,092	228,410	513,113	208,788	243,349	48,471
5 \$2,500 under \$3,000.....	3,652,029	9,505,225	4,810,705	4,107,080	817,867	1,063,928	4,054,792	2,512,129	1,028,154	205,352	249,249	681,809	239,921	358,190	71,759
6 \$3,000 under \$3,500.....	3,867,430	12,592,410	5,383,703	4,594,041	1,220,604	1,613,805	5,575,130	3,764,525	1,977,814	390,533	256,088	834,100	244,459	484,540	97,574
7 \$3,500 under \$4,000.....	4,037,107	13,219,849	5,137,673	4,687,852	1,364,991	1,919,817	8,327,228	5,195,432	3,299,872	658,409	212,388	604,164	244,635	452,966	92,317
8 \$4,000 under \$4,500.....	3,939,609	16,818,643	7,139,046	7,004,211	1,489,981	2,945,716	12,577,228	6,177,854	4,420,303	921,797	142,319	707,344	176,369	347,245	71,103
9 \$4,500 under \$5,000.....	3,385,645	17,010,192	6,921,884	7,754,769	1,559,856	2,890,378	13,723,435	6,233,492	5,569,795	1,111,971	103,208	488,594	138,485	288,575	58,930
10 \$5,000 under \$5,000.....	5,108,368	27,910,808	14,390,558	13,782,379	2,770,109	4,491,165	24,558,938	9,680,553	11,445,966	2,284,220	56,075	304,033	64,191	199,159	41,278
11 \$5,000 under \$6,000.....	3,134,613	21,524,454	6,763,113	11,821,062	2,385,403	3,063,436	19,800,631	6,507,596	10,581,208	2,120,545	26,400	169,536	32,722	114,667	24,388
12 \$6,000 under \$7,000.....	2,008,053	14,076,906	4,016,882	8,964,484	1,820,997	1,865,911	13,908,756	3,884,808	8,172,734	1,552,977	12,814	94,496	11,937	63,951	13,669
13 \$7,000 under \$8,000.....	1,826,721	10,032,034	2,359,202	6,324,419	1,301,777	1,112,694	9,409,115	2,888,709	5,856,373	1,197,047	10,281	86,463	11,999	63,683	13,782
14 \$8,000 under \$10,000.....	729,646	6,808,273	1,436,249	4,479,948	932,992	678,854	6,412,890	1,392,000	4,180,665	864,177	3,717	35,431	5,311	25,866	5,997
15 \$10,000 under \$15,000.....	1,215,482	14,390,558	2,452,592	10,096,351	2,185,166	1,109,457	13,120,684	2,344,116	9,104,208	1,937,566	8,902	107,332	9,549	83,314	21,404
16 \$15,000 under \$20,000.....	368,448	6,316,307	768,160	4,808,176	1,145,889	331,080	5,173,100	729,170	4,287,170	993,377	3,793	64,341	4,107	52,911	15,667
17 \$20,000 under \$30,000.....	291,668	7,018,963	6,732,787	5,031,769	1,581,983	258,228	6,216,075	5,771,446	4,943,679	1,291,791	1,477	70,604	3,172	58,687	21,050
18 \$30,000 under \$50,000.....	161,849	6,097,757	342,787	6,051,116	1,683,981	144,975	5,437,126	324,692	4,522,361	1,460,666	1,477	55,246	1,629	48,569	19,560
19 \$50,000 under \$100,000.....	70,332	4,651,794	147,010	3,946,268	1,708,710	62,217	4,106,829	137,865	3,492,352	1,473,652	631	41,385	666	34,235	17,963
20 \$100,000 under \$150,000.....	11,617	1,389,769	23,452	1,170,329	614,555	10,043	1,200,866	21,701	1,016,213	521,726	131	15,778	137	13,330	7,942
21 \$150,000 under \$200,000.....	3,192	545,981	6,471	459,450	257,014	2,693	460,661	5,808	383,377	212,916	31	5,280	37	4,107	2,757
22 \$200,000 under \$300,000.....	3,424	915,710	6,743	744,997	365,363	2,656	767,321	5,796	605,536	363,303	65	18,764	80	14,883	10,225
23 \$300,000 under \$1,000,000.....	37	293,110	810	234,864	156,782	332	247,529	674	173,456	110,883	29	15,296	29	11,730	9,195
24 \$1,000,000 or more.....	201	406,532	354	332,333	222,374	110	196,968	241	169,840	102,888	36	86,511	55	55,941	46,363
<b>Total taxable returns.....</b>	<b>42,633,060</b>	<b>209,668,830</b>	<b>66,965,710</b>	<b>115,226,743</b>	<b>26,665,753</b>	<b>26,467,472</b>	<b>161,234,821</b>	<b>53,857,648</b>	<b>85,999,316</b>	<b>19,993,821</b>	<b>1,751,525</b>	<b>5,690,670</b>	<b>1,708,824</b>	<b>3,238,172</b>	<b>755,692</b>
<b>Non-taxable returns:</b>															
26 No adjusted gross income.....	440,304	1,014,480	723,910	—	—	309,432	3,602,982	610,354	—	—	6,098	111,962	4,866	—	—
27 Under \$600.....	3,939,817	1,294,816	3,317,634	—	—	558,610	198,635	1,055,018	—	—	255,226	84,092	188,620	—	—
28 \$600 under \$1,000.....	1,887,553	1,463,870	2,624,079	142	—	830,262	673,678	1,992,153	—	—	83,184	61,987	85,869	—	—
29 \$1,000 under \$1,500.....	2,093,525	2,582,741	3,669,343	3,018	—	1,322,535	1,643,324	2,620,840	24	—	88,342	109,019	138,158	—	—
30 \$1,500 under \$2,000.....	1,775,446	3,119,798	3,768,755	19,818	—	1,351,828	2,380,265	3,039,948	1,077	—	52,058	90,942	102,792	437	—
31 \$2,000 under \$2,500.....	1,233,114	2,781,270	3,162,076	24,770	—	1,068,711	2,414,915	2,825,948	4,139	—	23,218	53,222	58,149	—	—
32 \$2,500 under \$3,000.....	1,032,750	2,799,615	2,932,474	18,797	—	936,201	2,539,924	2,715,859	5,301	—	20,667	56,006	56,307	526	—
33 \$3,000 under \$3,500.....	740,545	2,386,658	2,367,224	12,839	—	693,715	2,235,907	2,246,162	6,778	—	8,554	27,732	25,090	645	—
34 \$3,500 under \$4,000.....	491,292	1,842,338	1,790,821	6,195	—	470,197	1,764,297	1,725,700	4,864	—	5,051	18,827	19,416	—	—
35 \$4,000 under \$4,500.....	243,145	1,030,931	966,505	4,800	—	231,626	982,829	927,406	4,800	—	4,520	18,971	16,301	—	—
36 \$4,500 under \$5,000.....	122,561	575,819	505,369	4,730	—	118,014	554,153	493,629	3,857	—	(2)	(2)	(2)	—	—
37 \$5,000 under \$6,000.....	80,831	435,963	367,494	4,275	—	79,814	430,263	366,274	3,709	—	—	—	—	—	—
38 \$6,000 under \$8,000.....	29,174	196,196	125,935	694	—	(2)	183,295	119,970	694	—	—	—	—	—	—
39 \$8,000 under \$10,000.....	(2)	(2)	(2)	(2)	—	(2)	(2)	(2)	(2)	—	—	—	—	—	—
40 \$10,000 or more.....	2,467	47,849	6,899	4,480	—	2,097	35,534	6,423	4,110	—	31	1,354	49	—	—
<b>Total non-taxable returns.....</b>	<b>14,113,948</b>	<b>319,582,545</b>	<b>26,330,932</b>	<b>104,558</b>	<b>—</b>	<b>8,001,010</b>	<b>315,242,997</b>	<b>20,347,879</b>	<b>39,353</b>	<b>—</b>	<b>547,456</b>	<b>3,512,652</b>	<b>698,354</b>	<b>1,608</b>	<b>—</b>
<b>Grand total.....</b>	<b>56,747,008</b>	<b>229,221,375</b>	<b>93,296,662</b>	<b>115,331,301</b>	<b>26,665,753</b>	<b>34,468,482</b>	<b>317,647,817</b>	<b>74,205,527</b>	<b>86,038,669</b>	<b>19,993,821</b>	<b>2,298,981</b>	<b>3,620,322</b>	<b>2,407,178</b>	<b>3,239,780</b>	<b>755,692</b>
43 Returns under \$5,000.....	42,151,721	210,297,259	63,594,178	37,525,418	7,505,955	21,324,664	264,350,007	45,809,336	17,095,015	3,406,087	2,171,662	5,031,466	2,261,008	2,397,914	484,152
44 Returns \$1,000 or more.....	14,595,287	123,924,116	29,702,484	77,809,883	19,159,798	13,243,918	112,127,810	28,396,191	68,943,654	16,587,734	127,319	1,171,856	146,170	841,866	271,540

See footnotes at end of table. See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."

Table 10.—ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND INCOME TAX, BY MARITAL STATUS OF TAXPAYER, BY RETURNS WITH STANDARD OR ITEMIZED DEDUCTIONS, AND BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	PART I.—ALL RETURNS—Continued														
	Returns of heads of household					Returns of surviving spouse					Returns of single persons not head of household or surviving spouse				
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Number of returns	Adjusted gross income (Thousand dollars)	Exemptions (Thousand dollars)	Taxable income (Thousand dollars)	Income tax liability after credits (Thousand dollars)	Number of returns	Adjusted gross income (Thousand dollars)	Exemptions (Thousand dollars)	Taxable income (Thousand dollars)	Income tax liability after credits (Thousand dollars)	Number of returns	Adjusted gross income (Thousand dollars)	Exemptions (Thousand dollars)	Taxable income (Thousand dollars)	Income tax liability after credits (Thousand dollars)	
Taxable returns:															
1 \$600 under \$1,000.....	13,516	11,424	8,110	1,963	395	(2)	(2)	(2)	(2)	1,195,857	998,416	717,514	175,205	34,963	
2 \$1,000 under \$1,500.....	46,039	58,985	34,826	17,357	3,475	2,500	(2)	937	186	2,079,175	2,589,585	1,324,804	969,064	193,618	
3 \$1,500 under \$2,000.....	50,078	89,029	46,273	30,160	5,998	(2)	(2)	(2)	(2)	1,764,620	3,069,302	1,283,736	1,412,148	281,198	
4 \$2,000 under \$2,500.....	70,587	159,339	80,228	57,658	11,421	5,000	10,953	4,187	838	1,850,639	4,137,996	2,155,406	428,357	4	
5 \$2,500 under \$3,000.....	94,108	259,018	119,237	101,147	20,043	7,506	21,042	6,995	1,396	1,637,238	4,488,563	1,328,918	2,612,594	519,316	
6 \$3,000 under \$3,500.....	116,618	379,499	139,332	184,954	36,873	5,551	18,263	7,421	1,404	1,474,848	4,785,640	2,959,451	594,219	6	
7 \$3,500 under \$4,000.....	120,224	451,600	151,155	237,825	47,415	(2)	(2)	(2)	(2)	1,103,178	4,127,982	934,251	2,699,621	548,055	
8 \$4,000 under \$4,500.....	109,235	461,699	138,288	259,108	51,863	(2)	(2)	(2)	(2)	761,299	3,221,085	645,335	2,174,963	444,694	
9 \$4,500 under \$5,000.....	101,335	479,783	124,641	289,867	58,707	4,517	21,146	9,809	1,913	486,207	2,297,234	418,728	1,596,722	328,334	
10 \$5,000 under \$6,000.....	95,749	519,822	125,748	322,577	65,928	2,534	13,912	8,574	1,717	462,845	2,514,102	388,592	1,806,103	376,967	
11 \$6,000 under \$7,000.....	38,230	247,141	50,400	164,230	34,215	2,534	16,438	10,756	2,190	200,851	1,290,708	168,671	950,201	204,065	
12 \$7,000 under \$8,000.....	25,166	184,900	34,128	124,693	25,980	(2)	(2)	(2)	(2)	102,156	758,802	82,728	575,074	126,336	
13 \$8,000 under \$9,000.....	7,615	63,895	9,409	44,478	9,460	(2)	(2)	(2)	(2)	56,131	478,560	49,087	359,886	80,987	
14 \$9,000 under \$10,000.....	8,135	77,627	10,033	58,172	13,005	(2)	(2)	(2)	(2)	29,940	282,325	28,905	215,245	49,814	
15 \$10,000 under \$15,000.....	16,571	197,508	23,344	147,611	34,387	1,993	24,049	16,948	3,586	78,559	940,985	71,942	744,270	188,223	
16 \$15,000 under \$20,000.....	5,909	101,247	8,147	81,254	21,923	614	10,457	7,938	1,875	27,096	464,361	25,668	378,903	112,447	
17 \$20,000 under \$30,000.....	5,871	145,536	8,332	118,045	36,757	538	1,028	11,060	2,960	24,117	573,298	23,404	479,297	169,259	
18 \$30,000 under \$50,000.....	2,571	97,093	3,634	81,269	31,124	282	11,571	9,381	3,362	446	466,691	12,384	393,573	169,269	
19 \$50,000 under \$100,000.....	1,150	76,715	1,753	64,587	30,848	132	8,889	7,583	3,506	6,202	417,976	6,525	347,511	182,741	
20 \$100,000 under \$150,000.....	203	23,949	292	19,286	10,602	25	2,880	2,515	1,467	1,217	146,276	1,285	118,985	72,100	
21 \$150,000 under \$200,000.....	64	101,247	93	81,633	5,245	12	2,063	1,611	903	392	67,874	410	54,448	35,194	
22 \$200,000 under \$500,000.....	75	22,397	103	17,354	10,963	14	3,907	3,301	2,128	424	123,170	460	99,824	68,745	
23 \$500,000 under \$1,000,000.....	15	9,837	21	8,162	4,491	14	8,816	6,454	4,869	65	42,383	70	35,053	24,348	
24 \$1,000,000 or more.....	3	9,085	3	8,666	4,466	8	17,696	15,480	11,417	44	96,273	45	82,406	57,240	
25 Total taxable returns.....	929,067	4,138,205	1,117,530	2,449,036	576,584	39,304	234,235	144,243	48,385	13,345,692	38,370,887	10,228,712	23,395,953	5,291,272	
26 Nontaxable returns:															
No adjusted gross income.....	2,583	12,995	2,497	-	-	(2)	(2)	-	-	121,678	1,196,050	105,871	-	-	
Under \$600.....	41,093	15,166	34,000	-	-	(2)	(2)	-	-	3,083,085	995,849	2,038,495	-	-	
\$600 under \$1,000.....	23,555	18,393	25,282	-	-	6,995	5,513	-	-	943,557	704,298	910,581	-	-	
\$1,000 under \$1,500.....	36,051	44,090	51,064	-	-	6,523	7,821	58	58	640,474	778,485	851,166	2,935	-	
\$1,500 under \$2,000.....	30,543	54,407	55,833	480	363	(2)	6,091	363	363	337,500	588,092	564,957	17,462	-	
\$2,000 under \$2,500.....	8,516	18,846	18,018	922	446	(2)	(2)	-	-	131,652	292,035	257,818	19,710	-	
\$2,500 under \$3,000.....	10,525	28,446	22,823	-	-	(2)	(2)	-	-	64,368	172,551	135,118	12,970	-	
\$3,000 under \$3,500.....	3,000	9,525	9,899	-	-	(2)	(2)	-	-	33,259	106,868	82,742	4,842	-	
\$3,500 under \$4,000.....	35	(2)	(2)	-	-	(2)	(2)	-	-	14,027	51,893	39,384	1,331	-	
\$4,000 under \$4,500.....	35	(2)	(2)	-	-	(2)	(2)	-	-	4,499	18,893	14,699	-	-	
\$4,500 under \$5,000.....	35	(2)	(2)	-	-	(2)	(2)	-	-	4,040	19,204	9,003	873	-	
\$5,000 under \$6,000.....	37	(2)	(2)	-	-	(2)	(2)	-	-	(2)	(2)	(2)	(2)	-	
\$6,000 under \$8,000.....	39	(2)	(2)	-	-	(2)	(2)	-	-	(2)	(2)	(2)	(2)	-	
\$8,000 under \$10,000.....	40	(2)	(2)	-	-	(2)	(2)	-	-	(2)	(2)	(2)	(2)	-	
\$10,000 or more.....	7	520	11	-	-	25	431	30	-	307	10,012	386	371	-	
40 Total nontaxable returns.....	160,373	3,205,973	2,344,724	1,402	576,584	24,616	36,007	995	48,385	13,345,692	38,370,887	10,228,712	23,395,953	5,291,272	
41 Grand total.....	1,089,440	34,344,178	1,352,254	2,450,458	576,584	63,920	270,242	145,238	48,385	18,726,185	34,192,806	15,242,531	23,457,155	5,291,272	
42 Returns under \$5,000.....	861,106	2,549,824	1,073,204	1,181,441	236,190	53,189	312,071	35,603	6,715	17,721,200	33,245,221	14,378,370	16,815,439	3,372,754	
43 Returns \$5,000 or more.....	208,334	1,794,354	279,050	1,269,017	340,394	10,731	1,69,511	109,635	41,615	1,004,985	8,680,585	864,161	6,641,716	1,918,518	

See footnotes at end of table. See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."



INDIVIDUAL INCOME TAX RETURNS FOR 1954

Table 10.—ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND INCOME TAX, BY MARITAL STATUS WITH STANDARD OR ITEMIZED DEDUCTIONS, AND BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	Returns with standard deduction					Joint returns of husbands and wives					Separate returns of husbands and wives				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	Number of returns	Adjusted gross income (Thousand dollars)	Exemptions (Thousand dollars)	Taxable income (Thousand dollars)	Income tax liability after credits (Thousand dollars)	Number of returns	Adjusted gross income (Thousand dollars)	Exemptions (Thousand dollars)	Taxable income (Thousand dollars)	Income tax liability after credits (Thousand dollars)	Number of returns	Adjusted gross income (Thousand dollars)	Exemptions (Thousand dollars)	Taxable income (Thousand dollars)	Income tax liability after credits (Thousand dollars)
Taxable returns:	1,222,111	1,015,606	733,267	181,298	36,234	-	1,222,111	1,015,606	733,267	181,298	36,234	-	1,222,111	1,015,606	733,267
\$6,000 under \$1,000.....	2,219,342	2,781,601	1,501,316	1,003,540	200,356	1,34,356	1,89,201	161,227	9,160	1,807	76,547	45,928	10,626	2,161	
\$1,000 under \$2,000.....	2,038,198	3,546,812	1,659,906	1,533,383	305,675	355,028	620,316	426,034	132,444	26,542	146,442	98,757	67,907	13,395	
\$2,000 under \$3,000.....	2,487,836	5,981,714	2,582,115	2,442,915	486,872	790,791	1,682,088	1,156,745	357,387	71,666	194,278	178,358	234,321	42,689	
\$3,000 under \$4,000.....	2,702,886	7,439,961	3,300,402	3,396,550	676,869	1,111,158	3,079,333	1,957,817	814,081	162,707	206,231	202,414	304,793	61,090	
\$4,000 under \$5,000.....	2,833,646	9,223,909	3,879,562	4,424,126	887,928	1,387,928	4,631,633	2,634,767	1,441,238	287,747	199,472	647,861	390,242	78,682	
\$5,000 under \$6,000.....	2,837,313	10,638,736	4,485,313	5,092,252	1,027,952	1,710,496	6,419,658	3,322,049	2,322,049	463,981	166,223	632,856	367,271	75,028	
\$6,000 under \$7,000.....	2,544,086	10,801,948	4,495,881	5,226,997	1,055,451	1,806,195	7,677,447	3,815,416	3,095,477	618,164	102,326	434,644	263,845	54,178	
\$7,000 under \$8,000.....	2,178,607	10,328,818	4,090,386	4,206,421	1,050,050	1,672,465	7,937,203	3,605,664	3,538,492	706,349	75,137	355,293	214,930	43,965	
\$8,000 under \$9,000.....	2,853,056	15,589,245	5,461,291	8,571,567	1,727,905	2,415,063	13,209,939	5,063,165	6,826,848	1,362,575	33,874	182,354	125,102	25,959	
\$9,000 under \$10,000.....	1,848,080	11,937,346	3,589,329	7,156,925	1,449,950	1,664,014	10,756,120	3,420,397	6,260,866	1,257,239	13,268	84,878	62,135	13,244	
\$10,000 under \$15,000.....	1,382,211	2,356,443	273,024	1,945,608	474,167	666,000	2,107,330	1,054,665	1,324,542	1,008,102	5,121	16,109	12,081	6,449	
\$15,000 under \$20,000.....	74,811	1,766,136	147,860	1,543,721	431,448	1,557,955	1,399,887	1,352,988	1,352,988	361,971	42,827	4,696	30,631	6,057	
\$20,000 under \$30,000.....	23,681	858,909	47,151	788,112	271,986	21,051	766,285	44,745	700,488	233,593	68	2,536	34,022	7,075	
\$30,000 under \$50,000.....	4,951	314,438	10,014	299,480	134,257	4,448	281,125	9,476	267,199	116,956	14	915	2,429	518	
\$50,000 under \$100,000.....	359	43,014	712	41,942	23,134	330	39,490	687	38,473	1,089,604	2,296	27,366	23,831	6,231	
\$100,000 under \$150,000.....	48	8,055	82	7,924	4,439	37	6,189	75	6,077	4,065,999	-	830	12,081	3,757	
\$150,000 under \$200,000.....	37	10,628	57	10,533	5,780	30	8,773	51	8,692	3,619,771	-	11,832	11,055	6,449	
\$200,000 under \$500,000.....	1	579	1	576	463	1	579	1	577	463	-	73	73	1,089	
\$500,000 under \$1,000,000.....	1	1,101	2	1,098	944	1	1,102	2	1,098	944	-	15	893	1,089	
\$1,000,000 or more.....	1	1,101	2	1,098	944	1	1,102	2	1,098	944	-	15	893	1,089	
Total taxable returns.....	28,921,230	120,288,154	41,802,167	66,885,520	14,041,222	15,905,704	84,796,086	31,479,526	45,205,989	9,497,657	1,381,997	3,993,819	1,339,808	2,265,002	465,559
Nontaxable returns:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No adjusted gross income.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$600.....	3,909,214	1,283,661	3,280,655	1,42	-	548,890	195,220	1,037,006	83,723	-	253,692	186,489	-	-	
\$600 under \$1,000.....	1,737,870	1,342,152	2,497,625	142	-	810,148	657,362	1,556,715	57,802	-	78,133	82,838	-	-	
\$1,000 under \$1,500.....	1,894,746	2,325,491	3,453,344	2,867	-	1,248,295	1,545,468	2,513,681	24	-	81,302	131,224	-	-	
\$1,500 under \$2,000.....	1,562,646	2,734,338	3,453,996	16,162	-	1,237,629	2,180,334	2,853,499	906	-	47,507	97,031	437	-	
\$2,000 under \$2,500.....	1,016,074	2,300,359	2,776,953	19,937	-	907,885	2,058,008	2,520,037	3,847	-	20,677	54,481	-	-	
\$2,500 under \$3,000.....	820,482	2,214,915	2,485,833	8,083	-	760,602	2,054,925	2,323,755	3,539	-	17,667	52,108	-	-	
\$3,000 under \$3,500.....	568,169	1,828,169	1,946,995	6,579	-	539,004	1,724,530	1,853,781	4,514	-	6,554	22,091	-	-	
\$3,500 under \$4,000.....	357,991	1,345,705	1,421,563	3,377	-	344,419	1,295,197	1,371,768	2,046	-	4,551	17,916	-	-	
\$4,000 under \$4,500.....	151,556	642,967	679,974	2,568	-	145,536	617,902	652,574	2,568	-	2,520	10,486	-	-	
\$4,500 under \$5,000.....	69,823	326,341	334,154	2,068	-	68,327	319,143	326,075	2,068	-	(2)	(2)	-	-	
\$5,000 under \$6,000.....	37,034	199,341	197,578	1,196	-	37,034	199,341	197,578	1,196	-	-	-	-	-	
\$6,000 under \$8,000.....	8,507	54,874	54,911	-	-	8,007	51,839	51,911	-	-	-	-	-	-	
\$8,000 under \$10,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$10,000 or more.....	71	816	391	361	-	71	816	391	361	-	-	-	-	-	
Total nontaxable returns.....	12,124,183	16,599,643	22,563,972	63,340	-	6,655,847	12,910,085	17,258,771	21,069	-	513,110	658,717	437	-	
Grand total.....	41,045,413	136,887,797	64,366,139	66,948,860	14,041,222	22,561,551	97,706,171	48,738,297	45,227,058	9,497,657	1,895,107	4,464,537	1,998,525	2,265,439	465,559
Returns under \$5,000.....	33,136,596	77,703,708	49,039,240	28,569,265	5,727,387	15,538,796	44,790,960	34,223,719	11,729,840	2,338,963	1,832,512	4,046,086	1,925,393	1,991,417	394,460
Returns \$5,000 or more.....	7,908,817	59,184,089	15,326,899	38,379,595	8,313,835	7,022,755	52,915,211	14,514,578	33,497,218	7,158,694	62,595	418,451	73,132	314,022	71,099

See footnotes at end of table. See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."

Table 10.—ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND INCOME TAX, BY MARITAL STATUS OF TAXPAYER, BY RETURNS WITH STANDARD OR ITEMIZED DEDUCTIONS, AND BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	Returns of heads of household										Returns of surviving spouse					Returns of single persons not head of household or surviving spouse										
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	
	Number of returns	Adjusted gross income (Thousand dollars)	Exemptions (Thousand dollars)	Taxable income (Thousand dollars)	Income tax liability after credits (Thousand dollars)	Number of returns	Adjusted gross income (Thousand dollars)	Exemptions (Thousand dollars)	Taxable income (Thousand dollars)	Income tax liability after credits (Thousand dollars)	Number of returns	Adjusted gross income (Thousand dollars)	Exemptions (Thousand dollars)	Taxable income (Thousand dollars)	Income tax liability after credits (Thousand dollars)	Number of returns	Adjusted gross income (Thousand dollars)	Exemptions (Thousand dollars)	Taxable income (Thousand dollars)	Income tax liability after credits (Thousand dollars)	Number of returns	Adjusted gross income (Thousand dollars)	Exemptions (Thousand dollars)	Taxable income (Thousand dollars)	Income tax liability after credits (Thousand dollars)	
Taxable returns:																										
1 \$0.00 under \$1,000.....	11,016	9,205	6,610	1,692	340	(2)	(2)	(2)	(2)	(2)	1,133,544	680,129	168,905	33,719	1	942,687	1,208,015	909,553	168,905	33,719	1	942,687	1,208,015	909,553	168,905	33,719
2 \$1,000 under \$1,500.....	41,522	53,514	32,116	16,004	3,205	(2)	(2)	(2)	(2)	(2)	1,891,022	1,208,015	909,553	181,768	2	2,351,518	1,078,557	1,259,395	909,553	181,768	2	2,351,518	1,078,557	1,259,395	181,768	
3 \$1,500 under \$2,000.....	62,950	31,814	24,522	4,872	4,872	(2)	(2)	(2)	(2)	(2)	1,494,881	1,181,457	1,259,395	250,985	3	2,596,686	1,181,457	1,852,373	1,259,395	250,985	3	2,596,686	1,181,457	1,852,373	250,985	
4 \$2,000 under \$2,500.....	53,065	119,225	61,915	45,386	9,023	3,500	7,825	3,448	690	(2)	1,486,202	1,077,569	1,852,373	362,804	4	3,336,497	1,077,569	2,205,560	1,852,373	362,804	4	3,336,497	1,077,569	2,205,560	362,804	
5 \$2,500 under \$3,000.....	58,061	160,407	76,601	67,861	13,475	4,006	11,387	4,255	849	(2)	1,323,430	1,077,569	2,205,560	438,748	5	3,625,147	1,077,569	2,205,560	2,205,560	438,748	5	3,625,147	1,077,569	2,205,560	438,748	
6 \$3,000 under \$3,500.....	77,072	251,139	87,667	138,413	27,578	(2)	(2)	(2)	(2)	(2)	1,169,030	3,795,546	2,453,891	493,853	6	3,795,546	963,138	2,453,891	493,853	493,853	6	3,795,546	963,138	2,453,891	493,853	
7 \$3,500 under \$4,000.....	78,657	294,633	97,975	167,332	33,364	(2)	(2)	(2)	(2)	(2)	880,937	3,297,738	735,184	2,233,957	7	3,297,738	735,184	2,233,957	735,184	2,233,957	7	3,297,738	735,184	2,233,957	735,184	
8 \$4,000 under \$4,500.....	68,662	290,130	82,705	178,446	35,728	(2)	(2)	(2)	(2)	(2)	566,403	3,297,707	1,688,016	347,139	8	3,297,707	470,050	1,688,016	347,139	347,139	8	3,297,707	470,050	1,688,016	347,139	
9 \$4,500 under \$5,000.....	60,203	285,180	70,774	185,814	37,858	(2)	(2)	(2)	(2)	(2)	368,802	1,761,813	1,262,042	260,918	9	1,761,813	305,847	1,262,042	305,847	260,918	9	1,761,813	305,847	1,262,042	260,918	
10 \$5,000 under \$6,000.....	63,732	345,979	80,729	230,678	47,275	(2)	(2)	(2)	(2)	(2)	338,353	1,840,046	1,381,835	290,674	10	1,840,046	274,351	1,381,835	274,351	290,674	10	1,840,046	274,351	1,381,835	290,674	
11 \$6,000 under \$7,000.....	29,197	188,065	38,960	130,311	27,176	(2)	(2)	(2)	(2)	(2)	139,567	110,562	695,250	150,616	11	110,562	55,334	695,250	110,562	150,616	11	110,562	55,334	695,250	150,616	
12 \$7,000 under \$8,000.....	20,589	151,687	28,621	107,906	22,554	(2)	(2)	(2)	(2)	(2)	70,549	523,485	415,836	92,634	12	523,485	31,262	415,836	31,262	92,634	12	523,485	31,262	415,836	92,634	
13 \$8,000 under \$9,000.....	5,098	43,265	6,089	32,852	7,028	(2)	(2)	(2)	(2)	(2)	39,498	333,757	281,262	61,808	13	333,757	19,399	281,262	19,399	61,808	13	333,757	19,399	281,262	61,808	
14 \$9,000 under \$10,000.....	5,618	53,305	6,713	41,263	9,261	(2)	(2)	(2)	(2)	(2)	21,776	206,282	166,264	31,824	14	206,282	166,264	166,264	166,264	31,824	14	206,282	166,264	166,264	31,824	
15 \$10,000 under \$15,000.....	9,136	107,420	12,586	85,698	20,269	549	6,737	5,309	1,155	(2)	46,966	538,903	39,742	122,885	15	538,903	39,742	472,195	39,742	122,885	15	538,903	39,742	472,195	122,885	
16 \$15,000 under \$20,000.....	2,590	44,615	3,140	38,885	11,059	192	3,150	2,612	616	(2)	11,086	187,976	167,622	22,166	16	187,976	9,468	167,622	9,468	22,166	16	187,976	9,468	167,622	22,166	
17 \$20,000 under \$30,000.....	1,225	29,009	1,639	26,145	8,486	143	3,446	2,989	153	(2)	6,931	163,903	151,162	36,157	17	163,903	5,288	151,162	5,288	36,157	17	163,903	5,288	151,162	36,157	
18 \$30,000 under \$50,000.....	343	12,317	501	11,473	4,568	(2)	(2)	(2)	(2)	(2)	2,183	76,458	72,555	14,037	18	76,458	1,758	72,555	1,758	14,037	18	76,458	1,758	72,555	14,037	
19 \$50,000 under \$100,000.....	79	4,766	110	4,578	2,252	21	1,354	1,278	564	(2)	389	26,298	25,552	13,967	19	26,298	578	25,552	578	13,967	19	26,298	578	25,552	13,967	
20 \$100,000 under \$150,000.....	2	333	2	329	190	(2)	(2)	(2)	(2)	(2)	29	3,524	25	3,470	20	3,524	25	3,470	25	3,470	20	3,524	25	3,470	25	
21 \$150,000 under \$200,000.....	1	429	2	426	362	(2)	(2)	(2)	(2)	(2)	6	1,426	5	1,416	21	1,426	5	1,416	5	1,416	21	1,426	5	1,416	5	
22 \$200,000 under \$500,000.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	22	(2)	(2)	(2)	(2)	(2)	22	(2)	(2)	(2)	(2)	(2)
23 \$500,000 under \$1,000,000.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	23	(2)	(2)	(2)	(2)	(2)	23	(2)	(2)	(2)	(2)	(2)
24 \$1,000,000 under \$10,000,000.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	24	(2)	(2)	(2)	(2)	(2)	24	(2)	(2)	(2)	(2)	(2)
25 Total taxable returns.....	621,387	2,507,273	727,269	1,536,014	325,863	20,545	86,520	50,987	11,078	(2)	10,991,597	28,904,492	17,827,524	3,741,069	25	28,904,492	8,228,010	17,827,524	8,228,010	3,741,069	25	28,904,492	8,228,010	17,827,524	3,741,069	
Non-taxable returns:																										
26 No adjusted gross income.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	26	(2)	(2)	(2)	(2)	(2)	26	(2)	(2)	(2)	(2)	(2)
27 Under \$600.....	40,093	14,906	33,100	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	27	(2)	(2)	(2)	(2)	(2)	27	(2)	(2)	(2)	(2)	(2)
28 \$600 under \$1,000.....	20,634	13,827	23,162	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	28	(2)	(2)	(2)	(2)	(2)	28	(2)	(2)	(2)	(2)	(2)
29 \$1,000 under \$1,500.....	30,556	36,897	43,080	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	29	(2)	(2)	(2)	(2)	(2)	29	(2)	(2)	(2)	(2)	(2)
30 \$1,500 under \$2,000.....	20,025	42,897	49,023	430	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	30	(2)	(2)	(2)	(2)	(2)	30	(2)	(2)	(2)	(2)	(2)
31 \$2,000 under \$2,500.....	5,999	13,132	14,398	497	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	31	(2)	(2)	(2)	(2)	(2)	31	(2)	(2)	(2)	(2)	(2)
32 \$2,500 under \$3,000.....	4,492	12,221	12,573	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	32	(2)	(2)	(2)	(2)	(2)	32	(2)	(2)	(2)	(2)	(2)
33 \$3,000 under \$3,500.....	2,500	7,984	8,699	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	33	(2)	(2)	(2)	(2)	(2)	33	(2)	(2)	(2)	(2)	(2)
34 \$3,500 under \$4,000.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	34	(2)	(2)	(2)	(2)	(2)	34	(2)	(2)	(2)	(2)	(2)
35 \$4,000 under \$4,500.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	35	(2)	(2)	(2)	(2)	(2)	35	(2)	(2)	(2)	(2)	(2)
36 \$4,500 under \$5,000.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	36	(2)	(2)	(2)	(2)	(2)	36	(2)	(2)	(2)	(2)	(2)
37 \$5,000 under \$6,000.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	37	(2)	(2)	(2)	(2)	(2)	37	(2)	(2)	(2)	(2)	(2)
38 \$6,000 under \$8,000.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	38	(2)	(2)	(2)	(2)	(2)	38	(2)	(2)	(2)	(2)	(2)
39 \$8,000 under \$10,000.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	39	(2)	(2)	(2)	(2)	(2)	39	(2)	(2)	(2)	(2)	(2)
40 \$10,000 or more.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	40	(2)	(2)	(2)	(2)	(2)	40	(2)	(2)	(2)	(2)	(2)
Total non-taxable returns.....	130,705	154,449	196,432	917	(2)	18,027	21,081	995	(2)	(2)	4,806,494	4,423,909	39,923	41	4,806,494	4,423,909	39,923	4,423,909	39,923	41	4,806,494	4,423,909	39,923	4,423,909	39,923	
Grand total.....	752,092	2,661,722	923,701	1,536,931	325,863	38,572	107,601	51,982	11,078	(2)	15,798,091	31,947,762	17,867,4													

Table 10.—ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND INCOME TAX, BY MARITAL STATUS OF TAXPAYER, BY RETURNS WITH STANDARD OR ITEMIZED DEDUCTIONS, AND BY ADJUSTED GROSS INCOME CLASSES.—Continued

PART III.—RETURNS WITH ITEMIZED DEDUCTIONS

Adjusted gross income classes	Returns with itemized deductions:					Joint returns of husbands and wives					Separate returns of husbands and wives				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	Number of returns	Adjusted gross income (Thousand dollars)	Exemptions (Thousand dollars)	Taxable income (Thousand dollars)	Income tax liability after credits (Thousand dollars)	Number of returns	Adjusted gross income (Thousand dollars)	Exemptions (Thousand dollars)	Taxable income (Thousand dollars)	Income tax liability after credits (Thousand dollars)	Number of returns	Adjusted gross income (Thousand dollars)	Exemptions (Thousand dollars)	Taxable income (Thousand dollars)	Income tax liability after credits (Thousand dollars)
Taxable returns:															
1 \$600 under \$1,000.....	70,877	63,132	42,526	7,147	1,414	-	-	-	-	-	6,068	1,433	3,641	575	115
2 \$1,000 under \$1,500.....	211,328	266,384	132,824	66,073	13,163	2,551	3,573	3,061	188	38	15,607	19,722	9,364	4,999	1,000
3 \$1,500 under \$2,000.....	393,034	491,011	335,069	193,413	38,760	74,131	132,066	88,961	16,573	3,546	34,605	60,889	26,466	20,449	4,075
4 \$2,000 under \$2,500.....	590,723	1,341,012	595,934	447,487	89,308	183,132	419,356	258,064	72,535	14,426	34,132	77,034	30,440	29,008	5,782
5 \$2,500 under \$3,000.....	769,143	2,065,264	910,303	710,530	149,978	352,770	975,438	554,312	214,073	42,645	43,018	118,142	37,507	53,397	10,649
6 \$3,000 under \$3,500.....	1,033,784	3,587,910	1,504,141	1,169,915	235,676	626,323	2,047,497	1,109,758	516,626	102,786	57,136	186,245	53,869	94,108	18,892
7 \$3,500 under \$4,000.....	1,219,794	4,581,113	2,042,360	1,600,000	314,739	909,321	3,471,667	1,733,774	977,843	194,428	46,134	174,314	51,239	85,695	17,289
8 \$4,000 under \$4,500.....	1,475,523	6,016,695	2,643,165	2,177,214	434,524	1,139,921	4,849,726	2,362,438	1,524,726	303,633	40,073	169,720	49,229	83,500	16,925
9 \$4,500 under \$5,000.....	1,407,038	6,681,374	2,831,498	2,478,248	509,806	1,217,913	5,786,232	2,626,828	1,931,303	403,629	28,031	133,301	33,682	73,595	14,965
10 \$5,000 under \$6,000.....	2,255,312	12,321,563	4,801,424	4,310,812	1,042,204	2,076,102	11,348,999	4,617,388	4,619,118	921,645	22,201	121,679	23,876	74,057	19,319
11 \$6,000 under \$7,000.....	1,483,371	4,587,108	3,173,984	4,864,137	935,453	1,399,422	9,044,511	3,087,202	4,320,342	863,306	13,132	84,658	16,613	52,532	11,144
12 \$7,000 under \$8,000.....	856,123	6,383,513	1,822,633	3,416,461	689,799	811,246	6,050,844	1,780,791	3,204,263	644,875	7,693	56,609	7,741	33,320	7,220
13 \$8,000 under \$9,000.....	499,880	4,221,040	1,058,366	2,393,344	487,174	475,536	4,017,766	1,031,259	2,261,329	458,855	5,194	43,840	5,942	29,661	6,707
14 \$9,000 under \$10,000.....	285,485	2,699,270	618,970	1,599,119	328,675	272,641	2,578,231	602,097	1,519,206	310,695	2,163	20,674	3,173	14,023	3,246
15 \$10,000 under \$15,000.....	571,445	6,185,784	1,221,334	4,427,726	945,022	524,367	6,276,336	1,168,453	4,020,616	847,962	6,606	79,966	7,162	59,483	19,173
16 \$15,000 under \$20,000.....	230,281	3,959,864	495,136	2,862,568	671,422	207,538	3,568,511	469,637	2,582,762	586,778	2,932	51,029	3,277	40,830	12,210
17 \$20,000 under \$30,000.....	236,857	5,252,827	465,522	4,067,048	1,090,435	192,228	4,377,859	3,591,310	929,820	2,402	2,402	58,781	2,660	47,632	17,024
18 \$30,000 under \$40,000.....	138,216	5,208,818	295,636	4,264,003	1,411,995	123,924	4,670,841	279,497	3,821,875	1,227,073	1,409	43,840	1,556	43,100	18,471
19 \$40,000 under \$50,000.....	65,381	4,337,356	136,996	3,646,788	1,574,453	57,769	3,825,704	128,389	3,225,153	1,356,696	1,607	50,470	651	33,342	17,445
20 \$100,000 under \$150,000.....	11,258	1,346,755	22,740	1,128,387	591,421	9,711	1,161,396	21,014	977,740	500,772	131	15,778	137	13,330	7,942
21 \$150,000 under \$200,000.....	3,144	538,896	6,289	444,326	232,575	2,656	454,472	377,301	377,301	209,455	31	5,286	37	4,380	2,757
22 \$200,000 under \$300,000.....	3,197	529,132	6,406	729,964	449,583	2,626	738,748	5,745	596,844	358,744	65	18,764	80	14,483	10,225
23 \$300,000 under \$400,000.....	436	292,532	809	331,278	154,322	321	216,200	21	172,879	110,940	29	15,296	29	11,730	9,195
24 \$1,000,000 under \$1,000,000.....	200	405,431	352	331,278	221,430	109	195,866	239	168,742	101,944	36	86,511	55	55,941	46,363
25 Total taxable returns.....	13,771,830	89,380,676	25,163,543	48,341,223	12,624,531	10,661,768	76,438,735	22,378,122	40,793,327	10,496,164	369,528	1,696,851	369,016	973,170	290,133
Non-taxable returns:															
26 No adjusted gross income.....	440,304	1,014,480	723,910	-	-	309,432	1,802,982	610,354	-	-	6,098	111,962	4,866	-	-
27 Under \$600.....	30,603	11,155	36,979	-	-	9,520	3,415	16,012	-	-	(2)	(2)	(2)	-	-
28 \$600 under \$1,000.....	169,683	121,718	126,454	-	-	20,114	16,316	35,438	-	-	5,051	4,185	3,031	-	-
29 \$1,000 under \$1,500.....	199,179	257,250	235,999	151	-	74,240	97,856	107,159	-	-	7,040	8,990	6,934	-	-
30 \$1,500 under \$2,000.....	222,800	385,260	314,759	3,686	-	114,199	199,932	186,244	171	-	4,551	7,968	5,761	-	-
31 \$2,000 under \$2,500.....	217,040	480,911	385,123	4,833	-	160,826	356,907	305,911	292	-	2,541	5,933	3,668	-	-
32 \$2,500 under \$3,000.....	212,268	584,700	446,641	10,714	-	175,599	484,999	382,104	1,762	-	3,000	8,207	(2)	-	-
33 \$3,000 under \$3,500.....	172,376	598,175	420,259	6,260	-	154,711	501,377	392,381	2,264	-	(2)	(2)	(2)	-	-
34 \$3,500 under \$4,000.....	133,301	496,633	286,531	2,818	-	125,778	469,100	353,932	2,818	-	(2)	(2)	(2)	-	-
35 \$4,000 under \$4,500.....	91,589	367,964	286,531	2,232	-	86,090	364,927	274,832	2,232	-	(2)	(2)	(2)	-	-
36 \$4,500 under \$5,000.....	52,738	249,478	171,215	2,662	-	49,687	235,010	167,554	1,789	-	-	-	-	-	-
37 \$5,000 under \$6,000.....	43,797	236,622	169,916	3,079	-	42,780	230,922	168,696	2,513	-	-	-	-	-	-
38 \$6,000 under \$8,000.....	20,667	141,322	71,024	694	-	19,161	131,456	68,059	694	-	-	-	-	-	-
39 \$8,000 under \$10,000.....	-	-	-	-	-	(2)	(2)	(2)	-	-	-	-	-	-	-
40 \$10,000 or more.....	2,396	47,033	6,508	4,119	-	2,026	34,718	6,032	3,749	-	31	1,354	49	-	-
41 Total non-taxable returns.....	1,989,765	32,932,902	3,766,980	41,218	-	1,345,163	22,332,911	3,089,108	18,284	-	34,346	341,934	39,637	1,171	-
42 Grand total.....	15,701,595	392,333,578	28,930,523	48,382,441	12,624,531	12,006,931	378,771,646	25,467,230	40,811,611	10,496,164	403,874	3,173,785	408,653	974,341	290,133
43 Returns under \$5,000.....	9,013,125	37,593,551	14,554,938	8,956,153	1,778,568	5,785,768	319,599,047	11,585,617	5,365,175	1,067,124	339,150	398,380	335,615	446,497	89,692
44 Returns \$5,000 or more.....	6,688,470	64,740,027	13,375,585	39,426,288	10,845,963	6,221,163	59,212,599	13,881,613	35,446,436	9,429,040	64,724	753,405	73,038	527,844	200,441

See footnotes at end of table. See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."





Table 11.—EXEMPTIONS BY MARITAL STATUS OF TAXPAYER AND BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	All returns																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
	Total number of returns	Total number of exemptions		Returns with exemptions for age and/or blindness		Returns with exemptions for other than age or blindness		Number of returns by number of exemptions other than age or blindness		Number of returns by number of exemptions other than age or blindness		Number of returns by number of exemptions other than age or blindness		Number of returns by number of exemptions other than age or blindness		Joint returns of husbands and wives																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
Taxable returns:																		1 \$600 under \$1,000.....	1,292,988	1,292,988	46,697	46,697	1,292,988	1,292,988	250,199	250,199	1,042,789	1,042,789	1,042,789	1,042,789	1,042,789	273,814	273,814	1,265,974	2 \$1,000 under \$1,500.....	2,426,670	2,426,670	104,668	104,668	2,426,670	2,426,670	709,951	709,951	1,716,719	1,716,719	1,716,719	1,716,719	1,716,719	858,318	858,318	1,868,401	3 \$1,500 under \$2,000.....	3,324,971	3,324,971	134,668	134,668	3,324,971	3,324,971	861,409	861,409	2,463,562	2,463,562	2,463,562	2,463,562	2,463,562	1,198,013	1,198,013	2,265,549	4 \$2,000 under \$2,500.....	3,078,759	3,078,759	204,360	204,360	3,078,759	3,078,759	990,459	990,459	2,088,300	2,088,300	2,088,300	2,088,300	2,088,300	1,368,013	1,368,013	1,720,286	5 \$2,500 under \$3,000.....	3,452,059	3,452,059	257,605	257,605	3,452,059	3,452,059	1,138,974	1,138,974	2,313,085	2,313,085	2,313,085	2,313,085	2,313,085	1,486,813	1,486,813	1,826,272	6 \$3,000 under \$3,500.....	3,867,430	3,867,430	301,921	301,921	3,867,430	3,867,430	1,393,599	1,393,599	2,473,831	2,473,831	2,473,831	2,473,831	2,473,831	1,620,875	1,620,875	2,252,955	7 \$3,500 under \$4,000.....	4,059,107	4,059,107	364,918	364,918	4,059,107	4,059,107	1,620,036	1,620,036	2,439,071	2,439,071	2,439,071	2,439,071	2,439,071	1,749,817	1,749,817	2,289,254	8 \$4,000 under \$4,500.....	3,939,609	3,939,609	220,957	220,957	3,939,609	3,939,609	1,073,016	1,073,016	2,866,593	2,866,593	2,866,593	2,866,593	2,866,593	1,625,716	1,625,716	2,240,893	9 \$4,500 under \$5,000.....	3,385,645	3,385,645	187,577	187,577	3,385,645	3,385,645	923,139	923,139	2,462,506	2,462,506	2,462,506	2,462,506	2,462,506	1,118,854	1,118,854	2,243,691	10 \$5,000 under \$5,000.....	1,108,368	1,108,368	201,151	201,151	1,108,368	1,108,368	1,377,538	1,377,538	730,830	730,830	730,830	730,830	730,830	4,491,165	4,491,165	1,657,203	11 \$6,000 under \$7,000.....	3,531,431	3,531,431	119,425	119,425	3,531,431	3,531,431	654,030	654,030	2,877,401	2,877,401	2,877,401	2,877,401	2,877,401	1,635,042	1,635,042	1,942,359	12 \$7,000 under \$8,000.....	4,008,653	4,008,653	83,052	83,052	4,008,653	4,008,653	634,686	634,686	3,373,967	3,373,967	3,373,967	3,373,967	3,373,967	1,865,911	1,865,911	2,508,056	13 \$8,000 under \$9,000.....	1,186,261	1,186,261	82,316	82,316	1,186,261	1,186,261	501,959	501,959	684,302	684,302	684,302	684,302	684,302	918,414	918,414	1,284,675	14 \$9,000 under \$10,000.....	720,646	720,646	38,518	38,518	720,646	720,646	261,387	261,387	459,259	459,259	459,259	459,259	459,259	1,118,693	1,118,693	1,578,349	15 \$10,000 under \$15,000.....	1,215,482	1,215,482	108,848	108,848	1,215,482	1,215,482	385,538	385,538	829,944	829,944	829,944	829,944	829,944	1,098,457	1,098,457	1,326,939	16 \$15,000 under \$20,000.....	2,084,482	2,084,482	141,967	141,967	2,084,482	2,084,482	189,837	189,837	1,894,645	1,894,645	1,894,645	1,894,645	1,894,645	1,215,127	1,215,127	1,769,518	17 \$20,000 under \$30,000.....	2,911,966	2,911,966	42,601	42,601	2,911,966	2,911,966	50,868	50,868	2,861,100	2,861,100	2,861,100	2,861,100	2,861,100	918,414	918,414	1,942,686	18 \$30,000 under \$50,000.....	1,189,819	1,189,819	26,774	26,774	1,189,819	1,189,819	30,668	30,668	1,159,151	1,159,151	1,159,151	1,159,151	1,159,151	814,513	814,513	1,373,664	19 \$50,000 under \$100,000.....	70,332	70,332	15,755	15,755	70,332	70,332	6,408	6,408	63,924	63,924	63,924	63,924	63,924	2,320,000	2,320,000	2,343,924	20 \$100,000 under \$150,000.....	11,617	11,617	3,347	3,347	11,617	11,617	4,633	4,633	6,984	6,984	6,984	6,984	6,984	1,018	1,018	1,024,962	21 \$150,000 under \$200,000.....	3,192	3,192	1,043	1,043	3,192	3,192	1,274	1,274	1,918	1,918	1,918	1,918	1,918	2,693	2,693	2,703,655	22 \$200,000 under \$300,000.....	3,234	3,234	1,148	1,148	3,234	3,234	463	463	2,771	2,771	2,771	2,771	2,771	2,656	2,656	2,710,311	23 \$300,000 under \$1,000,000.....	1,437	1,437	185	185	1,437	1,437	95	95	1,342	1,342	1,342	1,342	1,342	322	322	1,474,633	24 \$1,000,000 or more.....	201	201	82	82	201	201	71	71	130	130	130	130	130	110	110	201,711	Total taxable returns.....	42,633,060	42,633,060	2,368,214	2,368,214	42,633,060	42,633,060	11,390,893	11,390,893	31,242,167	31,242,167	31,242,167	31,242,167	31,242,167	89,762,740	89,762,740	1,983,149	Non-taxable returns:																	26 No adjusted gross income.....	440,304	440,304	71,338	71,338	440,304	440,304	111,082	111,082	329,222	329,222	329,222	329,222	329,222	115,175	115,175	440,304	27 Under \$600.....	3,939,817	3,939,817	296,871	296,871	3,939,817	3,939,817	3,244,363	3,244,363	695,454	695,454	695,454	695,454	695,454	183,095	183,095	3,756,722	28 \$600 under \$1,000.....	1,887,553	1,887,553	644,836	644,836	1,887,553	1,887,553	777,057	777,057	1,110,496	1,110,496	1,110,496	1,110,496	1,110,496	303,021	303,021	1,587,475	29 \$1,000 under \$1,500.....	2,093,925	2,093,925	543,777	543,777	2,093,925	2,093,925	307,038	307,038	1,786,887	1,786,887	1,786,887	1,786,887	1,786,887	533,586	533,586	1,553,301	30 \$1,500 under \$2,000.....	1,775,446	1,775,446	422,348	422,348	1,775,446	1,775,446	109,531	109,531	1,665,915	1,665,915	1,665,915	1,665,915	1,665,915	700,951	700,951	1,364,964	31 \$2,000 under \$2,500.....	1,233,114	1,233,114	253,625	253,625	1,233,114	1,233,114	46,261	46,261	1,186,853	1,186,853	1,186,853	1,186,853	1,186,853	994,318	994,318	1,087,535	32 \$2,500 under \$3,000.....	1,032,750	1,032,750	144,270	144,270	1,032,750	1,032,750	20,163	20,163	1,012,587	1,012,587	1,012,587	1,012,587	1,012,587	1,410,513	1,410,513	1,017,073	33 \$3,000 under \$3,500.....	701,545	701,545	63,020	63,020	701,545	701,545	9,086	9,086	692,459	692,459	692,459	692,459	692,459	1,756,469	1,756,469	701,545	34 \$3,500 under \$4,000.....	491,292	491,292	24,732	24,732	491,292	491,292	1,506	1,506	489,786	489,786	489,786	489,786	489,786	2,402,998	2,402,998	491,292	35 \$4,000 under \$4,500.....	243,145	243,145	11,152	11,152	243,145	243,145	(1)	(1)	232,000	232,000	232,000	232,000	232,000	1,405,458	1,405,458	243,145	36 \$4,500 under \$5,000.....	122,561	122,561	8,614	8,614	122,561	122,561	829,620	829,620	4,736,441	4,736,441	4,736,441	4,736,441	4,736,441	745,557	745,557	122,561	37 \$5,000 under \$6,000.....	80,831	80,831	3,051	3,051	80,831	80,831	608,406	608,406	1,416,237	1,416,237	1,416,237	1,416,237	1,416,237	563,964	563,964	80,831	38 \$6,000 under \$7,000.....	29,174	29,174	2,517	2,517	29,174	29,174	204,858	204,858	269,016	269,016	269,016	269,016	269,016	173,327	173,327	29,174	39 \$7,000 under \$8,000.....	1,024	1,024	402	402	1,024	1,024	(1)	(1)	1,025	1,025	1,025	1,025	1,025	(1)	(1)	1,024	40 \$8,000 or more.....	2,467	2,467	342	342	2,467	2,467	238	238	2,229	2,229	2,229	2,229	2,229	5,999	5,999	2,467	Total nontaxable returns.....	14,113,948	14,113,948	4,388,919	4,388,919	14,113,948	14,113,948	4,633,656	4,633,656	9,480,292	9,480,292	9,480,292	9,480,292	9,480,292	11,294,429	11,294,429	13,612,255	Grand total.....	56,747,008	56,747,008	6,757,133	6,757,133	56,747,008	56,747,008	16,024,549	16,024,549	40,722,459	40,722,459	40,722,459	40,722,459	40,722,459	101,057,169	101,057,169	33,445,404
1 \$600 under \$1,000.....	1,292,988	1,292,988	46,697	46,697	1,292,988	1,292,988	250,199	250,199	1,042,789	1,042,789	1,042,789	1,042,789	1,042,789	273,814	273,814	1,265,974																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
2 \$1,000 under \$1,500.....	2,426,670	2,426,670	104,668	104,668	2,426,670	2,426,670	709,951	709,951	1,716,719	1,716,719	1,716,719	1,716,719	1,716,719	858,318	858,318	1,868,401																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
3 \$1,500 under \$2,000.....	3,324,971	3,324,971	134,668	134,668	3,324,971	3,324,971	861,409	861,409	2,463,562	2,463,562	2,463,562	2,463,562	2,463,562	1,198,013	1,198,013	2,265,549																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
4 \$2,000 under \$2,500.....	3,078,759	3,078,759	204,360	204,360	3,078,759	3,078,759	990,459	990,459	2,088,300	2,088,300	2,088,300	2,088,300	2,088,300	1,368,013	1,368,013	1,720,286																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
5 \$2,500 under \$3,000.....	3,452,059	3,452,059	257,605	257,605	3,452,059	3,452,059	1,138,974	1,138,974	2,313,085	2,313,085	2,313,085	2,313,085	2,313,085	1,486,813	1,486,813	1,826,272																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
6 \$3,000 under \$3,500.....	3,867,430	3,867,430	301,921	301,921	3,867,430	3,867,430	1,393,599	1,393,599	2,473,831	2,473,831	2,473,831	2,473,831	2,473,831	1,620,875	1,620,875	2,252,955																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
7 \$3,500 under \$4,000.....	4,059,107	4,059,107	364,918	364,918	4,059,107	4,059,107	1,620,036	1,620,036	2,439,071	2,439,071	2,439,071	2,439,071	2,439,071	1,749,817	1,749,817	2,289,254																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
8 \$4,000 under \$4,500.....	3,939,609	3,939,609	220,957	220,957	3,939,609	3,939,609	1,073,016	1,073,016	2,866,593	2,866,593	2,866,593	2,866,593	2,866,593	1,625,716	1,625,716	2,240,893																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
9 \$4,500 under \$5,000.....	3,385,645	3,385,645	187,577	187,577	3,385,645	3,385,645	923,139	923,139	2,462,506	2,462,506	2,462,506	2,462,506	2,462,506	1,118,854	1,118,854	2,243,691																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
10 \$5,000 under \$5,000.....	1,108,368	1,108,368	201,151	201,151	1,108,368	1,108,368	1,377,538	1,377,538	730,830	730,830	730,830	730,830	730,830	4,491,165	4,491,165	1,657,203																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
11 \$6,000 under \$7,000.....	3,531,431	3,531,431	119,425	119,425	3,531,431	3,531,431	654,030	654,030	2,877,401	2,877,401	2,877,401	2,877,401	2,877,401	1,635,042	1,635,042	1,942,359																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
12 \$7,000 under \$8,000.....	4,008,653	4,008,653	83,052	83,052	4,008,653	4,008,653	634,686	634,686	3,373,967	3,373,967	3,373,967	3,373,967	3,373,967	1,865,911	1,865,911	2,508,056																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
13 \$8,000 under \$9,000.....	1,186,261	1,186,261	82,316	82,316	1,186,261	1,186,261	501,959	501,959	684,302	684,302	684,302	684,302	684,302	918,414	918,414	1,284,675																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
14 \$9,000 under \$10,000.....	720,646	720,646	38,518	38,518	720,646	720,646	261,387	261,387	459,259	459,259	459,259	459,259	459,259	1,118,693	1,118,693	1,578,349																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
15 \$10,000 under \$15,000.....	1,215,482	1,215,482	108,848	108,848	1,215,482	1,215,482	385,538	385,538	829,944	829,944	829,944	829,944	829,944	1,098,457	1,098,457	1,326,939																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
16 \$15,000 under \$20,000.....	2,084,482	2,084,482	141,967	141,967	2,084,482	2,084,482	189,837	189,837	1,894,645	1,894,645	1,894,645	1,894,645	1,894,645	1,215,127	1,215,127	1,769,518																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
17 \$20,000 under \$30,000.....	2,911,966	2,911,966	42,601	42,601	2,911,966	2,911,966	50,868	50,868	2,861,100	2,861,100	2,861,100	2,861,100	2,861,100	918,414	918,414	1,942,686																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
18 \$30,000 under \$50,000.....	1,189,819	1,189,819	26,774	26,774	1,189,819	1,189,819	30,668	30,668	1,159,151	1,159,151	1,159,151	1,159,151	1,159,151	814,513	814,513	1,373,664																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
19 \$50,000 under \$100,000.....	70,332	70,332	15,755	15,755	70,332	70,332	6,408	6,408	63,924	63,924	63,924	63,924	63,924	2,320,000	2,320,000	2,343,924																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
20 \$100,000 under \$150,000.....	11,617	11,617	3,347	3,347	11,617	11,617	4,633	4,633	6,984	6,984	6,984	6,984	6,984	1,018	1,018	1,024,962																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
21 \$150,000 under \$200,000.....	3,192	3,192	1,043	1,043	3,192	3,192	1,274	1,274	1,918	1,918	1,918	1,918	1,918	2,693	2,693	2,703,655																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
22 \$200,000 under \$300,000.....	3,234	3,234	1,148	1,148	3,234	3,234	463	463	2,771	2,771	2,771	2,771	2,771	2,656	2,656	2,710,311																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
23 \$300,000 under \$1,000,000.....	1,437	1,437	185	185	1,437	1,437	95	95	1,342	1,342	1,342	1,342	1,342	322	322	1,474,633																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
24 \$1,000,000 or more.....	201	201	82	82	201	201	71	71	130	130	130	130	130	110	110	201,711																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Total taxable returns.....	42,633,060	42,633,060	2,368,214	2,368,214	42,633,060	42,633,060	11,390,893	11,390,893	31,242,167	31,242,167	31,242,167	31,242,167	31,242,167	89,762,740	89,762,740	1,983,149																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Non-taxable returns:																	26 No adjusted gross income.....	440,304	440,304	71,338	71,338	440,304	440,304	111,082	111,082	329,222	329,222	329,222	329,222	329,222	115,175	115,175	440,304	27 Under \$600.....	3,939,817	3,939,817	296,871	296,871	3,939,817	3,939,817	3,244,363	3,244,363	695,454	695,454	695,454	695,454	695,454	183,095	183,095	3,756,722	28 \$600 under \$1,000.....	1,887,553	1,887,553	644,836	644,836	1,887,553	1,887,553	777,057	777,057	1,110,496	1,110,496	1,110,496	1,110,496	1,110,496	303,021	303,021	1,587,475	29 \$1,000 under \$1,500.....	2,093,925	2,093,925	543,777	543,777	2,093,925	2,093,925	307,038	307,038	1,786,887	1,786,887	1,786,887	1,786,887	1,786,887	533,586	533,586	1,553,301	30 \$1,500 under \$2,000.....	1,775,446	1,775,446	422,348	422,348	1,775,446	1,775,446	109,531	109,531	1,665,915	1,665,915	1,665,915	1,665,915	1,665,915	700,951	700,951	1,364,964	31 \$2,000 under \$2,500.....	1,233,114	1,233,114	253,625	253,625	1,233,114	1,233,114	46,261	46,261	1,186,853	1,186,853	1,186,853	1,186,853	1,186,853	994,318	994,318	1,087,535	32 \$2,500 under \$3,000.....	1,032,750	1,032,750	144,270	144,270	1,032,750	1,032,750	20,163	20,163	1,012,587	1,012,587	1,012,587	1,012,587	1,012,587	1,410,513	1,410,513	1,017,073	33 \$3,000 under \$3,500.....	701,545	701,545	63,020	63,020	701,545	701,545	9,086	9,086	692,459	692,459	692,459	692,459	692,459	1,756,469	1,756,469	701,545	34 \$3,500 under \$4,000.....	491,292	491,292	24,732	24,732	491,292	491,292	1,506	1,506	489,786	489,786	489,786	489,786	489,786	2,402,998	2,402,998	491,292	35 \$4,000 under \$4,500.....	243,145	243,145	11,152	11,152	243,145	243,145	(1)	(1)	232,000	232,000	232,000	232,000	232,000	1,405,458	1,405,458	243,145	36 \$4,500 under \$5,000.....	122,561	122,561	8,614	8,614	122,561	122,561	829,620	829,620	4,736,441	4,736,441	4,736,441	4,736,441	4,736,441	745,557	745,557	122,561	37 \$5,000 under \$6,000.....	80,831	80,831	3,051	3,051	80,831	80,831	608,406	608,406	1,416,237	1,416,237	1,416,237	1,416,237	1,416,237	563,964	563,964	80,831	38 \$6,000 under \$7,000.....	29,174	29,174	2,517	2,517	29,174	29,174	204,858	204,858	269,016	269,016	269,016	269,016	269,016	173,327	173,327	29,174	39 \$7,000 under \$8,000.....	1,024	1,024	402	402	1,024	1,024	(1)	(1)	1,025	1,025	1,025	1,025	1,025	(1)	(1)	1,024	40 \$8,000 or more.....	2,467	2,467	342	342	2,467	2,467	238	238	2,229	2,229	2,229	2,229	2,229	5,999	5,999	2,467	Total nontaxable returns.....	14,113,948	14,113,948	4,388,919	4,388,919	14,113,948	14,113,948	4,633,656	4,633,656	9,480,292	9,480,292	9,480,292	9,480,292	9,480,292	11,294,429	11,294,429	13,612,255	Grand total.....	56,747,008	56,747,008	6,757,133	6,757,133	56,747,008	56,747,008	16,024,549	16,024,549	40,722,459	40,722,459	40,722,459	40,722,459	40,722,459	101,057,169	101,057,169	33,445,404																																																																																																																																																																																																																																																																																																																																																																																																																																																											
26 No adjusted gross income.....	440,304	440,304	71,338	71,338	440,304	440,304	111,082	111,082	329,222	329,222	329,222	329,222	329,222	115,175	115,175	440,304																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
27 Under \$600.....	3,939,817	3,939,817	296,871	296,871	3,939,817	3,939,817	3,244,363	3,244,363	695,454	695,454	695,454	695,454	695,454	183,095	183,095	3,756,722																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
28 \$600 under \$1,000.....	1,887,553	1,887,553	644,836	644,836	1,887,553	1,887,553	777,057	777,057	1,110,496	1,110,496	1,110,496	1,110,496	1,110,496	303,021	303,021	1,587,475																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
29 \$1,000 under \$1,500.....	2,093,925	2,093,925	543,777	543,777	2,093,925	2,093,925	307,038	307,038	1,786,887	1,786,887	1,786,887	1,786,887	1,786,887	533,586	533,586	1,553,301																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
30 \$1,500 under \$2,000.....	1,775,446	1,775,446	422,348	422,348	1,775,446	1,775,446	109,531	109,531	1,665,915	1,665,915	1,665,915	1,665,915	1,665,915	700,951	700,951	1,364,964																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
31 \$2,000 under \$2,500.....	1,233,114	1,233,114	253,625	253,625	1,233,114	1,233,114	46,261	46,261	1,186,853	1,186,853	1,186,853	1,186,853	1,186,853	994,318	994,318	1,087,535																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
32 \$2,500 under \$3,000.....	1,032,750	1,032,750	144,270	144,270	1,032,750	1,032,750	20,163	20,163	1,012,587	1,012,587	1,012,587	1,012,587	1,012,587	1,410,513	1,410,513	1,017,073																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
33 \$3,000 under \$3,500.....	701,545	701,545	63,020	63,020	701,545	701,545	9,086	9,086	692,459	692,459	692,459	692,459	692,459	1,756,469	1,756,469	701,545																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
34 \$3,500 under \$4,000.....	491,292	491,292	24,732	24,732	491,292	491,292	1,506	1,506	489,786	489,786	489,786	489,786	489,786	2,402,998	2,402,998	491,292																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
35 \$4,000 under \$4,500.....	243,145	243,145	11,152	11,152	243,145	243,145	(1)	(1)	232,000	232,000	232,000	232,000	232,000	1,405,458	1,405,458	243,145																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
36 \$4,500 under \$5,000.....	122,561	122,561	8,614	8,614	122,561	122,561	829,620	829,620	4,736,441	4,736,441	4,736,441	4,736,441	4,736,441	745,557	745,557	122,561																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
37 \$5,000 under \$6,000.....	80,831	80,831	3,051	3,051	80,831	80,831	608,406	608,406	1,416,237	1,416,237	1,416,237	1,416,237	1,416,237	563,964	563,964	80,831																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
38 \$6,000 under \$7,000.....	29,174	29,174	2,517	2,517	29,174	29,174	204,858	204,858	269,016	269,016	269,016	269,016	269,016	173,327	173,327	29,174																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
39 \$7,000 under \$8,000.....	1,024	1,024	402	402	1,024	1,024	(1)	(1)	1,025	1,025	1,025	1,025	1,025	(1)	(1)	1,024																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
40 \$8,000 or more.....	2,467	2,467	342	342	2,467	2,467	238	238	2,229	2,229	2,229	2,229	2,229	5,999	5,999	2,467																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Total nontaxable returns.....	14,113,948	14,113,948	4,388,919	4,388,919	14,113,948	14,113,948	4,633,656	4,633,656	9,480,292	9,480,292	9,480,292	9,480,292	9,480,292	11,294,429	11,294,429	13,612,255																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Grand total.....	56,747,008	56,747,008	6,757,133	6,757,133	56,747,008	56,747,008	16,024,549	16,024,549	40,722,459	40,722,459	40,722,459	40,722,459	40,722,459	101,057,169	101,057,169	33,445,404																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												

See footnotes at end of table. See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."



Table 11.—EXEMPTIONS BY MARITAL STATUS OF TAXPAYER AND BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	Joint returns of husbands and wives—Continued										Separate returns of husbands and wives									
	Number of returns by number of exemptions other than age or blindness					Number of returns by number of exemptions other than age or blindness					Returns with exemptions for age and/or blindness					Number of returns by number of exemptions other than age or blindness				
	Two	Three	Four	Five	Six or more	Two	Three	Four	Five	Six or more	Aggregate number of exemptions	Number of returns	Number of exemptions for age and/or blindness	Number of returns	Number of exemptions for age and/or blindness	One	Two	Three	Four or more	
Taxable returns:	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)			
\$6,000 under \$1,000.....	-	-	-	-	-	-	-	82,615	82,615	-	-	82,615	82,615	-	-	-	-	1		
\$1,000 under \$1,500.....	273,814	136,907	-	-	-	-	-	162,049	162,049	-	-	162,049	162,049	-	-	-	-	2		
\$1,500 under \$2,000.....	858,318	429,159	-	-	-	-	-	187,351	187,351	7,940	7,040	242,887	131,815	55,536	-	-	-	3		
\$2,000 under \$2,500.....	2,797,951	522,218	411,705	-	-	-	-	228,410	347,981	4,537	4,537	228,410	146,650	48,486	33,274	-	-	4		
\$2,500 under \$3,000.....	4,102,931	674,650	503,481	285,797	-	-	-	249,429	399,869	7,040	7,040	392,829	159,110	49,300	21,602	12,602	50,408	5		
\$3,000 under \$3,500.....	5,981,703	793,525	576,178	554,391	89,711	-	-	256,608	410,765	7,040	7,040	403,211	161,460	58,819	21,710	16,619	58,993	6		
\$3,500 under \$4,000.....	8,396,935	858,225	726,082	677,211	338,199	-	-	212,388	407,393	4,041	4,041	403,352	135,217	42,245	27,161	27,765	122,162	7		
\$4,000 under \$4,500.....	10,068,009	861,513	705,404	773,301	421,423	165,075	-	142,389	293,949	4,041	4,041	289,907	65,442	34,102	23,649	19,166	85,314	8		
\$4,500 under \$5,000.....	10,198,037	795,891	678,154	773,320	417,792	225,221	1,389,553	103,208	230,807	4,037	4,037	226,770	47,238	19,465	17,642	18,463	87,276	9		
\$5,000 under \$6,000.....	15,925,817	1,242,593	1,069,315	1,155,294	665,585	358,378	2,283,585	56,075	106,985	(1)	(1)	105,390	28,875	14,126	7,033	6,041	27,164	10		
\$6,000 under \$7,000.....	10,731,386	904,671	743,318	769,187	400,900	244,760	1,609,042	26,400	54,536	(1)	(1)	53,002	13,795	5,606	2,500	4,499	20,495	11		
\$7,000 under \$8,000.....	6,183,764	608,835	439,943	445,790	138,583	89,305	899,305	12,834	20,727	(1)	(1)	18,662	8,131	3,611	(1)	(1)	12			
\$8,000 under \$9,000.....	3,747,327	390,832	215,101	215,463	126,823	78,421	516,225	10,281	19,999	(1)	(1)	18,982	5,148	2,589	(1)	(1)	13			
\$9,000 under \$10,000.....	2,275,460	248,139	154,807	145,780	78,988	51,140	336,701	3,717	8,852	(1)	(1)	7,794	(1)	(1)	(1)	(1)	14			
\$10,000 under \$15,000.....	3,797,435	368,157	246,525	268,406	145,084	81,285	522,502	8,902	15,915	1,159	1,159	14,730	5,318	2,124	894	566	2,482	15		
\$15,000 under \$20,000.....	1,167,112	101,977	70,406	48,718	28,887	17,992	3,793	1,845	680	680	680	6,165	2,344	812	470	167	787	16		
\$20,000 under \$30,000.....	619,065	80,029	53,102	38,941	15,644	24,318	15,644	2,914	5,287	404	404	4,886	876	771	273	184	836	17		
\$30,000 under \$50,000.....	111,547	48,374	29,048	32,326	21,037	14,190	9,316	2,716	2,716	233	233	2,483	882	368	133	94	466	18		
\$50,000 under \$100,000.....	212,535	23,904	11,952	12,423	7,948	5,990	39,439	6,31	1,110	113	113	997	412	137	39	43	194	19		
\$100,000 under \$150,000.....	32,614	4,457	1,875	1,841	1,007	861	5,676	131	228	71	71	157	109	18	(1)	(1)	2	21		
\$150,000 under \$200,000.....	8,514	1,352	470	398	225	127	1,478	61	61	12	12	49	20	7	2	2	9	20		
\$200,000 under \$500,000.....	8,428	1,343	431	375	269	238	1,604	65	133	23	23	110	40	16	4	5	5	21		
\$500,000 under \$1,000,000.....	949	186	54	33	31	18	128	21	49	14	14	35	5	4	2	2	12	23		
\$1,000,000 or more.....	340	56	23	13	7	11	72	36	92	12	12	80	21	2	5	8	40	24		
Total taxable returns.....	87,779,591	9,117,957	6,674,034	6,302,379	3,055,501	1,417,601	9,034,554	1,751,525	2,848,043	48,797	49,331	2,798,712	1,121,915	397,015	167,132	105,463	401,371	25		
Nontaxable returns:																				
No adjusted gross income.....	955,851	152,572	57,148	49,327	31,356	17,029	115,175	6,098	8,110	(1)	(1)	7,132	5,581	-	(1)	-	-	26		
Under \$600.....	1,567,666	327,619	110,586	64,771	29,616	25,818	173,506	255,226	314,366	6,078	6,078	308,288	227,423	13,160	7,574	7,069	31,823	27		
\$600 under \$1,000.....	2,151,201	485,400	165,438	86,767	48,008	44,649	296,979	83,184	143,114	9,995	9,995	133,519	46,920	26,200	7,057	3,007	13,028	28		
\$1,000 under \$1,500.....	3,908,550	650,384	323,154	181,292	94,466	73,239	500,822	88,342	230,262	5,557	6,064	224,198	7,578	4,351	26,800	10,613	49,518	29		
\$1,500 under \$2,000.....	5,101,926	351,705	513,531	262,010	126,230	98,352	678,733	52,058	171,319	3,007	3,506	167,813	2,516	3,542	31,354	14,666	64,111	30		
\$2,000 under \$2,500.....	4,372,649	193,467	93,560	449,631	192,895	140,158	945,036	23,218	96,916	(1)	(1)	95,396	-	-	(1)	20,187	88,137	31		
\$2,500 under \$3,000.....	4,317,426	104,042	52,314	295,471	280,137	204,217	1,369,731	20,467	93,846	(1)	(1)	91,832	(1)	(1)	(1)	17,659	86,816	32		
\$3,000 under \$3,500.....	3,658,021	37,320	17,637	68,105	310,063	260,590	1,707,735	4,854	41,818	(1)	(1)	41,318	(1)	(1)	(1)	7,094	38,820	33		
\$3,500 under \$4,000.....	2,844,837	13,151	6,591	25,228	74,892	350,375	2,323,510	5,051	32,360	-	-	32,360	-	(1)	-	5,051	32,360	34		
\$4,000 under \$4,500.....	1,527,930	9,633	(1)	3,017	22,260	18,718	1,350,793	4,520	27,169	-	-	27,169	-	-	-	3,560	25,669	35		
\$4,500 under \$5,000.....	811,571	5,602	(1)	3,017	10,016	97,337	732,093	(1)	(1)	-	-	(1)	-	-	-	(1)	(1)	36		
\$5,000 under \$6,000.....	604,889	4,535	(1)	2,500	4,071	68,208	563,964	-	-	-	-	-	-	-	-	-	-	37		
\$6,000 under \$8,000.....	194,917	4,017	(1)	2,517	(1)	17,656	164,903	-	-	-	-	-	-	-	-	-	-	38		
\$8,000 under \$10,000.....	10,444	261	429	278	339	790	5,828	31	82	4	4	78	7	1	23	-	-	39		
\$10,000 or more.....																		40		
Total nontaxable returns.....	31,791,878	2,139,708	1,345,368	1,501,440	1,228,358	1,866,136	10,928,808	547,456	1,163,923	28,746	30,259	1,133,664	293,544	88,760	75,839	89,313	435,083	41		
Grand total.....	119,571,469	11,457,665	8,019,402	7,803,819	4,283,859	3,003,737	19,963,362	2,298,981	4,011,966	77,543	79,590	3,932,376	1,415,459	445,775	242,971	194,776	896,454	42		
Returns under \$5,000.....	73,034,926	7,421,983	4,943,454	4,550,265	2,509,084	1,889,778	12,574,118	2,171,612	3,768,349	67,549	69,570	3,698,779	1,347,004	415,041	237,489	182,128	839,236	43		
Returns \$5,000 or more.....	46,536,543	4,035,682	3,075,948	3,243,554	1,774,775	1,113,959	7,389,244	1,271,319	243,617	9,994	10,020	233,597	68,495	30,734	15,482	12,648	37,228	44		

See footnotes at end of table. "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."



Table 11.—EXEMPTIONS BY MARITAL STATUS OF TAXPAYER AND BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	Returns of heads of household					Returns of surviving spouse							
	Number of returns	Returns with exemptions for age and/or blindness		Number of exemptions other than age or blindness	Aggregate number of exemptions	Number of returns by number of exemptions other than age or blindness			Aggregate number of exemptions	Returns with exemptions for age and/or blindness			
		Number of returns	Number of exemptions for age and blindness			One	Two	Three		Four or more	Number of returns	Number of exemptions for age and/or blindness	
(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(47)	
<b>Taxable returns:</b>													
1 \$600 under \$1,000.....	13,516	13,516	-	13,516	13,516	-	-	-	-	(1)	(1)	-	1
2 \$1,000 under \$1,500.....	46,039	46,039	(1)	46,038	46,038	12,005	-	-	-	2,500	2,500	-	2
3 \$1,500 under \$2,000.....	50,078	50,078	2,468	52,546	52,546	25,056	15,049	-	-	5,000	5,000	(1)	3
4 \$2,000 under \$2,500.....	70,367	70,367	3,000	73,367	73,367	30,539	6,499	25,996	25,996	7,506	7,506	2,506	4
5 \$2,500 under \$3,000.....	94,108	94,108	3,000	97,108	97,108	42,032	22,699	22,699	22,699	5,551	5,551	(1)	5
6 \$3,000 under \$3,500.....	116,618	116,618	3,000	119,618	119,618	52,567	22,699	22,699	22,699	11,401	11,401	(1)	6
7 \$3,500 under \$4,000.....	120,224	120,224	(1)	121,923	121,923	72,472	19,520	5,000	23,000	(1)	(1)	(1)	7
8 \$4,000 under \$4,500.....	109,435	109,435	3,017	112,452	112,452	66,164	19,032	4,017	17,568	(1)	(1)	(1)	8
9 \$4,500 under \$5,000.....	101,355	101,355	4,034	105,389	105,389	55,179	17,594	3,500	15,500	(1)	(1)	(1)	9
10 \$5,000 under \$6,000.....	95,749	95,749	2,500	98,249	98,249	58,705	19,038	4,517	18,568	2,534	2,534	(1)	10
11 \$6,000 under \$7,000.....	36,230	36,230	3,068	39,298	39,298	24,135	6,033	(1)	(1)	6,502	6,502	(1)	11
12 \$7,000 under \$8,000.....	25,166	25,166	(1)	26,165	26,165	13,403	4,013	(1)	(1)	(1)	(1)	(1)	12
13 \$8,000 under \$9,000.....	7,615	7,615	(1)	8,614	8,614	7,590	(1)	(1)	(1)	(1)	(1)	(1)	13
14 \$9,000 under \$10,000.....	8,135	8,135	(1)	9,134	9,134	8,135	(1)	(1)	(1)	(1)	(1)	(1)	14
15 \$10,000 under \$15,000.....	16,571	16,571	3,456	20,027	20,027	9,236	2,696	1,179	5,383	1,993	1,993	1,344	15
16 \$15,000 under \$20,000.....	5,909	5,909	1,116	7,025	7,025	1,658	1,345	361	1,680	61	61	1,934	16
17 \$20,000 under \$30,000.....	5,671	5,671	1,753	7,424	7,424	3,233	1,889	393	1,644	538	538	1,714	17
18 \$30,000 under \$50,000.....	2,371	2,371	834	3,205	3,205	949	256	256	1,564	282	282	110	18
19 \$50,000 under \$100,000.....	1,150	1,150	407	1,557	1,557	380	202	126	637	132	132	50	19
20 \$100,000 under \$150,000.....	203	203	75	278	278	81	29	25	107	25	25	61	20
21 \$150,000 under \$200,000.....	64	64	21	85	85	24	13	29	29	12	12	39	21
22 \$200,000 under \$500,000.....	75	75	22	97	97	35	12	3	20	14	14	7	22
23 \$500,000 under \$1,000,000.....	15	15	2	17	17	6	3	3	12	14	14	27	23
24 \$1,000,000 or more.....	3	3	1	4	4	2	1	-	-	8	8	6	24
<b>Total taxable returns.....</b>	<b>929,067</b>	<b>1,862,551</b>	<b>39,336</b>	<b>1,822,140</b>	<b>1,822,140</b>	<b>483,279</b>	<b>148,773</b>	<b>34,024</b>	<b>1,46,272</b>	<b>39,304</b>	<b>88,325</b>	<b>7,773</b>	<b>8,335</b>
<b>Non-taxable returns:</b>													
26 No adjusted gross income.....	2,583	4,161	-	4,161	4,161	(1)	(1)	-	-	(1)	(1)	(1)	26
27 Under \$600.....	41,093	56,666	2,534	59,200	59,200	31,554	7,539	(1)	(1)	(1)	(1)	(1)	27
28 \$600 under \$1,000.....	23,739	29,138	2,534	31,672	31,672	11,006	9,549	(1)	(1)	6,995	6,995	4,006	28
29 \$1,000 under \$1,500.....	36,021	51,107	6,984	58,091	58,091	19,042	8,005	(1)	(1)	6,523	6,523	4,000	29
30 \$1,500 under \$2,000.....	30,243	53,054	6,517	59,571	59,571	4,017	16,032	6,478	28,392	3,517	3,517	9,050	30
31 \$2,000 under \$2,500.....	8,516	30,630	(1)	29,619	29,619	28,513	(1)	5,499	22,996	(1)	(1)	(1)	31
32 \$2,500 under \$3,000.....	10,825	38,038	-	38,038	38,038	-	2,516	(1)	26,958	989	989	3,946	32
33 \$3,000 under \$3,500.....	3,000	16,498	-	16,498	16,498	-	-	3,000	16,498	(1)	(1)	(1)	33
34 \$3,500 under \$4,000.....	(1)	(1)	-	(1)	(1)	-	-	(1)	(1)	(1)	(1)	(1)	34
35 \$4,000 under \$4,500.....	(1)	(1)	-	(1)	(1)	-	-	(1)	(1)	(1)	(1)	(1)	35
36 \$4,500 under \$5,000.....	(1)	(1)	-	(1)	(1)	-	-	(1)	(1)	(1)	(1)	(1)	36
37 \$5,000 under \$6,000.....	(1)	(1)	-	(1)	(1)	-	-	(1)	(1)	(1)	(1)	(1)	37
38 \$6,000 under \$8,000.....	(1)	(1)	-	(1)	(1)	-	-	(1)	(1)	(1)	(1)	(1)	38
39 \$8,000 under \$10,000.....	(1)	(1)	-	(1)	(1)	-	-	(1)	(1)	(1)	(1)	(1)	39
40 \$10,000 or more.....	7	18	-	18	18	3	4	-	-	25	25	51	40
<b>Total non-taxable returns.....</b>	<b>160,373</b>	<b>391,207</b>	<b>18,086</b>	<b>18,086</b>	<b>373,121</b>	<b>56,101</b>	<b>45,727</b>	<b>30,575</b>	<b>133,841</b>	<b>24,616</b>	<b>60,291</b>	<b>12,064</b>	<b>14,098</b>
<b>Grand total.....</b>	<b>1,089,440</b>	<b>2,253,758</b>	<b>57,422</b>	<b>2,195,261</b>	<b>2,195,261</b>	<b>319,992</b>	<b>529,006</b>	<b>61,994</b>	<b>280,113</b>	<b>63,920</b>	<b>148,616</b>	<b>19,837</b>	<b>22,433</b>
43 Returns under \$5,000.....	881,106	1,788,677	38,627	1,729,533	1,729,533	283,922	401,888	35,037	50,985	53,189	120,430	17,086	19,120
44 Returns \$5,000 or more.....	208,334	465,081	18,795	445,728	445,728	25,170	127,118	11,009	51,211	10,731	28,186	2,751	3,313

See footnotes at end of table. See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."

Table 11.—EXEMPTIONS BY MARITAL STATUS OF TAXPAYER AND BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	Returns of surviving spouse—Continued										Returns of single persons not head of household or surviving spouse									
	Number of returns by number of exemptions other than age or blindness					Aggregate number of exemptions	Returns with exemptions for age and/or blindness					Number of returns by number of exemptions other than age or blindness								
	One	Two	Three	Four or more	Number of returns		Number of returns	Number of exemptions for age and blindness	Number of exemptions for age or blindness	Number of returns	One	Two	Three	Four or more						
(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)					
<b>Taxable returns:</b>																				
1 \$600 under \$1,000.....	(1)	(1)	-	-	-	1,195,857	1,195,857	-	-	1,195,857	1,195,857	-	-	-	-	1				
2 \$1,000 under \$1,500.....	2,500	2,500	-	-	-	2,079,175	2,008,006	45,673	45,673	2,162,333	1,996,017	83,158	-	-	-	2				
3 \$1,500 under \$2,000.....	(1)	(1)	-	-	-	1,764,620	1,356,639	135,639	135,639	2,003,920	1,525,320	239,300	-	-	-	3				
4 \$2,000 under \$2,500.....	8,499	3,499	-	-	-	1,840,639	2,448,040	118,370	118,370	2,329,670	1,467,790	256,667	116,182	-	-	4				
5 \$2,500 under \$3,000.....	14,994	4,018	(1)	(1)	(1)	1,637,238	2,214,861	100,108	100,108	2,113,753	1,300,665	223,937	85,510	27,186	-	5				
6 \$3,000 under \$3,500.....	11,084	3,033	(1)	(1)	(1)	1,474,848	2,077,377	94,275	95,271	1,982,106	1,129,560	223,030	90,056	34,194	140,310	6				
7 \$3,500 under \$4,000.....	(1)	(1)	(1)	(1)	(1)	1,103,178	1,557,084	63,770	64,270	1,492,814	905,757	146,424	70,860	30,147	131,649	7				
8 \$4,000 under \$4,500.....	11,566	2,501	(1)	(1)	(1)	761,299	1,075,557	50,858	51,375	1,024,182	601,257	90,787	46,699	22,556	101,254	8				
9 \$4,500 under \$5,000.....	6,051	(1)	(1)	(1)	(1)	486,207	697,879	38,328	39,345	658,534	389,123	49,903	28,139	19,042	85,188	9				
10 \$5,000 under \$6,000.....	5,602	(1)	(1)	(1)	(1)	462,845	647,653	41,877	42,378	605,275	371,604	61,117	18,591	11,533	55,664	10				
11 \$6,000 under \$7,000.....	(1)	(1)	(1)	(1)	(1)	200,851	281,120	26,129	26,129	254,991	168,744	19,074	7,533	5,500	25,500	11				
12 \$7,000 under \$8,000.....	(1)	(1)	(1)	(1)	(1)	102,156	137,880	16,075	16,075	121,305	90,519	7,619	3,017	1,001	6,497	12				
13 \$8,000 under \$9,000.....	(1)	(1)	(1)	(1)	(1)	56,131	81,811	12,096	13,096	68,715	49,081	2,516	3,534	1,000	4,000	13				
14 \$9,000 under \$10,000.....	(1)	(1)	(1)	(1)	(1)	29,940	48,175	6,083	6,083	42,092	22,836	5,056	1,048	1,000	6,000	14				
15 \$10,000 under \$15,000.....	4,724	118	1,282	402	836	78,959	119,905	28,746	29,010	90,895	70,728	4,729	1,142	4,829	15					
16 \$15,000 under \$20,000.....	1,768	214	184	167	739	27,096	42,781	11,271	11,390	31,391	24,011	2,289	529	267	1,215	16				
17 \$20,000 under \$30,000.....	1,642	117	206	910	1,642	24,117	39,007	11,028	11,122	27,885	21,422	2,015	433	277	1,134	17				
18 \$30,000 under \$50,000.....	622	93	(1)	(1)	64	6,202	10,874	3,627	3,696	7,178	11,135	1,070	210	147	758	18				
19 \$50,000 under \$100,000.....	279	46	47	25	14	1,217	2,144	774	776	1,368	1,117	75	11	76	360	19				
20 \$100,000 under \$150,000.....	40	(1)	15	5	5	392	684	232	232	480	357	8	5	5	68	20				
21 \$150,000 under \$200,000.....	35	7	3	3	18	424	766	282	286	480	392	20	8	7	25	21				
22 \$200,000 under \$500,000.....	34	14	3	1	3	65	116	44	44	72	60	2	2	7	33	22				
23 \$500,000 under \$1,000,000.....	14	14	-	-	-	44	75	25	25	50	41	2	-	-	23	23				
24 \$1,000,000 or more.....	10	7	-	-	-	44	75	25	25	50	41	2	-	-	5	24				
25 Total taxable returns.....	79,990	13,472	15,409	6,261	4,162	16,917	17,047,851	811,240	817,872	16,229,979	11,298,911	1,417,223	474,463	155,095	673,233	25				
<b>Non-taxable returns:</b>																				
No adjusted gross income.....	(1)	(1)	-	-	-	121,678	176,453	27,550	27,550	148,903	103,465	11,679	5,035	(1)	(1)	26				
Under \$600.....	(1)	(1)	(1)	(1)	(1)	3,083,085	3,397,492	160,560	162,077	3,235,415	2,983,383	61,907	26,475	11,320	48,793	27				
\$600 under \$1,000.....	12,984	4,506	(1)	(1)	(1)	943,557	1,517,634	256,537	258,526	1,259,108	714,625	166,448	44,897	17,587	76,896	28				
\$1,000 under \$1,500.....	9,248	4,518	(1)	(1)	(1)	640,474	1,418,608	262,551	264,540	1,154,068	288,708	230,134	95,006	26,626	120,074	29				
\$1,500 under \$2,000.....	7,550	(1)	(1)	(1)	(1)	337,500	941,597	102,851	105,340	836,257	101,487	34,622	153,640	57,751	204,606	30				
\$2,000 under \$2,500.....	(1)	(1)	(1)	(1)	(1)	131,652	429,698	45,730	48,254	381,444	44,227	10,006	17,569	49,450	264,498	31				
\$2,500 under \$3,000.....	3,946	(1)	(1)	(1)	(1)	64,368	225,196	18,164	18,164	207,032	18,663	3,501	6,541	35,663	161,744	32				
\$3,000 under \$3,500.....	(1)	(1)	(1)	(1)	(1)	31,259	137,902	9,632	10,132	127,770	7,584	3,048	(1)	20,594	107,991	33				
\$3,500 under \$4,000.....	(1)	(1)	(1)	(1)	(1)	14,027	65,642	4,006	4,506	61,136	3,506	(1)	(1)	9,522	55,632	34				
\$4,000 under \$4,500.....	(1)	(1)	(1)	(1)	(1)	4,499	24,496	(1)	(1)	23,996	(1)	(1)	(1)	3,500	22,997	35				
\$4,500 under \$5,000.....	(1)	(1)	(1)	(1)	(1)	4,040	15,005	(1)	(1)	13,488	(1)	(1)	(1)	(1)	(1)	36				
\$5,000 under \$6,000.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	37				
\$6,000 under \$8,000.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	38				
\$8,000 under \$10,000.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	39				
\$10,000 or more.....	50	(1)	25	(1)	(1)	307	642	136	136	506	231	52	24	24	171	40				
41 Total non-taxable returns.....	46,193	14,041	3,552	4,534	2,489	11,446	5,380,493	890,251	901,799	7,454,606	4,269,970	523,396	351,713	235,414	1,082,705	41				
42 Grand total.....	126,183	27,513	18,961	10,795	6,651	28,363	18,726,185	25,404,216	1,701,491	1,719,631	23,684,585	1,940,619	826,176	390,509	1,755,938	42				
43 Returns under \$5,000.....	101,310	25,102	14,548	8,534	5,003	21,510	17,721,200	23,963,943	1,536,619	1,552,157	22,411,786	1,834,040	789,159	368,086	1,646,254	43				
44 Returns \$5,000 or more.....	24,873	2,411	4,413	2,261	1,646	6,853	1,004,983	1,647,474	167,474	1,272,799	1,838,906	106,579	37,017	22,443	109,684	44				

See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."  
 Sample variability of this item is too large to warrant showing it separately. However, this value is included in each total.

Table 19.—CAPITAL GAINS AND LOSSES, SHORT- AND LONG-TERM, AND CAPITAL LOSS CARRYOVER, BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Returns with net loss from sales of capital assets										Returns with net gain from sales of capital assets										
	Short-term (after carryover)					Long-term					Short-term (after carryover)					Long-term					
	Net loss from sales of capital assets after statutory limitation (deducted from gross income)	Net loss from sales of capital assets before statutory limitation	Net short-term capital gain	Net short-term capital loss	Net long-term capital gain (100%)	Net long-term capital loss (100%)	Number of returns	Capital loss carryover 1949-53	Net gain from sales of assets in adjusted income	Net short-term capital gain	Net short-term capital loss	Net long-term capital gain (100%)	Net long-term capital loss (100%)	Number of returns	Capital loss carryover 1949-53	Net gain from sales of assets in adjusted income	Net short-term capital gain	Net short-term capital loss	Net long-term capital gain (100%)	Net long-term capital loss (100%)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	
<b>Taxable returns:</b>																					
\$600 under \$1,000.....	19,028	3,006	94d	2,405	-	50	2,355	-	16,022	3,635	637	-	6,069	37	-	1					
\$1,000 under \$1,500.....	44,633	11,624	7,456	14,951	-	7,334	7,617	6,838	30,009	10,410	1,823	383	17,555	-	2						
\$1,500 under \$2,000.....	63,317	13,233	8,191	15,507	103	4,874	10,736	6,974	50,084	20,156	940	-	38,453	-	3						
\$2,000 under \$2,500.....	91,877	18,679	10,725	22,326	37	16,863	828	13,852	73,198	34,017	2,728	5,948	68,151	-	4						
\$2,500 under \$3,000.....	108,277	26,390	13,379	28,448	230	8,618	20,174	7,669	75,887	42,370	3,781	1,973	79,149	-	5						
\$3,000 under \$3,500.....	140,988	32,239	12,829	43,989	490	33,657	245	26,905	90,715	43,590	1,974	1,802	85,308	139	6						
\$3,500 under \$4,000.....	146,766	34,839	18,637	40,747	1,088	10,054	23,408	8,983	114,859	67,208	8,882	20	116,676	139	7						
\$4,000 under \$4,500.....	123,191	29,796	15,058	40,277	95	27,243	1,058	17,039	111,927	70,594	7,608	136	111,257	423	8						
\$4,500 under \$5,000.....	262,215	55,207	27,670	82,425	277	47,329	1,691	17,065	207,002	152,244	9,244	1,640	287,813	86	9						
\$5,000 under \$6,000.....	205,150	45,638	26,313	91,175	490	55,748	4,158	40,076	113,075	113,075	16,861	3,997	198,044	810	10						
\$6,000 under \$7,000.....	169,430	33,012	15,020	46,029	627	22,726	3,164	27,092	136,418	113,650	13,256	1,472	202,633	1,713	11						
\$7,000 under \$8,000.....	121,247	30,663	14,634	30,083	1,274	8,968	763	23,151	90,584	86,855	15,586	895	143,578	71	12						
\$8,000 under \$9,000.....	110,543	23,292	14,447	27,435	28	71,239	15,987	12,212	87,251	75,058	11,347	160	130,391	1,404	13						
\$9,000 under \$10,000.....	309,113	61,848	36,192	129,079	126	78,972	7,072	58,096	247,265	370,790	48,215	11,016	660,443	2,142	14						
\$10,000 under \$15,000.....	141,755	30,229	18,875	68,844	907	49,334	4,947	35,366	111,526	111,526	23,566	7,689	417,013	1,105	15						
\$15,000 under \$20,000.....	169,430	31,580	15,111	89,402	1,675	64,922	9,085	35,241	111,404	111,404	34,511	32,004	582,159	1,619	16						
\$20,000 under \$30,000.....	98,944	21,651	10,944	20,745	1,390	36,954	36,210	37,296	70,793	336,954	35,099	12,166	617,871	995	17						
\$30,000 under \$40,000.....	52,242	10,037	7,617	50,036	1,112	43,715	10,736	18,170	39,008	398,766	24,928	19,549	769,309	1,039	18						
\$40,000 under \$50,000.....	9,678	1,488	1,102	7,725	126	5,720	1,299	3,430	8,190	190,331	8,052	7,448	372,342	168	19						
\$50,000 under \$100,000.....	2,807	394	327	8,591	13	7,525	1,089	2,169	2,413	103,003	3,602	3,661	202,550	93	20						
\$100,000 under \$200,000.....	2,967	303	309	4,293	34	3,295	804	1,836	2,775	283,357	6,152	5,062	479,473	1	21						
\$200,000 under \$500,000.....	418	46	30	2,466	3	1,860	436	1,042	107,300	210,287	2,189	2,189	210,287	2	22						
\$500,000 under \$1,000,000.....	196	32	30	3,475	-	3,421	820	874	164	166,997	700	1,419	334,014	-	23						
\$1,000,000 or more.....	2,469,874	526,571	299,537	1,002,276	10,753	659,354	85,462	439,140	535,199	3,359,499	293,584	105,454	6,257,842	10,281	24						
<b>Total taxable returns.....</b>	85,969	24,598	16,821	56,874	2	30,404	1,131	27,604	26,137	117,850	3,949	7,423	235,229	-	25						
<b>Non-taxable returns:</b>																					
No adjusted gross income.....	61,851	21,635	11,749	25,655	875	11,206	2	15,325	7,844	40,216	1,981	29	37,054	-	27						
Under \$600.....	78,322	17,452	9,238	21,856	16	13,889	7,984	9,688	60,870	26,775	2,030	670	50,472	157	28						
\$600 under \$1,000.....	103,375	17,639	11,679	27,024	1,548	18,397	2,530	12,704	14,633	46,756	2,479	486	89,238	95	29						
\$1,000 under \$1,500.....	87,424	19,083	10,197	13,855	-	6,246	254	7,863	68,341	38,157	794	158	74,884	91	30						
\$1,500 under \$2,000.....	61,123	10,524	4,729	7,652	-	4,419	7,234	3,059	50,599	32,059	1,503	-	61,109	-	31						
\$2,000 under \$3,000.....	52,568	10,614	6,160	12,095	1,529	7,128	347	6,843	43,954	24,080	1,493	425	45,880	143	32						
\$3,000 under \$4,000.....	28,860	6,090	3,988	14,833	9	11,103	337	4,075	25,770	25,765	6,041	436	39,884	281	33						
\$4,000 under \$5,000.....	19,088	4,924	2,974	18,326	-	7,423	10,903	2,973	14,104	14,021	1,768	-	24,557	26	34						
\$5,000 under \$6,000.....	8,083	1,911	1,111	3,532	-	1,111	1,111	3,088	1,111	1,111	-	-	6,176	-	35						
\$6,000 under \$7,000.....	3,068	820	773	9,303	58	5,176	517	4,702	7,493	1,503	-	-	1,176	-	36						
\$7,000 under \$8,000.....	10,042	1,042	-	1,042	-	-	-	-	9,036	6,759	438	-	12,641	-	37						
\$8,000 under \$10,000.....	3,529	-	-	-	-	-	-	-	5,438	5,438	-	-	10,877	-	38						
\$10,000 or more.....	1,531	820	773	9,303	58	5,176	517	4,702	7,493	1,503	-	-	1,176	-	39						
<b>Total non-taxable returns.....</b>	602,357	137,513	79,909	211,645	4,037	135,415	5,297	105,564	90,468	372,363	25,176	9,776	705,872	863	40						
<b>Grand total.....</b>	3,075,231	664,084	379,446	1,213,921	14,790	774,769	90,759	544,704	625,667	2,111,147	318,760	115,230	6,963,714	11,144	41						
Returns under \$5,000.....	1,429,906	316,766	179,910	443,334	5,961	234,074	10,859	226,117	180,710	770,586	55,515	22,829	1,314,999	1,020	42						
Returns \$5,000 or more.....	1,645,325	347,318	199,536	770,587	8,829	540,695	79,864	318,587	444,957	3,031,276	263,245	92,401	5,648,715	10,124	43						

See footnotes at end of table. See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."



Table 12.—CAPITAL GAINS AND LOSSES, SHORT- AND LONG-TERM, AND CAPITAL LOSS CARRYOVER, BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	Returns with normal tax and surtax										Returns with alternative tax					
	Number of returns	Net gain from sales of capital assets in adjusted gross income (Thousand dollars)		Short-term (after carryover) (Thousand dollars)		Long-term (Thousand dollars)		Capital loss carryover from 1949-53 (Thousand dollars)	Number of returns	Net gain from sales of capital assets in adjusted gross income (Thousand dollars)	Short-term (after carryover) (Thousand dollars)		Net long-term capital loss carryover from 1949-53 (Thousand dollars)	Net long-term capital gain in excess of net short-term capital loss (Thousand dollars)		
		Net gain from sales of capital assets in adjusted gross income (Thousand dollars)	Net gain from sales of capital assets in adjusted gross income (Thousand dollars)	Net short-term capital gain (Thousand dollars)	Net short-term capital loss (Thousand dollars)	Net long-term capital gain (Thousand dollars)	Net long-term capital loss (Thousand dollars)				Net short-term capital gain (Thousand dollars)	Net short-term capital loss (Thousand dollars)				
															(18)	(19)
Taxable returns:																
1 \$600 under \$1,000.....	16,022	3,635	637	-	6,069	37	-	-	-	-	-	-	-	-		
2 \$1,000 under \$1,500.....	33,009	10,410	1,823	383	17,555	-	-	-	-	-	-	-	-	-		
3 \$1,500 under \$2,000.....	50,084	20,156	940	-	38,433	-	-	-	-	-	-	-	-	-		
4 \$2,000 under \$2,500.....	73,198	34,017	2,728	5,948	68,521	-	-	-	-	-	-	-	-	-		
5 \$2,500 under \$3,000.....	75,887	42,370	3,781	1,973	79,149	-	3,394	-	-	-	-	-	-	-		
6 \$3,000 under \$3,500.....	90,715	43,590	1,974	1,802	85,308	139	641	-	-	-	-	-	-	-		
7 \$3,500 under \$4,000.....	114,892	67,208	8,862	20	116,676	423	-	-	-	-	-	-	-	-		
8 \$4,000 under \$4,500.....	111,927	70,594	7,608	136	126,954	-	-	-	-	-	-	-	-	-		
9 \$4,500 under \$5,000.....	93,395	59,262	5,104	2,940	111,257	-	699	-	-	-	-	-	-	-		
10 \$5,000 under \$6,000.....	207,008	152,244	9,244	1,640	287,813	86	-	-	-	-	-	-	-	-		
11 \$6,000 under \$7,000.....	159,512	113,075	16,861	3,997	198,044	810	3,787	-	-	-	-	-	-	-		
12 \$7,000 under \$8,000.....	136,418	113,650	13,256	1,472	202,633	187	1,713	-	-	-	-	-	-	-		
13 \$8,000 under \$9,000.....	90,584	86,855	15,986	895	143,578	71	639	-	-	-	-	-	-	-		
14 \$9,000 under \$10,000.....	87,251	75,058	11,247	160	130,391	1,404	180	-	-	-	-	-	-	-		
15 \$10,000 under \$15,000.....	247,265	370,790	48,215	11,016	660,443	2,142	8,684	-	-	-	-	-	-	-		
16 \$15,000 under \$20,000.....	111,498	235,357	31,808	7,688	416,994	1,105	6,548	-	-	-	-	-	-	-		
17 \$20,000 under \$30,000.....	105,509	299,537	29,789	13,436	554,168	1,619	14,143	-	-	-	-	-	-	-		
18 \$30,000 under \$50,000.....	58,446	264,027	27,328	9,417	486,805	995	11,388	-	-	-	-	-	-	-		
19 \$50,000 under \$100,000.....	6,436	99,919	8,327	4,409	189,669	1,039	3,178	-	-	-	-	-	-	-		
20 \$100,000 under \$150,000.....	473	15,461	1,098	1,202	30,265	168	1,024	-	-	-	-	-	-	-		
21 \$150,000 under \$200,000.....	95	6,137	532	331	11,648	53	96	-	-	-	-	-	-	-		
22 \$200,000 under \$500,000.....	79	6,896	334	73	13,200	1	33	-	-	-	-	-	-	-		
23 \$500,000 under \$1,000,000.....	9	3,091	167	8	5,860	2	-	-	-	-	-	-	-	-		
24 \$1,000,000 or more.....	6	7	-	-	15	-	-	-	-	-	-	-	-	-		
25 Total taxable returns.....	1,859,685	2,192,346	247,369	68,946	3,979,448	10,281	56,169	-	-	-	-	-	-	-		
26 Returns under \$5,000.....	659,096	351,242	33,477	13,202	649,922	599	4,734	-	-	-	-	-	-	-		
27 Returns \$5,000 or more.....	1,210,589	1,841,104	213,892	55,744	3,329,526	9,682	51,435	-	-	-	-	-	-	-		

See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."  
 1 Sample variability of this item is too large to warrant showing it separately. However, this value is included in each total.

INDIVIDUAL INCOME TAX RETURNS FOR 1954

Table 13.—SELECTED SOURCES OF INCOME BY STATES AND TERRITORIES

(Returns with adjusted gross income)

States and Territories	Number of returns, taxable and nontaxable	Salaries and wages (after exclusions)		Dividends (after exclusions)		Interest received		Combined business or professional net profit and loss		Combined net gain and loss from sales of capital assets		Combined rents and royalties net income and loss		Adjusted gross income (Thousand dollars)	Income tax liability after credits (Thousand dollars)
		Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)		
1 Alabama.....	713,389	653,502	2,072,119	24,906	41,507	36,756	16,075	79,128	155,520	18,821	21,467	19,229	44,610	2,449,188	223,474
2 Arizona.....	279,907	243,054	860,189	15,088	29,906	28,418	14,773	35,794	126,150	7,583	13,190	20,665	25,325	1,133,078	122,554
3 Arkansas.....	390,897	329,128	936,117	13,406	20,342	19,569	10,173	30,325	123,430	17,270	11,611	21,057	34,989	1,221,340	112,351
4 California.....	4,733,921	4,162,508	17,210,871	378,554	722,954	710,385	325,284	538,982	1,714,679	177,693	353,115	431,916	525,127	22,023,493	2,172,356
5 Colorado.....	522,393	432,318	1,617,838	35,620	57,280	75,920	36,572	83,274	210,858	24,371	40,691	45,124	60,631	2,137,817	242,683
6 Connecticut.....	149,793	846,328	3,548,579	96,795	237,500	170,439	46,165	77,304	255,194	20,684	52,324	55,068	87,471	4,330,913	579,527
7 Delaware.....	910,291	1,226,432	4,822,991	13,879	9,122	19,535	7,003	14,725	31,226	2,732	8,010	12,083	16,377	659,977	122,882
8 District of Columbia.....	346,729	314,206	1,181,913	29,903	69,510	45,707	23,869	55,089	67,590	4,880	21,640	25,840	23,103	1,476,718	198,493
9 Florida 2.....	1,093,433	949,248	3,054,541	75,903	188,208	117,818	68,023	142,993	343,323	32,450	69,467	126,785	114,546	4,069,109	441,261
10 Georgia.....	886,480	807,756	4,622,063	38,218	77,823	47,346	23,402	110,786	189,589	23,006	34,626	36,061	62,764	3,149,890	310,837
11 Hawaii.....	196,616	187,621	999,785	13,572	21,844	20,733	4,829	4,829	45,902	5,233	7,639	5,857	15,157	719,347	73,684
12 Idaho.....	999,676	479,766	1,922,922	9,371	8,227	25,475	15,016	68,731	176,807	13,831	21,587	16,839	14,399	750,695	68,057
13 Illinois.....	3,064,301	3,254,036	13,469,222	255,601	454,673	371,148	138,887	399,992	1,251,632	126,466	197,424	217,112	352,324	16,597,198	2,131,725
14 Indiana.....	1,283,812	1,319,705	4,963,500	76,482	86,485	148,201	88,379	280,290	642,639	42,076	84,397	109,775	120,685	6,103,459	684,031
15 Iowa.....	949,318	670,917	2,090,982	55,815	54,076	112,026	50,329	308,334	714,858	51,539	123,282	65,832	87,061	3,276,360	324,799
16 Kansas.....	733,946	585,459	2,013,832	44,386	41,077	70,422	23,511	191,700	415,117	31,533	44,095	33,809	89,002	2,748,186	285,953
17 Kentucky.....	797,181	688,817	2,200,511	45,840	73,740	54,526	19,731	143,912	473,744	28,945	29,373	27,301	52,698	2,772,582	279,260
18 Louisiana.....	726,310	653,345	2,246,612	32,316	51,778	39,853	17,605	85,747	209,563	21,370	25,261	24,384	77,390	2,800,016	301,572
19 Maine.....	337,301	301,393	833,789	25,528	42,068	46,488	12,056	99,941	209,964	13,589	16,221	7,218	31,310	1,076,518	94,161
20 Maryland.....	1,084,152	999,461	3,832,164	72,255	133,742	123,632	43,484	85,128	233,111	23,559	37,577	50,322	78,542	4,531,032	511,408
21 Massachusetts.....	1,946,708	1,801,351	6,352,475	167,508	356,321	278,680	83,264	146,293	437,440	33,428	78,734	72,879	178,919	7,553,935	861,447
22 Michigan.....	637,819	359,574	1,258,442	45,856	34,671	42,129	17,312	48,661	709,256	68,182	118,862	120,816	219,179	12,194,265	1,323,999
23 Minnesota.....	1,109,306	903,961	3,125,745	67,340	100,804	142,717	43,545	236,786	505,188	41,693	166,887	46,469	89,820	4,077,055	428,629
24 Missouri.....	326,270	296,962	858,371	11,936	18,520	22,414	8,936	53,445	99,339	10,752	15,472	10,439	26,766	1,076,518	93,956
25 Mississippi.....	1,443,093	1,212,909	4,351,298	103,720	176,547	137,471	51,527	286,423	488,425	45,259	86,817	73,860	131,284	5,494,885	636,757
26 Montana.....	218,442	180,574	598,337	15,401	8,826	23,475	9,240	48,651	139,112	12,703	20,082	9,994	21,530	840,262	89,707
27 Nebraska.....	497,166	350,875	1,258,442	37,857	34,671	42,129	17,312	48,661	709,256	68,182	118,862	120,816	219,179	1,666,113	176,026
28 Nevada.....	89,406	63,616	325,728	3,402	7,402	7,402	3,716	18,835	5,296	3,716	5,296	13,658	9,421	410,893	55,585
29 New Hampshire.....	215,998	196,957	618,513	16,165	32,101	38,763	13,125	20,112	51,854	4,231	13,789	8,485	19,818	750,875	74,769
30 New Jersey.....	2,140,475	1,954,331	8,167,475	165,114	293,675	204,181	81,998	173,790	527,703	54,217	98,511	107,779	185,181	9,626,661	1,166,222
31 New Mexico.....	211,876	187,142	650,155	9,835	10,245	18,058	7,017	31,194	70,842	8,988	8,543	7,926	21,530	804,415	82,691
32 New York.....	578,796	498,540	2,428,426	490,261	1,363,748	771,500	344,972	1,676,085	196,836	1,142,716	322,009	515,018	450,208	12,607,625	3,643,412
33 North Carolina.....	1,102,039	986,436	2,949,780	48,601	84,364	62,261	23,662	162,438	284,065	33,441	146,550	32,818	68,882	4,076,518	545,876
34 North Dakota.....	206,647	124,198	336,212	12,584	5,032	20,245	7,565	91,441	155,742	9,293	20,524	8,627	16,634	3,591,944	304,673
35 Ohio.....	3,218,821	2,908,083	11,788,474	201,564	362,075	350,534	116,116	377,885	944,288	73,393	371,386	136,543	267,353	13,985,208	1,670,881
36 Oklahoma.....	663,978	557,291	1,855,788	34,731	52,889	52,910	22,842	141,821	277,289	26,017	115,288	33,640	81,018	2,440,907	257,366
37 Oregon.....	578,796	498,540	1,861,153	34,076	42,452	51,765	30,181	95,411	216,923	38,182	42,024	40,554	54,668	2,427,546	270,500
38 Pennsylvania.....	4,115,703	3,766,431	13,555,403	269,164	579,507	336,013	115,096	359,169	963,378	97,148	494,645	152,351	285,736	16,167,247	1,871,750
39 Puerto Rico.....	21,325	54,364	54,364	-	-	-	-	-	-	-	-	-	-	54,759	1,230
40 Rhode Island.....	317,935	291,168	968,779	17,747	51,211	35,378	12,074	22,159	61,130	2,299	9,942	14,004	8,649	1,145,238	133,240
41 South Carolina.....	518,243	471,811	1,434,280	17,659	26,889	37,777	17,350	71,110	133,444	14,189	36,526	10,884	32,629	1,697,197	140,929
42 South Dakota.....	224,952	180,006	379,094	8,728	24,667	24,667	9,425	87,420	87,420	13,542	19,046	10,046	23,751	653,976	55,392
43 Tennessee.....	908,671	820,340	2,628,814	28,635	55,527	69,444	26,572	127,681	199,039	23,923	26,986	32,818	68,565	3,115,501	297,279
44 Texas.....	2,362,573	2,123,784	7,963,361	126,362	215,859	191,771	85,746	435,664	1,057,742	95,593	498,552	293,714	296,860	10,248,631	1,208,671
45 Utah.....	247,331	219,420	740,004	12,224	14,587	28,696	6,564	33,805	87,308	9,814	14,861	11,833	21,946	916,952	83,989
46 Vermont.....	128,901	108,057	310,817	14,937	26,702	29,470	7,110	23,519	54,397	3,169	5,627	3,973	12,592	395,251	33,979
47 Virginia.....	1,105,119	1,008,399	3,419,110	61,465	117,691	84,561	41,710	130,602	199,713	21,249	46,341	46,341	76,068	4,040,840	415,979
48 Washington.....	985,470	871,605	3,419,203	57,034	71,627	163,541	63,255	128,413	363,180	39,858	70,407	60,366	90,232	4,263,326	500,075
49 West Virginia.....	568,245	523,142	1,643,326	28,570	36,740	28,806	8,499	52,125	116,717	16,154	17,163	17,305	26,910	1,909,683	184,974
50 Wisconsin.....	1,324,829	1,108,429	4,004,932	84,839	115,885	134,767	54,178	256,061	547,269	39,557	147,107	97,057	136,581	5,008,957	531,899
51 Wyoming.....	108,252	92,356	314,983	5,999	7,714	11,328	3,328	22,018	34,162	6,207	9,357	6,943	17,737	405,917	45,083
52 Total.....	56,305,681	49,827,310	185,985,785	3,655,092	7,035,811	6,071,526	2,345,459	7,409,697	17,883,102	1,758,753	2,984,411	3,249,437	4,927,333	230,401,432	26,707,201

See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."  
 1-Sample variability of this item is too large to warrant showing it separately.  
 2-Includes Canal Zone.  
 3-Includes Alaska.



## INDIVIDUAL INCOME TAX RETURNS FOR 1954

Table 14.—ADJUSTED GROSS INCOME AND INCOME TAX, BY STATES AND TERRITORIES AND BY ADJUSTED GROSS INCOME CLASSES  
(Returns with adjusted gross income)

Adjusted gross income classes	Number of returns	Adjusted gross income (Thousand dollars)	Income tax liability after credits (Thousand dollars)	Number of returns	Adjusted gross income (Thousand dollars)	Income tax liability after credits (Thousand dollars)	Number of returns	Adjusted gross income (Thousand dollars)	Income tax liability after credits (Thousand dollars)	Number of returns	Adjusted gross income (Thousand dollars)	Income tax liability after credits (Thousand dollars)	Number of returns	Adjusted gross income (Thousand dollars)	Income tax liability after credits (Thousand dollars)	
																Alabama
<b>Taxable and nontaxable returns:</b>																
Under \$1,000.....	92,125	50,594	303	36,368	21,035	265	68,485	36,556	183	505,070	271,516	2,850				
\$1,000 under \$2,000.....	143,651	212,315	6,350	48,987	69,953	3,456	95,520	142,339	3,847	587,573	865,002	38,664				
\$2,000 under \$3,000.....	150,372	375,050	18,654	38,043	95,066	4,971	82,419	205,641	8,234	598,521	1,501,033	100,602				
\$3,000 under \$4,000.....	117,030	407,885	21,098	39,600	137,770	8,270	45,532	158,546	9,034	728,544	2,566,270	206,221				
\$4,000 under \$5,000.....	85,462	380,713	27,189	43,590	197,085	14,790	45,091	202,389	14,817	724,218	3,256,877	287,270				
\$5,000 under \$10,000.....	107,179	679,272	72,500	62,638	410,458	43,592	45,301	294,414	31,657	1,348,346	8,955,936	999,903				
\$10,000 under \$15,000.....	9,773	116,717	16,912	6,295	74,806	11,545	4,435	52,796	7,995	144,813	1,707,765	260,429				
\$15,000 under \$20,000.....	2,991	51,647	9,176	1,824	9,176	5,817	1,301	22,264	4,149	39,781	682,025	124,717				
\$20,000 under \$30,000.....	2,834	67,603	14,523	1,262	30,700	6,979	1,789	43,922	9,296	29,323	717,867	158,500				
\$30,000 under \$50,000.....	1,352	50,210	13,829	1,360	34,461	9,875	723	26,716	7,693	17,544	652,782	185,975				
\$50,000 under \$100,000.....	511	33,776	12,852	296	19,106	7,084	226	15,306	5,673	7,111	469,398	172,403				
\$100,000 under \$150,000.....	75	9,251	4,406	53	5,931	2,503	53	6,506	3,017	1,343	163,300	71,012				
\$150,000 under \$200,000.....	14	2,372	1,097	12	1,990	1,006	8	1,300	570	353	60,733	28,021				
\$200,000 under \$500,000.....	18	4,931	2,712	8	2,468	1,530	10	2,862	1,415	326	94,099	45,261				
\$500,000 under \$1,000,000.....	1	790	386	-	-	-	3	2,157	904	37	25,030	12,485				
\$1,000,000 or more.....	1	2,608	1,287	1	1,016	471	1	7,626	3,867	18	33,860	18,223				
<b>Total.....</b>	<b>713,389</b>	<b>2,445,188</b>	<b>223,474</b>	<b>279,907</b>	<b>1,133,078</b>	<b>122,154</b>	<b>390,897</b>	<b>1,221,340</b>	<b>112,351</b>	<b>4,733,521</b>	<b>22,023,493</b>	<b>2,712,536</b>				
<b>Taxable and nontaxable returns:</b>																
Under \$1,000.....	65,144	37,069	449	91,773	49,008	758	21,000	11,811	148	36,438	20,745	274				
\$1,000 under \$2,000.....	81,888	122,869	5,912	103,808	155,122	9,220	28,696	43,866	2,165	54,041	81,377	3,720				
\$2,000 under \$3,000.....	76,253	187,777	12,701	134,411	338,826	28,636	28,636	38,037	2,528	53,602	136,618	8,790				
\$3,000 under \$4,000.....	84,895	296,644	23,651	155,104	545,402	48,580	21,047	73,541	5,277	81,255	282,623	27,329				
\$4,000 under \$5,000.....	77,403	348,001	27,840	132,315	594,845	56,239	16,997	72,416	6,433	36,836	165,402	20,228				
\$5,000 under \$10,000.....	117,012	754,374	81,504	258,942	1,732,964	206,989	29,830	195,718	23,317	67,356	450,351	57,120				
\$10,000 under \$15,000.....	10,265	121,536	27,434	23,524	278,434	42,286	4,073	48,811	7,557	10,171	120,090	18,913				
\$15,000 under \$20,000.....	3,732	64,035	11,560	7,987	137,513	24,809	1,287	22,372	4,127	2,918	50,076	9,217				
\$20,000 under \$30,000.....	3,712	88,277	19,022	6,041	146,485	31,602	1,148	26,434	5,923	2,253	55,468	12,632				
\$30,000 under \$50,000.....	1,438	52,975	14,604	3,686	137,544	38,299	506	18,846	5,106	1,110	41,094	11,406				
\$50,000 under \$100,000.....	528	36,535	13,461	1,664	111,593	41,930	375	25,136	9,322	583	39,467	14,380				
\$100,000 under \$150,000.....	81	9,724	4,563	326	38,850	17,333	120	14,886	6,931	99	11,698	4,882				
\$150,000 under \$200,000.....	19	3,450	1,709	93	15,965	8,020	5	3,30	2,855	20	3,419	1,629				
\$200,000 under \$500,000.....	16	4,223	1,974	105	31,063	15,696	16	15,579	9,298	41	11,178	5,319				
\$500,000 under \$1,000,000.....	5	2,050	1,073	8	5,474	3,024	23	16,393	10,195	5	3,509	1,701				
\$1,000,000 or more.....	4	8,278	4,244	6	11,825	6,106	15	31,996	21,700	1	1,603	953				
<b>Total.....</b>	<b>522,393</b>	<b>2,137,817</b>	<b>242,683</b>	<b>919,793</b>	<b>4,330,913</b>	<b>579,527</b>	<b>140,208</b>	<b>659,777</b>	<b>122,882</b>	<b>346,729</b>	<b>1,474,718</b>	<b>198,493</b>				
<b>Taxable and nontaxable returns:</b>																
Under \$1,000.....	163,769	89,486	812	120,435	70,054	507	26,908	14,311	274	22,155	12,800	128				
\$1,000 under \$2,000.....	212,754	316,023	10,550	184,043	273,252	8,423	30,636	45,282	2,439	31,974	47,373	1,931				
\$2,000 under \$3,000.....	195,447	488,767	22,707	187,665	466,714	18,876	38,699	97,807	6,405	30,886	78,474	3,453				
\$3,000 under \$4,000.....	180,523	627,612	39,637	132,941	459,899	28,022	36,913	129,024	9,444	42,476	146,179	9,803				
\$4,000 under \$5,000.....	121,545	543,602	39,638	93,878	416,598	31,945	23,466	104,928	8,899	28,916	129,667	10,327				
\$5,000 under \$10,000.....	178,739	1,177,764	128,111	140,632	921,003	97,603	34,129	224,360	24,268	37,826	246,759	24,419				
\$10,000 under \$15,000.....	22,721	271,936	40,722	13,791	164,936	25,044	4,002	47,802	7,221	3,375	39,497	5,838				
\$15,000 under \$20,000.....	7,301	125,946	23,189	5,032	86,130	15,598	955	16,023	2,924	1,100	18,993	3,567				
\$20,000 under \$30,000.....	5,779	141,019	30,118	4,272	103,233	22,170	603	15,002	3,409	635	15,627	3,225				
\$30,000 under \$50,000.....	3,224	120,311	33,654	2,615	96,903	26,537	301	13,501	3,890	232	8,948	2,667				
\$50,000 under \$100,000.....	1,273	83,405	31,250	985	63,781	23,004	131	8,020	2,955	94	6,045	2,372				
\$100,000 under \$150,000.....	205	25,037	10,963	145	16,646	7,563	19	2,292	1,018	7	7,363	327				
\$150,000 under \$200,000.....	64	10,753	4,922	25	4,287	2,111	1	1,900	138	-	-	-				
\$200,000 under \$500,000.....	73	20,348	10,211	18	4,268	2,088	2	805	400	-	-	-				
\$500,000 under \$1,000,000.....	8	5,652	3,036	3	2,186	1,346	-	-	-	-	-	-				
\$1,000,000 or more.....	8	21,448	11,741	-	-	-	-	-	-	-	-	-				
<b>Total.....</b>	<b>1,093,433</b>	<b>4,069,109</b>	<b>441,261</b>	<b>886,480</b>	<b>3,149,890</b>	<b>310,837</b>	<b>196,816</b>	<b>719,347</b>	<b>73,684</b>	<b>199,676</b>	<b>750,695</b>	<b>68,057</b>				
<b>Taxable and nontaxable returns:</b>																
Under \$1,000.....	426,122	225,705	2,426	175,095	90,227	817	155,378	87,441	648	104,693	58,564	567				
\$1,000 under \$2,000.....	468,534	696,041	33,370	323,325	347,866	14,573	167,789	250,256	9,629	133,626	200,032	7,263				
\$2,000 under \$3,000.....	475,796	1,203,147	89,906	223,640	562,799	40,344	182,413	451,544	26,608	112,025	282,107	14,988				
\$3,000 under \$4,000.....	605,176	2,118,426	186,048	266,228	935,055	77,434	146,223	508,520	39,019	120,712	421,116	31,998				
\$4,000 under \$5,000.....	535,026	2,401,507	232,207	228,294	1,023,425	91,853	115,353	515,131	40,720	108,699	490,501	39,133				
\$5,000 under \$10,000.....	978,989	6,532,880	763,892	359,616	2,333,364	271,025	155,458	1,006,169	112,571	132,594	890,005	99,747				
\$10,000 under \$15,000.....	102,165	1,205,568	186,339	25,263	296,658	46,016	16,903	199,715	29,884	12,688	152,427	22,678				
\$15,000 under \$20,000.....	29,376	505,712	92,996	7,398	127,112	23,882	4,213	72,591	13,274	3,851	65,719	12,069				
\$20,000 under \$30,000.....	21,357	515,450	115,658	6,348	151,465	33,724	3,345	80,362	17,591	2,925	70,529	15,433				



INDIVIDUAL INCOME TAX RETURNS FOR 1954

Table 14.—ADJUSTED GROSS INCOME AND INCOME TAX, BY STATES AND TERRITORIES AND BY ADJUSTED GROSS INCOME CLASSES—Continued  
(Returns with adjusted gross income)

Adjusted gross income classes	Number of returns	Adjusted gross income	Income tax liability after credits	Number of returns	Adjusted gross income	Income tax liability after credits	Number of returns	Adjusted gross income	Income tax liability after credits	Number of returns	Adjusted gross income	Income tax liability after credits
		(Thousand dollars)	(Thousand dollars)		(Thousand dollars)	(Thousand dollars)		(Thousand dollars)	(Thousand dollars)		(Thousand dollars)	(Thousand dollars)
	Massachusetts			Michigan			Minnesota			Mississippi		
Taxable and nontaxable returns:												
Under \$1,000.....	231,769	117,038	1,631	306,530	166,979	1,942	165,473	91,547	1,079	50,763	28,722	313
\$1,000 under \$2,000.....	306,223	460,892	28,128	315,119	464,427	21,983	201,827	299,348	13,248	84,026	125,273	2,969
\$2,000 under \$3,000.....	363,235	908,227	74,296	301,962	762,208	53,600	166,008	413,787	28,091	68,886	167,811	6,761
\$3,000 under \$4,000.....	333,017	1,161,937	95,076	366,112	1,298,998	109,257	184,496	651,134	51,411	42,306	146,201	7,618
\$4,000 under \$5,000.....	272,418	1,222,345	107,441	405,015	1,819,995	166,533	152,709	680,768	56,644	35,640	157,720	11,921
\$5,000 under \$10,000.....	383,530	2,482,095	273,191	820,448	5,485,756	638,155	207,565	1,329,632	140,876	46,323	299,182	31,858
\$10,000 under \$15,000.....	29,932	359,094	52,821	72,930	855,801	131,292	17,432	206,312	30,838	4,748	54,933	8,184
\$15,000 under \$20,000.....	9,101	155,594	27,323	16,524	283,003	52,064	5,343	91,620	15,972	1,338	22,982	4,121
\$20,000 under \$30,000.....	9,558	230,856	49,616	13,480	320,498	70,249	4,660	111,476	23,212	1,376	32,651	6,847
\$30,000 under \$50,000.....	4,714	175,944	46,314	8,047	298,168	85,890	2,608	97,759	25,660	646	24,341	6,618
\$50,000 under \$100,000.....	2,573	171,533	59,265	3,978	268,694	102,490	906	60,209	3,972	187	11,566	4,244
\$100,000 under \$150,000.....	387	46,375	18,515	540	64,359	30,488	186	21,260	9,377	19	2,386	1,131
\$150,000 under \$200,000.....	131	22,426	10,132	162	27,565	13,937	43	7,345	3,130	7	1,200	552
\$200,000 under \$500,000.....	108	31,122	13,580	155	44,934	25,437	45	11,550	5,511	4	967	511
\$500,000 under \$1,000,000.....	11	7,339	3,638	15	9,637	5,896	4	2,304	1,160	1	583	308
\$1,000,000 or more.....	1	1,118	480	12	23,243	14,784	1	1,001	448	-	-	-
Total.....	1,946,708	7,553,935	861,447	2,631,029	12,194,265	1,523,997	1,109,306	4,077,055	428,629	336,270	1,076,518	93,956
	Missouri			Montana			Nebraska			Nevada		
Taxable and nontaxable returns:												
Under \$1,000.....	221,131	114,357	852	28,084	13,497	66	88,373	49,468	461	11,111	6,458	135
\$1,000 under \$2,000.....	244,081	363,658	15,120	35,627	52,174	2,547	105,337	153,188	5,912	11,182	16,129	803
\$2,000 under \$3,000.....	229,125	574,443	34,257	31,736	79,692	4,889	80,553	200,192	12,927	10,646	27,002	2,050
\$3,000 under \$4,000.....	233,368	813,354	63,911	33,927	117,385	8,984	78,128	270,952	20,087	13,978	49,667	3,819
\$4,000 under \$5,000.....	185,125	825,877	72,642	37,351	167,362	15,112	51,349	229,374	21,317	15,361	69,077	5,857
\$5,000 under \$10,000.....	282,410	1,817,390	209,776	44,152	287,466	23,116	79,907	513,190	58,687	22,494	148,086	18,917
\$10,000 under \$15,000.....	25,161	298,905	45,826	4,543	53,774	8,425	7,686	92,506	14,706	2,478	29,279	4,585
\$15,000 under \$20,000.....	8,911	151,656	27,652	1,710	29,156	5,618	2,543	43,706	8,292	711	11,900	2,299
\$20,000 under \$30,000.....	7,097	169,705	36,132	937	22,695	5,260	1,899	44,343	9,662	976	22,227	5,236
\$30,000 under \$50,000.....	4,337	161,619	45,705	297	10,757	2,987	987	37,288	10,548	243	9,420	2,676
\$50,000 under \$100,000.....	1,907	126,744	48,142	67	4,325	1,692	337	22,212	8,748	158	10,818	4,423
\$100,000 under \$150,000.....	274	32,494	13,599	6	706	405	50	5,891	2,705	46	5,435	2,250
\$150,000 under \$200,000.....	73	12,591	6,162	1	180	84	7	1,299	655	5	837	374
\$200,000 under \$500,000.....	81	22,851	11,497	4	1,093	522	10	2,504	1,319	17	4,558	2,161
\$500,000 under \$1,000,000.....	9	5,798	3,584	-	-	-	-	-	-	-	-	-
\$1,000,000 or more.....	3	3,443	1,900	-	-	-	-	-	-	-	-	-
Total.....	1,443,093	5,494,885	636,757	218,442	840,262	89,707	497,166	1,666,113	176,026	89,406	410,893	55,585
	New Hampshire			New Jersey			New Mexico			New York		
Taxable and nontaxable returns:												
Under \$1,000.....	34,478	19,296	160	231,925	114,628	1,158	37,838	22,310	201	688,081	366,159	3,505
\$1,000 under \$2,000.....	34,363	52,471	2,605	255,442	381,822	19,665	33,891	49,949	1,623	829,150	1,248,683	58,000
\$2,000 under \$3,000.....	41,147	103,866	7,831	303,573	761,620	57,292	34,970	87,706	3,504	1,032,599	2,596,612	180,423
\$3,000 under \$4,000.....	36,751	128,322	9,173	352,763	1,232,877	105,995	26,297	90,351	6,105	1,047,963	3,667,810	299,440
\$4,000 under \$5,000.....	27,793	124,269	9,871	310,066	1,390,190	125,371	25,749	115,819	8,188	939,584	4,205,413	355,952
\$5,000 under \$10,000.....	36,944	231,458	24,403	585,894	3,890,824	443,604	45,804	311,075	34,386	1,489,140	9,828,112	1,080,384
\$10,000 under \$15,000.....	2,216	27,065	4,287	61,448	727,561	109,333	4,750	55,461	8,412	170,357	2,025,093	294,904
\$15,000 under \$20,000.....	974	17,066	3,012	17,039	291,433	51,724	1,033	18,358	3,520	58,977	1,008,913	172,094
\$20,000 under \$30,000.....	733	17,661	3,921	12,146	291,495	62,038	898	21,119	4,626	46,939	1,134,762	229,323
\$30,000 under \$50,000.....	458	17,769	4,975	6,880	256,730	69,401	466	17,369	5,529	27,556	1,046,041	267,222
\$50,000 under \$100,000.....	114	7,328	2,522	2,680	177,050	66,483	150	10,311	4,048	13,005	688,765	293,113
\$100,000 under \$150,000.....	19	2,204	966	437	50,264	22,730	22	2,915	1,547	2,497	298,750	122,341
\$150,000 under \$200,000.....	4	702	384	82	14,047	6,844	4	688	376	853	146,398	63,717
\$200,000 under \$500,000.....	4	1,398	659	80	23,532	12,658	4	1,164	626	927	263,264	120,912
\$500,000 under \$1,000,000.....	-	-	-	13	8,931	4,300	-	-	-	135	89,164	43,417
\$1,000,000 or more.....	-	-	-	7	13,657	7,626	-	-	-	56	113,686	58,665
Total.....	215,998	750,875	74,769	2,140,475	9,626,661	1,166,222	211,876	804,415	82,691	6,347,819	28,907,625	3,643,412
	North Carolina			North Dakota			Ohio			Oklahoma		
Taxable and nontaxable returns:												
Under \$1,000.....	167,201	92,125	611	47,658	25,818	212	352,484	183,379	1,818	104,600	55,905	428
\$1,000 under \$2,000.....	241,552	360,360	10,145	50,614	74,477	2,674	407,116	612,875	31,126	126,259	185,327	6,531
\$2,000 under \$3,000.....	238,535	590,827	25,890	32,504	81,970	3,960	436,106	1,093,830	80,921	100,310	249,357	11,342
\$3,000 under \$4,000.....	175,064	607,963	13,467	27,175	95,366	5,874	534,467	1,878,883	155,079	105,810	368,889	22,978
\$4,000 under \$5,000.....	109,408	483,671	33,604	19,821	88,357	7,501	517,055	2,319,689	219,095	88,815	401,477	31,307
\$5,000 under \$10,000.....	145,707	953,239	94,596	19,299	127,757	13,520	851,146	5,589,624	642,236	118,452	771,887	84,953
\$10,000 under \$15,000.....	12,734	152,866	21,729	2,173	25,370	3,731	69,769	819,366	126,782	10,637	126,610	19,252
\$15,000 under \$20,000.....	4,130	71,458	11,978	750	12,888	2,286	20,764	356,177	66,878	3,606	62,353	11,204
\$20,000 under \$30,000.....	4,041	98,292	19,609	399	9,401	2,053	16,571	396,729	87,872	3,344	81,197	18,043
\$30,000 under \$50,000.....	2,668	99,794	24,986	200	7,146	2,055	8,583	322,132	91,384	1,290	48,362	13,760
\$50,000 under \$100,000.....	842	55,072	18,552	48	3,001	1,082	3,800	248,971	95,197	694	45,978	16,553
\$100,000 under \$150,000.....	106	12,825	5,262	4	418	170	590	70,425	32,713	97	11,719	5,528
\$150,000 under \$200,000.....	24	4,121	1,671	-	-	-	174	29,330	14,352	26	4,397	2,055
\$200,000 under \$500,000.....	24	6,782	3,328	2	522	328	174	47,797	24,208	28	7,887	3,917
\$500,000 under \$1,000,000.....	2	1,516	634	-	-	-	20	12,975	6,960	4	2,575	1,173
\$1,000,000 or more.....	1	1,033	611	-	-	-	2	2,373	1,350	6	16,987	8,342
Total.....	1,102,039	3,591,944	304,673	200,647	552,491	45,446	3,218,821	13,985,208	1,670,881	663,978	2,440,907	257,366
	Oregon			Pennsylvania			Puerto Rico			Rhode Island		
Taxable and nontaxable returns:												
Under \$1,000.....	71,306	40,861	442	490,653	262,477	3,110	4,148	2,720	79	49,327	25,324	224
\$1,000 under \$2,000.....	76,046											

Table 14.—ADJUSTED GROSS INCOME AND INCOME TAX, BY STATES AND TERRITORIES AND BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	Number of returns	Adjusted gross income	Income tax liability after credits	Number of returns	Adjusted gross income	Income tax liability after credits	Number of returns	Adjusted gross income	Income tax liability after credits	Number of returns	Adjusted gross income	Income tax liability after credits	
		(Thousand dollars)	(Thousand dollars)		(Thousand dollars)	(Thousand dollars)		(Thousand dollars)	(Thousand dollars)		(Thousand dollars)		
		South Carolina			South Dakota			Tennessee			Texas		
Taxable and nontaxable returns:													
Under \$1,000.....	73,199	36,580	311	44,044	25,321	310	136,741	77,749	525	350,155	199,121	1,446	
\$1,000 under \$2,000.....	100,968	150,040	4,942	48,888	72,491	2,765	182,389	274,478	7,518	414,116	612,908	20,327	
\$2,000 under \$3,000.....	120,883	297,970	13,610	45,940	112,908	6,009	179,327	445,268	21,210	409,196	1,016,867	45,967	
\$3,000 under \$4,000.....	79,505	275,163	15,569	36,702	126,080	8,065	142,765	497,546	30,956	401,023	1,398,025	89,383	
\$4,000 under \$5,000.....	55,699	249,337	17,415	25,927	115,526	8,290	96,508	427,438	34,250	333,798	1,502,079	123,481	
\$5,000 under \$10,000.....	76,975	490,132	49,323	19,438	133,290	15,676	148,892	963,232	104,160	528,035	3,433,974	382,178	
\$10,000 under \$15,000.....	6,495	76,347	11,047	2,536	30,008	4,533	12,175	145,865	22,085	52,810	627,156	98,121	
\$15,000 under \$20,000.....	2,172	37,274	6,059	647	11,430	2,134	4,054	69,865	12,715	19,300	329,274	63,274	
\$20,000 under \$30,000.....	1,411	33,961	6,915	503	12,627	2,900	3,244	77,512	16,504	15,648	376,663	87,050	
\$30,000 under \$50,000.....	724	25,914	6,399	254	9,120	2,528	1,716	64,345	18,093	7,723	293,166	87,861	
\$50,000 under \$100,000.....	269	17,159	5,903	66	4,042	1,555	692	46,863	17,482	3,707	246,458	98,902	
\$100,000 under \$150,000.....	29	3,543	1,775	4	3,609	339	128	14,943	6,707	602	71,950	34,801	
\$150,000 under \$200,000.....	4	692	293	2	320	174	16	2,733	1,280	167	28,500	14,428	
\$200,000 under \$500,000.....	9	2,340	1,232	1	204	114	22	6,244	3,089	169	48,931	25,830	
\$500,000 under \$1,000,000.....	1	745	436	-	-	-	2	1,420	695	48	32,314	17,184	
\$1,000,000 or more.....	-	-	-	-	-	-	-	-	-	16	30,532	17,738	
Total.....	518,343	1,697,197	140,929	224,952	653,976	55,392	908,671	3,115,501	297,279	2,536,573	10,248,638	1,208,671	
		Utah			Vermont			Virginia			Washington <sup>4</sup>		
Taxable and nontaxable returns:													
Under \$1,000.....	37,754	20,043	273	21,780	13,946	160	150,118	79,275	786	117,541	61,457	678	
\$1,000 under \$2,000.....	35,181	51,610	2,487	27,945	40,695	1,559	206,305	304,871	11,869	122,814	181,858	8,944	
\$2,000 under \$3,000.....	36,020	87,709	5,633	27,354	67,125	2,879	210,339	525,339	30,184	134,507	336,941	22,727	
\$3,000 under \$4,000.....	39,953	138,865	9,354	22,310	77,419	5,612	180,845	627,694	44,099	147,187	517,176	46,019	
\$4,000 under \$5,000.....	44,389	198,552	11,987	12,157	55,660	3,325	124,746	558,210	44,097	151,716	680,631	57,721	
\$5,000 under \$10,000.....	47,214	296,384	29,494	14,543	89,504	8,884	198,339	1,312,169	149,058	266,176	1,762,740	205,026	
\$10,000 under \$15,000.....	4,307	47,653	6,718	1,722	20,035	2,663	21,733	255,398	37,753	27,616	327,439	51,545	
\$15,000 under \$20,000.....	1,035	17,828	3,041	439	7,659	1,398	6,056	103,795	18,437	6,884	118,145	22,456	
\$20,000 under \$30,000.....	1,101	25,596	5,183	425	10,343	2,296	4,224	102,129	21,357	5,382	130,490	30,678	
\$30,000 under \$50,000.....	471	17,253	4,751	161	6,176	1,707	2,266	84,965	22,854	1,858	70,521	21,180	
\$50,000 under \$100,000.....	191	12,179	4,302	47	2,983	996	786	51,574	18,697	636	41,281	16,069	
\$100,000 under \$150,000.....	8	975	265	11	1,281	440	99	11,659	5,342	96	11,578	5,402	
\$150,000 under \$200,000.....	5	830	336	2	359	157	35	5,362	2,814	25	4,214	2,029	
\$200,000 under \$500,000.....	2	475	165	4	1,105	690	22	5,587	2,852	27	7,394	3,836	
\$500,000 under \$1,000,000.....	-	-	-	1	941	713	2	1,566	983	2	1,387	629	
\$1,000,000 or more.....	-	-	-	-	-	-	4	10,647	4,617	3	10,074	5,136	
Total.....	247,331	916,952	83,989	128,901	395,251	33,979	1,105,919	4,040,840	415,799	982,470	4,263,326	500,075	
		West Virginia			Wisconsin			Wyoming					
Taxable and nontaxable returns:													
Under \$1,000.....	86,339	46,388	350	192,279	102,962	913	16,089	8,289	100				
\$1,000 under \$2,000.....	117,160	172,611	6,529	226,078	335,658	15,505	19,816	29,551	1,163				
\$2,000 under \$3,000.....	89,932	223,300	13,819	188,976	471,854	31,271	14,816	37,986	2,682				
\$3,000 under \$4,000.....	88,137	310,052	20,312	199,693	698,042	53,950	14,726	51,193	3,353				
\$4,000 under \$5,000.....	90,319	401,721	33,434	196,360	879,617	74,843	14,044	62,790	5,831				
\$5,000 under \$10,000.....	34,200	532,810	59,452	283,386	1,823,366	204,352	21,552	157,514	17,801				
\$10,000 under \$15,000.....	6,802	81,907	13,105	21,777	258,390	39,688	2,129	25,297	4,002				
\$15,000 under \$20,000.....	2,372	39,883	7,339	7,034	119,695	21,401	476	8,219	1,555				
\$20,000 under \$30,000.....	1,768	40,602	9,088	5,918	142,095	30,166	328	7,552	1,738				
\$30,000 under \$50,000.....	364	31,438	9,162	2,342	86,929	23,121	152	5,641	1,694				
\$50,000 under \$100,000.....	293	19,290	7,429	770	51,526	18,618	87	5,838	2,329				
\$100,000 under \$150,000.....	42	4,971	2,533	112	13,599	6,026	30	3,430	1,616				
\$150,000 under \$200,000.....	8	1,456	745	57	9,722	4,552	1	154	75				
\$200,000 under \$500,000.....	8	2,686	1,420	43	12,599	6,312	6	2,363	1,144				
\$500,000 under \$1,000,000.....	1	56	257	4	2,403	1,177	-	-	-				
\$1,000,000 or more.....	-	-	-	-	-	-	-	-	-				
Total.....	568,245	1,909,683	184,974	1,324,829	5,008,957	531,899	108,252	405,817	45,083				

See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."

<sup>1</sup>Includes Canal Zone.<sup>2</sup>Sample variability of this item is too large to warrant showing it separately. However, this value is included in each total.<sup>3</sup>The average amount of adjusted gross income per return exceeds the upper limit of the adjusted gross income class in which it is shown. This results from using a rounded weighting factor to inflate the sample.<sup>4</sup>Includes Alaska.

Table 15.—RETURNS WITH SELF-EMPLOYMENT TAX—ADJUSTED GROSS INCOME AND SELF-EMPLOYMENT TAX, BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Returns with self-employment tax			Returns with self-employment tax but without income tax			
	Number of returns	Adjusted gross income (Thousand dollars)	Self-employment tax (Thousand dollars)	Number of returns	Adjusted gross income (Thousand dollars)	Self-employment tax (Thousand dollars)	
	(1)	(2)	(3)	(4)	(5)	(6)	
1 No adjusted gross income.....	13,305	135,900	756	13,305	135,900	756	1
2 Under \$600.....	89,829	41,316	1,670	89,829	41,316	1,670	2
3 \$600 under \$1,000.....	224,318	176,942	5,294	181,461	142,443	4,339	3
4 \$1,000 under \$1,500.....	318,161	401,386	10,952	230,087	286,785	7,845	4
5 \$1,500 under \$2,000.....	359,380	632,036	15,994	210,398	369,954	9,178	5
6 \$2,000 under \$2,500.....	345,486	778,356	19,181	136,807	309,606	7,776	6
7 \$2,500 under \$3,000.....	366,493	1,004,362	24,733	124,343	337,242	8,394	7
8 \$3,000 under \$3,500.....	351,353	1,141,419	26,701	77,691	250,081	5,824	8
9 \$3,500 under \$4,000.....	305,975	1,145,534	25,052	42,354	158,695	3,837	9
10 \$4,000 under \$4,500.....	273,830	1,161,968	23,223	24,754	104,958	2,109	10
11 \$4,500 under \$5,000.....	213,792	1,013,465	18,288	7,262	34,140	691	11
12 \$5,000 under \$6,000.....	331,647	1,823,025	29,307	7,783	41,886	699	12
13 \$6,000 under \$7,000.....	226,415	1,466,335	20,635	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	13
14 \$7,000 under \$8,000.....	160,985	1,198,979	15,333	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	14
15 \$8,000 under \$9,000.....	118,262	1,000,984	11,188	-	-	-	15
16 \$9,000 under \$10,000.....	89,423	844,610	8,684	-	-	-	16
17 \$10,000 under \$15,000.....	217,070	2,614,057	22,446	110	1,247	10	17
18 \$15,000 under \$20,000.....	82,458	1,416,428	8,797	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	18
19 \$20,000 under \$30,000.....	68,004	1,622,503	7,242	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	19
20 \$30,000 under \$50,000.....	36,392	1,363,462	3,959	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	20
21 \$50,000 under \$100,000.....	15,169	995,053	1,644	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	21
22 \$100,000 under \$150,000.....	2,531	302,046	271	-	-	-	22
23 \$150,000 under \$200,000.....	651	111,445	71	-	-	-	23
24 \$200,000 under \$500,000.....	616	174,337	66	1	325	( <sup>3</sup> )	24
25 \$500,000 under \$1,000,000.....	81	53,531	8	-	-	-	25
26 \$1,000,000 or more.....	30	62,760	3	-	-	-	26
27 Total.....	4,211,656	42,510,439	301,498	1,148,895	42,063,570	53,404	27

See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."

<sup>1</sup>Adjusted gross deficit.

<sup>2</sup>Sample variability of this item is too large to warrant showing it separately. However, this value is included in each total.

<sup>3</sup>Less than \$500.

<sup>4</sup>Adjusted gross income less adjusted gross deficit.



Table 16.—RETURNS WITH SELF-EMPLOYMENT TAX—ADJUSTED GROSS INCOME AND SELF-EMPLOYMENT TAX, BY STATES AND TERRITORIES

(Returns with adjusted gross income)

States and Territories		Number of	Adjusted	Self-employ-	
		returns with	gross	ment tax	
		self-employ-	income		
		ment tax	(Thousand	(Thousand	
			dollars)	dollars)	
		(1)	(2)	(3)	
1	Alabama.....	50,036	228,168	3,117	1
2	Arizona.....	23,273	128,772	1,792	2
3	Arkansas.....	37,917	152,736	2,237	3
4	California.....	389,707	2,439,926	29,621	4
5	Colorado.....	42,617	252,276	2,991	5
6	Connecticut.....	62,771	364,379	4,654	6
7	Delaware.....	8,448	47,148	629	7
8	District of Columbia.....	13,692	85,559	916	8
9	Florida <sup>1</sup> .....	102,720	497,994	7,127	9
10	Georgia.....	67,271	352,024	4,207	10
11	Hawaii.....	9,910	64,190	627	11
12	Idaho.....	28,433	125,615	2,112	12
13	Illinois.....	258,543	1,602,577	19,909	13
14	Indiana.....	120,366	594,843	8,564	14
15	Iowa.....	86,494	421,795	6,347	15
16	Kansas.....	61,001	336,859	4,394	16
17	Kentucky.....	62,525	299,723	4,113	17
18	Louisiana.....	56,900	323,709	3,867	18
19	Maine.....	30,541	111,019	1,763	19
20	Maryland.....	60,701	340,690	4,488	20
21	Massachusetts.....	119,609	560,919	8,115	21
22	Michigan.....	164,840	1,076,863	12,844	22
23	Minnesota.....	88,445	434,041	6,419	23
24	Mississippi.....	29,260	128,513	2,050	24
25	Missouri.....	100,258	531,883	6,958	25
26	Montana.....	17,261	103,208	1,395	26
27	Nebraska.....	41,253	193,081	2,890	27
28	Nevada.....	6,185	46,870	522	28
29	New Hampshire.....	16,926	60,944	1,144	29
30	New Jersey.....	156,437	806,541	11,618	30
31	New Mexico.....	14,002	83,561	1,096	31
32	New York.....	482,700	2,734,423	39,942	32
33	North Carolina.....	79,662	342,689	4,815	33
34	North Dakota.....	15,778	67,019	1,074	34
35	Ohio.....	204,137	1,093,422	15,175	35
36	Oklahoma.....	70,010	328,543	4,811	36
37	Oregon.....	59,752	353,657	4,647	37
38	Pennsylvania.....	269,357	1,414,402	19,719	38
39	Puerto Rico.....	-	-	-	39
40	Rhode Island.....	19,676	82,954	1,307	40
41	South Carolina.....	32,458	152,045	2,112	41
42	South Dakota.....	20,308	90,861	1,539	42
43	Tennessee.....	61,761	283,367	3,778	43
44	Texas.....	217,370	1,184,343	14,275	44
45	Utah.....	17,775	99,475	1,397	45
46	Vermont.....	9,960	33,279	553	46
47	Virginia.....	69,672	351,516	4,591	47
48	Washington <sup>2</sup> .....	87,720	475,602	5,922	48
49	West Virginia.....	35,841	145,607	2,070	49
50	Wisconsin.....	106,082	507,264	7,929	50
51	Wyoming.....	6,274	35,722	409	51
52	Total.....	4,194,635	22,572,816	304,591	52

See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."

<sup>1</sup>Includes Canal Zone.<sup>2</sup>Includes Alaska.

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## HISTORICAL TABLES

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INDIVIDUAL INCOME TAX RETURNS FOR 1945-1954

Table 17.—NUMBER OF RETURNS BY MAJOR CHARACTERISTICS, ADJUSTED GROSS INCOME AND DEFICIT, AND TAX, 1945-1954

Items	1954 <sup>1</sup>	1953	1952	1951	1950	1949	1948	1947	1946	1945
Number of returns, total <sup>2</sup> .....	96,747,008	57,838,184	56,528,817	55,447,009	53,060,098	51,814,124	52,072,006	55,099,008	52,816,547	49,931,783
Returns with adjusted gross income, total.....	56,306,704	57,415,885	56,107,089	55,042,597	52,655,564	51,301,910	51,745,697	54,799,936	52,600,470	49,750,991
Taxable returns.....	42,619,755	45,206,129	43,866,832	42,636,797	38,186,682	35,628,295	36,411,248	41,578,524	37,915,696	42,650,502
Nontaxable returns.....	13,686,949	12,209,756	12,240,257	12,405,800	14,468,882	15,673,615	15,334,449	13,221,412	14,684,774	7,100,489
Returns with no adjusted gross income, total <sup>2</sup> ..	440,304	422,299	421,728	404,412	404,534	512,214	326,309	299,072	216,077	181,792
Returns with only self-employment tax.....	13,305	17,022	9,441	11,813	-	-	-	-	-	-
Nontaxable returns <sup>2</sup> .....	426,999	405,277	412,287	392,599	404,534	512,214	326,309	299,072	216,077	181,792
Number of—										
Taxable returns.....	42,633,060	45,223,151	43,876,273	42,648,610	38,186,682	35,628,295	36,411,248	41,578,524	37,915,696	42,650,502
Nontaxable returns <sup>2</sup> .....	14,113,948	12,615,033	12,652,544	12,798,399	14,873,416	16,185,829	15,660,758	13,520,484	14,900,851	7,282,281
Returns with itemized deductions <sup>2</sup> .....	15,701,595	14,426,417	12,835,776	11,581,696	10,320,298	9,691,340	8,828,927	10,401,107	8,753,179	8,478,590
Taxable.....	13,711,830	12,932,132	11,462,609	10,212,822	8,724,546	7,899,061	7,297,843	8,990,964	7,566,176	7,800,550
Nontaxable <sup>2</sup> .....	1,989,765	1,494,285	1,373,167	1,368,874	1,595,752	1,792,279	1,531,084	1,410,143	1,187,003	678,040
Returns with standard deduction.....	41,045,413	43,411,767	43,593,041	43,865,313	42,739,800	42,122,784	43,243,079	44,697,901	44,063,368	41,454,193
Taxable.....	28,921,230	32,291,019	32,413,664	32,435,788	29,462,136	27,729,234	29,113,405	32,587,560	30,349,520	34,849,952
Nontaxable.....	12,124,183	11,120,748	11,279,377	11,429,525	13,277,664	14,393,550	14,129,674	12,110,341	13,713,848	6,604,241
Number of returns by source of income:										
Positive income:										
Salaries and wages.....	49,925,305	50,873,912	49,842,862	48,538,699	46,147,211	44,167,831	45,000,595	47,657,623	45,699,845	43,888,743
Dividends <sup>3</sup> .....	3,681,007	4,495,133	4,218,722	4,038,391	3,668,423	3,656,582	3,321,922	3,448,646	3,306,931	4,952,101
Interest received <sup>3</sup> .....	6,124,385	5,579,720	5,196,439	4,824,056	4,410,271	4,714,567	3,963,527	3,885,126	3,636,477	275,423
Annuities and pensions.....	730,279	735,471	634,881	598,330	525,514	545,768	377,317	329,518	308,957	291,859
Income from estates and trusts.....	368,806	426,823	425,669	432,106	387,298	353,347	328,386	319,118	328,605	291,859
Business profit.....	6,320,812	6,121,474	5,791,797	6,127,629	5,876,922	5,817,827	6,387,370	6,266,638	6,301,650	5,276,269
Partnership profit.....	1,588,046	1,649,591	1,625,320	1,692,545	1,872,550	1,971,001	1,636,218	1,902,081	1,584,734	1,421,871
Net gain from sales of capital assets.....	2,411,147	1,987,723	2,034,196	2,132,037	1,895,963	1,439,221	1,694,230	1,866,853	2,244,938	1,671,192
Net gain from sales of other property.....	135,062	93,741	98,738	100,765	117,067	123,254	136,132	121,431	137,267	83,288
Rents and royalties net income.....	3,863,618	4,061,630	3,865,368	3,835,620	3,727,762	3,606,363	3,174,410	3,163,086	3,106,963	3,125,981
Other sources <sup>4</sup> .....	5,019,718	1,861,744	1,888,988	2,353,892	2,278,576	2,288,711	2,012,844	2,079,988	2,038,630	1,853,076
Losses:										
Business loss.....	1,464,726	1,281,395	1,080,870	1,047,713	988,465	896,247	820,474	774,649	642,131	570,572
Partnership loss.....	228,949	241,505	208,170	219,839	250,928	278,292	173,721	183,111	115,186	108,247
Net loss from sales of capital assets.....	664,084	789,370	665,727	582,413	668,038	697,010	586,123	610,349	502,457	391,561
Net loss from sales of other property.....	207,456	151,152	124,402	180,335	182,540	160,209	103,112	98,030	85,473	79,707
Rents and royalties net loss.....	1,143,837	1,192,880	1,054,992	977,980	899,337	873,636	821,073	852,354	770,224	692,692
Net operating loss deduction <sup>5</sup> .....	34,781	38,205	29,987	30,570	-	-	-	-	-	-
Loss from estates and trusts.....	12,258	-	-	-	-	-	-	-	-	-
							(Thousand dollars)			
Amount of adjusted gross income, total.....	230,235,855	229,863,409	216,087,449	203,097,033	179,874,478	161,373,205	164,173,861	150,295,275	134,330,006	120,301,131
Taxable returns.....	209,668,830	212,421,184	198,531,784	185,171,964	158,545,122	138,566,406	142,056,885	135,301,876	118,050,027	117,561,661
Nontaxable returns.....	20,567,025	17,442,225	17,555,665	17,925,069	21,329,356	22,806,799	22,116,976	14,993,399	16,279,979	2,739,470
Amount of adjusted gross deficit, total.....	1,014,480	1,155,153	797,541	760,548	726,202	799,280	657,847	559,193	247,206	292,472
Returns with only self-employment tax.....	35,900	46,003	23,425	23,912	-	-	-	-	-	-
Nontaxable returns.....	978,580	1,109,150	774,116	736,636	726,202	799,280	657,847	559,193	247,206	292,472
Amount of taxable income.....	115,331,301	-	-	-	-	-	-	-	-	-
Amount of tax liability, total.....	26,967,251	29,657,273	28,020,288	24,439,073	18,374,922	14,538,141	15,441,529	18,076,281	16,075,913	17,050,378
Income tax (after credits).....	26,665,753	29,430,659	27,802,831	24,227,780	18,374,922	14,538,141	15,441,529	18,076,281	16,075,913	17,050,378
Self-employment tax.....	301,498	226,614	217,457	211,293	-	-	-	-	-	-

<sup>1</sup>For new definition of taxable and nontaxable returns for 1954, see page 23.

<sup>2</sup>Includes returns with no information, 1945-52.

<sup>3</sup>Excludes returns Form 1040A or W-2 with this source of income which was reported as other income.

<sup>4</sup>Includes returns 1040A or W-2 showing wages not subject to income tax withholding, dividends, and interest, not exceeding \$100 per return, reported in one sum as other income.

<sup>5</sup>Not available prior to 1951.

Table 16.—RETURNS WITH INCOME TAX—NUMBER, ADJUSTED GROSS INCOME, INCOME TAX, AND AVERAGE TAX, BY ADJUSTED GROSS INCOME CLASSES, 1945-1954

Adjusted gross income classes	1954 <sup>1</sup>	1953	1952	1951	1950	1949	1948	1947	1946	1945
NUMBER OF RETURNS										
\$500 under \$1,000.....	-	-	-	-	-	-	1,526,161	2,790,569	3,153,212	4,842,819
\$600 under \$1,000.....	1,292,988	1,361,444	1,420,812	1,610,092	1,570,113	1,538,868	-	-	-	-
\$1,000 under \$1,500.....	2,426,670	2,632,034	2,760,133	2,754,588	2,663,366	2,742,856	2,619,795	4,178,487	4,744,514	7,041,008
\$1,500 under \$2,000.....	2,431,232	2,787,321	2,963,805	3,115,581	3,333,412	3,385,746	3,628,233	5,660,010	5,928,686	7,175,731
\$2,000 under \$2,500.....	3,078,559	3,335,910	3,568,839	3,814,784	4,132,168	4,418,528	4,683,599	6,439,111	6,072,182	6,348,181
\$2,500 under \$3,000.....	3,452,029	3,685,629	3,883,813	4,178,241	4,585,740	4,750,944	4,914,112	6,171,703	5,310,256	5,252,169
\$3,000 under \$4,000.....	7,924,537	8,202,537	8,552,203	8,858,530	8,668,606	8,076,430	8,280,683	8,695,846	6,677,207	6,737,442
\$4,000 under \$5,000.....	7,545,254	7,666,402	7,279,244	6,949,135	5,740,400	4,727,478	4,880,174	3,818,891	2,757,501	2,612,825
\$5,000 under \$10,000.....	12,355,239	12,490,576	10,609,222	8,699,138	6,114,699	4,837,794	4,666,206	2,837,585	2,331,853	1,885,471
\$10,000 under \$15,000.....	1,215,482	1,158,199	983,014	831,819	679,114	581,572	599,545	486,961	452,271	353,346
\$15,000 under \$20,000.....	368,492	348,741	324,088	295,919	256,019	220,420	236,438	201,300	192,540	155,308
\$20,000 under \$30,000.....	291,668	264,008	252,333	248,459	223,482	181,989	192,771	160,010	156,674	129,195
\$30,000 under \$50,000.....	161,897	150,981	152,900	149,837	136,462	105,718	114,526	89,158	88,918	74,254
\$50,000 under \$100,000.....	70,332	60,260	65,396	67,447	62,689	46,130	52,725	38,049	39,101	33,495
\$100,000 under \$150,000.....	11,617	12,461	14,114	12,045	11,564	8,028	9,619	6,353	6,373	5,530
\$150,000 under \$200,000.....	3,192	-	-	4,008	3,948	2,723	3,122	2,057	1,994	1,726
\$200,000 under \$500,000.....	3,234	2,692	3,195	3,905	4,058	2,572	2,975	2,018	1,997	1,673
\$500,000 under \$1,000,000.....	437	372	416	523	623	379	415	302	323	258
\$1,000,000 or more.....	201	145	148	171	219	120	149	114	94	71
Total.....	42,633,060	44,159,622	42,833,675	41,594,222	38,186,682	35,628,295	36,411,248	41,578,524	37,915,696	42,650,502
(Thousand dollars)										
ADJUSTED GROSS INCOME										
\$500 under \$1,000.....	-	-	-	-	-	-	1,272,455	2,152,141	2,425,223	3,794,336
\$600 under \$1,000.....	1,078,798	1,146,237	1,191,714	1,354,605	1,310,810	1,289,971	-	-	-	-
\$1,000 under \$1,500.....	3,047,987	3,299,462	3,463,102	3,452,761	3,381,544	3,474,249	3,347,031	5,295,621	6,021,539	8,839,562
\$1,500 under \$2,000.....	4,237,823	4,865,679	5,176,783	5,446,167	5,818,935	5,925,589	6,347,058	9,974,180	10,435,174	12,537,887
\$2,000 under \$2,500.....	6,922,726	7,493,336	8,030,291	8,578,144	9,290,893	9,926,073	10,528,563	14,507,256	13,659,829	14,236,038
\$2,500 under \$3,000.....	9,505,225	10,156,359	10,717,097	11,530,006	12,652,390	13,084,856	13,535,912	16,951,476	14,545,694	14,394,603
\$3,000 under \$4,000.....	27,812,489	28,746,397	29,930,509	30,946,234	30,154,986	28,027,897	28,714,750	29,914,610	22,924,540	23,142,517
\$4,000 under \$5,000.....	33,828,835	34,370,599	32,575,069	31,016,829	25,557,631	21,029,837	21,709,135	16,917,330	12,205,197	11,541,980
\$5,000 under \$10,000.....	81,237,475	81,752,818	68,763,095	55,838,698	39,046,068	30,970,696	29,818,294	18,433,619	15,288,504	12,273,236
\$10,000 under \$15,000.....	14,390,558	13,718,699	11,677,403	9,923,727	8,148,940	6,971,830	7,200,668	5,870,665	5,460,356	4,267,146
\$15,000 under \$20,000.....	6,316,307	5,983,194	5,561,110	5,078,155	4,396,990	3,783,153	4,054,251	3,455,452	3,306,371	2,668,955
\$20,000 under \$30,000.....	7,018,963	6,055,250	6,048,077	6,003,939	5,391,864	4,376,718	4,642,297	3,847,922	3,769,927	3,108,042
\$30,000 under \$50,000.....	6,067,727	5,682,111	5,757,127	5,651,016	5,144,080	3,976,700	4,313,111	3,351,904	3,347,687	2,798,339
\$50,000 under \$100,000.....	4,651,794	3,994,325	4,340,235	4,500,312	4,192,517	3,074,224	3,516,082	2,552,752	2,593,410	2,232,799
\$100,000 under \$150,000.....	1,389,769	1,638,413	1,863,390	1,440,965	1,386,519	961,006	1,153,456	759,938	761,212	661,464
\$150,000 under \$200,000.....	546,951	-	-	687,244	676,791	466,140	534,345	352,644	340,333	295,289
\$200,000 under \$500,000.....	915,760	753,081	891,963	1,100,454	1,143,235	718,256	836,689	574,611	563,822	476,340
\$500,000 under \$1,000,000.....	293,111	252,379	278,810	349,694	419,462	254,332	274,704	201,811	216,896	169,744
\$1,000,000 or more.....	406,532	275,263	289,224	344,640	433,407	255,509	258,072	204,946	184,345	123,384
Total.....	209,668,830	210,483,602	196,590,999	183,243,590	158,545,122	138,566,406	142,056,885	135,301,876	118,050,027	117,561,661
INCOME TAX LIABILITY (AFTER CREDITS)										
\$500 under \$1,000.....	-	-	-	-	-	-	37,706	99,608	112,705	138,405
\$600 under \$1,000.....	37,648	46,165	46,964	50,542	40,337	38,437	-	-	-	-
\$1,000 under \$1,500.....	213,519	255,864	271,039	241,320	197,079	191,102	187,415	387,787	432,817	575,916
\$1,500 under \$2,000.....	344,635	449,872	477,751	461,740	413,125	394,473	435,023	844,726	848,468	1,071,730
\$2,000 under \$2,500.....	575,180	695,210	748,512	721,975	647,870	650,080	704,578	1,291,807	1,142,625	1,344,962
\$2,500 under \$3,000.....	817,847	988,259	1,022,509	998,321	890,984	875,700	914,648	1,510,628	1,227,337	1,424,862
\$3,000 under \$4,000.....	2,467,295	2,871,975	2,944,669	2,728,262	2,177,241	1,919,402	1,990,235	2,767,106	2,099,586	2,569,494
\$4,000 under \$5,000.....	3,049,831	3,545,531	3,323,844	2,919,638	2,043,783	1,609,178	1,687,046	1,761,421	1,277,523	1,507,599
\$5,000 under \$10,000.....	9,210,378	10,443,227	8,849,348	6,607,556	3,983,698	3,039,306	2,960,914	2,550,665	2,160,867	2,119,569
\$10,000 under \$15,000.....	2,185,166	2,358,268	2,024,375	1,594,410	1,157,379	951,897	1,002,044	1,172,385	1,105,837	1,025,393
\$15,000 under \$20,000.....	1,145,589	1,233,380	1,158,592	978,921	757,996	625,709	850,451	824,524	848,468	775,181
\$20,000 under \$30,000.....	1,521,883	1,566,556	1,520,467	1,387,758	1,121,239	869,647	945,484	1,167,726	1,160,281	1,086,667
\$30,000 under \$50,000.....	1,683,981	1,786,009	1,830,556	1,677,416	1,382,086	1,022,535	1,276,288	1,277,688	1,291,755	1,202,778
\$50,000 under \$100,000.....	1,708,710	1,645,090	1,811,292	1,778,160	1,517,006	1,062,365	1,247,160	1,186,450	1,223,315	1,156,298
\$100,000 under \$150,000.....	614,555	812,499	934,889	687,725	613,196	407,379	503,298	411,090	410,973	387,962
\$150,000 under \$200,000.....	257,014	-	-	356,130	328,914	216,042	256,026	201,928	192,264	180,328
\$200,000 under \$500,000.....	455,363	414,246	495,864	612,801	602,558	369,969	441,954	340,804	327,245	293,392
\$500,000 under \$1,000,000.....	154,785	149,012	164,964	211,452	239,881	148,465	155,866	122,749	127,671	109,962
\$1,000,000 or more.....	222,374	169,496	180,196	213,653	260,550	146,459	151,715	131,263	110,117	79,900
Total.....	26,665,753	29,430,659	27,802,831	24,227,780	18,374,922	14,538,141	15,441,529	18,076,281	16,075,913	17,050,378
(Dollars)										
AVERAGE INCOME TAX PER TAXABLE RETURN										
\$500 under \$1,000.....	-	-	-	-	-	-	25	36	36	29
\$600 under \$1,000.....	29	34	33	31	26	25	-	-	-	-
\$1,000 under \$1,500.....	88	97	98	88	70	72	72	93	91	82
\$1,500 under \$2,000.....	142	161	161	148	117	117	120	149	143	149
\$2,000 under \$2,500.....	187	208	210	189	154	147	150	201	188	212
\$2,500 under \$3,000.....	237	268	263	239	194	184	186	245	231	271
\$3,000 under \$4,000.....	311	350	344	308	251	238	240	318	314	381
\$4,000 under \$5,000.....	404	462	457	420	356	340	346	461	463	577
\$5,000 under \$10,000.....	745	836	834	760	651	628	635	899	927	1,124
\$10,000 under \$15,000.....	1,798	2,036	2,059	1,917	1,704	1,637	1,671	2,408	2,445	2,902
\$15,000 under \$20,000.....	3,109	3,537	3,575	3,308	2,961	2,839	2,894	4,225	4,282	4,991
\$20,000 under \$30,000.....	5,218	5,934	6,026	5,585	5,017	4,779	4,905	7,298	7,406	8,411
\$30,000 under \$50,000.....	10,402	11,829	11,972	11,195	10,128	9,672	9,322	14,331	14,527	16,198
\$50,000 under \$100,000.....	24,295	27,300	27,697	26,364	24,199	23,030	23,654	31,182	31,286	34,522
\$100,000 under \$150,000.....	52,901	65,203	66,238	57,096	53,026	50,745	52,323	64,708	64,487	70,156
\$150,000 under \$200,000.....	80,518	-	-	88,855	83,312	79,340	82,007	98,166	96,421	104,477
\$200,000 under \$500,000.....	140,805	153,880	155,200	156,927	148,486	143,845	148,556	168,882	163,868	175,369
\$500,000 under \$1,										

Table 19.—SOURCES OF INCOME BY TYPE, 1945-1954

Sources of income	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945
	(Thousand dollars)									
<b>Returns with adjusted gross income:</b>										
<b>Positive income:</b>										
Salaries and wages <sup>1</sup> .....	185,794,926	187,607,862	174,193,394	160,336,699	138,956,127	124,798,953	125,814,826	114,736,671	99,144,074	91,658,219
Dividends <sup>2</sup> .....	7,030,900	5,804,993	5,834,215	6,030,895	6,130,906	5,218,206	4,939,627	4,278,371	3,670,587	3,906,025
Interest received <sup>3</sup> .....	2,349,915	2,021,869	1,822,337	1,684,015	1,582,898	1,511,555	1,279,044	1,115,258	1,064,219	1,064,219
Annuities and pensions.....	799,292	670,329	581,672	499,306	429,767	441,969	293,103	226,330	231,309	194,685
Income from estates and trusts.....	683,434	1,686,754	1,700,139	1,739,064	1,689,754	1,435,302	1,307,280	1,227,282	1,106,134	945,594
Business profit.....	19,218,571	18,646,959	18,180,679	18,131,463	16,846,649	15,613,095	18,029,409	16,370,491	16,004,322	12,572,022
Partnership profit.....	8,973,893	8,784,424	8,799,142	8,852,180	8,554,469	7,894,590	8,043,862	8,231,785	8,083,097	7,195,884
Net gain from sales of capital assets.....	3,614,012	2,473,486	2,761,088	3,185,644	3,181,051	1,886,459	2,455,675	2,410,102	3,296,217	2,275,701
Net gain from sales of other property.....	104,930	60,359	102,826	83,761	101,494	100,890	106,571	97,121	121,384	63,922
Rents and royalties net income.....	3,497,917	3,605,573	3,432,513	3,299,948	3,183,655	3,024,215	2,572,772	2,201,090	1,903,726	1,758,131
Other sources <sup>4</sup> .....	679,067	889,025	794,878	1,199,951	1,008,812	1,030,824	748,276	645,294	749,093	595,186
<b>Total.....</b>	<b>232,746,855</b>	<b>232,251,633</b>	<b>218,202,883</b>	<b>205,042,926</b>	<b>181,665,582</b>	<b>162,956,058</b>	<b>165,590,445</b>	<b>151,539,795</b>	<b>135,374,162</b>	<b>121,165,369</b>
<b>Losses:</b>										
Business loss.....	1,293,519	1,073,477	1,009,459	939,922	840,420	635,138	646,141	519,098	442,906	350,118
Partnership loss.....	259,724	266,799	241,285	231,766	223,547	248,785	166,030	152,156	108,554	86,503
Net loss from sales of capital assets.....	362,625	437,849	348,557	268,802	313,886	331,192	285,844	279,314	233,156	181,669
Net loss from sales of other property.....	129,023	111,682	89,145	126,056	132,306	101,086	82,481	67,003	67,271	69,963
Rents and royalties net loss.....	401,740	457,509	383,212	342,834	280,980	266,667	236,092	226,940	192,270	175,992
Net operating loss deduction <sup>5</sup> .....	58,829	40,891	43,724	36,511	-	-	-	-	-	-
Loss from estates and trusts.....	5,540	-	-	-	-	-	-	-	-	-
<b>Total.....</b>	<b>2,511,000</b>	<b>2,388,207</b>	<b>2,115,382</b>	<b>1,945,891</b>	<b>1,791,139</b>	<b>1,582,868</b>	<b>1,416,588</b>	<b>1,244,511</b>	<b>1,044,157</b>	<b>864,245</b>
<b>Adjusted gross income.....</b>	<b>230,235,855</b>	<b>229,863,409</b>	<b>216,087,449</b>	<b>203,097,033</b>	<b>179,874,478</b>	<b>161,373,205</b>	<b>164,173,861</b>	<b>150,295,275</b>	<b>134,330,006</b>	<b>120,301,131</b>
<b>Returns with no adjusted gross income:</b>										
<b>Positive income:</b>										
Salaries and wages.....	157,697	126,058	145,638	144,998	116,998	84,195	66,576	67,076	29,585	41,580
Dividends.....	16,966	23,286	25,409	25,120	26,793	28,021	31,273	16,819	3,270	18,625
Interest received.....	20,315	20,780	24,562	18,200	12,706	16,275	14,406	10,156	2,843	2,843
Annuities and pensions.....	6,777	( <sup>6</sup> )	2,139	503	2,048	1,439	1,315	502	825	( <sup>6</sup> )
Income from estates and trusts.....	( <sup>6</sup> )	4,722	11,096	22,361	10,318	8,066	7,287	3,399	1,529	( <sup>6</sup> )
Business profit.....	16,041	30,740	14,314	31,078	16,785	16,451	19,360	10,078	7,005	11,462
Partnership profit.....	30,150	18,476	34,656	18,865	21,038	17,638	20,163	16,797	2,558	12,862
Net gain from sales of capital assets.....	117,850	65,040	74,777	96,777	77,520	69,061	43,987	42,195	22,344	32,332
Net gain from sales of other property.....	2,881	2,526	13,770	5,142	1,694	5,602	4,607	4,013	1,295	3,903
Rents and royalties net income.....	38,375	53,693	56,583	53,415	40,797	35,417	26,650	26,579	8,668	13,321
Other sources.....	11,624	19,731	6,958	8,598	10,262	9,965	6,814	4,332	1,997	4,872
<b>Total.....</b>	<b>420,382</b>	<b>365,487</b>	<b>409,902</b>	<b>425,057</b>	<b>336,959</b>	<b>292,130</b>	<b>242,438</b>	<b>201,946</b>	<b>81,919</b>	<b>142,817</b>
<b>Losses:</b>										
Business loss.....	1,015,290	940,584	873,919	756,666	758,250	763,734	644,436	519,812	248,514	290,074
Partnership loss.....	218,518	248,916	150,234	227,316	187,740	189,353	149,679	143,121	29,254	62,445
Net loss from sales of capital assets.....	16,821	24,888	16,905	16,373	16,742	19,501	12,725	18,281	16,974	11,856
Net loss from sales of other property.....	70,035	70,954	50,624	78,267	53,140	72,716	66,844	56,080	25,131	57,169
Rents and royalties net loss.....	27,802	73,834	24,892	38,322	47,293	46,104	26,599	23,845	9,251	13,745
Net operating loss deduction <sup>5</sup> .....	86,136	161,411	90,865	68,668	-	-	-	-	-	-
Loss from estates and trusts.....	( <sup>6</sup> )	-	-	-	-	-	-	-	-	-
<b>Total.....</b>	<b>1,434,862</b>	<b>1,520,647</b>	<b>1,207,439</b>	<b>1,185,612</b>	<b>1,063,165</b>	<b>1,091,408</b>	<b>900,283</b>	<b>761,139</b>	<b>329,124</b>	<b>435,289</b>
<b>Adjusted gross deficit.....</b>	<b>1,014,480</b>	<b>1,155,153</b>	<b>797,541</b>	<b>760,548</b>	<b>726,202</b>	<b>799,280</b>	<b>657,847</b>	<b>559,193</b>	<b>247,206</b>	<b>292,472</b>

<sup>1</sup>Excludes wages of less than \$100 per return from which no income tax was withheld, reported on Form 1040A or W-2 as other income.  
<sup>2</sup>Excludes dividends reported on Form 1040A or W-2, and for 1945-53 dividends received through partnerships and fiduciaries.  
<sup>3</sup>Excludes interest of less than \$100 per return reported on Form 1040A or W-2.  
<sup>4</sup>Includes wages not subject to income tax withholding, dividends, and interest, not exceeding \$100 per return, reported in one sum as other income on Form 1040A or W-2.  
<sup>5</sup>Not available prior to 1951.  
<sup>6</sup>Sample variability of this item is too large to warrant showing it separately. However, this value is included in each total.



Table 20.—SELECTED SOURCES OF INCOME BY ADJUSTED GROSS INCOME CLASSES, 1945-1954

Adjusted gross income classes	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945
(Thousand dollars)										
<b>SALARIES, WAGES, COMMISSIONS<sup>1</sup></b>										
Returns with adjusted gross income:										
Under \$500.....	-	-	-	-	-	-	826,510	1,037,879	1,164,941	1,345,897
\$500 under \$1,000.....	-	-	-	-	-	-	635,294	3,276,875	3,788,859	3,772,828
Under \$600.....	1,137,682	1,208,770	1,197,251	1,146,990	1,093,015	1,114,198	-	-	-	-
\$600 under \$1,000.....	1,958,083	1,974,738	1,964,031	2,154,234	2,247,748	2,288,944	-	-	-	-
\$1,000 under \$1,500 <sup>2</sup> .....	4,433,681	4,587,925	4,763,672	4,765,216	5,003,951	5,357,515	5,115,343	6,503,166	7,629,891	7,821,516
\$1,500 under \$2,000.....	5,873,995	6,267,596	6,761,372	7,062,581	7,866,925	8,253,360	8,689,432	11,081,052	11,999,384	11,021,435
\$2,000 under \$2,500.....	8,119,186	8,470,037	9,147,821	9,758,258	10,880,068	11,743,607	12,295,300	15,017,923	14,674,070	12,690,817
\$2,500 under \$3,000.....	10,641,552	10,956,687	11,757,228	12,474,191	13,996,835	14,578,344	14,986,787	16,744,993	14,458,092	12,886,552
\$3,000 under \$4,000.....	28,790,162	29,243,923	30,554,952	31,270,695	36,717,185	28,413,731	29,124,813	27,869,823	26,707,182	20,620,539
\$4,000 under \$5,000.....	32,468,575	32,721,872	31,342,772	29,561,694	23,861,823	29,170,123	19,849,534	14,498,899	9,793,982	9,676,760
\$5,000 under \$10,000.....	72,550,811	73,196,798	60,361,693	47,621,929	31,515,233	23,996,697	22,430,789	11,454,941	8,667,136	7,067,600
\$10,000 under \$15,000.....	9,319,192	9,062,659	7,172,156	5,626,778	4,175,514	3,593,899	3,408,527	2,438,846	2,057,229	1,524,071
\$15,000 under \$20,000.....	3,083,117	2,970,569	2,590,932	2,308,530	1,855,309	1,663,462	1,656,210	1,335,786	1,131,172	854,804
\$20,000 under \$30,000.....	2,933,567	2,714,536	2,435,160	2,443,317	2,053,211	1,742,438	1,740,103	1,380,574	1,210,967	935,619
\$30,000 under \$50,000.....	2,270,315	2,272,934	2,102,804	2,020,299	1,768,317	1,438,038	1,487,639	1,089,868	955,150	745,895
\$50,000 under \$100,000.....	1,553,470	1,383,787	1,415,540	1,421,555	1,256,908	964,043	1,036,658	695,377	630,800	490,434
\$100,000 under \$150,000.....	375,500			372,495	330,615	248,736	281,642	169,356	148,021	108,853
\$150,000 under \$200,000.....	120,346	430,495	463,227	139,834	133,105	98,689	110,622	62,296	53,200	39,944
\$200,000 under \$500,000.....	142,322	124,054	140,748	160,592	164,845	112,328	114,897	68,106	61,620	45,358
\$500,000 under \$1,000,000.....	17,602	16,289	17,596	24,074	27,827	18,066	18,247	8,772	10,648	7,545
\$1,000,000 or more.....	6,108	4,193	4,439	4,077	7,693	5,729	7,033	3,140	2,031	1,752
Total.....	185,794,926	187,607,862	174,193,394	160,336,699	138,956,127	124,798,953	125,814,826	114,736,671	99,144,074	91,658,219
Returns with no adjusted gross income.....	157,697	126,058	145,638	144,998	116,998	84,195	66,576	67,076	29,585	41,580
Grand total.....	185,952,623	187,733,920	174,339,032	160,481,697	139,073,125	124,883,148	125,881,402	114,803,747	99,173,659	91,699,799
<b>DIVIDENDS<sup>4</sup></b>										
Returns with adjusted gross income:										
Under \$500.....	-	-	-	-	-	-	9,967	13,837	8,535	18,105
\$500 under \$1,000.....	-	-	-	-	-	-	52,192	61,798	59,667	104,805
Under \$600.....	10,178	16,520	18,236	11,126	13,255	16,387	-	-	-	-
\$600 under \$1,000.....	36,901	45,296	42,567	39,969	44,003	55,742	-	-	-	-
\$1,000 under \$1,500 <sup>2</sup> .....	65,505	91,647	68,815	71,780	83,102	90,554	77,767	92,637	81,931	140,581
\$1,500 under \$2,000.....	95,448	104,656	89,248	88,011	88,256	108,498	85,121	96,006	89,860	141,074
\$2,000 under \$2,500.....	93,973	103,491	90,694	95,036	93,956	128,090	90,802	105,857	95,006	147,936
\$2,500 under \$3,000.....	94,609	109,970	101,725	102,454	101,619	119,276	86,675	105,762	103,472	138,186
\$3,000 under \$4,000.....	200,461	199,240	196,131	199,416	207,767	261,941	183,714	207,702	178,881	249,705
\$4,000 under \$5,000 <sup>3</sup> .....	243,493	202,211	199,570	229,364	227,541	226,052	187,515	175,112	174,753	178,271
\$5,000 under \$10,000.....	946,788	923,150	845,370	853,185	780,146	732,138	643,704	615,424	545,815	625,912
\$10,000 under \$15,000.....	721,459	603,683	592,188	551,141	525,708	446,940	428,719	403,488	352,637	365,025
\$15,000 under \$20,000.....	280,773	429,588	417,070	404,406	398,190	334,989	322,247	307,659	257,882	263,073
\$20,000 under \$30,000.....	780,500	613,499	593,180	604,679	602,621	485,815	470,908	421,074	365,406	347,160
\$30,000 under \$50,000.....	868,526	719,058	729,432	735,213	758,936	591,314	601,495	479,275	398,093	365,757
\$50,000 under \$100,000.....	1,008,076	736,003	802,253	841,279	866,675	671,926	697,785	510,842	420,466	372,534
\$100,000 under \$150,000.....	402,263			359,342	386,392	282,804	315,007	202,748	168,684	141,410
\$150,000 under \$200,000.....	204,724	441,507	502,339	199,297	205,692	156,844	169,879	117,895	84,603	68,736
\$200,000 under \$500,000.....	76,622	259,377	312,377	364,894	408,822	289,075	300,382	199,684	162,371	125,943
\$500,000 under \$1,000,000.....	143,601	98,413	100,881	130,601	158,822	110,883	102,760	77,499	72,273	58,476
\$1,000,000 or more.....	202,998	118,724	132,139	149,702	179,203	108,943	112,999	84,071	59,255	53,336
Total.....	7,030,900	5,804,993	5,834,215	6,030,895	6,130,906	5,218,206	4,939,627	4,278,371	3,670,587	3,906,025
Returns with no adjusted gross income.....	16,966	23,286	25,409	25,120	26,793	28,021	31,273	16,819	3,270	18,625
Grand total.....	7,047,866	5,828,279	5,859,624	6,056,015	6,157,699	5,246,227	4,970,900	4,295,190	3,673,857	3,924,650
<b>INTEREST RECEIVED<sup>5</sup></b>										
Returns with adjusted gross income:										
Under \$500.....	-	-	-	-	-	-	11,179	13,041	8,818	
\$500 under \$1,000.....	-	-	-	-	-	-	49,095	53,587	44,087	
Under \$600.....	21,955	21,171	19,615	17,963	19,571	16,964	-	-	-	
\$600 under \$1,000.....	53,966	58,011	48,018	45,531	44,154	53,510	-	-	-	
\$1,000 under \$1,500 <sup>2</sup> .....	94,934	89,031	81,132	71,327	74,529	83,989	65,681	63,533	55,947	
\$1,500 under \$2,000.....	107,508	94,303	84,774	76,550	77,866	91,703	59,229	64,019	59,111	
\$2,000 under \$2,500.....	106,019	85,395	82,537	74,709	68,066	79,073	60,162	62,898	59,121	
\$2,500 under \$3,000.....	92,588	83,890	75,986	71,350	66,922	71,703	58,935	60,552	57,108	
\$3,000 under \$4,000.....	176,014	167,893	128,429	131,610	135,397	125,523	112,523	99,829	97,259	
\$4,000 under \$5,000 <sup>3</sup> .....	186,123	153,417	138,933	128,569	126,364	127,540	95,717	72,382	66,734	
\$5,000 under \$10,000.....	544,444	463,900	397,137	358,724	318,921	303,637	244,735	201,061	188,060	
\$10,000 under \$15,000.....	254,104	210,473	184,467	165,038	145,219	123,606	113,620	100,902	96,714	(Reported with dividends)
\$15,000 under \$20,000.....	149,775	127,417	116,168	102,492	92,049	81,961	76,060	66,414	64,469	
\$20,000 under \$30,000.....	176,403	150,275	147,089	127,927	122,404	100,995	93,092	76,771	73,482	
\$30,000 under \$50,000.....	173,144	143,019	137,266	129,189	126,715	99,397	94,149	73,091	73,277	
\$50,000 under \$100,000.....	128,428	103,112	105,898	105,539	98,683	78,621	78,294	58,062	60,868	
\$100,000 under \$150,000.....	38,203			31,971	31,302	25,386	25,220	17,709	19,906	
\$150,000 under \$200,000.....	13,916	42,148	44,883	14,334	14,514	11,679	12,301	8,477	8,089	
\$200,000 under \$500,000.....	21,099	18,497	21,114	20,710	23,040	15,870	17,353	12,658	12,709	
\$500,000 under \$1,000,000.....	5,441	4,969	3,994	5,124	7,035	5,106	5,493	4,107	6,420	
\$1,000,000 or more.....	5,851	4,948	4,897	5,358	6,148	5,415	6,215	6,161	6,041	
Total.....	2,349,915	2,021,869	1,822,337	1,684,015	1,582,898	1,511,555	1,279,044	1,115,258	1,064,219	
Returns with no adjusted gross income.....	20,315	20,780	24,562	18,200	12,706	16,275	14,406	10,156	2,843	
Grand total.....	2,370,230	2,042,649	1,846,899	1,702,215	1,595,604	1,527,830	1,293,450	1,125,414	1,067,062	

See footnotes at end of table.

Table 20.—SELECTED SOURCES OF INCOME BY ADJUSTED GROSS INCOME CLASSES, 1945-1954—Continued

Adjusted gross income classes	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945
(Thousand dollars)										
<b>BUSINESS PROFIT</b>										
Returns with adjusted gross income:										
Under \$500.....	-	-	-	-	-	-	76,949	95,729	93,708	104,131
\$500 under \$1,000.....	-	-	-	-	-	-	431,734	469,456	522,234	537,936
Under \$600.....	140,399	122,992	105,506	110,282	114,250	142,904	-	-	-	-
\$600 under \$1,000.....	351,725	314,182	300,727	295,738	324,004	385,642	-	-	-	-
\$1,000 under \$1,500 <sup>2</sup> .....	727,315	669,833	672,572	728,071	760,470	875,216	883,773	927,023	962,166	891,498
\$1,500 under \$2,000.....	874,895	899,563	922,504	963,095	1,028,688	1,108,237	1,191,803	1,156,495	1,198,703	969,473
\$2,000 under \$2,500.....	982,191	990,469	995,599	1,143,414	1,112,835	1,177,748	1,242,922	1,297,021	1,270,771	999,734
\$2,500 under \$3,000.....	1,068,887	1,117,768	1,137,327	1,199,742	1,148,598	1,183,369	1,286,909	1,223,001	1,210,883	895,152
\$3,000 under \$4,000.....	2,030,897	2,161,646	1,994,450	2,137,886	1,987,815	1,873,273	2,118,114	2,056,996	1,974,603	1,427,700
\$4,000 under \$5,000 <sup>3</sup> .....	1,659,320	1,738,647	1,608,172	1,643,200	1,512,663	1,467,623	1,676,585	1,561,828	1,426,547	1,000,881
\$5,000 under \$10,000.....	4,587,587	4,437,881	4,087,451	3,845,706	3,433,953	3,208,082	3,824,838	3,553,866	3,292,959	2,456,694
\$10,000 under \$15,000.....	2,214,822	2,073,531	1,952,696	1,845,160	1,672,108	1,401,008	1,752,694	1,480,375	1,408,127	1,105,146
\$15,000 under \$20,000.....	1,326,095	1,244,881	1,207,256	1,111,531	980,517	803,714	998,677	790,126	786,973	642,021
\$20,000 under \$30,000.....	1,447,476	1,290,636	1,338,082	1,252,849	1,124,333	873,342	1,065,369	789,329	812,440	659,595
\$30,000 under \$50,000.....	1,103,839	965,832	1,105,699	1,030,518	915,644	646,875	809,288	562,105	592,011	483,745
\$50,000 under \$100,000.....	546,550	472,823	563,419	592,568	518,650	336,899	471,907	294,896	331,981	296,036
\$100,000 under \$150,000.....	97,073	109,996	138,078	120,883	108,929	62,852	97,849	55,609	66,553	68,579
\$150,000 under \$200,000.....	25,205	25,205	45,980	45,980	24,904	24,904	39,342	18,237	21,588	30,043
\$200,000 under \$500,000.....	25,587	28,707	37,901	49,098	42,470	27,131	43,201	25,951	25,239	32,631
\$500,000 under \$1,000,000.....	4,815	3,950	8,703	10,149	10,005	6,919	7,665	6,767	6,275	6,327
\$1,000,000 or more.....	3,893	3,622	4,537	5,593	5,684	7,352	9,802	5,684	4,569	4,700
Total.....	19,218,571	18,646,959	18,180,679	18,131,463	16,846,649	15,613,095	18,029,409	16,370,491	16,004,322	12,572,022
Returns with no adjusted gross income.....	16,041	30,740	14,314	31,078	16,785	16,451	19,360	10,078	7,005	11,462
Grand total.....	19,234,612	18,677,699	18,194,993	18,162,541	16,863,434	15,629,546	18,048,769	16,380,569	16,011,327	12,583,484
<b>PARTNERSHIP PROFIT</b>										
Returns with adjusted gross income:										
Under \$500.....	-	-	-	-	-	-	8,618	14,828	9,883	9,765
\$500 under \$1,000.....	-	-	-	-	-	-	61,416	75,237	57,430	67,731
Under \$600.....	15,958	28,178	19,096	16,706	21,497	29,511	-	-	-	-
\$600 under \$1,000.....	42,612	41,165	30,079	48,311	60,550	78,898	-	-	-	-
\$1,000 under \$1,500 <sup>2</sup> .....	78,154	122,912	99,112	96,867	141,159	184,555	116,436	157,358	112,106	126,003
\$1,500 under \$2,000.....	109,592	136,585	122,307	160,234	194,078	247,548	178,756	246,248	185,085	162,895
\$2,000 under \$2,500.....	139,110	191,775	167,412	200,335	258,331	289,089	217,559	325,522	234,275	198,665
\$2,500 under \$3,000.....	195,356	189,498	208,154	262,254	296,255	301,493	272,664	363,194	299,286	232,466
\$3,000 under \$4,000.....	499,378	488,679	481,853	588,258	590,004	631,215	502,040	701,011	546,468	416,415
\$4,000 under \$5,000 <sup>3</sup> .....	524,379	543,540	523,664	519,093	533,728	568,877	531,716	526,409	457,915	369,608
\$5,000 under \$10,000.....	1,918,999	1,907,899	1,897,693	1,737,359	1,671,464	1,605,933	1,596,027	1,651,083	1,499,254	1,315,963
\$10,000 under \$15,000.....	1,188,504	1,114,341	1,118,743	1,051,772	979,046	908,351	970,018	1,000,096	1,022,357	864,155
\$15,000 under \$20,000.....	795,926	786,303	794,807	705,792	655,394	588,482	676,680	678,497	736,388	639,952
\$20,000 under \$30,000.....	1,106,191	1,071,845	995,687	980,999	928,450	778,884	855,453	839,632	916,083	827,912
\$30,000 under \$50,000.....	1,085,314	1,019,460	1,078,931	1,075,101	945,936	772,636	871,434	788,330	919,140	851,198
\$50,000 under \$100,000.....	845,897	754,121	824,082	860,375	790,584	596,882	768,871	590,699	736,462	716,221
\$100,000 under \$150,000.....	226,849	287,404	324,103	263,131	232,832	158,266	212,467	145,297	175,976	197,847
\$150,000 under \$200,000.....	76,267	66,201	120,821	104,599	104,599	62,028	52,200	73,504	73,969	73,969
\$200,000 under \$500,000.....	97,570	83,977	94,503	130,461	120,174	69,628	97,443	57,732	78,034	92,958
\$500,000 under \$1,000,000.....	18,696	7,504	12,179	22,340	20,875	12,524	18,456	14,394	14,394	24,013
\$1,000,000 or more.....	9,141	9,238	6,737	11,971	9,513	5,795	5,782	4,555	8,605	8,148
Total.....	8,973,893	8,784,424	8,799,142	8,852,180	8,554,469	7,894,590	8,043,862	8,231,785	8,083,097	7,195,884
Returns with no adjusted gross income.....	30,150	18,476	34,656	18,865	21,038	17,638	20,163	16,797	2,558	12,862
Grand total.....	9,004,043	8,802,900	8,833,798	8,871,045	8,575,507	7,912,228	8,064,025	8,248,582	8,085,655	7,208,746
<b>RENTS AND ROYALTIES NET INCOME</b>										
Returns with adjusted gross income:										
Under \$500.....	-	-	-	-	-	-	30,184	43,155	29,500	37,485
\$500 under \$1,000.....	-	-	-	-	-	-	123,187	127,450	113,590	126,918
Under \$600.....	41,127	45,824	50,957	48,165	50,527	57,607	-	-	-	-
\$600 under \$1,000.....	104,290	124,392	126,348	122,690	123,492	141,386	-	-	-	-
\$1,000 under \$1,500 <sup>2</sup> .....	188,819	222,799	205,770	188,913	193,824	210,344	153,703	144,671	135,545	144,965
\$1,500 under \$2,000.....	187,277	202,593	180,549	184,474	191,576	196,083	152,144	147,834	135,918	128,525
\$2,000 under \$2,500.....	179,552	177,305	193,229	163,802	192,682	179,564	146,120	151,639	135,626	127,946
\$2,500 under \$3,000.....	159,779	156,324	164,104	178,832	168,665	175,012	133,420	142,594	142,956	126,403
\$3,000 under \$4,000.....	257,957	326,818	298,717	286,648	298,103	321,801	264,848	258,636	220,856	208,136
\$4,000 under \$5,000 <sup>3</sup> .....	279,887	286,877	309,033	269,209	274,183	271,163	202,593	178,584	148,711	131,424
\$5,000 under \$10,000.....	826,065	825,030	703,866	725,908	634,310	565,413	480,429	392,360	323,549	290,757
\$10,000 under \$15,000.....	331,573	334,700	305,642	275,666	266,130	239,904	212,988	176,005	149,281	123,609
\$15,000 under \$20,000.....	189,840	207,280	182,740	164,292	157,472	141,043	135,127	100,992	87,128	75,518
\$20,000 under \$30,000.....	243,355	226,338	220,726	203,403	191,722	164,552	159,037	113,786	97,968	81,306
\$30,000 under \$50,000.....	225,645	218,637	205,145	201,880	186,746	156,417	152,596	98,054	81,982	68,285
\$50,000 under \$100,000.....	168,164	157,403	165,823	157,566	143,211	115,131	121,802	75,248	61,925	50,391
\$100,000 under \$150,000.....	54,837	55,024	70,415	49,728	46,093	36,687	41,248	20,541	15,717	15,063
\$150,000 under \$200,000.....	16,968	24,002	20,212	20,212	18,466	18,466	18,526	7,725	6,917	6,962
\$200,000 under \$500,000.....	23,660	22,779	30,245	38,128	31,614	24,432	28,793	15,739	12,333	10,986
\$500,000 under \$1,000,000.....	7,544	7,812	9,747	10,807	8,065	6,563	10,975	4,042	1,674	1,257
\$1,000,000 or more.....	11,577	7,638	9,457	5,835	5,028	2,651	5,050	2,035	2,548	2,195
Total.....	3,497,917	3,605,573	3,432,513	3,299,948	3,183,655	3,024,215	2,572,772	2,201,090	1,903,726	1,758,131
Returns with no adjusted gross income.....	38,375	53,693	56,583	53,415	40,797	35,417	26,650	26,579	8,668	13,321
Grand total.....	3,536,292	3,659,266	3,489,096	3,353,363	3,224,452	3,059,632	2,599,422	2,227,669	1,912,394	1,771,452

<sup>1</sup>Excludes wages of less than \$100 per return from which no income tax was withheld, reported on Form 1040A or W-2 as other income.

<sup>2</sup>For 1945, this class includes nontaxable returns with income exceeding the class limit.

<sup>3</sup>For 1946-52, this class includes nontaxable returns with income exceeding the class limit.

<sup>4</sup>Excludes dividends reported on Form 1040A or W-2, and for 1945-53 dividends received through partnerships and fiduciaries. For 1945, includes interest reported on Form 1040.

<sup>5</sup>Excludes interest of less than \$100 per return reported on Form 1040A or W-2.

## INDIVIDUAL INCOME TAX RETURNS FOR 1945-1954

Table 21.—ITEMIZED DEDUCTIONS BY TYPE, 1945-1954

Itemized deductions	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	
	(Thousand dollars)										
Returns with adjusted gross income:											
Interest paid.....	3,201,287	2,735,359	2,221,353	(Not available)	1,494,928	1,224,004	1,000,439	913,922	738,364	694,782	
Taxes.....	4,076,630	3,639,153	3,167,778		2,199,940	1,952,731	1,619,370	1,625,601	1,324,609	1,245,603	
Contributions.....	3,891,173	3,552,448	3,114,739		2,258,009	2,029,550	1,878,080	1,969,641	1,638,151	1,448,208	
Medical and dental expenses.....	2,971,172	2,391,339	2,133,130		1,556,294	1,482,699	1,300,516	1,394,818	1,098,326	932,956	
Child care.....	87,960	-	-		-	-	-	-	-	-	
Losses from fire, storm, other casualty, or theft.....	444,245	392,644	367,517		306,572	227,596	241,569	250,426	178,096	152,476	
Other deductions.....	2,730,760	2,878,234	2,552,035		2,097,950	1,837,156	1,817,912	1,633,553	1,300,137	1,051,477	
Total.....	17,403,227	15,589,177	13,556,552		11,856,378	9,913,693	8,753,738	7,857,888	7,787,962	6,277,683	5,525,492
Returns with no adjusted gross income:											
Interest paid.....	3,255	4,117	6,123		(Not available)	4,084	5,244	3,292	4,286	662	2,098
Taxes.....	8,732	8,289	7,918	5,376		8,186	8,208	5,954	1,846	3,777	
Contributions.....	1,374	4,169	1,744	2,333		2,244	2,651	3,939	831	1,803	
Medical and dental expenses.....	4,276	5,873	5,104	4,164		5,111	3,711	3,307	1,405	2,820	
Child care.....	( <sup>1</sup> )	-	-	-		-	-	-	-	-	
Losses from fire, storm, other casualty, or theft.....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	1,228		1,350	2,448	3,449	1,247	797	
Other deductions.....	507	( <sup>1</sup> )	5,905	2,021		3,734	10,843	4,746	6,025	1,748	
Total.....	18,953	25,416	26,799	26,456		19,203	25,871	31,153	25,682	12,015	13,044
Grand total.....	17,422,180	15,614,595	13,583,351	11,882,834		9,932,896	8,779,609	7,889,041	7,813,644	6,289,698	5,538,536

<sup>1</sup>Sample variability of this item is too large to warrant showing it separately. However, this value is included in each total.



INDIVIDUAL INCOME TAX RETURNS FOR 1945-1954

Table 22.—RETURNS WITH ADJUSTED GROSS INCOME—NUMBER, ADJUSTED GROSS INCOME, AND INCOME TAX, BY STATES AND TERRITORIES, 1945-1954

States and Territories	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945
NUMBER OF RETURNS										
Alabama.....	713,389	731,401	710,102	706,228	634,960	610,931	616,539	643,182	609,799	605,871
Arizona.....	279,907	269,193	263,008	235,389	214,002	203,174	206,128	215,898	201,375	184,246
Arkansas.....	390,897	399,806	384,817	366,990	344,316	326,192	304,152	330,597	317,400	310,517
California.....	4,733,521	4,640,312	4,598,269	4,290,151	4,078,066	3,998,611	4,060,087	4,536,857	4,382,029	4,083,251
Colorado.....	522,393	527,275	509,876	501,563	471,209	459,267	440,969	451,025	439,460	403,785
Connecticut.....	919,793	932,475	903,371	896,247	870,345	826,426	871,497	924,812	904,255	837,399
Delaware.....	140,208	142,296	139,153	134,674	128,079	120,793	122,255	126,584	122,107	107,709
District of Columbia.....	346,729	358,314	397,855	371,578	373,762	396,604	339,450	431,551	418,468	386,412
Florida <sup>1</sup> .....	1,093,433	1,051,866	979,277	904,277	822,036	770,284	749,657	773,670	721,943	690,505
Georgia.....	884,144	920,035	884,181	844,144	770,782	725,477	741,220	762,366	758,773	651,585
Hawaii.....	196,816	200,739	198,799	189,836	179,871	182,803	182,227	206,054	191,218	190,431
Idaho.....	199,676	200,197	204,223	199,127	191,116	187,650	190,204	208,128	192,884	180,678
Illinois.....	3,664,301	3,780,956	3,702,881	3,711,052	3,593,433	3,619,255	3,690,962	3,871,396	3,711,882	3,471,774
Indiana.....	1,528,812	1,582,879	1,560,771	1,521,399	1,464,200	1,409,222	1,441,605	1,489,451	1,426,205	1,338,572
Iowa.....	949,318	956,696	956,125	953,011	938,132	954,663	923,294	948,755	916,945	837,040
Kansas.....	733,946	744,285	735,424	709,666	669,904	654,528	645,843	677,835	637,397	638,076
Kentucky.....	797,181	823,859	800,819	781,023	715,431	679,542	713,550	726,498	670,579	636,487
Louisiana.....	726,310	745,188	706,734	674,174	637,844	623,020	619,475	638,422	639,996	635,463
Maine.....	337,301	341,047	341,265	328,614	320,488	322,300	336,902	344,861	326,599	311,807
Maryland <sup>2</sup> .....	1,084,152	1,220,258	1,240,098	1,309,272	1,162,059	1,104,645	958,698	960,862	918,281	873,857
Massachusetts.....	1,946,708	2,013,856	2,010,392	1,965,876	1,931,414	1,902,361	1,947,809	2,040,169	1,998,784	1,858,647
Michigan.....	2,613,029	2,706,164	2,550,756	2,555,269	2,477,041	2,333,558	2,410,194	2,707,237	2,444,609	2,273,787
Minnesota.....	1,109,306	1,114,900	1,082,642	1,076,359	1,066,193	1,066,112	1,066,112	1,113,143	1,080,195	992,060
Mississippi.....	336,720	345,964	331,583	320,712	291,822	282,472	281,508	293,580	288,542	298,510
Missouri.....	1,443,093	1,467,128	1,432,531	1,398,118	1,345,958	1,358,024	1,287,540	1,396,876	1,342,278	1,308,035
Montana.....	218,442	221,685	219,313	218,104	208,597	210,026	210,143	213,085	203,050	185,907
Nebraska.....	497,166	501,474	502,089	502,962	478,657	475,954	466,438	503,212	468,480	460,076
Nevada.....	89,406	84,721	82,165	69,903	65,544	61,665	63,581	72,909	71,079	65,174
New Hampshire.....	215,998	222,857	216,777	216,956	210,103	201,461	211,073	220,524	214,420	194,999
New Jersey.....	2,140,475	2,191,420	2,117,199	2,089,995	2,008,440	1,941,010	1,993,768	2,061,056	2,028,646	1,981,047
New Mexico.....	211,876	211,922	204,076	194,157	179,164	175,767	155,756	154,001	145,943	140,033
New York <sup>3</sup> .....	6,347,819	6,510,765	6,435,701	6,299,130	6,123,930	6,106,261	6,203,398	6,537,319	6,343,055	6,063,750
North Carolina.....	1,102,039	1,099,125	1,067,239	1,034,528	958,858	906,710	901,547	938,643	910,445	842,833
North Dakota.....	200,647	201,670	211,000	203,780	198,629	217,305	198,521	201,465	188,034	175,955
Ohio.....	3,218,821	3,365,384	3,254,058	3,207,570	3,066,256	2,977,078	3,090,503	3,213,264	3,106,666	2,953,543
Oklahoma.....	663,978	674,504	652,877	675,187	606,613	600,921	577,105	625,258	593,569	571,796
Oregon.....	578,796	582,873	586,167	574,454	552,769	541,639	557,588	616,911	553,967	518,109
Pennsylvania.....	4,115,703	4,261,351	4,217,689	4,180,637	4,060,469	3,974,815	4,073,136	4,193,136	4,127,644	3,872,854
Puerto Rico.....	21,325	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Rhode Island.....	317,935	333,802	331,571	335,221	327,753	321,008	331,699	342,760	339,076	315,963
South Carolina.....	518,343	525,688	514,812	490,804	452,555	428,338	424,012	454,974	402,279	400,838
South Dakota.....	224,952	220,008	221,491	222,991	215,239	214,937	212,645	213,445	196,414	192,316
Tennessee.....	908,671	928,575	873,469	856,721	804,601	771,088	769,354	795,462	755,103	695,825
Texas.....	2,536,573	2,492,889	2,454,639	2,374,600	2,237,638	2,124,368	2,037,366	2,243,691	2,111,121	1,988,628
Utah.....	247,331	249,910	249,544	241,693	225,356	216,304	221,326	232,765	224,578	214,841
Vermont.....	128,901	133,947	132,687	131,591	126,495	127,061	131,103	133,032	131,297	113,448
Virginia.....	1,105,919	1,100,376	1,082,020	1,001,078	956,580	917,380	905,559	918,801	861,239	817,140
Washington <sup>5</sup> .....	982,470	994,502	979,781	953,480	910,934	906,292	902,167	1,018,941	997,732	959,667
West Virginia.....	568,245	607,584	610,803	589,091	599,684	596,898	618,189	611,357	573,963	545,803
Wisconsin.....	1,324,829	1,353,327	1,335,781	1,319,702	1,285,947	1,267,743	1,285,103	1,332,645	1,279,962	1,209,941
Wyoming.....	108,252	111,093	106,711	106,318	101,191	101,625	99,279	96,535	90,191	82,206
Total.....	56,305,881	57,422,765	56,316,869	55,041,685	52,664,631	51,499,609	51,788,146	54,809,740	52,579,956	49,769,196
ADJUSTED GROSS INCOME										
	(Thousand dollars)									
Alabama.....	2,445,188	2,451,310	2,287,810	2,247,438	1,836,199	1,634,742	1,679,746	1,523,984	1,322,550	1,210,859
Arizona.....	1,133,078	1,065,139	1,028,023	853,869	747,769	642,640	660,433	564,075	490,704	426,052
Arkansas.....	1,221,340	1,178,792	1,064,449	1,075,003	948,913	859,742	808,796	758,538	671,122	592,339
California.....	22,023,493	20,861,528	20,100,403	17,781,044	15,558,376	13,978,169	14,307,829	13,248,199	12,420,324	10,989,863
Colorado.....	2,137,817	2,072,906	1,924,615	1,800,684	1,609,065	1,454,809	1,333,092	1,285,366	1,062,470	949,265
Connecticut.....	4,330,913	4,275,815	3,901,967	3,656,371	3,219,023	2,651,537	2,901,236	2,683,657	2,409,761	2,178,897
Delaware.....	659,777	691,070	652,433	645,893	648,332	645,791	648,332	402,502	369,826	299,012
District of Columbia.....	1,474,718	1,488,832	1,666,677	1,465,478	1,418,048	1,376,898	1,128,555	1,276,150	1,153,335	993,047
Florida <sup>1</sup> .....	4,069,109	3,807,180	3,447,667	3,068,460	2,594,907	2,263,498	2,184,806	1,979,727	1,925,713	1,669,373
Georgia.....	3,149,890	3,080,357	3,040,741	2,670,363	2,308,074	2,064,459	2,060,766	1,834,569	1,794,224	1,546,107
Hawaii.....	719,347	705,874	662,698	653,248	583,616	540,858	586,944	585,771	477,568	522,070
Idaho.....	750,695	685,761	669,047	580,309	580,309	519,785	519,785	486,631	443,830	376,559
Illinois.....	16,597,198	16,558,187	15,797,279	15,291,223	13,469,090	12,510,306	12,959,004	11,839,400	10,314,057	9,026,694
Indiana.....	6,103,459	6,309,457	5,865,932	5,542,162	4,816,972	4,374,124	4,364,014	3,970,316	3,459,664	3,160,005
Iowa.....	3,276,360	3,282,905	3,098,004	3,057,144	2,887,396	2,735,521	2,736,718	2,573,459	2,153,414	1,775,146
Kansas.....	2,748,186	2,687,459	2,556,368	2,372,300	2,075,564	1,888,733	1,948,127	1,829,340	1,502,964	1,348,436
Kentucky.....	2,772,582	2,783,890	2,625,929	2,389,652	2,116,609	1,829,511	1,934,941	1,754,365	1,453,125	1,294,558
Louisiana.....	2,800,016	2,731,283	2,515,010	2,307,898	2,079,747	1,895,155	1,841,078	1,662,196	1,485,655	1,360,598
Maine.....	1,031,944	1,066,856	1,036,442	924,022	847,446	781,219	825,415	746,701	678,226	618,253
Maryland <sup>2</sup> .....	4,531,032	4,828,309	4,716,487	4,528,162	3,817,212	3,381,243	3,036,471	2,694,318	2,412,911	2,148,457
Massachusetts.....	7,553,935	7,809,602	7,494,638	6,882,364	6,309,165	5,912,113	5,949,883	5,324,044	5,008,564	4,594,761
Michigan.....	12,194,265	12,619,118	10,847,852	10,414,660	9,204,619	7,760,425	8,175,360	6,332,542	5,748,698	5,378,698
Minnesota.....	4,077,055	4,010,779	3,911,846	3,608,219	3,429,054	2,993,559	3,071,655	2,936,788	2,448,952	2,146,778
Mississippi.....	1,076,518	1,058,530	1,012,679	954,077	820,156	743,415	743,541	673,561	602,884	570,868
Missouri.....	5,494,885	5,639,955	5,181,397	4,889,219	4,346,393	4,152,012	3,784,449	3,602,099	3,217,094	2,820,759
Montana.....	840,262	811,641	784,291	772						

Table 22.—RETURNS WITH ADJUSTED GROSS INCOME—NUMBER, ADJUSTED GROSS INCOME, AND INCOME TAX, BY STATES AND TERRITORIES, 1945-1954—Continued

States and Territories	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945
	(Thousand dollars)									
ADJUSTED GROSS INCOME—Continued										
Oklahoma.....	2,440,907	2,426,682	2,259,852	2,209,293	1,925,065	1,713,487	1,719,212	1,529,733	1,336,871	1,211,284
Oregon.....	2,427,856	2,290,259	2,316,087	2,228,677	2,004,899	1,781,983	1,835,879	1,664,988	1,454,819	1,314,582
Pennsylvania.....	16,167,247	16,851,700	15,877,555	15,140,296	13,420,151	12,094,363	12,656,320	11,303,195	10,074,916	9,187,829
Puerto Rico.....	54,759	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Rhode Island.....	1,145,238	1,213,827	1,183,436	1,130,209	1,055,155	902,320	1,025,377	919,538	824,923	742,636
South Carolina.....	1,697,197	1,739,783	1,714,230	1,500,042	1,306,858	1,114,879	1,056,583	1,028,441	872,048	765,464
South Dakota.....	653,976	631,981	600,477	626,089	557,868	540,617	596,537	545,223	437,344	347,498
Tennessee.....	3,115,501	3,121,764	2,828,368	2,690,510	2,376,817	2,155,940	2,041,261	1,865,052	1,675,853	1,413,075
Texas.....	10,248,638	9,636,925	9,297,753	8,793,470	7,874,215	6,863,925	6,482,687	5,850,745	5,131,712	4,492,619
Utah.....	916,952	930,959	909,692	847,179	712,171	630,231	653,441	601,185	518,138	474,067
Vermont.....	395,251	381,610	387,605	384,539	352,663	307,216	331,730	292,559	257,371	214,858
Virginia.....	4,040,840	3,889,100	3,721,293	3,271,159	2,927,108	2,606,750	2,568,408	2,271,229	1,948,521	1,709,765
Washington <sup>5</sup> .....	4,263,326	4,140,917	3,789,088	3,689,088	3,254,719	2,949,863	2,970,439	2,804,724	2,495,847	2,329,276
West Virginia.....	1,909,683	2,063,685	2,065,157	1,837,849	1,727,911	1,620,262	1,730,289	1,539,024	1,254,981	1,143,302
Wisconsin.....	5,008,957	5,163,817	4,985,584	4,706,494	4,116,769	3,764,843	3,802,274	3,392,629	3,003,996	2,713,484
Wyoming.....	405,817	437,277	412,350	399,292	353,090	327,108	320,222	281,391	226,444	198,750
Total.....	230,401,432	229,952,507	216,939,912	203,338,874	180,064,994	162,209,696	164,272,520	150,326,429	134,232,475	120,183,733
INCOME TAX LIABILITY (AFTER CREDITS)										
Alabama.....	223,474	250,142	231,192	211,212	148,496	116,224	121,400	147,828	129,357	134,976
Arizona.....	122,154	123,797	128,813	97,987	74,810	50,452	55,947	59,622	51,844	55,000
Arkansas.....	112,351	109,740	100,262	95,093	74,320	57,636	63,875	72,768	68,731	68,215
California.....	2,712,536	2,836,356	2,761,782	2,320,749	1,739,734	1,373,923	1,483,005	1,744,077	1,668,781	1,764,266
Colorado.....	242,683	257,037	250,542	209,202	160,012	128,524	124,155	150,660	124,269	131,725
Connecticut.....	579,527	621,055	593,247	499,452	379,930	267,465	309,598	358,789	317,098	341,245
Delaware.....	122,882	128,749	124,124	113,465	110,057	77,209	72,369	73,909	66,868	62,637
District of Columbia.....	198,493	219,126	249,113	205,066	170,054	141,467	124,884	167,712	153,100	158,284
Florida <sup>1</sup> .....	441,261	450,395	408,481	347,360	254,167	188,665	192,187	233,665	252,429	256,002
Georgia.....	310,837	322,706	340,067	270,254	192,170	161,959	161,964	203,838	192,835	186,806
Hawaii.....	73,684	82,129	80,683	72,761	54,964	47,120	57,618	69,937	53,168	84,330
Idaho.....	68,057	68,342	77,978	64,198	44,927	39,354	38,408	49,056	41,454	41,488
Illinois.....	2,131,725	2,343,043	2,215,931	2,000,619	1,511,346	1,226,823	1,344,871	1,578,607	1,342,554	1,359,845
Indiana.....	684,031	792,584	710,958	628,066	449,731	371,821	374,381	446,091	372,151	404,739
Iowa.....	324,799	358,389	331,511	304,518	247,277	207,742	216,959	284,944	216,778	209,777
Kansas.....	285,953	307,052	306,250	248,899	191,037	155,623	173,592	204,776	156,244	165,636
Kentucky.....	279,260	305,518	285,662	232,064	178,429	132,687	146,904	178,268	144,358	145,151
Louisiana.....	301,572	321,701	310,305	254,285	201,705	167,711	170,322	179,684	159,774	171,090
Maine.....	94,161	110,076	110,076	86,170	65,225	56,381	59,554	71,607	64,681	72,621
Maryland <sup>2</sup> .....	511,408	595,562	596,218	512,850	367,626	290,284	279,058	314,292	280,951	301,693
Massachusetts.....	861,447	1,014,510	980,446	830,396	690,438	518,417	543,751	639,978	599,115	665,426
Michigan.....	1,523,997	1,772,474	1,470,551	1,287,949	968,137	700,399	752,115	837,662	712,855	804,959
Minnesota.....	428,629	472,187	457,051	378,824	299,539	238,292	267,983	321,326	257,035	273,639
Mississippi.....	93,956	97,173	97,146	86,558	66,758	53,677	56,054	66,656	58,709	63,495
Missouri.....	636,797	734,844	681,645	581,951	438,202	351,445	347,794	426,254	371,454	378,768
Montana.....	89,707	94,791	90,524	84,505	63,894	51,468	56,269	66,661	52,176	48,520
Nebraska.....	176,026	194,096	183,130	177,406	135,422	109,937	121,768	154,795	124,482	123,919
Nevada.....	55,585	49,767	52,654	39,455	32,262	22,506	25,796	30,688	30,962	30,566
New Hampshire.....	74,769	87,626	72,411	66,059	49,158	38,463	42,075	53,480	46,751	47,393
New Jersey.....	1,166,222	1,275,118	1,166,757	998,208	742,887	590,326	615,496	720,213	651,721	737,972
New Mexico.....	82,691	91,501	94,464	77,542	57,740	45,204	40,598	42,088	35,234	34,844
New York <sup>3</sup> .....	3,643,412	3,851,980	3,656,252	3,315,250	2,626,329	2,137,040	2,265,751	2,702,269	2,613,096	2,743,072
North Carolina.....	304,673	330,854	327,289	288,634	218,691	165,890	177,614	201,703	190,630	181,173
North Dakota.....	45,446	53,685	53,426	56,000	41,173	37,986	47,331	57,856	39,588	36,705
Ohio.....	1,670,881	2,024,999	1,794,080	1,550,625	1,087,976	879,644	949,747	1,079,062	925,026	1,015,220
Oklahoma.....	257,366	276,194	267,793	230,307	180,553	136,048	153,119	154,120	125,451	137,486
Oregon.....	270,500	290,606	302,123	273,303	205,952	162,938	179,862	202,580	181,582	193,654
Pennsylvania.....	1,871,750	2,185,934	2,055,379	1,797,449	1,344,389	1,073,079	1,145,176	1,340,819	1,143,927	1,275,957
Puerto Rico.....	1,230	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Rhode Island.....	133,240	154,676	152,007	138,066	109,031	78,973	101,231	112,729	100,905	108,643
South Carolina.....	140,929	161,242	177,746	135,665	101,903	75,146	72,509	90,511	80,812	78,998
South Dakota.....	55,392	59,375	56,670	54,347	40,509	36,833	45,329	59,443	40,141	34,801
Tennessee.....	297,279	332,233	300,640	273,546	210,346	158,539	156,520	194,432	181,932	173,584
Texas.....	1,208,671	1,223,160	1,222,734	1,102,785	882,519	673,388	684,526	721,707	619,742	609,637
Utah.....	83,989	99,119	92,647	75,732	53,033	42,750	43,489	54,193	47,016	51,680
Vermont.....	33,979	38,227	37,008	34,380	26,871	21,774	23,562	28,439	22,593	24,229
Virginia.....	415,799	443,127	427,054	346,541	251,349	203,112	205,210	240,012	203,099	210,710
Washington <sup>5</sup> .....	500,075	541,342	530,356	472,971	335,349	271,847	290,582	338,268	294,913	328,913
West Virginia.....	184,974	209,892	219,542	168,267	132,030	109,570	128,794	150,898	112,489	113,312
Wisconsin.....	531,899	631,280	605,472	524,133	384,750	308,588	318,840	373,185	317,496	337,027
Wyoming.....	45,083	51,410	51,524	48,911	34,327	28,461	29,868	32,328	23,996	25,603
Total.....	26,707,201	29,447,266	27,889,716	24,268,092	18,389,534	14,580,808	15,459,810	18,084,485	16,062,353	17,005,431

<sup>1</sup>Includes Canal Zone.<sup>2</sup>For 1951 and prior years, includes all returns from Puerto Rico and Virgin Islands and for 1952 part of such returns.<sup>3</sup>Includes part of the returns from Puerto Rico and Virgin Islands for 1952 and all such returns for 1953.<sup>4</sup>See notes 2 and 3.<sup>5</sup>Includes Alaska.

*Synopsis of  
Tax Laws for  
Individual Income*



## INCOME AND SELF-EMPLOYMENT TAX LAW TABLES

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Table A.—REQUIREMENT FOR FILING RETURN AND EXEMPTIONS UNDER THE INDIVIDUAL INCOME TAX LAW, 1945-54<sup>1</sup>

Federal income tax law (date of enactment)	Income year <sup>2</sup>	Gross income requirement for filing return <sup>3</sup>	Exemptions <sup>4</sup>				Additional <sup>8</sup>	
			For married couple filing joint return <sup>5</sup>	For single person, head of household, surviving spouse, <sup>6</sup> and married person filing a separate return	For each dependent <sup>7</sup>	For age 65 or older	For blind- ness	
								Dollars
Internal Revenue Code of 1954 (Aug. 16, 1954).....	1954.....	600	1,200	600	600	600	600	
Internal Revenue Code of 1939 amended by—								
Revenue Act of 1951 (Oct. 20, 1951).....	1948-53..	600	1,200	600	600	600	600	
Revenue Act of 1950 (Sept. 23, 1950).....								
Revenue Act of 1948 (Apr. 2, 1948).....								
Revenue Act of 1945 (Nov. 8, 1945).....	1945-47..	500	91,000	500	10500	...	...	
Individual Income Tax Act of 1944 (May 29, 1944)..								

<sup>1</sup>This table relates only to citizens and resident aliens of the United States. For income years prior to 1945, see *Statistics of Income for 1950, Part 1*, pages 308-309.

<sup>2</sup>Returns are permitted for fiscal years also except on Form W-2 for 1945-47 or on Form 1040A for 1948 and subsequent years.

<sup>3</sup>Gross income includes all gains, profits, and income, derived from whatever source except income that is specifically exempt from income tax.

The amount of income for which married persons are required to file a return is the separate gross income of husband or wife. Husband and wife file separate returns unless they elect to combine their income and file a joint return. A joint return may be filed even though one spouse has no income. For 1948 and thereafter, a joint return is permitted if one spouse dies during the year and the survivor does not remarry. A joint return is not allowed if either spouse is a nonresident alien or if husband and wife have different tax years. The marital status is determined as of the last day of the income year or as of the date of death if one spouse dies during the year.

A person with less than the required amount of gross income, which includes wages subject to withholding of income tax, should file a return to claim refund of tax withheld unless such income is included in a joint return. Also, an individual with less than the indicated amount of gross income should file to claim refund of any payments made on declaration of estimated tax.

For filing requirement of individuals having net earnings of \$400 or more from self-employment after Dec. 31, 1950, see table C.

<sup>4</sup>Exemption for the taxpayer and additional exemptions for age and blindness are determined from the marital status at the close of the year (or at death of a spouse), but exemption for dependents is determined from tests regarding gross income, support, and other qualifications. No proration of exemption is required because of death during the year of a taxpayer, his spouse, or a dependent.

Exemptions are termed "normal-tax exemption" and "surtax exemption" for 1945 and "exemption" for 1946 and thereafter.

Exemptions are allowed as a credit against net income for both normal tax and surtax prior to 1954, except as stated in notes 9 and 10 for the year 1945. For 1954, exemptions are allowed as a deduction in computing taxable income.

<sup>5</sup>A citizen whose gross income is principally from sources within a possession of the United States, even though filing a joint return, is allowed only one exemption of \$500 for 1945-47 and \$600 for 1948 and thereafter.

<sup>6</sup>Head of household status applicable for tax years beginning after Oct. 31, 1951 and surviving spouse status applicable for tax years beginning after Dec. 31, 1953.

<sup>7</sup>An exemption for a dependent is allowed each closely related dependent specified by law, over half of whose support was received from the taxpayer and whose gross income for the tax year was less than \$500 for 1945-50, or less than \$600 for 1951-53.

For 1954, exemption is allowed for a dependent over half of whose support was provided by the taxpayer and whose gross income was less than \$600, except that the gross income test is disregarded in the case of a child who is under 19 years or who was a student. If the dependency tests are otherwise met, certain specified related dependents may live outside the taxpayer's household, but any other dependent must live in the taxpayer's home. An exception to the support test for a dependent is made under the multiple support agreement provision.

Dependents must be either a citizen of the United States or a resident of the United States, Mexico, Canada, or for 1954 a resident of Panama or Canal Zone, or a resident of the Republic of the Philippines who was born to or adopted by a serviceman before July 5, 1946.

Credit for dependent is not allowable to citizens whose gross income is principally from sources within a possession of the United States.

<sup>8</sup>Additional exemptions are allowed only to the taxpayer and, if a joint return is filed, his spouse.

<sup>9</sup>Each spouse is allowed \$500 "surtax exemption" and \$500 "normal-tax exemption," except that for 1945 where the adjusted gross income of one spouse was less than \$500, the combined "normal-tax exemption" was the sum of the adjusted gross income of such spouse and the \$500 exemption of the other spouse.

<sup>10</sup>Exemption for each dependent is a "surtax exemption" for 1945 and allowed against net income for surtax purposes only.

Table B.—MINIMUM AND MAXIMUM INCOME TAX RATES UNDER INDIVIDUAL INCOME TAX LAW, 1945-54<sup>1</sup>

Federal income tax law (date of enactment)	Income year <sup>2</sup>	Tax rate <sup>3</sup>						Maximum rate limita- tion <sup>10</sup>
		Normal tax rate <sup>4</sup>	Surtax rate <sup>5</sup> for—			Combined normal tax and surtax rates <sup>9</sup> at—		
			Lowest bracket of surtax income, not over— (a) \$2,000 for married person filing separately, and single person (b) \$2,000 for head of household <sup>6</sup> (c) \$4,000 for married couple filing jointly, <sup>7</sup> and surviving spouse <sup>8</sup>	Highest bracket of surtax income, over— (a) \$200,000 for married person filing separately, and single person (b) \$300,000 for head of household <sup>6</sup> (c) \$400,000 for married couple filing jointly, <sup>7</sup> and surviving spouse <sup>8</sup>		Lowest bracket of surtax income	Highest bracket of surtax income	
Internal Revenue Code of 1954 (Aug. 16, 1954).	Calendar year 1954.....	-	-	-	20.0	91.0	87.0	
Internal Revenue Code of 1939 amended by—								
Revenue Act of 1951 (Oct. 20, 1951).	Calendar years 1952-53..... Fiscal years beginning after Oct. 31, 1951 and ending before Jan. 1, 1954.	3.0	19.2	89.0	22.2	92.0	88.0	
	Calendar year 1951.....	3.0	17.4	88.0	20.4	91.0	87.2	
Revenue Act of 1950 (Sept. 23, 1950).	Fiscal years beginning after Sept. 30, 1950 and ending before Nov. 1, 1951. Calendar year 1950.....	3.0	17.0	88.0	17.4	84.4	80.0	
	Fiscal years ending after Dec. 31, 1949 and before Oct. 1, 1950.	3.0	17.0	88.0	16.6	82.1	77.0	
Revenue Act of 1948 (Apr. 2, 1948).	Calendar years 1948-1949.....							
Revenue Act of 1945 (Nov. 8, 1945).	Calendar years 1946-1947.....	3.0	17.0	88.0	19.0	86.5	85.5	
Individual Income Tax Act of 1944 (May 29, 1944).	Calendar year 1945.....	3.0	20.0	91.0	23.0	94.0	90.0	

<sup>1</sup>This table relates only to rates for citizens and residents of the United States. It does not cover the optional tax although the same rates are used to produce the optional tax as are otherwise used (for 1954 optional tax table, see page 114). For tax rates prior to 1945, see *Statistics of Income for 1950, Part 1*, pages 308-309 and 318-321.

<sup>2</sup>In case of a change in tax rates during a fiscal year other than those listed, the total tax is prorated according to the portion of time in the tax year under each rate.

<sup>3</sup>For 1946 through calendar year 1950, the normal tax and surtax rates produced a tentative tax which was subject to reduction as described in note 9.

On joint returns of married persons for 1945-47, normal tax and surtax rates were applied to the combined income. For 1948-53, both rates were applied to one-half of the net income reduced by one-half of the applicable credits against net income and the result multiplied by two. For 1954, on joint returns and returns of surviving spouse, the single combined tax rate is applied to one-half of the taxable income and the result multiplied by two.

<sup>4</sup>The normal tax rate applies to normal tax net income which is net income less the credit for partially tax-exempt interest and the exemption allowed for normal tax.

<sup>5</sup>Surtax rates apply to surtax net income which is net income less the exemptions allowed for surtax.

<sup>6</sup>Head of household status is applicable for tax years beginning after Oct. 31, 1951.

<sup>7</sup>Prior to 1948, the lowest bracket of surtax income for a married couple filing jointly is \$2,000 and the highest bracket is \$200,000.

<sup>8</sup>Surviving spouse status is applicable for tax years beginning after Dec. 31, 1953 and ending after Aug. 16, 1954.

<sup>9</sup>For 1946 through calendar year 1950, the combined rates shown are after tax reductions and the rates so computed are rounded. For 1946 and 1947 the tentative normal tax and surtax are reduced by 5 percent thereof. For tax years beginning after Dec. 31, 1947 and ending before Oct. 1, 1950, the combined tentative normal tax and surtax is reduced by 17 percent of the first \$400, plus 12 percent of the next \$99,600, plus 9.75 percent of the excess over \$100,000. For calendar year 1950, the tentative normal tax and surtax are reduced by 13 percent of the first \$400, plus 9 percent of the next \$99,600, plus 7.3 percent of the excess over \$100,000.

<sup>10</sup>The combined normal tax and surtax shall not exceed the indicated percent of net income for 1945-53, or taxable income for 1954.



Table C.—REQUIREMENT FOR FILING RETURN AND TAX RATE UNDER THE SELF-EMPLOYMENT TAX LAW, 1951-54

Federal self-employment tax law (date of enactment)	Income year <sup>1</sup>	Self-employment net earnings <sup>2</sup> requirement for filing return <sup>3</sup>	Maximum self- employment income	Tax rate on self- employment income subject to tax <sup>4</sup>
		<i>Dollars</i>	<i>Dollars</i>	<i>Percent</i>
Internal Revenue Code of 1954 amended by— Social Security Amendment of 1954 (Sept. 1, 1954).....	Fiscal years ending after 1954	400	4,200	3
Internal Revenue Code of 1954 (Aug. 16, 1954).....	1954.....	400	3,600	3
Internal Revenue Code of 1939 amended by— Social Security Act Amendment of 1950 (Aug. 28, 1950)....	1951-53.....	400	3,600	2 1/4

<sup>1</sup>Returns are permitted for taxable years other than a calendar year.

<sup>2</sup>If net earnings from self-employment are less than \$400, they are disregarded.

For the calendar year 1954 and prior years, net earnings from self-employment are the gross income derived from trade or business reduced by allowable deductions attributable thereto, plus shares of partnership income or loss, but exclude income from services as a public official, employee, railroad worker, minister, or member of religious order, and income from farming, certain professions, dividends, interest, real estate rentals except those of dealers, and gain or loss from sales of capital assets or other property neither inventoriable nor held primarily for business sales.

For a fiscal year ending in 1955, self-employment earnings were extended to include income of farmers, architects, accountants, funeral directors, and professional engineers. Ministers and members of religious orders who had not taken the vow of poverty, and Christian Science practitioners may elect coverage as self-employed persons.

Casualty losses on business property, net operating losses for other years, and personal exemption are not allowable deductions for the computation of self-employment earnings in any year.

<sup>3</sup>A citizen or resident of the United States, or a resident of Puerto Rico or the Virgin Islands having net earnings from self-employment of \$400 or more is required to file a return.

If husband and wife both have self-employment earnings, each must report his net earnings independently, even though a joint return is filed.

<sup>4</sup>Self-employment income subject to tax is the smaller of (a) self-employment net earnings, or (b) the maximum self-employment income indicated in the table reduced by any wages received from which social security tax was withheld by the employer.

On a joint return where both spouses are self-employed, the tax rate is applied separately to the amount of self-employment income subject to tax reported by each spouse.



*Facsimiles of  
Individual Income  
Tax Returns  
for 1954*



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Form 1040A: Individual Income Tax Return.....	125

FORM 1040

U. S. Treasury Department Internal Revenue Service

U. S. INDIVIDUAL INCOME TAX RETURN

FOR CALENDAR YEAR 1954
or other taxable year beginning , 1954, and ending , 195
PLEASE TYPE OR PRINT PLAINLY
Name: If this is a joint return of husband and wife, use first names of both
Home Address: Street and number or rural route; City, town, or post office; Postal zone number; State
Your Social Security No. and Occupation; Wife's (Husband's) S. S. No. and Occupation

1954

Do not write in these spaces

Serial No.

(Cashier's Stamp)

Your exemptions
1. List your name. If your wife (or husband) had no income or if this is a joint return, list also her (or his) name:
A.
B. (Your wife's name—do not list if she is filing a separate return or if she had income not included in this return)
C. List names of your children who qualify as dependents; give address if different from yours.
D. Enter number of exemptions claimed for other individuals listed in Schedule I on page 2.
E. Enter total number of exemptions claimed in A to D above
Check below it at the end of your taxable year or your wife were—
65 or over Blind
65 or over Blind
On lines A and B below—
if neither 65 nor blind write the figure 1
if either 65 or blind write the figure 2
if both 65 and blind write the figure 3
Number of exemptions for you
Number of her (or his) exemptions
Enter number of children listed

Your income
2. Enter your total wages, salaries, bonuses, commissions, and other compensation received in 1954, before payroll deductions. Persons claiming traveling, transportation, or reimbursed expenses, and Outside Salesmen, see instructions.
A. Employer's Name B. Where Employed (City and State) C. Total Wages, Etc. D. Income Tax Withheld
3. Less excludable portion received under wage continuation plans for sickness or injury. (See instructions)
4. Balance (item 2 less item 3)
5. If you received dividends, interest, or any other income (or loss), give details on page 2.
6. Adjusted Gross Income (sum of items 4 and 5)

How to figure the tax
(Unmarried or legally separated persons qualifying as "Head of Household," check here. See instructions.)
(Surviving widows and widowers who qualify for special tax computation, check here. See instructions.)
IF YOUR INCOME WAS LESS THAN \$5,000—Use Tax Table unless you itemize deductions. This table allows about 10 percent of your income for charitable contributions, interest, taxes, medical expenses, etc. If your deductions exceed 10 percent, it will usually be to your advantage to itemize them and compute your tax on page 3.
IF YOUR INCOME WAS \$5,000 OR MORE—Compute tax on page 3. Itemize or use standard deduction, whichever is to your advantage.

Tax due or refund
7. Enter your tax from the Tax Table, or from line 13, page 3.
8. Less: A. Dividends received credit (line 8 of Schedule J)
B. Retirement income credit (line 10 of Schedule K)
9. Balance (item 7 less the sum of items 8A and 8B)
10. Enter your self-employment tax from line 36, separate Schedule C
11. Add amounts shown in items 9 and 10.
12. Credits for amounts paid on your 1954 income tax:
A. Tax withheld (in item 2, Column D above). Attach Forms W-2
B. Payments on 1954 Declaration of Estimated Tax. Indicate District Director's office where paid.
13. If your tax (item 11) is larger than payments (item 12), the balance must be paid in full with return.
14. If your payments (item 12) are larger than your tax (item 11)
Enter amount of item 14 you want: Credited on 1955 estimated tax; Refunded
Make check or money order payable to District Director, I. R. S., for amount, if any, shown in item 13.

Do you owe any other Federal tax? Yes No. If "Yes," to which District Director's office and what kind of tax.
Is your wife (or husband) making a separate return for 1954? Yes No. If "Yes," write her (or his) name.
Did you pay anyone for assistance in the preparation of your return? Yes No. If "Yes," enter his name and address.

I declare under the penalties of perjury that this return (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct, and complete return.

(Signature of taxpayer) (Date) (Signature of taxpayer's wife or husband if this is a joint return) (Date)
To assure split-income benefits, husband and wife must include all their income and, even though only one has income, BOTH MUST SIGN. 16-70997-1

Schedule A.—INCOME FROM DIVIDENDS (First see Schedule J)

- 1. Enter amount of dividends reported on line 6 of Schedule J..... \$.....
- 2. Enter total of all other dividends; itemize below, listing name of corporation and amount. . . . . Enter total here→ \$.....

Schedule B.—INCOME FROM INTEREST

Name of payor	Amount	Name of payor	Amount
	\$.....		\$.....
		Enter total here→	

Schedule C Summary.—PROFIT (OR LOSS) FROM BUSINESS, FARMING, AND PARTNERSHIP

- 1. Business profit (or loss) from separate Schedule(s) C, line(s) 24 ..... \$.....
- 2. Farm profit (or loss) from separate schedule, Form 1040F .....
- 3. Partnership, etc., profit (or loss) from Form 1065, Schedule K .....
- Partnership name and address.....
- 4. Total of lines 1, 2, and 3..... \$.....
- 5. Less: Net operating loss deduction (Attach statement).....
- 6. Net profit (or loss) (line 4 less line 5).....

Schedule D.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY

- 1. From sale or exchange of property other than capital assets (from separate Schedule D) .....
- 2. From sale or exchange of capital assets (from separate Schedule D) .....

Schedule E.—INCOME FROM PENSIONS OR ANNUITIES (See instructions)

Part I.—General Rule

- |                                                                          |                                                                 |
|--------------------------------------------------------------------------|-----------------------------------------------------------------|
| 1. Investment in contract..... \$.....                                   | 4. Amount received this year..... \$.....                       |
| 2. Expected return..... \$.....                                          | 5. Amount excludable (line 4 multiplied by line 3)..... \$..... |
| 3. Percentage of income to be excluded (line 1 divided by line 2)..... % | 6. Taxable portion (excess of line 4 over line 5).....          |

Part II.—Where your cost will be recovered within three years and your employer has contributed part of the cost

- |                                                       |                                                        |
|-------------------------------------------------------|--------------------------------------------------------|
| 1. Cost of annuity (amounts paid in) . . . . \$.....  | 4. Amount received this year..... \$.....              |
| 2. Cost received tax-free in past years. . . \$.....  | 5. Taxable income (excess of line 4 over line 3) ..... |
| 3. Remainder of cost (line 1 less line 2) . . \$..... |                                                        |

Schedule F.—INCOME FROM RENTS AND ROYALTIES

1. Kind and location of property	2. Amount of rent or royalty	3. Depreciation (explain in Schedule H) or depletion	4. Repairs (attach itemized list)	5. Other expenses (attach itemized list)
	\$.....	\$.....	\$.....	\$.....
1. Totals .....	\$.....	\$.....	\$.....	\$.....
2. Net profit (or loss) (column 2 less sum of columns 3, 4, and 5).....				

Schedule G.—INCOME FROM OTHER SOURCES INCLUDING ESTATES AND TRUSTS

- 1. Estate or trust (Name and address) .....
- 2. Other sources (state nature) .....

TOTAL INCOME (OR LOSS) FROM ABOVE SOURCES (Enter here and as item 5, page 1)..... \$.....

Schedule H.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULE F

i. Kind of property (if buildings, state material of which constructed). Exclude land and other nondepreciable property	2. Date acquired	3. Cost or other basis	4. Depreciation allowed (or allowable) in prior years	5. Method	6. Rate (%) of life (years)	7. Depreciation for this year
		\$.....	\$.....			\$.....

Sch. I.—EXEMPTIONS FOR INDIVIDUALS WITH GROSS INCOME OF LESS THAN \$600, OTHER THAN WIFE AND CHILDREN

1. Name of individual. Also give address if different from yours	2. Relationship	3. Did individual have gross income of \$600 or more in 1954?	4. If answer to 3 is "No" enter amount spent for individual's support in 1954 by— You (and your wife if this is a joint return). If 100% write "all" Others, and by individual from own funds
			\$..... \$.....

Enter here and as item 1D, page 1, the number of individuals claimed above.....  
NOTE.—If exemption is based on your being designated as the one to claim a dependent, the necessary multiple support agreement must be attached.



**ITEMIZED DEDUCTIONS—FOR PERSONS NOT USING TAX TABLE OR STANDARD DEDUCTION.**

If Husband and Wife (Not Legally Separated) File Separate Returns and One Itemizes Deductions, the Other Must Also Itemize.

Describe deductions and state to whom paid. If more space is needed, attach additional sheets			
<b>Contributions</b>		\$	
		\$	
		\$	
Total Contributions (not to exceed 20 percent of item 6, page 1, except where contributions to churches, schools, and hospitals are included). (See instructions) . . . . .		\$	
<b>Interest</b>		\$	
		\$	
Total Interest . . . . .		\$	
<b>Taxes</b>		\$	
		\$	
Total Taxes . . . . .		\$	
<b>Medical and dental expense</b> <i>(If over 65, see instructions)</i>	Do not enter any expense compensated by insurance or otherwise	A. Medicine and Drugs	B. Other
	1. Net Expenses (Attach itemized list) . . . . .	\$	\$
	2. Enter in Column A, 1 percent of item 6, page 1 . . . . .	\$	\$
	3. Enter in Column B, excess of Column A, line 1 over line 2 . . . . .	\$	\$
	4. Total of Column B, lines 1 and 3 . . . . .	\$	\$
	5. Enter 3 percent of item 6, page 1 . . . . .	\$	\$
6. Allowable amount (excess of line 4 over line 5). (See instructions for limitations) . . . . .	\$	\$	
<b>Child Care</b>	Expenses for care of children and certain other dependents (see instructions). Not to exceed \$600. (Attach statement) . . . . .		
<b>Losses from fire, storm, or other casualty, or theft</b>		\$	
		\$	
Total Allowable Losses (not compensated by insurance or otherwise) . . . . .		\$	
<b>Miscellaneous</b>		\$	
		\$	
Total Miscellaneous Deductions . . . . .		\$	
<b>TOTAL DEDUCTIONS (Enter on line 2 of Tax Computation, below) . . . . .</b>		<b>\$</b>	

**TAX COMPUTATION**

1. Enter Adjusted Gross Income as shown in item 6, page 1 . . . . .	\$
2. If deductions are itemized above, enter total of such deductions. If deductions are not itemized and line 1, above, is \$5,000 or more: (a) married persons filing separately enter \$500; (b) all others enter 10 percent of line 1, but not more than \$1,000 . . . . .	\$
3. Subtract line 2 from line 1. Enter the difference here . . . . .	\$
4. Multiply \$600 by total number of exemptions claimed in item 1E, page 1. Enter result here . . . . .	\$
5. Subtract line 4 from line 3. Enter the difference here. This is your <b>Taxable Income</b> . . . . .	\$
6. If you are a single person, a married person filing separately, or a head of household— Single persons and married persons filing separately use Tax Rate Schedule I in the instructions to figure tax on amount on line 5; heads of household use Tax Rate Schedule II . . . . .	\$
7. If this is a joint return, or if you qualify to file as a surviving widow or widower— (a) Enter one-half of amount on line 5 . . . . .	\$
(b) Use Tax Rate Schedule I in the instructions to figure tax on amount on line 7 (a) . . . . .	\$
(c) Multiply amount on line 7 (b) by 2 . . . . .	\$
8. If alternative tax is applicable, enter the tax from separate Schedule D . . . . .	\$
Disregard lines 9 through 12, and copy on line 13 the same figure you entered on line 6, 7 (c), or 8, unless you used itemized deductions.	
9. Enter here income tax payments to a foreign country or U.S. possession (Attach Form 1116) . . . . .	\$
10. Enter here any income tax paid at source on tax-free covenant bond interest . . . . .	\$
11. Enter here credit for partially tax-exempt interest (See instructions for limitation) . . . . .	\$
12. Add the figures on lines 9, 10, and 11. Enter the total here . . . . .	\$
13. Subtract line 12 from line 6, 7 (c), or 8, whichever is applicable. Enter difference here and as item 7, page 1 . . . . .	\$

Schedule J.—EXCLUSION AND CREDIT FOR DIVIDENDS RECEIVED FROM QUALIFYING DOMESTIC (U.S.) CORPORATIONS. (See instructions)

Table with 3 columns: Description, Column A (Amount received before 8/1/54), and Column B (Amount received after 7/31/54). Rows include: 1. Name of corporation declaring dividend; 2. Total; 3. Less: Exclusion of \$50; 4. Balance; 5. Enter in Column B, the amount from Column A, line 4; 6. Total dividends to be entered on line 1, Schedule A, page 2.

CREDIT COMPUTATION

Table with 3 columns: Description, Column A, and Column B. Rows include: 7. (a) 4% of amount on line 4, Column B, above; (b) Tax shown on line 6, 7 (c), or 8, page 3, less the amount, if any, on line 9, page 3; (c) 2% of taxable income—line 5, page 3; 8. Enter here and as item 8A, page 1, the smallest of the amounts on lines 7 (a), 7 (b), or 7 (c), above.

NOTE: If both husband and wife have qualifying dividends, an exclusion shall be allowed to each on line 3 to the extent of the dividends received but not to exceed \$50 each.

Schedule K.—CREDIT FOR RETIREMENT INCOME. (See instructions for definitions and other details)

If separate return, use Column B only. If joint return, use one column for husband and one for wife.

Did you receive earned income in excess of \$600 in each of any 10 calendar years before the taxable year 1954? [ ] Yes [ ] No

If answer above is "Yes" in either column, furnish all information below in that column.

Table with 3 columns: Description, Column A, and Column B. Rows include: 1. Retirement income for taxable year: (a) For taxpayers under 65 years of age; (b) For taxpayers 65 years of age and older; 2. Limitation on Retirement Income; 3. Deduct: (a) Amounts received in taxable year as pensions or annuities under the Social Security Act; (b) Compensation for personal services received in the taxable year 1954 in excess of \$900; 4. Total of lines 3 (a) and 3 (b); 5. Balance (line 2 minus line 4); 6. Tentative credit (20 percent of line 5); 7. Total tentative credit on this return; 8. Amount of tax shown as item 7, page 1; 9. Balance of line 8; 10. Retirement income credit.

Statement of Person (other than taxpayer) Preparing Return

I declare under the penalties of perjury that I prepared this return for the person(s) named herein; and that this return (including any accompanying schedules and statements) is, to the best of my knowledge and belief, a true, correct, and complete return based on all the information relating to the matters required to be reported in this return of which I have any knowledge.

(Individual or Firm Signature)

(Address)

(Date)

HELPFUL INFORMATION ON

*How to*

*prepare your*

*income tax*

*return*

ON FORM 1040 FOR 1954



You can save money for yourself and the Government, if you—

*File your return early*

*Make sure the figures are right*

Under the new law, the final date for filing is April 15, but taxpayers who wait until the last minute often make costly mistakes.

Give yourself time to double check every figure on your return—this will save time and money in the long run.

If you need help or more forms (including Form 1040-ES for declaration of 1955 estimated tax), go to the nearest Internal Revenue Service Office.

*V. Colman Andrews*  
Commissioner.



# HOW TO USE THIS PAMPHLET

The information contained in this pamphlet has been selected to help the average taxpayer in preparing his return. You need only read those items that concern you. Use the following checklist in deciding which items you wish to read.

	Page		Page		Page		Page
• <b>How To File Your Return:</b>		<input type="checkbox"/> Unmarried persons—Head of household...	4	<input type="checkbox"/> Trade and business deductions of employes.	6	• <b>How To Claim Non-business Deductions:</b>	
<input type="checkbox"/> Who must file.....	3	<input type="checkbox"/> Surviving widow or widower.....	5	<input type="checkbox"/> Dividends.....	7	<input type="checkbox"/> Contributions.....	12
<input type="checkbox"/> Why you must file a return.....	3	• <b>How To Claim Your Exemptions:</b>		<input type="checkbox"/> Interest.....	7	<input type="checkbox"/> Interest.....	12
<input type="checkbox"/> When to file.....	3	<input type="checkbox"/> Exemptions for you and wife.....	5	<input type="checkbox"/> Business or profession.	7	<input type="checkbox"/> Taxes.....	12
<input type="checkbox"/> How to pay.....	3	<input type="checkbox"/> Exemptions for your children.....	5	<input type="checkbox"/> Farming.....	8	<input type="checkbox"/> Casualty losses and thefts.....	12
<input type="checkbox"/> How to sign.....	3	<input type="checkbox"/> Exemptions for dependents other than your children.....	5	<input type="checkbox"/> Partnerships.....	8	<input type="checkbox"/> Medical and dental expenses.....	13
<input type="checkbox"/> Where to get forms...	3	<input type="checkbox"/> Exemptions for individuals supported by more than one taxpayer....	5	<input type="checkbox"/> Net operating loss deduction.....	9	<input type="checkbox"/> Expenses for the care of children and certain other dependents....	13
<input type="checkbox"/> Where to get help....	3	• <b>How To Report Your Income:</b>		<input type="checkbox"/> Self-employment tax..	9	<input type="checkbox"/> Miscellaneous.....	13
<input type="checkbox"/> Your rights of appeal..	3	<input type="checkbox"/> What income is taxed..	6	<input type="checkbox"/> Sale and exchange of property.....	9	<input type="checkbox"/> Declaration of estimated tax.....	14
• <b>How To Choose Your Return:</b>		<input type="checkbox"/> Wages, salaries, etc..	6	<input type="checkbox"/> Special rule for sale of residence at a gain....	9	• <b>How To Figure Your Tax:</b>	
<input type="checkbox"/> The three types of returns.....	4	<input type="checkbox"/> Exclusions from salaries and wages.....	6	<input type="checkbox"/> Annuities and pensions.	10	<input type="checkbox"/> Using the tax table....	14
<input type="checkbox"/> Income less than \$5,000	4			<input type="checkbox"/> Rents and royalties....	11	<input type="checkbox"/> Making a long-form computation.....	14
<input type="checkbox"/> Income of \$5,000 or more.....	4			<input type="checkbox"/> Estates and trusts....	11	<input type="checkbox"/> 1954 tax rate schedule.	14
<input type="checkbox"/> Married persons—joint or separate returns...	4			<input type="checkbox"/> Other income.....	11	<input type="checkbox"/> Credits against tax....	14
				<input type="checkbox"/> Depreciation.....	11	<input type="checkbox"/> Tax table.....	16
				<input type="checkbox"/> Accounting methods and records.....	11		

## WHERE TO FILE YOUR RETURN

Mail your return to the "District Director of Internal Revenue" for the district in which you live

ALABAMA...Birmingham 3, Ala.  
 ALASKA...Tacoma 2, Wash.  
 ARIZONA...Phoenix, Ariz.  
 ARKANSAS...Little Rock, Ark.  
 CALIFORNIA:  
 Counties of Imperial, Kern, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, and Ventura...Los Angeles 12, Calif.  
 All other counties...San Francisco 2, Calif.  
 CANAL ZONE...Jacksonville, Fla.  
 COLORADO...Denver 2, Colo.  
 CONNECTICUT...Hartford, Conn.  
 DELAWARE...Wilmington 99, Del.  
 DISTRICT OF COLUMBIA...Baltimore 2, Md.  
 FLORIDA...Jacksonville, Fla.  
 GEORGIA...Atlanta 3, Ga.  
 HAWAII...Honolulu 13, T. H.  
 IDAHO...Boise, Idaho  
 ILLINOIS:  
 Counties of Boone, Bureau, Carroll, Cook, De Kalb, Du Page, Grundy, Henry, Jo Daviess, Kane, Kankakee, Kendall, Lake, La Salle, Lee, McHenry, Marshall, Mercer, Ogle, Putnam, Rock Island, Stark, Stephenson, Whiteside, Will, and Winnebago...Chicago 2, Ill.  
 All other counties...Springfield, Ill.  
 INDIANA...Indianapolis 6, Ind.  
 IOWA...Des Moines 8, Iowa  
 KANSAS...Wichita 21, Kans.  
 KENTUCKY...Louisville 1, Ky.  
 LOUISIANA...New Orleans 16, La.  
 MAINE...Augusta, Maine  
 MARYLAND...Baltimore 2, Md.  
 MASSACHUSETTS...Boston 15, Mass.  
 MICHIGAN...Detroit 31, Mich.  
 MINNESOTA...St. Paul 1, Minn.  
 MISSISSIPPI...Jackson 5, Miss.  
 MISSOURI:  
 Counties of Adair, Audrain, Bollinger, Boone, Butler, Callaway, Cape Girardeau, Carter, Clark, Crawford, Dent, Dunklin, Franklin, Gasconade, Howard, Iron, Jefferson, Knox, Lewis, Lincoln, Linn, Macon, Madison, Maries, Marion, Mississippi, Monroe, Montgomery, New Madrid, Oregon, Osage, Pemiscot, Perry, Phelps, Pike, Polk, Ralls, Randolph, Reynolds, Ripley, St. Charles, St. Francois, Ste.

Genevieve, St. Louis, Schuyler, Scotland, Scott, Shannon, Shelby, Stoddard, Warren, Washington, and Wayne...St. Louis 1, Mo.  
 All other counties...Kansas City 6, Mo.  
 MONTANA...Helena, Mont.  
 NEBRASKA...Omaha 2, Nebr.  
 NEVADA...Reno, Nev.  
 NEW HAMPSHIRE...Portsmouth, N. H.  
 NEW JERSEY:  
 Counties of Bergen, Essex, Hudson, Hunterdon, Middlesex, Morris, Passaic, Somerset, Sussex, Union and Warren...Newark 2, N. J.  
 All other counties...7th and Cooper Sts., Camden 1, N. J.  
 NEW MEXICO...Albuquerque, N. Mex.  
 NEW YORK:  
 Brooklyn: Counties of Kings, Nassau, Queens, and Suffolk...Brooklyn 1, N. Y.  
 Lower Manhattan: All that part of Manhattan Island south of 34th Street (this includes both sides of 34th Street) and Richmond County...Customhouse Bldg., New York 4, N. Y.  
 Upper Manhattan: That part of Manhattan Island north of 34th Street (this includes Welfare Island, Randall's Island, and Ward's Island) and counties of Bronx, Rockland, and Westchester...484 Lexington Ave., New York 17, N. Y.  
 Eastern New York State: Counties of Albany, Clinton, Columbia, Dutchess, Essex, Fulton, Greene, Hamilton, Montgomery, Orange, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie, Sullivan, Ulster, Warren, and Washington...Albany 1, N. Y.  
 Western New York State: Counties of Allegany, Cattaraugus, Chautauque, Chemung, Erie, Genesee, Livingston, Monroe, Niagara, Ontario, Orleans, Steuben, Wyoming, and Yates...Buffalo 2, N. Y.

NORTH CAROLINA...Greensboro, N. C.  
 NORTH DAKOTA...Fargo, N. Dak.  
 OHIO:  
 NORTHEASTERN: Counties of Ashland, Ashtabula, Belmont, Carroll, Columbiana, Cuyahoga, Geauga, Harrison, Holmes, Jefferson, Lake, Lorain, Mahoning, Medina, Monroe, Portage, Richland, Stark, Summit, Trumbull, Tuscarawas, and Wayne...Cleveland 15, Ohio  
 SOUTHEASTERN: Counties of Adams, Athens, Coshocton, Delaware, Fairfield, Franklin, Gallia, Guernsey, Hocking, Jackson, Knox, Lawrence, Licking, Madison, Marion, Meigs, Morgan, Morrow, Muskingum, Noble, Perry, Pickaway, Pike, Ross, Scioto, Union, Vinton, and Washington...Columbus 16, Ohio  
 NORTHWESTERN: Counties of Allen, Auglaize, Champaign, Crawford, Darke, Defiance, Erie, Fulton, Hancock, Hardin, Henry, Huron, Logan, Lucas, Mercer, Ottawa, Paulding, Putnam, Sandusky, Seneca, Shelby, Van Wert, Williams, Wood, and Wyandot...Toledo 1, Ohio  
 SOUTHWESTERN: Counties of Brown, Butler, Clark, Clermont, Clinton, Fayette, Greene, Hamilton, Highland, Miami, Montgomery, Preble, and Warren...Cincinnati 2, Ohio  
 OKLAHOMA...Oklahoma City, Okla.  
 OREGON...Portland 9, Oreg.  
 PENNSYLVANIA:  
 SOUTHEASTERN: Counties of Adams, Bedford, Berks, Blair, Bucks, Chester, Cumberland, Dauphin, Delaware, Franklin, Fulton, Huntingdon, Juniata, Lancaster, Lebanon, Lehigh, Mifflin, Montgomery, Perry, Philadelphia, Schuylkill, Snyder, and York...Philadelphia 7, Pa.  
 NORTHEASTERN: Counties of Bradford, Carbon, Centre, Clinton, Columbia, Lackawanna, Luzerne, Lycoming, Monroe, Montour, Northampton, Northumberland, Pike, Potter, Sullivan, Susquehanna, Tioga, Union, Wayne, and Wyoming...Scranton 14, Pa.  
 WESTERN: Counties of Allegheny, Armstrong, Beaver, Butler, Cambria, Cameron, Clarion, Clearfield, Craw-

ford, Elk, Erie, Fayette, Forest, Greene, Indiana, Jefferson, Lawrence, McKean, Mercer, Somerset, Venango, Warren, Washington, and Westmoreland...P. O. and Courthouse Bldg., Pittsburgh 30, Pa.  
 PUERTO RICO...Sanjurjo Bldg., Sanjurjo, Puerto Rico.  
 RHODE ISLAND...Providence 2, R. I.  
 SOUTH CAROLINA...Columbia 1, S. C.  
 SOUTH DAKOTA...Aberdeen, S. Dak.  
 TENNESSEE...Nashville 3, Tenn.  
 TEXAS:  
 SOUTHERN: Counties of Aransas, Atascosa, Austin, Bandera, Bastrop, Bee, Bell, Bexar, Blanco, Bosque, Brazoria, Brazos, Brewster, Brooks, Burleson, Burnet, Caldwell, Calhoun, Cameron, Chambers, Colorado, Comal, Coryell, Culberson, De Witt, Dimmit, Duval, Edwards, El Paso, Falls, Fayette, Fort Bend, Freestone, Frio, Galveston, Gillespie, Goliad, Gonzales, Grimes, Guadalupe, Hamilton, Hardin, Harris, Hays, Hidalgo, Hill, Hudspeh, Jackson, Jasper, Jeff Davis, Jefferson, Jim Hogg, Jim Wells, Karnes, Kendall, Kenedy, Kerr, Kimble, Kinney, Kleberg, Lampasas, La Salle, Lavaca, Lee, Leon, Liberty, Limestone, Live Oak, Llano, McCulloch, McLennan, McMullen, Madison, Mason, Matagorda, Maverick, Medina, Milam, Montgomery, Newton, Nueces, Orange, Pecos, Polk, Presidio, Real, Reeves, Refugio, Robertson, San Jacinto, San Patricio, San Saba, Somervell, Starr, Terrell, Travis, Trinity, Tyler, Uvalde, Val Verde, Victoria, Walker, Waller, Washington, Webb, Wharton, Willacy, Williamson, Wilson, Zapata, and Zavala...Austin 14, Tex.  
 NORTHERN: All other counties...Dallas 1, Tex.  
 UTAH...Salt Lake City, Utah  
 VERMONT...Burlington, Vt.  
 VIRGINIA...Richmond 19, Va.  
 VIRGIN ISLANDS...Customhouse Bldg., New York 4, N. Y.  
 WASHINGTON...Tacoma 2, Wash.  
 WEST VIRGINIA...Parkersburg, W. Va.  
 WISCONSIN...Milwaukee 1, Wis.  
 WYOMING...Cheyenne, Wyo.

Taxpayers with legal residence in foreign countries...Baltimore 2, Md., U. S. A.

**SPECIAL FOR EMPLOYEES EARNING LESS THAN \$5,000**

This pamphlet contains the forms and instructions used by most taxpayers. However, if your gross income was less than \$5,000 and consisted entirely of wages reported on withholding statements (Form W-2) and not more than \$100 total of other wages, interest, and dividends, the law provides a simple way for you to file. Merely enter the required infor-

mation on the prescribed card form (1040A), and the Internal Revenue Service will figure your tax and send you a check for any refund or a bill for any amount due. *You may obtain the card form from your District Director. If you qualify and decide to use Form 1040A, do not use any of the forms in this pamphlet.*

**NEW PROVISIONS OF THE TAX LAW**

Many changes in the income tax law were made by the Internal Revenue Code of 1954. The more important benefits are listed below.

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**HOW TO FILE YOUR RETURN**

***Who Must File***

Every citizen or resident of the United States—whether an adult or minor—who had \$600 (\$1,200 if 65 years of age or over) or more gross income in 1954 must file. For requirements respecting self-employment tax, see page 9 of these instructions. Citizens of Puerto Rico who are also citizens of the United States and nonresident aliens who were bona fide residents of Puerto Rico during the entire taxable year must also file United States individual income tax returns if they meet the income test.

***Why You Must File a Return***

Most of your tax is withheld from your wages every pay-day or paid on Declarations of Estimated Tax every quarter. (See page 14, relative to the Declaration of Estimated Tax.) However, the law requires you to file an annual return to determine whether you owe more or should get a refund.

***When and Where To File***

File on or after January 1 but not later than April 15, 1955, with the District Director of Internal Revenue for your district. Try to avoid the last-minute rush. Taxpayers who keep books on a fiscal-year basis must file by the fifteenth day of the fourth month after the close of their taxable years.

***How To Pay***

Any balance of tax shown to be due in item 13, page 1, of your return on Form 1040 must be paid in full with your return. Checks or money orders should be made payable to "District Director, I. R. S."

***How To Sign***

You have not filed a valid return unless you sign it. If you and your wife are filing a joint return, both of you must sign. You do not need to have your return notarized,

since your signature has the same legal effect as swearing to the truthfulness of your return.

***Preparer's Statement***

The statement on page 4 of the Form 1040 is required to be signed by any person(s), firm, or corporation who prepares the taxpayer's return. If the return is prepared by a firm or corporation, the return should be signed in the name of the firm or corporation. The statement is not required if the return is prepared by a regular, full-time employee of the taxpayer such as a clerk, secretary, bookkeeper, etc.

***Where To Get Forms***

As far as practical, the District Director mails forms directly to taxpayers. If you need additional forms you can get them from any Internal Revenue Service office, and also at most banks and post offices. Many employers also keep forms for the convenience of employees.

***Where To Get Help***

After reading these instructions you should be able to prepare your own return, unless you have complicated problems. If you do need help, you can get it at any Internal Revenue Service office. A more detailed publication entitled, "Your Federal Income Tax," may be purchased for twenty-five cents from the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

***Your Rights Of Appeal***

If you believe there is an error in any bill, statement, or refund in connection with your tax, you are entitled to have the matter reconsidered by the District Director. He will give you an opportunity to dispute any change in your tax which he proposes, and will advise you of further appeal rights if you cannot reach an agreement with him. All deductions claimed by you must be supported by canceled checks, receipts, or other evidence if there is an audit of your return.



## HOW TO CHOOSE YOUR RETURN

### *The Three Types Of Returns*

Three different forms are provided to meet the needs of the 50,000,000 persons who file tax returns—Form 1040A, Short-Form 1040, and Long-Form 1040.

#### *Income Less Than \$5,000*

1. *Form 1040A.*—This form has been revised this year so as to offer eligible taxpayers the simplest return and to put the form on a punch card which can be processed efficiently. If you file this form, the Internal Revenue Service will compute your tax. You may use it if your total income was less than \$5,000 and consisted entirely of wages reported on Withholding Statements (Form W-2), or of such wages and not more than \$100 total of other wages, interest, and dividends (after exclusion as explained on page 7), all of which must be entered on the tax return. From your answers to the questions, the Internal Revenue Service will figure your tax for you, and send you a bill or a refund.

You may not use Form 1040A but must file your return on Form 1040 if (1) you had income from any other sources, such as annuities, rents, royalties, a business or profession, farming, transactions in securities or other property, partnerships, estates, and trusts, or reimbursements includable as income, (2) you wish to deduct from your wages travel, transportation, reimbursed expenses, or business expenses of an outside salesman, (3) you wish to claim credits against the tax with respect to dividends or retirement income, or (4) you wish to claim the status of head of household or surviving widow or widower.

2. *Short-Form 1040.*—Form 1040 may be used either as a short or long form. The short form is simpler than the long form. It differs from Form 1040A in that (a) you must find your own tax; (b) you must include income from sources not eligible for reporting on Form 1040A; (c) you may deduct from your wages certain reimbursed expenses, travel, transportation, and outside salesman's business expenses; and (d) you may deduct from your tax the credits for dividends and retirement income. If your income was less than \$5,000 and your nonbusiness deductions (contributions, interest, etc.) were less than 10 percent of your income, find your tax from the Tax Table and enter the amount in item 7, page 1 of the return.

3. *Long-Form 1040.*—If your nonbusiness deductions are more than 10 percent of your income, you will ordinarily save money by itemizing them on Long-Form 1040. You will then figure your tax according to the computation on page 3. If your nonbusiness deductions are so close to 10 percent that you are in doubt which is the better form, try both the short form and the long form to make sure.

#### *Income Of \$5,000 Or More*

If your income was \$5,000 or more, you must use Long-Form 1040. However, in that case, you can either take a standard deduction or itemize and claim your actual deductions. The standard deduction is 10 percent of your income but not more than \$1,000. However, if husband and wife file separate returns and each had income of \$5,000 or more, the standard deduction is \$500 for each. Compare your actual deductions with the amount of the standard deduction.

#### *Married Persons—Joint Or Separate Returns*

*Are You Married?*—If married at the close of your taxable year, you are considered married for the entire year. If divorced or legally separated on or before the close of your year, you are considered single for the entire year. If your

wife or husband died during the year, you are considered married for the entire year, and may file a joint return.

*Joint or Separate Returns.*—If husband and wife have separate income (for example, if both work), they may file separate returns or a joint return. A separate return accounts for the income and deductions of only one person. If married persons living in community property States file separate returns, each must report half of any community income. A joint return must include all the income and deductions of both husband and wife. A husband and wife may file a joint return even though one of them had no income. A joint return may not be filed if either husband or wife was a nonresident alien at any time during the taxable year.

*How To Make a Joint Return.*—In a joint return you include all income and deductions of both husband and wife. In the return heading, list both names (for example: "John H. and Mary D. Doe"). Both must sign the return.

*Advantages of a Joint Return.*—In most cases it is advantageous for married couples to file joint returns. The law provides a "split income" method of figuring the tax on a joint return which often results in a lower tax than would result from separate returns.

*Joint Tax or Refund.*—When a joint return is filed, the couple assume full legal responsibility for the entire tax, and if one fails to pay, the other must pay it.

*How To Make a Separate Return.*—Husband and wife must each have income under the laws of their State and they must fill out separate forms. The "split income" provisions of the Federal tax law do not apply to separate returns of husband and wife. When filing separate returns, the husband and wife should each claim the allowable deductions paid with his or her own funds. (In community property States, deductions resulting from payments made out of funds belonging jointly to husband and wife may be divided half and half.) If one itemizes and claims actual deductions on the long form, then both must.

#### *Unmarried Persons—Head Of Household*

The law provides a special tax rate for any individual who qualifies as a "Head of Household." To qualify you must be unmarried (or legally separated) at the end of your taxable year. In addition, you must have furnished over half the cost of maintaining as your home a household which during the entire year, except for temporary absence, was occupied as the principal place of abode and as a member of such household by (a) any related person (see those listed under 5 (a), page 5) for whom you are entitled to a deduction for an exemption, unless the deduction arises from a multiple support agreement or (b) your unmarried child, grandchild, or stepchild, even though such child is not a dependent.

You also qualify if you pay more than one-half the cost of maintaining a household (not necessarily your home) which is the principal place of abode of your father or mother and either qualifies as your dependent.

The cost of maintaining a household includes expenditures for such items as:

1. Maintenance of the dwelling and premises. For example, rent (or if the taxpayer owns his home, real estate taxes and interest on a mortgage on the home), insurance on the dwelling and premises, repairs, and upkeep.
2. Utilities. For example, gas, telephone, electricity, water, and fuel.
3. Food consumed in the home.

The cost of maintaining a household is computed without regard to the value of personal services performed by a member of the household, including the taxpayer.



The above expenditures are to be used only for determining whether you are entitled to the use of the head of household tax rate. Do not claim them as deductions on your return unless they are otherwise allowable.

If you are married to a nonresident alien at any time during your taxable year but otherwise meet the foregoing tests, you are considered a "Head of Household" since you are not permitted to file a joint return.

If you qualify as a surviving widow or widower as described in the next paragraph, as well as a head of household, it will be to your advantage to compute your tax as a surviving widow or widower.

### HOW TO CLAIM YOUR EXEMPTIONS

You are Allowed a Deduction of \$600 for Each Exemption for Which You Qualify as Explained Below

#### Exemptions For You And Wife

*For You.*—You, as the taxpayer, are always entitled to at least one exemption. If, at the end of your taxable year, you were blind or were 65 or over, you get two exemptions. If you were both blind and 65 or over, you get three exemptions.

*For Your Wife.*—You get exemptions for your wife (or husband) if you and she are filing a joint return. If you file a separate return, you may claim her exemptions only if she had no income and did not receive more than half her support from another taxpayer. Otherwise, your wife's exemptions are like your own—one, if she was neither blind nor 65 or over; two, if she was either blind or 65 or over; three, if she was both blind and 65 or over.

*In Case Of Death.*—If wife or husband died during 1954, the number of his or her exemptions is determined as of the date of death.

*Proof Of Blindness.*—If totally blind, a statement of such fact must be attached to the return. If partially blind, attach a statement from a qualified physician or a registered optometrist that (1) central visual acuity did not exceed 20/200 in the better eye with correcting lenses, or (2) that the widest diameter of the visual field subtends an angle no greater than 20°.

#### Exemptions For Your Children

You are entitled to one exemption for each child (including a stepchild, or legally adopted child), if during the taxable year, that child:

1. Received more than one-half of his or her support from you (or from your husband or wife if this is a joint return), and
2. Had not attained the age of 19 or was a student (if the child is 19 or over and not a student, he must have received less than \$600 gross income), and
3. Did not file a joint return with her husband (or his wife), and
4. Was either a citizen or resident of the United States or a resident of Canada, Mexico, the Republic of Panama or the Canal Zone. For the exemption in the case of children who are residents of the Republic of the Philippines and were born to or were legally adopted by servicemen in the Philippine Islands before July 5, 1946, consult your Internal Revenue Service office.

The law defines a student as an individual who during each of five calendar months during the calendar year in which the taxable year of the taxpayer begins is a full-time student at an educational institution or is pursuing a full-time course of institutional on-farm training under the supervision of an accredited agent of an educational institution or of a State or political subdivision of a State. The term educational institution means only an educational in-

#### Surviving Widow Or Widower

Under certain conditions a taxpayer whose husband or wife has died during either of his two preceding taxable years may compute his tax by including only his income, exemptions, and deductions but otherwise computing the tax as if a joint return had been filed.

The conditions are that the taxpayer must not have remarried, and must (a) maintain as his home a household which is the principal place of abode of a child or stepchild for whom he is entitled to a deduction for an exemption and (b) have been entitled to file a joint return with his wife (or husband) in the year of death.

stitution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on.

Amounts received as scholarships for study at an educational institution need not be taken into account in determining whether a child who qualifies under the above definition as a "student" received more than one-half of his or her support from you.

#### Exemptions For Dependents Other Than Your Children

You are entitled to one exemption for each other dependent who meets all the following requirements for the year:

1. Received less than \$600 gross income, and
2. Received more than one-half of his or her support from you (or from husband or wife if this is a joint return), and
3. Did not file a joint return with her husband (or his wife), and
4. Was either a citizen or resident of the United States or a resident of Canada, Mexico, the Republic of Panama or the Canal Zone, and
5. (a) Was related to you (or to husband or wife if this is a joint return) in one of the following ways:

Mother	Stepbrother	Son-in-law
Father	Stepsister	Daughter-in-law
Grandmother	Stepmother	The following if related by blood:
Grandfather	Stepfather	
Brother	Mother-in-law	Uncle—
Sister	Father-in-law	Aunt—
Grandson	Brother-in-law	Nephew—
Granddaughter	Sister-in-law	Niece—

or, (b) had as his principal place of abode your home and was a member of your household, even if not related to you.

#### Exemptions For Individuals Supported by More Than One Taxpayer

If several persons contributed toward the support of an individual during the taxable year, but none contributed over half of the support, they may designate one of their number to claim the exemption, if:

- (a) They as a group have provided over half of the support of the individual; and
- (b) Each of them, had he contributed over half of the support, would have been able to claim the individual as a dependent; and
- (c) The person claiming the exemption for the individual contributed over 10 percent of the support; and
- (d) Each person described in (b) above (other than the person claiming the exemption) who contributed over 10 percent of the individual's support files a declaration that he will not claim the individual as a dependent for the year. Consult your Internal Revenue Service office for information regarding the filing of these declarations.

## HOW TO REPORT YOUR INCOME

*What Income Is Taxed*

The law says all kinds of income in whatever form received are subject to tax with specific exceptions. This

## Examples of Income Which Must Be Reported

Wages, salaries, bonuses, commissions  
 Tips and gratuities for services rendered  
 Dividends and other earnings from investments  
 Interest from loans and bonds, including Federal bonds issued on or after March 1, 1941  
 Industrial, civil service and other pensions, annuities, endowments  
 Rents, and royalties from property, patents, copyrights  
 Profits from business or profession  
 Profit from sale of real estate, securities, autos  
 Your share of partnership profits  
 Your share of estate or trust income  
 Contest prizes  
 Gambling winnings  
 Alimony, separate maintenance or support payments received from (and deductible by) your husband (or wife). For details see Miscellaneous Section relative to deductions.

*Wages, Salaries, Etc.*

You must report your wages, salaries, fees, commissions, bonuses, and other payments for your personal services even though tax has been withheld by your employer.

*Exclusions From Salaries And Wages*

The new law allows you to exclude from wages amounts received as wages or in place of wages under a wage continuation plan for the period during which you were absent from work on account of personal injuries or sickness. This amount may not exceed a weekly rate of \$100. (This limitation applies only to amounts received under plans which are financed by the employer. If the plan is one to which you contributed, the amounts received which are attributable to your contributions are excludable without limit.)

If your absence is due to illness, the exclusion does not apply to the amounts received for the first 7 calendar days. However, if you were hospitalized on account of sickness for at least one day during the illness then the exclusion applies from the first day of absence. In cases where the payments exceed a weekly rate of \$100, the exclusion is figured by multiplying the amount received by 100 and dividing the result by the weekly rate of payment. If you received such payments, enter your gross wages in item 2, page 1 of Form 1040, and enter in item 3 the amount to be excluded. Attach a statement showing your computation.

You may also exclude from gross income amounts received under an accident or health plan which are paid directly or indirectly to you to reimburse you for expenses for the medical care of yourself, your wife (or husband), or your dependents. However, you may not claim a deduction for medical expense for these amounts.

*Report Total Wages Before Pay-Roll Deductions.*—When your employer deducts taxes, insurance, union dues, savings bond subscriptions, social security, pension fund contributions, community chest, or other items from your pay, these amounts are still part of your wages. You must report your total wages in the amount that would have been paid if your employer had not made any deductions.

*Tips and Gratuities.*—The law requires you to include in your wages all tips, gratuities, bonuses, and similar payments for services rendered whether you get them from a customer or from your employer. Legally, these are not "gifts," even though sometimes called by that name.

*Payment In Merchandise, Etc.*—If your employer pays part or all of your wages in merchandise, services, stock, or

means that all income which is not specifically exempt must be included in your return, even though it may be offset by expenses and other deductions.

## Examples of Income Which Should Not Be Reported

Armed forces pay due to active service in a combat zone or while hospitalized from such service after June 24, 1950—enlisted men's entire service pay for each month; officers' service pay up to \$200 for each month. Your service withholding statement (Form W-2) does not include this nontaxable service pay but shows only the pay you must report  
 All Government payments and benefits made to veterans and their families, except nondisability retirement pay and interest on terminal leave bonds  
 Dividends on veterans' Government insurance  
 Federal and State Social Security benefits  
 Railroad Retirement Act benefits  
 Gifts, inheritances, bequests  
 Workmen's compensation, insurance, damages, etc., for bodily injury or sickness  
 Interest on State and municipal bonds  
 Life insurance proceeds upon death.

other things of value, you must determine the fair market value of such items and include it in your wages.

*Meals and Living Quarters.*—Employees who, as a matter of choice, receive meals and lodging from their employers whether or not it is stipulated to be part of their salaries must include in income the fair market value of the meals and lodging.

However, if, for the convenience of your employer, your meals are furnished at your place of employment or you are required to accept lodging at your place of employment as a condition of your employment, the value of the meals or lodging is not to be reported in your return.

*Trade and Business Deductions of Employees*

*Reimbursed Expenses Other Than for Travel and Transportation.*—If your employer pays you an "expense account" or otherwise reimburses you for money spent for him in connection with your employment (other than "travel and transportation"), you should add these payments to your wages, and then subtract your actual allowable expenses of this type but not more than the reimbursements. Attach a detailed statement in explanation. Any allowable expense in excess of the reimbursed amount may be deducted as Miscellaneous Expenses on page 3 of your return if you itemize your deductions.

*Out-Of-Town Travel Expenses.*—The law provides special deductions for the expenses of travel while away from home in connection with your employer's business. Traveling "away from home" means going away from the city or town where you normally work and remaining away at least overnight. "Travel expenses" means the cost of transportation fares, meals, and lodging, and includes porters' tips, hire of public stenographers, baggage charges, and similar expenses necessary to travel. Travel expenses do not include any entertainment expenses or any personal expenses such as laundry. Any amount paid to you to cover these expenses must be included in your wages. You can deduct your full "travel expenses" from your wages before writing the balance of your wages in item 2, page 1. Attach a statement to your return explaining in detail the expenses you deduct. If you choose to live away from the city where you regularly work, or do not transfer your home when your employer transfers your work to a different city, the law does not allow any "travel deduction" resulting from your choice of residence.

*Other Transportation Expenses.*—Even though you do not travel away from home, as explained above, you may



deduct from your wages or other compensation, before entering the balance on page 1, transportation expenses paid in connection with the performance of services for your employer. Transportation expenses include payments for actual travel or, if you use your own car, the business portion of the cost of operation, including fuel, repairs, and depreciation. Any reimbursement of these expenses must be included in your income. Attach a statement to your return explaining in detail the expenses you deduct.

*Going To and From Work.*—The law regards the cost of transportation between your residence and your principal place of employment as personal expense and does not allow you to deduct such cost, no matter how far you live from work, or how expensive the transportation may be.

*Expenses Of Outside Salesmen.*—The new law allows "Outside Salesmen" to deduct all their ordinary and necessary business expenses from their compensation before entering the balance in item 2, page 1. This applies only to salesmen who are engaged full-time in soliciting business for their employers away from their employer's place of business. The term does not include one whose principal activities consist of service and delivery such as a milk-driver salesman.

*Other Expenses Of Employees.*—The expenses set forth above are the only ones which may be deducted from salaries and wages on page 1 of Form 1040 by employees. If you file a Short-Form 1040, or if you take the standard deduction on a Long-Form 1040, you automatically receive an allowance for a deduction which takes the place of all other employment expenses and nonbusiness deductions. On the other hand, if you itemize your deductions on a Long-Form 1040, you can deduct the cost of tools, materials, dues to unions and professional societies, entertaining customers, and other expenses which are ordinary and necessary in connection with your employment. These items may be itemized and deducted on page 3 under the heading "Miscellaneous."

## Dividends

If you own stock, the payments you receive out of the company's earnings and profits are called dividends and must be reported in your tax return. Usually dividends are paid in cash, but if paid in merchandise or other property, they are taxable at their fair market value.

If a distribution is not paid from earnings and profits, it is not taxable as a dividend, but is treated as reduction of the cost or other basis of your stock. These distributions are not taxable until they exceed your cost or other basis, after which you must generally include any additional receipts as gains from the sale or exchange of property, for which special tax treatment is provided.

In some cases a corporation distributes both a dividend and a repayment of capital at the same time; the check or notice will usually show them separately. In any case, you must report the dividend portion as income.

There are special rules applicable to stock dividends or stock rights; ask your Internal Revenue Service office for more complete information.

If your taxable year ends after July 31, 1954, you may exclude from your income \$50 of dividends received from domestic corporations during your taxable year. Use Schedule J, page 4, to show the exclusion. However, this exclusion does not apply to dividends received from:

- (a) life insurance companies, and mutual insurance companies (other than mutual marine or mutual fire insurance companies issuing perpetual policies).
- (b) China Trade Act corporations.
- (c) so-called exempt organizations (charitable, fraternal, etc.) and farmer's cooperative organizations.
- (d) mutual savings banks, cooperative banks, domestic

building and loan associations, domestic savings and loan associations, Federal savings and loan associations on deposits or withdrawable accounts. Dividends from these organizations must be reported as interest in Schedule B, on page 2 of Form 1040 and not as dividends.

(e) regulated investment companies except to the extent designated by the company to be taken into account as a dividend for these purposes.

(f) corporations deriving 80 percent or more of their income from U. S. possessions and 50 percent or more of their income from active conduct of a business therein.

If a joint return is filed and both husband and wife have dividend income, each one may exclude up to \$50 of dividends received from qualifying corporations, but one may not use any portion of the \$50 exclusion not used by the other. For example, if the husband has \$200 in dividends, and the wife has \$20, only \$70 may be excluded on a joint return.

See page 15 for the dividends received credit.

## Interest

You must include in your return any interest you receive or which is credited to your account (whether entered in your pass-book or not) and can be withdrawn by you. All interest on bonds, debentures, notes, savings accounts, or loans is taxable, except for certain governmental issues. For example, some of the interest which is fully exempt from tax is (a) interest from State and municipal bonds and securities and (b) interest on any \$5,000 principal value of Treasury bonds issued before March 1, 1941.

You must include in your gross income the interest from certain United States securities issued prior to March 1, 1941, which was exempt from the normal tax by the acts authorizing their issuance. However, under the new law you now receive a credit against your tax computed according to the instructions on page 14. The following securities are examples of those for which the credit for partially tax-exempt interest is allowed: (a) Treasury bonds in excess of \$5,000 issued before March 1, 1941; (b) "dividends" on shares of Federal savings and loan associations if the shares were issued before March 28, 1942.

The interest on U. S. Government bonds and securities issued on or after March 1, 1941, is fully taxable.

If you own United States Savings or War bonds (Series A to F, inclusive), the gradual increase in value of each bond (as shown in the table on its back) is considered interest, but you need not report it in your tax return until you cash the bond or until the year of final maturity whichever is earlier. However, you may at any time elect to report each year the annual increase in value, but if you do so you must report in the first year the entire increase to date and must continue to report the annual increase each year.

Itemize your interest in Schedule B, page 2, stating the name of the payor and the amount of interest received.

## Business Or Profession

*General.*—The law taxes the profits from a business or profession—not its total receipts. Therefore, separate Schedule C, which contains further instructions, is provided to help you figure your profit or loss from business. Generally, you may deduct the ordinary and necessary expenses of doing business—cost of merchandise, salaries, interest, taxes, rent, repairs, and incidental supplies. In the case of capital investments and improvements in depreciable property, such as buildings, machines, fixtures, and similar items having a useful life of more than one year, the law provides a depreciation allowance as the method of



deducting the cost over the life of the property. For further information on depreciation, see page 11.

If some of your expenses are part business and part personal, you can deduct the business portion but not the personal portion. For instance, a doctor who uses his car half for business can deduct only half the operating expenses.

Everyone engaged in a trade or business and making payments to another person of salaries, wages, commissions, interest, rent, etc., of \$600 or more in the course of such trade or business during his taxable year must file information returns, Forms 1096 and 1099, to report such payments. If a portion of such salary or wage payments was reported on a Withholding Statement (Form W-2), only the remainder must be reported on Form 1099. Information returns are not required unless the payments are made in the course of business.

Individuals in business may under certain conditions elect to report and pay income tax on such business income on the same basis as a domestic corporation. For full details consult your Internal Revenue Service office.

*Accrual-Method Taxpayers Only—Prepaid Income and Reserves for Estimated Expenses.*—Under the new law a taxpayer using the accrual method of accounting in a trade or business may elect to take prepaid income into account proportionately in the year of receipt and subsequent taxable years (not to exceed five), and may elect to deduct for the taxable year an addition to a reserve for estimated expenses. Prepaid income is income received in a transaction in which you undertake to render services, furnish goods or other property, or allow the use of property beyond the end of the taxable year.

An election to deduct additions to reserves for estimated expenses applies to expenses part or all of which would be taken into account for subsequent taxable years but are attributable to income received in the current taxable year. In order to qualify as a deduction it is necessary that such expenses be estimated with reasonable accuracy. The election to take estimated expenses into account does not apply to expenses attributable to income which you elect to treat as prepaid income nor does it apply to additions to reserves for bad debts. For additions to reserves for bad debts see separate Schedule C.

For more information concerning the requirements to make elections with respect to prepaid income and estimated expenses (and the detailed statements which must be submitted when making the election) consult your Internal Revenue Service office.

## Farming

For the assistance of farmers, a separate schedule, Form 1040F, is provided and must be used by all farmers who report on the cash method. This form is optional with farmers who keep books on the accrual method.

Farmers must report as business income all Government payments, such as milk subsidy and conservation payments and amounts received under the Soil Conservation and Domestic Allotment Act, as amended, section 303 of the Agricultural Adjustment Act, as amended, and the Sugar Act of 1937. A taxpayer may elect to treat as income loans received from the Commodity Credit Corporation. If he does so, he must continue to report them as income unless he secures permission to change.

Farmers who market produce through a cooperative should add any patronage dividends received in the taxable year to their gross receipts from farming. Farmers who buy, through a cooperative, implements, gasoline, seed, fertilizer, or other items for use in their business should either reduce the cost of such items by the amount

of patronage dividends received or add the patronage dividends to income. Patronage dividends received as rebates on purchases of items not used in your business should be omitted from your return. Patronage dividends are considered paid when remitted in cash, merchandise, stock certificates, or when credited to you.

If livestock are sold or exchanged because they are diseased, or if property is sold or disposed of to meet acreage limitations under Federal reclamation laws, the sale or disposition may be treated as an involuntary conversion provided proceeds are reinvested in similar property. Such reinvestment must generally be made within a year.

*Soil and Water Conservation Expenditures.*—If you are engaged in the business of farming, you may deduct certain expenditures made by you (including any amount paid on any assessment levied by a soil or water conservation or drainage district to defray expenditures made by such district) for soil or water conservation and the prevention of erosion if such expenditures are in respect of land used by you in your farming operations. The term expenditures means expenditures (a) for the treatment or moving of earth, including but not limited to leveling, grading, terracing, contour furrowing; (b) the construction, control, and protection of diversion channels, drainage ditches, earthen dams, watercourses, outlets, and ponds; (c) the eradication of brush; and (d) the planting of windbreaks. You may not deduct expenditures for the construction, installation, or improvement of facilities which are subject to the allowance for depreciation.

The allowable deduction for any one year may not exceed 25 percent of your gross income from farming but any excess may be carried over to succeeding years with the same limit applying to those years. The phrase "gross income from farming" means the gross income of the farmer from the production of crops, fruits or other agricultural products or from livestock and includes such income from a farm other than the one on which expenditures for soil and water conservation or for the prevention of erosion were made.

To claim a deduction for these expenditures you must (a) elect to do so for the first taxable year which began after December 31, 1953, and ended after August 16, 1954 for which such expenditures are paid; or, (b) secure consent from the Internal Revenue Service. Once you have elected to do so, you must continue to treat these expenditures as deductions in all future taxable years unless you secure consent from the Internal Revenue Service to change.

## Partnership

A partnership does not pay income tax in the firm's name. Each partner must report in his personal tax return his share of his partnership's income and pay tax on it.

Include in Schedule C Summary, page 2 of Form 1040, your share of the ordinary net income (whether actually received by you or not) or the net loss of a partnership, joint venture, or the like, whose taxable year ends within the year covered by your return. Other income and deductions to be carried to your individual return are shown in Schedule K of the partnership return.

If the partnership is engaged in a trade or business, the individual partner may be subject to the self-employment tax on his share of the partnership's self-employment income. In such a case the partner's share of partnership self-employment net earnings (or loss) should be entered on line 30, separate Schedule C.

### Net Operating Loss

If, in 1954, your business or profession lost money instead of making a profit or if you had a casualty loss, or a loss from the sale or other disposition of depreciable property (or real property) used in your trade or business, you can apply these losses against your other 1954 income. If these losses exceed your other income, the excess of this "net operating loss" may be carried back to offset your income for 1952 or 1953, and any remaining excess may be carried forward against your income for the years 1955 through 1959. If a carryback entitles you to a refund of prior year taxes, ask the District Director for Form 1045 to claim a quick refund. For further information, see section 172 of the Internal Revenue Code of 1954 and section 122 of the 1939 Code.

If you had a loss in preceding years which may be carried over to 1954, you should claim a net operating loss deduction on line 5 of Schedule C Summary, page 2, of Form 1040 whether or not there are other items to be entered, and file a concise statement setting forth this computation.

### Self-employment Tax

Every self-employed individual will have to file an annual return of his self-employment income on Form 1040 if he has at least \$400 of net earnings from self-employment in his taxable year, even though he may not have sufficient income to require the filing of an income tax return.

If your income is derived solely from salary or wages, or from dividends and interest on investments, capital gains, annuities, or pensions, you will have no self-employment income and no self-employment tax to pay.

Generally, if you carry on a business as a sole proprietor, or if you render service as an independent contractor, or as a member of a partnership or similar organization, you will have self-employment income.

The computation of your self-employment tax is made on separate Schedule C which, with attached Schedule C-a, should be filed with your individual income tax return. The self-employment tax is a part of the income tax.

Any declaration of estimated tax required to be filed need not include estimated tax on self-employment income.

### Sale and Exchange of Property

If you sell your house, car, furniture, securities, real estate, or any other kind of property, you must report any profit on your tax return. Generally, such profits are capital gains if the property was not held for sale to customers in the ordinary course of business. Separate Schedule D is provided to compute capital gains and losses, and the results from other transactions in property.

*Sale of Homes, Etc.*—GENERAL RULE.—The law requires you to report any gains from the sale or exchange of your residence or other nonbusiness property, but does not allow you to claim any loss from the sale of a home or other asset which was not held for the purpose of producing income. Your gain from the sale of this kind of property is the difference between (1) the sales price and (2) your original cost plus the cost of permanent improvements. If depreciation was allowed or allowable during any period because you rented the house or used part of it for business purposes, then the original cost must be reduced by the amount of depreciation which was allowed or allowable.

SPECIAL RULE FOR SALE OF RESIDENCE AT A GAIN.—If you sold or exchanged your residence during 1954 at a gain and within one year after (or before) the sale, you purchased and occupied another residence, none of the gain is taxable if the cost of the new residence equals or exceeds the adjusted sales price of the old residence. See, however, in-

structions below for information to be furnished. If instead of purchasing another residence, you begin construction of a new residence (either one year before or within one year after the sale of your old residence) and occupy it not later than 18 months after the sale, none of the gain upon the sale is taxable if your cost of construction plus the cost of land (acquired within the period beginning one year before the sale and ending 18 months after the sale) equals or exceeds the adjusted sales price of the old residence.

If the adjusted sales price of your old residence exceeds the cost of your new residence, the gain on the sale is taxable to the extent of such excess. The adjusted sales price is the gross selling price less commissions and the expenses for work performed on the residence in order to assist in its sale, such as selling and redecorating expenses. Redecorating expenses, however, must be for work performed during the 90-day period ending on the day on which a contract to sell is entered into, and must be paid within 30 days after date of sale.

For example, assume your adjusted sales price is \$15,000 for a residence which cost you \$10,000 and you purchase a new residence for \$14,000. The taxable portion of your gain is only \$1,000, the difference between the adjusted sales price of your original residence and the purchase price of the new residence. The nontaxable portion of the gain of \$4,000 serves to reduce the basis of the new property. Therefore in any future transaction its adjusted basis would be \$10,000 (cost of \$14,000 less non-taxable gain of \$4,000).

Special rules apply if (a) a part of your old or new residence is used for rental or business purposes, (b) you sell within one year more than one property used as your principal residence, (c) the shares of the husband and wife in the old and new residences are not identical, (d) you own more than one residence at the same time, or (e) you acquired your new residence because your old residence was destroyed by a casualty (such as fire) or condemned. Consult your Internal Revenue Service office for assistance in reporting the disposal of such property.

If you sold or exchanged your residence, report the details of the sale in separate Schedule D. If you do not intend to replace, or if the period for replacement has passed, report the details in the year of sale. If you have acquired and occupied your new residence, enter in column (h) of Schedule D only the amount of taxable gain, if any, and attach statement showing the purchase price, date of purchase, and date of occupancy.

If you have decided to replace, but have not done so, or if you are undecided, you should enter "None" in column (h) of Schedule D. When you do replace within the required period, you must advise the District Director, giving full details. When you decide not to replace, or the period has passed, you must file an amended return, if you previously filed a return. Since any additional tax due will bear interest from the due date of the original return until paid, it is advisable to file the amended return for the year of sale as promptly as possible.

The running of the 1-year period or the 18-month period will be suspended during the time, if any, in which you serve on active duty in the Armed Forces after the date of sale of the old residence and during an induction period, pursuant to a call or order for an indefinite period or for more than 90 days. This suspension applies only where your service begins before the end of the 1-year period or the 18-month period, as the case may be, and cannot extend such period beyond a date which falls 4 years after the date of sale.

If your residence is destroyed or condemned, or even if you sell because of the threat of condemnation, you may be entitled to the benefit of other provisions of law which give you a longer time in which to buy a new residence. If you



require more information about your particular case, you should apply to your Internal Revenue Service office.

**Nonbusiness Bad Debts.**—If you fail to collect a personal loan, you can list the bad debt as a "short-term capital loss" provided the loan was made with a true expectation of collecting. So-called loans to close relatives, which are really in the nature of gifts, must not be listed as deductible losses.

### **Annuities and Pensions**

**Noncontributory Annuities.**—The full amount of an annuity or a pension of a retired employee, where the employee did not contribute to the cost and was not taxable on his employer's contributions, must be included in his gross income. The total of the payments received during his taxable year should be shown on line 6, Part I of Schedule E.

**Other Annuities.**—Amounts received from other annuities, pensions, endowments, or life insurance contracts for a reason other than the death of the insured, whether paid for a fixed number of years or for life, may have a portion of the payment excluded from gross income. The following types are included under this rule: (a) pensions where the employee has either contributed to its cost or has been taxed on his employer's contributions, (b) amounts paid for a reason other than the death of the insured under an annuity, endowment, or life insurance contract, and (c) amounts paid to a beneficiary, through an option in the policy or otherwise, in installments or in a lump sum under a life insurance contract at a date or dates later than the insured's death where the death occurred on or after August 17, 1954.

Schedule E on Form 1040 and the following instructions should enable you to compute the taxable portion of the annuity. If you are receiving payments on more than one pension or annuity, fill out a separate schedule for each one.

#### **General Rule for Annuities**

In general, amounts received from annuities and pensions are included in income to the extent they exceed the exclusion described below. You may exclude from your income an amount found by using the following formula:

$$\frac{\text{Investment in the contract}}{\text{Expected return}} \times \text{payment received}$$

This formula means that you divide the investment in the contract by the expected return and multiply the result by the payment received under the annuity, pension, or contract. Formula terms are explained below.

**"Investment in the contract"** is, in general, the total amount of the premiums or other consideration paid (the amount contributed by you plus the contributions made by your employer on which you were previously taxable) for the contract as of the annuity starting date. This investment must be reduced by the amounts received under the investment before the annuity starting date to the extent excludable from gross income under prior income tax law. The **"annuity starting date"** is the first day of the first period for which a payment is received as an annuity under the contract; except that if the date was before January 1, 1954, then the annuity starting date is considered January 1, 1954. **"Expected return"**—There are two methods for determining expected return depending on the type of contract.

(a) If the contract provides for amounts to be received for a fixed number of years, then the expected return is the total amount of the payments to be received after the annuity starting date.

(b) If the contract provides for amounts to be received for the life of the annuitant, then the expected return is found by multiplying the amount of the annual payment by the multiple applicable to the age and sex of the annuitant as of the annuity starting date. Special multiples are applicable in the case of payments under joint and survivor an-

nuities. The multiples are set out in actuarial tables which will be furnished by your Internal Revenue Service office upon request.

**"Payment received"** is the total amount received for a year under the contract.

Example: D purchased a life annuity on January 1, 1952, for \$15,000 which provides for annual payments of \$1,200 beginning January 1, 1953. The multiple applicable in D's case as of January 1, 1954, is 15.0. During the year 1953, D received tax-free under the existing tax laws \$750 (\$1,200 less 3% of \$15,000). The amount of each payment which D is to exclude from his gross income beginning with the 1954 payment is \$950, determined as follows:

Annual payment	\$1,200
Investment in the contract	\$15,000
Less: Amount recovered tax free in prior years	750

Investment in the contract as of 1/1/54, the annuity starting date as defined above	\$14,250
Expected return (\$1,200 × 15.0)	\$18,000

The amount to be excluded based on the formula above:

$$\frac{\$14,250}{\$18,000} \times \$1,200 \text{ which equals } \$950$$

D will include in his income \$250 (\$1,200—\$950) in the year 1954 and each subsequent year as long as he lives.

#### **Special Rule for Certain Types of Employees' Annuities**

There is a special rule provided for amounts received as employees' annuities where part of the cost is contributed by the employer and the amount contributed by the employee will be returned within 3 years from the date (whether or not before January 1, 1954) of the first payment received under the contract. If both of these conditions are met, then all the payments received under the contract are to be excluded from gross income until the employee recovers his cost (the amount contributed by him plus the contributions made by the employer on which the employee was previously taxable); thereafter all amounts received under the contract are fully taxable. This method of computing taxable income also applies to employee's beneficiary if employee died before receiving any annuity or pension payments.

Example: An employee receives \$200 a month under an annuity. While he worked, he contributed \$4,925 toward the cost of the annuity. His employer also made contributions toward the cost of the annuity. The retired employee would be paid \$7,200 during his first 3 years, which amount exceeds his contribution of \$4,925. Therefore, he excludes from gross income all the payments received from the annuity until he has received \$4,925. All payments received thereafter are fully taxable.

#### **Other Types of Annuities**

**Amounts Received Under Life-Insurance Policies By Reason Of Death.**—In general, a lump sum payable at the death of the insured under a life insurance policy is excludable from the gross income of the recipient. When, however, the beneficiary of a life insurance contract leaves a sum on deposit with the insurer, and receives interest on it under an agreement with the insurer the interest is includible in its entirety in the beneficiary's gross income. If the beneficiary receives, through his option or otherwise, installment payments at dates later than the insured's death he or she may be taxed on a part of the amount or amounts so received.

Special rules also apply in the case of joint and survivor annuities where the first annuitant died in 1951, 1952, or 1953; where a refund feature is involved; where amounts are received under an annuity, endowment, or life insurance contract, if such amount is not received as an annuity; and in cases which have not been otherwise explained in the instructions. See your Internal Revenue Service office for more detailed instructions.



## Rents and Royalties

If you are not engaged in selling real estate to customers but receive rent from property owned or controlled by you, or royalties from copyrights, mineral leases, and similar rights, report the total amount received in Schedule F on page 2 of Form 1040. If property, other than cash, was received as rent, its fair market value should be reported.

You are entitled to various deductions which are indicated in Schedule F. In the case of buildings you can deduct depreciation, as explained elsewhere in these instructions. If you have depletion, consult your Internal Revenue Service office for more detailed information.

You can also deduct all ordinary and necessary expenditures on the property such as taxes, interest, repairs, insurance, agent's commissions, maintenance, and similar items. However, you cannot deduct capital investments or improvements. For example, a landlord can deduct the cost of minor repairs but not the cost of major improvements such as a new roof or remodeling.

Expenses, depreciation, and depletion should be listed in total in the columns provided in Schedule F.

*If You Rent Part of Your House, Etc.*—If you rent out only part of your property, you can deduct only a similar portion of the expenses. For example, if you rent out one-half of your home, and live in the other half, you can deduct only one-half of the depreciation and other expenses.

Room rent and other space rentals should be reported as business income in separate Schedule C if services are rendered to the occupant; otherwise, report such income in Schedule F. If you are engaged in the business of selling real estate, you should report rentals received in separate Schedule C.

## Estates and Trusts

If you are a beneficiary of an estate or trust, report in your personal tax return any of its income which is required to be distributed to you or which has been paid or credited to your account for the taxable year. The administrator, executor, or trustee should advise you what to report.

Include in Schedule G of your return your share of such income (whether actually received by you or not) of an estate or trust for its taxable year which ends with or within the year covered by your return. Subtract from your share of such income any depreciation on estate or trust property which is allocable to you and show the net amount (or loss). There may be distributions (other than ordinary income) by an estate or trust, such as capital gains, dividends, etc., which are properly reportable in other schedules in your return. The fiduciary should advise you of such items requiring this special treatment.

## Other Income

If you cannot find any specific place on your return to list certain types of income, you should report it in Schedule G, page 2. This is the proper place to report amounts received as alimony, support, prizes; or recoveries of bad debts, taxes, etc., which reduced your tax in a prior year.

## Depreciation

The law does not allow you to deduct the full cost of your capital investments or improvements in the year made in figuring your profits from rents, royalties, businesses and professions. For most property with a life longer than one year, with the exception of land, the law provides for a deduction from gross income called "depreciation" as the method of recovering your cost (less any salvage value) over the useful life of the asset.

*What is "Useful Life"?*—The useful life of an asset can be measured in units of production or machine hours (for

machinery), in miles of operation (for automotive equipment), etc., but the ordinary practice is to measure useful life in years. Business experience, engineering information, and other relevant factors provide a reasonable basis for estimating the useful life of property. For your guidance, comprehensive tables of "average useful lives" of various kinds of buildings, machines, and equipment in many industries and businesses have been published in a booklet called Bulletin F, which you can buy for 30 cents from the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

*Figuring the Deduction*—**STRAIGHT LINE METHOD.**—The most common method of computing depreciation is the "straight-line" method. It allows for the deduction of cost in equal annual amounts over the useful life of the property, with only salvage value remaining at the end of its useful life. To figure the deduction add the cost of improvements to the cost (or other basis) of the asset and deduct both the estimated salvage value and the total depreciation allowed or allowable in past years. Divide the result by the number of years of useful life remaining to the asset—the answer is the depreciation deduction.

*Special Rules for New Assets Acquired After December 31, 1953.*—New assets acquired by the taxpayer after 1953 and the portion of the basis of property attributable to construction or reconstruction by the taxpayer after 1953 may be depreciated under methods proper in the past or under additional methods provided in the new law. These methods (which may be employed only with respect to tangible assets having a useful life of three years or more) are—

(a) "*Declining balance method.*"—The deduction is computed by applying a uniform rate to the cost or other basis of the asset reduced by depreciation previously allowed or allowable. This rate cannot exceed twice the straight line rate computed without regard to salvage value.

(b) "*Sum of the years-digits method.*"—The deduction is the cost or other basis of the asset (reduced by estimated salvage value) multiplied by the number of years of useful life remaining to it (including the year of the deduction) divided by the sum of all the digits corresponding to the years of the asset's estimated useful life (in the case of a 3-year life such sum would be 6, that is 1+2+3).

(c) "*Other methods.*"—Other methods may be employed subject to special limitations; for details consult your Internal Revenue Service office.

## Accounting Methods and Records

Your return must be on the "cash method" unless you keep books of account. "Cash method" means that all items of taxable income actually or constructively received during the year (whether in cash or in property or services) and only those amounts actually paid during the year for deductible expenses are shown. Income is "constructively" received when it is credited to your account or set aside for you and may be drawn upon by you at any time. Uncashed salary or dividend checks, bank interest credited to your account, matured bond coupons, and similar items, which you can immediately turn into cash are "constructively received" even though you have not actually converted them into cash.

An "*accrual method*" means that you report income when earned, even if not received, and deduct expenses when incurred, even if not paid within the taxable period.

If you keep accounting records, your return must be on the same method as your records. The method used in keeping your records may be the cash receipts and disbursements method, or an accrual method, so long as income is clearly reflected. However, in most cases you must secure consent of the Commissioner before changing your accounting method.

## HOW TO CLAIM NONBUSINESS DEDUCTIONS

### Contributions

If you itemize deductions on a Long-Form 1040, you can deduct gifts to religious, charitable, educational, scientific, or literary organizations, and organizations for the prevention of cruelty to children and animals, unless the organization is operated for personal profit, conducts propaganda or otherwise attempts to influence legislation, or participates or intervenes in any political campaign on behalf of any candidate for public office. You can deduct gifts to fraternal organizations if they are to be used for charitable, religious, etc., purposes. You can also deduct gifts to veterans' organizations, or to a governmental agency which will use the gifts for public purposes. A contribution may be made in money or property (not services). If in property, it is measured by the fair market value of the property at the time of contribution.

For the contribution to be deductible, the recipient of the contribution must have been organized or created in the United States or its possessions, or under our law. The law does not allow deductions for gifts to individuals, or to other types of organizations, however worthy.

In general, the deduction for contributions may not exceed 20 percent of your adjusted gross income.

Under the new law, there is a special additional deduction of up to 10 percent for contributions made to churches, a convention or association of churches, tax-exempt educational institutions, and tax-exempt hospitals, which must be computed as explained below. If all your contributions were to these churches, schools, and hospitals, you can deduct up to 30 percent of your adjusted gross income. To compute the deduction for contributions you should first figure the contributions to these special institutions to the extent of 10 percent of your adjusted gross income and the amount in excess of 10 percent should be added to the other contributions to which the 20 percent limitation applies. Attach a schedule showing this computation.

While you can deduct gifts to the kind of organizations listed below, you cannot deduct dues or other payments to them for which you receive personal benefits. For example, you can deduct gifts to a YMCA but not dues.

Some examples of the treatment of contributions are:

#### You CAN Deduct Gifts To:

Churches, including assessments  
Salvation Army  
Red Cross, community chests  
Nonprofit schools and hospitals  
Veterans' organizations  
Boy Scouts, Girl Scouts, and  
other similar organizations

Nonprofit organizations primarily engaged in conducting research or education for the alleviation and cure of diseases such as tuberculosis, cancer, multiple sclerosis, muscular dystrophy, cerebral palsy, poliomyelitis, and diseases of the heart, etc.

#### You CANNOT Deduct Gifts To:

Relatives, friends, other individuals  
Political organizations or candidates

Social clubs  
Labor unions  
Chambers of commerce  
Propaganda organizations

### Interest

If you itemize deductions on a Long-Form 1040, you can deduct interest you paid on your personal debts, such as bank loans or home mortgages. Interest paid on business debts should be reported in separate Schedule C or Schedule F, page 2, of Form 1040. Do not deduct interest paid on money borrowed to buy tax-exempt securities or single-premium life insurance. Interest paid on behalf of another person is not deductible unless you were legally liable to pay it. In figuring the interest paid on a mortgage on your home or on an installment contract for goods for your personal use, eliminate such items as carrying charges and insurance, which are not deductible, and

taxes which may be deductible but which should be itemized separately.

The new law provides a deduction for interest paid for purchasing personal property (such as automobiles, radios, etc.) on the installment plan where the interest charges are not separately stated from other carrying charges. This deduction is equal to 6 percent of the average unpaid monthly balance under the contract. Compute the average unpaid monthly balance by adding up the unpaid balance at the beginning of each month during the year and dividing by 12. The interest deduction may not exceed the portion of the total carrying charges attributable to the taxable year.

#### You CAN Deduct Interest On:

Your personal note to a bank or an individual  
A mortgage on your home

A life insurance loan, if you pay the interest in cash  
Delinquent taxes

#### You CANNOT Deduct Interest On:

Indebtedness of another person, when you are not legally liable for payment of the interest  
A gambling debt or other non-

enforceable obligation  
A life insurance loan, if interest is added to the loan and you report on the cash basis

### Taxes

If you itemize deductions on a Long-Form 1040, you can deduct most non-Federal taxes paid by you. You can deduct State or local retail sales taxes if under the laws of your State they are imposed directly upon the consumer, or if they are imposed on the retailer (or wholesaler in case of gasoline taxes) and the amount of the tax is separately stated by the retailer to the consumer. In general, you cannot deduct taxes assessed for pavements or other local improvements, including front-foot benefits, which tend to increase the value of your property. Consult your Internal Revenue Service office for circumstances under which local improvement taxes may be deducted. If you paid foreign taxes you may be entitled to a credit against your tax rather than a deduction from income.

Do not deduct on page 3 any nonbusiness Federal taxes, or any taxes paid in connection with a business or profession which are deductible in Schedule F or separate Schedule C.

#### You CAN Deduct:

Personal property taxes  
Real estate taxes  
State income taxes  
State or local retail sales taxes

Auto license fees  
State capitation or poll taxes  
State gasoline taxes

#### You CANNOT Deduct:

Any Federal excise taxes on your personal expenditures, such as taxes on theater admissions, furs, jewelry, cosmetics, railroad tickets, telephone, etc.  
Federal social security taxes

Hunting licenses, dog licenses  
Auto inspection fees  
Water taxes  
Taxes paid by you for another person

### Casualty Losses and Thefts

If you itemize deductions on a Long-Form 1040, you can deduct your net loss resulting from the destruction of your property in a fire, storm, automobile accident, shipwreck, or other losses caused by natural forces. Damage to your car by collision or accident can be deducted if due merely to negligent driving but cannot be deducted if due to your willful act or your willful negligence. You can also deduct in the year of discovery losses due to theft, but not losses due to mislaying or losing articles.

You should determine the amount of any casualty loss by comparing the fair market value of the property just before and just after the casualty. This loss or the adjusted basis of the property, whichever is lower, should then be reduced by any insurance or other reimbursement to arrive at your deductible loss. Explain in attached statement.

If your 1954 casualty losses exceed your 1954 income, the excess may be carried back as a "net operating loss" to offset your income for 1952. If the loss carried back



exceeds your 1952 income, the excess may be used to offset your 1953 income. Any remaining excess may be carried over to the years 1955-1959, inclusive.

*You CAN Deduct Losses On:*

Property such as your home, clothing, or automobile destroyed or damaged by fire  
Property, including cash, which is stolen from you  
Loss or damage of property by flood, lightning, storm, explosion, or freezing

*You CANNOT Deduct Losses On:*

Personal injury to yourself or another person  
Accidental loss by you of cash or other personal property  
Property lost in storage or in transit  
Damage by rust or gradual erosion  
Animals or plants damaged or destroyed by disease

**Medical and Dental Expenses**

If you itemize deductions on a Long-Form 1040 you can deduct, within the limits described below, the amount you paid during the year (not compensated for by hospital, health or accident insurance) for medical or dental expenses for yourself, your wife, or any dependent who received over one-half of his support from you. If you pay medical expenses for a dependent who gets over half of his support from you, you can deduct the payments even though you are not entitled to a deduction for an exemption for that dependent because he had more than \$600 of gross income.

You can deduct amounts paid for the prevention, cure, correction, or treatment of a physical or mental defect or illness. If you pay someone to perform both nursing and domestic duties, you can deduct only that part of the cost which is for nursing.

You can deduct the cost of transportation primarily for and essential to medical care, but you cannot deduct any other travel expense even if it benefits your health. Meals and lodging may not be treated as medical expense while away from home receiving medical treatment unless they are part of a hospital bill.

*Figuring the Deduction.*—You can deduct only those medical and dental expenses which exceed 3 percent of your adjusted gross income. However in figuring these expenses, the amount paid for medicine and drugs may be taken into account only to the extent it exceeds 1 percent of your adjusted gross income, item 6, page 1. There is a schedule provided on page 3 to make this computation.

*Limitations.*—The deduction may not exceed \$2,500 multiplied by the number of exemptions other than the exemptions for age and blindness. In addition there is a maximum limitation as follows:

- (a) \$5,000 if the taxpayer is single and not a head of household or a qualifying surviving widow or widower;
- (b) \$5,000 if the taxpayer is married but files a separate return; or
- (c) \$10,000 if the taxpayer files a joint return, or is a head of household or a qualifying surviving widow or widower.

*Special Rule For Persons 65 Or Over.*—If either you or your wife were 65 or over, the maximum limitation for amounts spent is the same as set out above. However, amounts deductible for medical and dental expenses for you and your wife are not restricted to the excess over 3 percent of your adjusted gross income. In effect, the 3 percent rule may be disregarded. But the amounts spent by you for your medicine and drugs are still limited to the excess of 1 percent of your adjusted gross income, and amounts spent by you for your dependents' medical expenses are deductible only to the extent they exceed 3 percent of your adjusted gross income.

*Special Rule For Decedents.*—In the case of a decedent, expenses for medical care may be treated as paid by the decedent at the time incurred, if such expenses are paid from his estate within one year after his death, and provided they are not deducted in computing the decedent's taxable estate for Federal estate tax purposes. If the expenses are

allowable for estate tax purposes, but it is preferred to deduct them for income tax purposes, there must be filed with the Form 1040 a statement that this amount has not been claimed in the estate tax return, and a waiver of the right to have this amount allowed at any time for estate tax purposes.

Any expense claimed as a deduction for the care of children and certain other dependents should not be included in your computation of the deduction for medical expense.

*You CAN Deduct Payments To or For:*

Doctors, dentists, nurses, and hospitals  
Drugs or medicines  
Transportation necessary to get medical care  
Eyeglasses, artificial teeth, medical  
cal or surgical appliances, braces, etc.  
X-ray examinations or treatment  
Premiums on health and accident insurance, and hospital or medical insurance

*You CANNOT Deduct Payments For:*

Funeral expenses  
Cemetery plot  
Illegal operations or drugs  
Travel ordered or suggested by your doctor for rest or change  
Premiums on life insurance

**Expenses For the Care of Children and Certain Other Dependents**

Generally, there is allowed a deduction not to exceed a total of \$600 for expenses paid by a woman or a widower (including men who are divorced or legally separated under a decree and who have not remarried) for the care of one or more dependents if such care is to enable the taxpayer to be gainfully employed or actively to seek gainful employment. For this purpose, the term "dependent" is limited to the following persons for whom the taxpayer is entitled to a deduction for an exemption:

- (a) a child or stepchild of the taxpayer who is under 12 years of age; or
- (b) a person who is physically or mentally incapable of caring for himself, regardless of age.

The deduction is not allowable to the extent the payments are made to an individual who the taxpayer claims as a dependent.

In the case of a woman who is married, the deduction is allowed only if she files a joint return with her husband; and the deduction is reduced by the amount (if any) by which their combined adjusted gross income exceeds \$4,500. If the husband is incapable of self-support because mentally or physically defective these two limitations do not apply.

If the person who receives the payment performs duties other than dependent care, only that part of the payment which is for the dependent's care may be deducted.

**Miscellaneous**

If you itemize deductions on a Long-Form 1040, you can deduct several other types of expenses under the heading "miscellaneous."

If you work for wages or a salary, you can deduct the ordinary and necessary expenses which you incur for your employer's benefit and which have not been claimed on page 1. For example, if your job requires you to furnish small tools, you can deduct the cost of such tools.

*You CAN Deduct Cost Of:*

Safety equipment  
Dues to union or professional societies  
Entertaining customers  
Tools and supplies  
Fees to employment agencies

*You CANNOT Deduct Cost Of:*

Travel to and from work  
Entertaining friends  
Bribes and illegal payments  
Educational expenses

You can deduct all ordinary and necessary expenses connected with the production or collection of income, or for the management or protection of property held for the production of income.

If you are divorced or legally separated and are making periodic payments of alimony or separate maintenance under a court decree, you can deduct these amounts.



Periodic payments made after August 16, 1954, under either (a) a written separation agreement entered into after that date or (b) a decree for support entered after March 1, 1954, are also deductible. Such payments must be included in the wife's income. However, you cannot deduct lump-sum settlements, specific maintenance payments for support of minor children, or any voluntary payments not under a court order or a written separation agreement.

You may not deduct gambling losses in excess of gambling winnings. If you are a tenant-stockholder in a cooperative housing corporation, you can deduct your share of its payments for interest and real-estate taxes.

### Declarations of Estimated Tax

For many taxpayers the withholding tax on wages is not sufficient to keep them paid up on their income tax. The law requires every individual (including an alien who is a resident of Puerto Rico during the entire taxable year) to file a Declaration of Estimated Tax, Form 1040-ES, and to make quarterly payments in advance of filing the annual income tax return if:

(a) his gross income can reasonably be expected to consist of wages subject to withholding and of not more than \$100 from other sources and to exceed—

(1) \$5,000 for a single individual who is not a head of household or a surviving widow or widower or for a married individual not entitled to file a joint declaration;

(2) \$10,000 for a head of household or a surviving widow or widower; or

(3) \$5,000 for a married person entitled to file a joint declaration and the total income for both husband and wife can reasonably be expected to exceed \$10,000; or

(b) his gross income can reasonably be expected to include more than \$100 from sources other than wages and to exceed the sum of \$600 multiplied by the number of exemptions plus \$400.

The District Director will mail Form 1040-ES, as far as is practical, to each person who may need it. Anyone else required to file should obtain the form from an Internal Revenue Service office in time to file by April 15, 1955. Farmers may postpone filing their declarations for 1955, until January 15, 1956.

## HOW TO FIGURE YOUR TAX

*Using the Tax Table.*—To relieve the average taxpayer from computing the tax, the law provides a table which shows the correct tax for any income up to \$5,000. If you file a Short-Form 1040, use the Tax Table on page 16, to determine your tax. The table is based on the same rates used in a Long-Form 1040 computation. If your actual

deductions are larger than 10 percent of your income, you may file a Long-Form 1040 and claim them.

*Making a Long-Form Computation.*—To figure your tax on the amount on either line 5 or line 7(a), page 3, of Long-Form 1040, use the schedule below.

### 1954 Tax Rate Schedule

#### I. FOR ALL TAXPAYERS EXCEPT UNMARRIED (OR LEGALLY SEPARATED) PERSONS QUALIFYING AS HEAD OF HOUSEHOLD

If the amount on line 5 or 7 (a) is: Enter on line 6 or 7 (b):

Not over \$2,000	20% of the amount on line 5 or 7 (a)
Over \$2,000 but not over \$4,000	\$400, plus 22% of excess over \$2,000
Over \$4,000 but not over \$6,000	\$840, plus 26% of excess over \$4,000
Over \$6,000 but not over \$8,000	\$1,360, plus 30% of excess over \$6,000
Over \$8,000 but not over \$10,000	\$1,960, plus 34% of excess over \$8,000
Over \$10,000 but not over \$12,000	\$2,640, plus 38% of excess over \$10,000
Over \$12,000 but not over \$14,000	\$3,400, plus 43% of excess over \$12,000
Over \$14,000 but not over \$16,000	\$4,260, plus 47% of excess over \$14,000
Over \$16,000 but not over \$18,000	\$5,200, plus 50% of excess over \$16,000
Over \$18,000 but not over \$20,000	\$6,200, plus 53% of excess over \$18,000
Over \$20,000 but not over \$22,000	\$7,260, plus 56% of excess over \$20,000
Over \$22,000 but not over \$26,000	\$8,380, plus 59% of excess over \$22,000
Over \$26,000 but not over \$32,000	\$10,740, plus 62% of excess over \$26,000
Over \$32,000 but not over \$38,000	\$14,460, plus 65% of excess over \$32,000
Over \$38,000 but not over \$44,000	\$18,360, plus 69% of excess over \$38,000
Over \$44,000 but not over \$50,000	\$22,500, plus 72% of excess over \$44,000
Over \$50,000 but not over \$60,000	\$26,820, plus 75% of excess over \$50,000
Over \$60,000 but not over \$70,000	\$34,320, plus 78% of excess over \$60,000
Over \$70,000 but not over \$80,000	\$42,120, plus 81% of excess over \$70,000
Over \$80,000 but not over \$90,000	\$50,220, plus 84% of excess over \$80,000
Over \$90,000 but not over \$100,000	\$58,620, plus 87% of excess over \$90,000
Over \$100,000 but not over \$150,000	\$67,320, plus 89% of excess over \$100,000
Over \$150,000 but not over \$200,000	\$111,820, plus 90% of excess over \$150,000
Over \$200,000	\$156,820, plus 91% of excess over \$200,000

#### II. ONLY FOR UNMARRIED (OR LEGALLY SEPARATED) TAXPAYERS WHO QUALIFY AS HEAD OF HOUSEHOLD

If the amount on line 5 is:

Enter on line 6:

Not over \$2,000	20% of the amount on line 5.
Over \$2,000 but not over \$4,000	\$400, plus 21% of excess over \$2,000
Over \$4,000 but not over \$6,000	\$820, plus 24% of excess over \$4,000
Over \$6,000 but not over \$8,000	\$1,300, plus 26% of excess over \$6,000
Over \$8,000 but not over \$10,000	\$1,820, plus 30% of excess over \$8,000
Over \$10,000 but not over \$12,000	\$2,420, plus 32% of excess over \$10,000
Over \$12,000 but not over \$14,000	\$3,060, plus 36% of excess over \$12,000
Over \$14,000 but not over \$16,000	\$3,780, plus 39% of excess over \$14,000
Over \$16,000 but not over \$18,000	\$4,560, plus 42% of excess over \$16,000
Over \$18,000 but not over \$20,000	\$5,400, plus 43% of excess over \$18,000
Over \$20,000 but not over \$22,000	\$6,260, plus 47% of excess over \$20,000
Over \$22,000 but not over \$24,000	\$7,200, plus 49% of excess over \$22,000
Over \$24,000 but not over \$28,000	\$8,180, plus 52% of excess over \$24,000
Over \$28,000 but not over \$32,000	\$10,260, plus 54% of excess over \$28,000
Over \$32,000 but not over \$38,000	\$12,420, plus 58% of excess over \$32,000
Over \$38,000 but not over \$44,000	\$15,900, plus 62% of excess over \$38,000
Over \$44,000 but not over \$50,000	\$19,620, plus 66% of excess over \$44,000
Over \$50,000 but not over \$60,000	\$23,580, plus 68% of excess over \$50,000
Over \$60,000 but not over \$70,000	\$30,380, plus 71% of excess over \$60,000
Over \$70,000 but not over \$80,000	\$37,460, plus 74% of excess over \$70,000
Over \$80,000 but not over \$90,000	\$44,880, plus 76% of excess over \$80,000
Over \$90,000 but not over \$100,000	\$52,480, plus 80% of excess over \$90,000
Over \$100,000 but not over \$150,000	\$60,480, plus 83% of excess over \$100,000
Over \$150,000 but not over \$200,000	\$101,980, plus 87% of excess over \$150,000
Over \$200,000 but not over \$300,000	\$145,480, plus 90% of excess over \$200,000
Over \$300,000	\$235,480, plus 91% of excess over \$300,000

### Credits Against Tax

*Credit For Foreign Taxes.*—If you claim credits for such taxes, you should submit with your return Form 1116 which contains a schedule for the computation of the credit with appropriate instructions. This form may be obtained from your Internal Revenue Service office.

*Credit For Partially Tax-Exempt Interest.*—If you itemize your deductions, you may deduct on line 11, page 3, a credit for partially tax-exempt interest. This credit is 3 percent

of the partially tax-exempt interest included in gross income. See instructions on page 7 for the type of securities for which a credit is allowed. The credit may not exceed the lesser of (a) 3 percent of the taxable income (line 5, page 3, Form 1040, or line 20, separate Schedule D (twice line 20 in the case of a joint return or the return of a surviving widow or widower), whichever is applicable) for the taxable year or (b) the amount of tax less the credit for taxes paid to foreign countries and possessions of the U. S. and the credit for dividends received.

**Credit For Dividends Received.**—The new law provides a credit against tax for dividends received from domestic corporations after July 31, 1954. This credit is equal to 4 percent of the dividends in excess of those which you may exclude from your gross income (see page 7). The credit may not exceed the lesser of:

(a) the total income tax reduced by the foreign tax credit; or

(b) 2 percent of the taxable income (4 percent for taxable years ending after December 31, 1954).

Schedule J has been provided to compute the dividend credit. Dividends from certain types of corporations do not qualify for either the credit for dividends received or for the exclusion previously explained. These corporations are the same corporations as those listed on page 7 under the explanation of the dividend exclusion. The credit does not apply to a nonresident alien who is not engaged in trade or business in the United States and whose gross income from sources within the United States is not more than \$15,400.

Example: Assume a single individual with no dependents had gross income consisting of salary of \$3,300 and dividends of \$3,050 received from domestic corporations after July 31, 1954 (\$50 of the dividends are excluded from gross income). The credit is computed as follows:

Adjusted gross income (\$3,000 + \$3,300)	\$6,300
Standard deduction	630
	\$5,670
One exemption	600
	\$5,070
Taxable income	\$5,070
Tax before credit	\$1,118.20
Dividends received credit: 4 percent of \$3,000 or \$120 but limited to 2 percent of \$5,070 or	101.40
Net tax liability	\$1,016.80

**Credit For Retirement Income.**—Under the new law you may qualify for a retirement income credit if you received earned income in excess of \$600 in each of any 10 calendar years—not necessarily consecutive—before the beginning of your taxable year. If you qualify, you are entitled to a credit for retirement income you are now receiving. If your deceased husband (or wife) would qualify for this credit, if living, you may claim the credit even though you did not meet the earnings test. If a husband and wife both qualify and each has retirement income, each one is entitled to the credit.

The credit is 20% of the retirement income (as defined below) with a maximum limit of \$240 for each qualified individual. The credit may not exceed your tax (item 7, page 1) reduced by the dividends received credit in item 8A, page 1. Schedule K of the return is provided to make this computation.

Retirement income for the purpose of the credit means—

(a) In the case of an individual who is 65 years of age or over before the close of his taxable year, income from pensions, annuities, interest, rents, and dividends, which were included in gross income in your return. (Gross income from rents for this purpose means gross receipts from rents without reduction for depreciation or any other expenses.)

(b) In the case of an individual who is not 65 years of age before the close of his taxable year, only that income received from pensions or annuities under a public retirement system (one established by the Federal Government, a State, county, city, etc., but not including one established by the United States for members of the Armed Forces).

The amount of the retirement income used for the credit computation may not exceed \$1,200 reduced by:

(a) any amount received and excluded from gross income as a pension or annuity under the Social Security Act and Railroad Retirement Acts and by tax-exempt pensions or annuities. This reduction does not include that part of a pension or annuity which is excluded from gross income because it represents, in effect, a return of capital or tax-free proceeds of a like nature. Moreover, this reduction does not include amounts excluded from gross income which are received as compensation for injuries or sickness or under accident or health plans; and

(b) in the case of any individual who is not 75 before the close of the taxable year, any amount of earned income in excess of \$900 received in the taxable year.

Example: Assume that a qualified individual, who is married and over 65 but not 75, has the following items of income for 1954:

Dividend income after exclusion	\$700
Pension under the Railroad Retirement Act (entirely excludable from gross income)	500
Disability payments under a workmen's compensation act (entirely excludable from gross income)	400
Rental income (Gross)	600
Earned at odd jobs	1,200

The credit is computed as follows:

Retirement income includes—	
Dividend income	\$700
Rental income	600
	\$1,300
Total retirement income	\$1,300
But the retirement income is limited to	\$1,200
Less:	
Railroad retirement pension	\$500
Earned income in excess of \$900 (\$1,200 - \$900)	300
	\$800
Base for computation of credit	\$400
Retirement income credit 20 percent of \$400	\$80

**Credit For Withholding Tax.**—Itemize the taxes withheld in item 2, page 1, and report the total amount as item 12A, page 1. If you have lost any Withholding Statement, ask your employer for a copy. If you cannot furnish Withholding Statements for all taxes withheld from you, attach an explanation.

**Credit For F. I. C. A. Tax.**—If more than \$72 of F. I. C. A. (Social Security) employee tax was withheld during 1954 because you received wages from more than one employer, the excess should be claimed as a credit against income tax. Enter any excess of F. I. C. A. tax withheld over \$72 in the "Income Tax Withheld" column of item 2, page 1, and write "F. I. C. A. tax" in the "Where Employed" column. If a joint return compute the credit separately.

**Credit For Estimated Tax Payments.**—If you paid any estimated tax on a Declaration of Estimated Tax (Form 1040-ES) for 1954, report the total of such payments as item 12B on page 1. If on your 1953 return you had an overpayment which you chose to apply on your 1954 tax include this in item 12B.

**Balance Of Tax Or Refund.**—After figuring your tax either from the Tax Table or from the long-form computation, enter the amount as item 7, page 1. Enter as item 10 the amount of your self-employment tax shown on line 35, separate Schedule C. Show as item 13 any balance you owe, or as item 14 the amount of any overpayment due you, after taking credit for the amounts entered as item 12.



**TAX TABLE FOR CALENDAR YEAR 1954**

**FOR PERSONS WITH INCOMES UNDER \$5,000 NOT COMPUTING TAX ON PAGE 3 OF FORM 1040**

Read down the shaded columns below until you find the line covering the adjusted gross income you entered in item 6, page 1, Form 1040. Then read across to the appropriate column headed by the number corresponding to the number of exemptions claimed in item 1E, page 1. Enter the tax you find there in item 7, page 1.

If total income in item 6, page 1, is—		And the number of exemptions claimed in item 1E, page 1, is—				If total income in item 6, page 1, is—		And the number of exemptions claimed in item 1E, page 1, is—												
At least	But less than	1	2	3	4 or more	At least	But less than	1		2			3			4	5	6	7	8 or more
								Single or a married person filing separately	An un-married head of household	Single or a married person filing separately	An un-married head of household	A * married couple filing jointly	Single or a married person filing separately	An un-married head of household	A * married couple filing jointly					
		Your tax is—						Your tax is—												
\$0	\$675	\$0	\$0	\$0	\$0	\$2,325	\$2,350	\$301	\$301	\$181	\$181	\$181	\$61	\$61	\$61	\$0	\$0	\$0	\$0	\$0
675	700	4	0	0	0	2,350	2,375	305	305	185	185	185	65	65	65	0	0	0	0	0
700	725	8	0	0	0	2,375	2,400	310	310	190	190	190	70	70	70	0	0	0	0	0
725	750	13	0	0	0	2,400	2,425	314	314	194	194	194	74	74	74	0	0	0	0	0
750	775	17	0	0	0	2,425	2,450	319	319	199	199	199	79	79	79	0	0	0	0	0
775	800	22	0	0	0	2,450	2,475	323	323	203	203	203	83	83	83	0	0	0	0	0
800	825	26	0	0	0	2,475	2,500	328	328	208	208	208	88	88	88	0	0	0	0	0
825	850	31	0	0	0	2,500	2,525	332	332	212	212	212	92	92	92	0	0	0	0	0
850	875	35	0	0	0	2,525	2,550	337	337	217	217	217	97	97	97	0	0	0	0	0
875	900	40	0	0	0	2,550	2,575	341	341	221	221	221	101	101	101	0	0	0	0	0
900	925	44	0	0	0	2,575	2,600	346	346	226	226	226	106	106	106	0	0	0	0	0
925	950	49	0	0	0	2,600	2,625	350	350	230	230	230	110	110	110	0	0	0	0	0
950	975	53	0	0	0	2,625	2,650	355	355	235	235	235	115	115	115	0	0	0	0	0
975	1,000	58	0	0	0	2,650	2,675	359	359	239	239	239	119	119	119	0	0	0	0	0
1,000	1,025	62	0	0	0	2,675	2,700	364	364	244	244	244	124	124	124	4	0	0	0	0
1,025	1,050	67	0	0	0	2,700	2,725	368	368	248	248	248	128	128	128	8	0	0	0	0
1,050	1,075	71	0	0	0	2,725	2,750	373	373	253	253	253	133	133	133	13	0	0	0	0
1,075	1,100	76	0	0	0	2,750	2,775	377	377	257	257	257	137	137	137	17	0	0	0	0
1,100	1,125	80	0	0	0	2,775	2,800	382	382	262	262	262	142	142	142	22	0	0	0	0
1,125	1,150	85	0	0	0	2,800	2,825	386	386	266	266	266	146	146	146	26	0	0	0	0
1,150	1,175	89	0	0	0	2,825	2,850	391	391	271	271	271	151	151	151	31	0	0	0	0
1,175	1,200	94	0	0	0	2,850	2,875	395	395	275	275	275	155	155	155	35	0	0	0	0
1,200	1,225	98	0	0	0	2,875	2,900	400	400	280	280	280	160	160	160	40	0	0	0	0
1,225	1,250	103	0	0	0	2,900	2,925	405	404	284	284	284	164	164	164	44	0	0	0	0
1,250	1,275	107	0	0	0	2,925	2,950	410	409	289	289	289	169	169	169	49	0	0	0	0
1,275	1,300	112	0	0	0	2,950	2,975	415	414	293	293	293	173	173	173	53	0	0	0	0
1,300	1,325	116	0	0	0	2,975	3,000	420	419	298	298	298	178	178	178	58	0	0	0	0
1,325	1,350	121	1	0	0	3,000	3,050	427	426	305	305	305	185	185	185	65	0	0	0	0
1,350	1,375	125	5	0	0	3,050	3,100	437	435	314	314	314	194	194	194	74	0	0	0	0
1,375	1,400	130	10	0	0	3,100	3,150	447	445	323	323	323	203	203	203	83	0	0	0	0
1,400	1,425	134	14	0	0	3,150	3,200	457	454	332	332	332	212	212	212	92	0	0	0	0
1,425	1,450	139	19	0	0	3,200	3,250	467	464	341	341	341	221	221	221	101	0	0	0	0
1,450	1,475	143	23	0	0	3,250	3,300	476	473	350	350	350	230	230	230	110	0	0	0	0
1,475	1,500	148	28	0	0	3,300	3,350	486	482	359	359	359	239	239	239	119	0	0	0	0
1,500	1,525	152	32	0	0	3,350	3,400	496	492	368	368	368	248	248	248	128	8	0	0	0
1,525	1,550	157	37	0	0	3,400	3,450	506	501	377	377	377	257	257	257	137	17	0	0	0
1,550	1,575	161	41	0	0	3,450	3,500	516	511	386	386	386	266	266	266	146	26	0	0	0
1,575	1,600	166	46	0	0	3,500	3,550	526	520	395	395	395	275	275	275	155	35	0	0	0
1,600	1,625	170	50	0	0	3,550	3,600	536	530	404	404	404	284	284	284	164	44	0	0	0
1,625	1,650	175	55	0	0	3,600	3,650	546	539	414	413	413	293	293	293	173	53	0	0	0
1,650	1,675	179	59	0	0	3,650	3,700	556	549	424	423	422	302	302	302	182	62	0	0	0
1,675	1,700	184	64	0	0	3,700	3,750	566	558	434	432	431	311	311	311	191	71	0	0	0
1,700	1,725	188	68	0	0	3,750	3,800	575	567	443	441	440	320	320	320	200	80	0	0	0
1,725	1,750	193	73	0	0	3,800	3,850	585	577	453	451	449	329	329	329	209	89	0	0	0
1,750	1,775	197	77	0	0	3,850	3,900	595	586	463	460	458	338	338	338	218	98	0	0	0
1,775	1,800	202	82	0	0	3,900	3,950	605	596	473	470	467	347	347	347	227	107	0	0	0
1,800	1,825	206	86	0	0	3,950	4,000	615	605	483	479	476	356	356	356	236	116	0	0	0
1,825	1,850	211	91	0	0	4,000	4,050	625	615	493	489	485	365	365	365	245	125	3	0	0
1,850	1,875	215	95	0	0	4,050	4,100	635	624	503	498	494	374	374	374	254	134	14	0	0
1,875	1,900	220	100	0	0	4,100	4,150	645	634	513	508	503	383	383	383	263	143	23	0	0
1,900	1,925	224	104	0	0	4,150	4,200	655	643	523	517	512	392	392	392	272	152	32	0	0
1,925	1,950	229	109	0	0	4,200	4,250	665	653	533	527	521	401	401	401	281	161	41	0	0
1,950	1,975	233	113	0	0	4,250	4,300	674	662	542	536	530	410	410	410	290	170	50	0	0
1,975	2,000	238	118	0	0	4,300	4,350	684	671	552	545	539	420	419	419	299	179	59	0	0
2,000	2,025	242	122	2	0	4,350	4,400	694	681	562	555	548	430	429	428	308	188	68	0	0
2,025	2,050	247	127	7	0	4,400	4,450	704	690	572	564	557	440	438	437	317	197	77	0	0
2,050	2,075	251	131	11	0	4,450	4,500	714	700	582	574	566	450	448	446	326	206	86	0	0
2,075	2,100	256	136	16	0	4,500	4,550	724	709	592	583	575	460	457	455	335	215	95	0	0
2,100	2,125	260	140	20	0	4,550	4,600	734	719	602	593	584	470	467	464	344	224	104	0	0
2,125	2,150	265	145	25	0	4,600	4,650	744	728	612	602	593	480	476	473	353	233	113	0	0
2,150	2,175	269	149	29	0	4,650	4,700	754	738	622	612	602	490	486	482	362	242	122	2	0
2,175	2,200	274	154																	



SCHEDULE C FORM 1040 U. S. Treasury Department Internal Revenue Service

PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION (For Computation of Self-Employment Tax, see Page 3) PARTNERSHIPS AND JOINT VENTURES SHOULD FILE ON FORM 1065

1954

For Calendar Year 1954 or other taxable year beginning , 1954, and ending , 195 Owner's Name and Address (from Form 1040)

Item (see instructions—page 2)

A. Principal business activity

G. How many months in the year did you own this business? Did you own this business on December 31, 1954? Was this a seasonal business which was closed for more than two months during the year?

(Retail trade, wholesale trade, lawyer, etc.) (Principal product or service)

B. Business name

C. Number of places of business

D. Did you pay social security taxes for any employees for any quarter of 1954?

E. Enter your employer identification number, if any

F. Business address: (Street and number or rural route) (City, town, post office) (County) (State)

Line (see instructions—page 2)

Table with 3 columns: Description, Amount, and another Amount. Rows include Total receipts, Inventory at beginning of year, Merchandise purchased, Cost of labor, Material and supplies, Other costs, Cost of goods manufactured, Total of line 2 plus line 7, Enter inventory at end of year, Cost of goods sold, and Gross profit.

OTHER BUSINESS DEDUCTIONS

Table with 3 columns: Description, Amount, and another Amount. Rows include Salaries and wages, Rent on business property, Interest on business indebtedness, Taxes on business, Losses of business property, Bad debts, Depreciation and obsolescence, Repairs, Depletion of mines, Amortization of emergency and grain storage facilities, Other business expenses, and Total of lines 12 to 22.

Schedule C-1. EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED ON LINE 18

Table with 7 columns: Kind of property, Date acquired, Cost or other basis, Depreciation allowed, Method, Rate, and Depreciation for this year.

Schedule C-2. EXPLANATION OF LINES 6, 19, AND 22

Table with 6 columns: Line No., Explanation, Amount, Line No., Explanation, Amount.

## INSTRUCTIONS

If you owned a business, or practiced a profession, you should fill in separate Schedule C on other side and enter the net profit (or loss) on line 1, Schedule C Summary, page 2, Form 1040.

Separate Schedule C should include income from (1) sale of merchandise, or products of manufacturing, mining, and construction; (2) business service; and (3) professional service. In general, you should report any income in the earning of which you have incurred expenses for material, labor, supplies, and the like. A farmer keeping his books of account on the accrual method may include the income in such schedule from the sale of products of agriculture in lieu of including such income in Form 1040F.

**Item A—Business Activity.**—State the general classification of business activity, as well as the principal product or service. For example, "Wholesale food," "Retail men's apparel," "Manufacture of upholstered wooden household furniture," "Transportation by truck," "Broker, real estate," "Contractor—carpenter work," "Physician," etc. Do not use such terms as "partnership," "owner," "student," etc. The "principal business activity" is the one which accounts for the largest percentage of your total receipts. All trades and businesses except those specifically excluded are subject to self-employment tax.

**Item E—Employer Identification Number.**—This is the number given on Form 941, Employer's Quarterly Federal Tax Return, which you file as an employer.

**Item F—Business Address.**—Do not use home address as business address unless business is actually conducted from home.

**Line 1—Total Receipts.**—You should include all income derived from your trade or business. Enter in the space provided such items as returned sales, rebates, and allowances from the sale price or service charge.

If you have dividend income from stocks held by you in the ordinary course of carrying on your trade or business, such dividends must be considered together with your dividends from stocks regularly held for investment purposes in computing your dividend exclusion and credit.

**Installment Sales.**—If you use the installment method of reporting income from sales, you should attach to your return a schedule showing separately for the years 1951, 1952, 1953, and 1954 the following: (a) Gross sales; (b) cost of goods sold; (c) gross profits; (d) percentage of profits to gross sales; (e) amounts collected; and (f) gross profits on amount collected.

## COST OF GOODS SOLD

**Lines 2-10.**—If you are engaged in a trade or a business in which the production, purchase, or sale of merchandise produces income, you should take inventories of merchandise and materials on hand at the beginning and end of the taxable year in order to reflect the gross profits correctly. The usual methods of valuing inventory are (a) cost and (b) cost or market whichever is lower. The method properly adopted for the first year in which inventory is taken must be continued unless permission to change is secured from the Commissioner. Application for permission to change the method of valuing inventories must be made in writing and filed with the Commissioner within 90 days after the beginning of the taxable year in which it is desired to effect a change. You should enter the letters "C" or "C or M" immediately before the amount column if inventories are valued either at cost, or at cost or market whichever is lower.

Other methods for valuing inventories of material or merchandise are provided for dealers in securities, for farmers, for miners, for manufacturers who produce more than one product from a single process, and for retail merchants using the "retail method."

A special method based on cost, LIFO, is allowable only if you file an application on Form 970 with your return for the first year used. The requirements for adopting and using the LIFO method are set forth on Form 970. Thereafter, you should attach a separate schedule showing: (a) a summary of all inventories; (b) with respect to inventories computed under the LIFO method, the computation of quantities and cost by acquisition levels.

## OTHER BUSINESS DEDUCTIONS

**Line 12—Salaries and Wages.**—You should enter all salaries and wages not included as "Cost of Labor" in "Cost of Goods Sold." Do not deduct any salary or wages for your own services or services of others not performed in connection with your business.

**Line 13—Rent on Business Property.**—Rents paid or accrued on business property in which you have no equity are deductible. Do not include rent for a building, or any part, which you occupy solely for residential purposes.

**Line 14—Interest on Business Indebtedness.**—Interest on business indebtedness to others is deductible. Do not include interest to yourself on capital invested in or advanced to the business.

**Line 15—Taxes on Business and Business Property.**—Include taxes paid or accrued on business property or incurred for carrying on your business. Federal import duties and Federal excise and stamp taxes are deductible if paid or incurred in carrying on a trade or business. Do not include taxes assessed against local benefits of a kind tending to increase the value of the property assessed, as for paving, sewers, front foot benefits, etc.

**Line 16—Losses of Business Property.**—You may deduct losses of business property by fire, storm, or other casualty, or theft, not compensated by insurance or otherwise and not made good by repairs claimed as a deduction. Attach a statement showing a description of the property, date acquired, cost, subsequent improvements, depreciation allowable since acquisition, insurance, salvage value, and deductible loss.

**Line 17—Bad Debts Arising From Sales or Services.**—Include debts, or portions thereof, arising from sales or professional services that have been included in income, which have been definitely ascertained to be worthless, or such reasonable amount as has been added to a reserve for bad debts within the taxable year. A debt previously deducted as bad which reduced your tax in a prior year, if subsequently collected, must be returned as income for the year in which collected.

**Line 18—Depreciation and Obsolescence.**—You may deduct a reasonable allowance for exhaustion, wear and tear, and obsolescence of property used in the trade or business. For additional information regarding depreciation, especially on new property acquired or constructed after December 31, 1953, see depreciation section in the instructions for Form 1040.

If a deduction is claimed on account of depreciation, you should fill in Schedule C-1. In case obsolescence is included, state separately amount claimed and basis upon which it is computed. The value or cost of land must not be included in this schedule, and where land and buildings were purchased for a lump sum, the cost of the building subject to depreciation must be established. The adjusted property accounts and the accumulated depreciation shown in the schedule should be reconciled with those accounts as reflected on your books.

**Line 19—Repairs.**—You may deduct the cost of incidental repairs, including labor, supplies, and other items, which do not add to the value or appreciably prolong the life of the property. Expenditures for new buildings, machinery, equipment, or for permanent improvements or betterments which increase the value of the property are chargeable to capital accounts. Expenditures for restoring or replacing property are not deductible, since such expenditures are chargeable to capital accounts or to depreciation reserve depending on how depreciation is charged on your books.

**Line 20—Depletion of Mines, Oil and Gas Wells, Timber, Etc.**—If a deduction is claimed on account of depletion, you should procure from your District Director Form M (mines and other natural deposits), Form O (oil and gas), or Form T (timber), fill in and file with return. If complete valuation data have been filed with questionnaire in previous years, then file with your return information necessary to bring depletion schedule up to date, setting forth, in full, statement of all transactions bearing on deductions from or additions to value of physical assets during the taxable year with explanation of how depletion deduction for the taxable year has been determined. (See sections 615 and 616 of the Internal Revenue Code of 1954 for election to capitalize or deduct expenditures for exploration and development of mineral properties.)

**Line 21—Amortization.**—If you elect the deduction with respect to the amortization of the adjusted basis of (a) any emergency facility with respect to which the Government has issued a certificate of necessity, or (b) a grain storage facility, a statement of the pertinent facts should be filed with your election. (See sections 168 and 169 of the Internal Revenue Code of 1954.)

For the election to amortize research or experimental expenditures not subject to depreciation or depletion, see section 174 of the Code.

**Line 22—Other Business Deductions.**—You should include all ordinary and necessary business expenses for which no space is provided in the schedule. Any deduction claimed should be explained in Schedule C-2. Do not include cost of business equipment or furniture, expenditures for replacements, or for permanent improvements to property, or personal living and family expenses.

**Soil and Water Conservation Expenditures.**—Taxpayers engaged in the business of farming may under certain conditions expense amounts paid for soil and water conservation. For more detailed instructions, see the instructions for Form 1040.

**Net Operating Loss Deduction.**—Any net operating loss deduction should be entered in Schedule C Summary, Form 1040, instead of in this schedule.

**Accrual-Method Taxpayers Only.**—If you have (a) receipts which constitute prepaid income, or (b) reserves for estimated expenses, see the instructions for Form 1040.



● **IMPORTANT**—If you have more than one business, a separate page 1 must be completed for each business. However, only one page 3 should be completed and filed showing the aggregate net profit from such businesses.

(See Instructions—Page 4)

**COMPUTATION OF SELF-EMPLOYMENT TAX**  
(For old-age and survivors insurance)

NAME OF SELF-EMPLOYED PERSON (a separate schedule must be filed for each self-employed person)

STATE BUSINESS ACTIVITIES, IF ANY, SUBJECT TO SELF-EMPLOYMENT TAX (for example: Restaurant, Building Contractor)

Line (See instructions—Page 4)

25. Net profit (or loss) shown on line 24, page 1 (Enter aggregate amount if more than one business) .....	\$.....		
26. Losses of business property shown on line 16, page 1 .....			
27. Total of lines 25 and 26 .....			\$.....
28. Less: Net income (or loss) from excluded services or sources included in line 27 .....			
Specify excluded services or sources.....			
29. Net earnings from self-employment (line 27 less line 28) .....			\$.....
30. Net earnings (or loss) from self-employment from partnerships, joint ventures, etc. (from column 11, Schedule K, Form 1065).....			
31. Total net earnings (or loss) from self-employment (line 29 plus line 30) .....			\$.....
(If total of net earnings is under \$400, do not make any entries below)			
32. Maximum amount subject to self-employment tax .....	\$	3,600	00
33. Less: Wages paid to you during the taxable year which were subject to withholding for old-age and survivors insurance. (If such wages exceed \$3,600, enter \$3,600) .....			
34. Maximum amount subject to self-employment tax after adjustment for wages .....	\$		
35. Self-employment income subject to tax—Line 31 or 34, whichever is smaller .....			\$.....
36. Self-employment tax—3 percent of amount on line 35. Enter here and as item 10, page 1, Form 1040 .....			\$.....

**IMPORTANT—FILL IN ITEMS BELOW COMPLETELY BUT DO NOT DETACH**

SCHEDULE C-a (Form 1040)  
U. S. Treasury Department  
Internal Revenue Service

**U. S. REPORT OF SELF-EMPLOYMENT INCOME**  
(For Federal Old-Age and Survivors Insurance)

**1954**

1. CHECK ONE  Calendar Year 1954  
 Other Taxable Year Beginning ....., 1954, and Ending ....., 195.....

2. State Business Activities Subject To Self-Employment Tax

3. Business Address (Street and Number, City or Town, Postal Zone Number, State)

4. PRINT BELOW NAME AND ADDRESS OF SELF-EMPLOYED PERSON

Name as shown on Social Security Account Number Card

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HOME ADDRESS (Street and Number, or Rural Route)

---

(City or Town, Postal Zone Number, State)

5. ENTER HERE THE SOCIAL SECURITY ACCOUNT NUMBER OF THE PERSON NAMED IN LINE 4

➔ 

000	00	0000
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6. Enter Total Earnings From Self Employment Shown on Line 31 above.....\$.....

7. Enter Wages Shown on Line 33 above.....\$.....

8. Enter Self-Employment Income Shown on Line 35 above...\$.....



**PURPOSE OF THIS FORM**

**Schedule C (Form 1040).**—Schedule C serves two purposes. First, it provides for the determination of net profit (or loss) from business or profession to be used in computing income tax. Second, it provides for the computation of the self-employment tax in accordance with Chapter 2 of Subtitle A of the Internal Revenue Code of 1954.

**Schedule C-a (Form 1040).**—The lower portion of page 3, Schedule C, which is designated as Schedule C-a (Form 1040), is designed to provide the Social Security Administration with the information on self-employment income necessary for old-age and survivors insurance purposes.

**INSTRUCTIONS FOR CALENDAR YEAR 1954****SELF-EMPLOYMENT TAX**

In general, every individual deriving income during the taxable year from a trade or business carried on by him or from a partnership of which he is a member is subject to the self-employment tax, the computation of which is made on lines 25 through 36.

"Net earnings from self-employment" (line 31) is the gross income derived by an individual from any trade or business carried on by him, less the allowable deductions attributable to such trade or business, plus his share of self-employment net earnings (or loss) from a partnership of which he is a member.

**No Deductions for Personal Exemptions.**—The deductions for personal exemptions are not allowable in determining the net earnings from self-employment.

**EXCLUSIONS**

In determining the amount of net earnings from self-employment report on line 28 income from the following sources or deductions attributable thereto:

**1. Certain professions.**—Income from the performance of service as a physician, lawyer, dentist, osteopath, veterinarian, chiropractor, naturopath, optometrist, Christian Science practitioner, architect, certified public accountant, accountant registered or licensed as an accountant under State or municipal law, full-time practicing public accountant, funeral director, or professional engineer; or income from the performance of such service by a partnership;

**2. Religious services.**—Income from the performance of service by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order;

**3. Farming.**—Income from farming or from any other business in which, if the business were carried on exclusively by employees, the major portion of the services would constitute agricultural labor;

**4. Employees and public officials.**—Income from the performance of service as:

- (a) a public official, including a notary public;
- (b) an employee or employee representative under the railroad retirement system; or
- (c) an employee. "Employee" includes among others:
  - (1) an agent-driver or commission driver engaged in distributing meat, vegetable, fruit, and bakery products, beverages (other than milk), or laundry or dry-cleaning services;
  - (2) a full-time life insurance salesman;
  - (3) a home worker performing work subject to licensing requirements under State law; and
  - (4) traveling or city salesmen generally, engaged upon a full-time basis for their principals (except for sideline sales activities on behalf of another person).

**Note.**—The income of an employee over the age of 18 from the sale of newspapers or magazines to an ultimate consumer is subject to the self-employment tax if the income consists of retained profits from such sales.

**5. Real estate rentals.**—Rentals from real estate, except rentals received in the course of a trade or business as a real estate dealer. Payments for the use or occupancy of rooms or other space where services are also rendered to the occupant, such as rooms in hotels, boarding houses, apartment houses furnishing hotel services, tourist camps, tourist homes, or space in parking lots, warehouses, or storage garages do not constitute rentals from real estate and therefore are included in determining net earnings from self-employment;

**6. Interest and dividends.**—Dividends on shares of stock, and interest on bonds, debentures, notes, certificates, or other evidences of indebtedness, issued with interest coupons or in registered form by a corporation, or by a government or political subdivision thereof, unless received in the course of a trade or business as a dealer in stocks or securities; and

**7. Property gains and losses.**—Gain or loss (A) from the sale or exchange of a capital asset, (B) to which sections 631 and 1231 are applicable, or (C) from the sale, exchange, involuntary conversion, or other disposition of property if such property is neither (1) stock in trade or other property of a kind which would properly be includible in inventory if on hand at the close of the taxable year, nor (2) property held primarily for sale to customers in the ordinary course of the trade or business.

**Net operating losses.**—In determining the net earnings from self-employment, no deduction for net operating losses of other years shall be allowed.

**MORE THAN ONE TRADE OR BUSINESS**

If an individual is engaged in more than one trade or business, his net earnings from self-employment are the total of his net earnings from self-employment of each trade or business carried on by him. Thus, the loss sustained in one trade or business will operate to reduce the income derived from another trade or business.

**JOINT RETURNS**

Where husband and wife file a joint return, page 3 of Schedule C (Form 1040) should show the name of the one with self-employment income. Where husband and wife each have self-employment income, a separate Schedule C must be attached for each. In such cases the total of amounts shown on line 24 of each separate schedule should be entered on line 1, Schedule C Summary, page 2, Form 1040, and the aggregate self-employment tax (line 36) should be entered as item 10, page 1, Form 1040.

**COMMUNITY INCOME**

For the purpose of computing net earnings from self-employment, if any of the income from a trade or business is community income, all the income from such trade or business is considered the income of the husband unless the wife exercises substantially all the management and control of the trade or business, in which case all of such income is considered the income of the wife.

If separate returns are filed by the husband and wife, a complete Schedule C should be attached to the return of the one with self-employment income. Community income included on such a schedule must, however, be allocated between the two returns (on line 1, Schedule C Summary, page 2, Form 1040) on the basis of the community property laws.

In computing his aggregate net earnings from self-employment, a partner should include his entire share of such earnings from a partnership. No part of that share may be attributed to the partner's wife (or husband) even though the income may, under State law, be community income.

**FISCAL YEARS**

For fiscal years ending after December 31, 1954, the amounts of \$3,600 appearing on lines 32 and 33, page 3, in the computation of the self-employment tax should be changed to \$4,200.

If you are a Christian Science practitioner, architect, accountant, funeral director, engineer, minister, member of a religious order, or a farmer, reporting on a fiscal year basis, consult your nearest Internal Revenue Service office for the recent changes in the law which affect your liability for self-employment tax.

**SCHEDULE C-a (Form 1040)**

To assure proper credit to your account, be sure to enter your name and social security account number on Schedule C-a (Form 1040) exactly as they are shown on your social security card. If you do not have a social security account number, you must get one. These account numbers are obtainable from any of the approximately 500 Social Security Administration offices throughout the country. The telephone directory or your local post office will give you the address. Do not delay filing your return beyond the due date even though you have not obtained your social security account number.

Regardless of whether a joint or separate returns on Form 1040 are filed by husband and wife, Schedule C-a (Form 1040) should show only the name of the one with the self-employment income. If both had net earnings from self-employment, a separate Schedule C-a must be filed by each.

**SCHEDULE D**

For use with  
Forms 1040, 1041,  
and 1065

U. S. Treasury Department—Internal Revenue Service  
**GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY**  
USE WITH INDIVIDUAL, FIDUCIARY, OR PARTNERSHIP RETURNS

**1954**

For Calendar Year 1954, or other taxable year beginning \_\_\_\_\_, 1954, and ending \_\_\_\_\_, 195

Name and Address \_\_\_\_\_

Check type of return filed:  
 Form 1040     Form 1041     Form 1065

**(I) PROPERTY OTHER THAN CAPITAL ASSETS**

a. Kind of property (if necessary, attach statement of descriptive details not shown below)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price (contract price)	e. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (attach schedule)	f. Cost or other basis and cost of subsequent improvements (if not purchased, attach explanation)	g. Expense of sale	h. Gain or loss (column d plus column e less sum of columns f and g)
1. _____			\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2. Net gain (or loss). Enter here and on line 1, Schedule D, Form 1040, or as item 8 (a), page 1, Form 1041, or as item 11, page 1, Form 1065.							\$ _____

**(II) CAPITAL ASSETS**

**Short-Term Capital Gains and Losses—Assets Held Not More Than 6 Months**

3. _____			\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
4. Enter your share of net short-term gain (or loss) from partnerships and fiduciaries.							
5. Enter unused capital loss carryover from 5 preceding taxable years (Attach statement).							
6. Net short-term gain (or loss) from lines 3, 4, and 5. Enter here and in Schedule D, Form 1041, or as item 26, page 1, Form 1065.							\$ _____

**Long-Term Capital Gains and Losses—Assets Held More Than 6 Months**

7. _____			\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
8. Enter the full amount of your share of net long-term gain (or loss) from partnerships and fiduciaries.							
9. Net long-term gain (or loss) from lines 7 and 8. Enter here and in Schedule D, Form 1041, or as item 27, page 1, Form 1065.							\$ _____

**● LINES 10 THROUGH 25 NOT APPLICABLE TO FIDUCIARIES AND PARTNERSHIPS**

**Gain or Loss To Be Taken Into Account**

	a. Gain	b. Loss
10. Enter net short-term gain (or loss) from line 6.	\$ _____	\$ _____
11. Enter net long-term gain (or loss) from line 9.	\$ _____	\$ _____
<b>Use lines 12 through 15 only if gains exceed losses in lines 10 and 11.</b>		
12. Enter short-term gain (line 10, col. a) reduced by any long-term loss (line 11, col. b).	\$ _____	
13. Enter long-term gain (line 11, col. a) reduced by any short-term loss (line 10, col. b).	\$ _____	
14. Enter 50 percent of line 13.	\$ _____	
15. Enter here and on line 2, Schedule D, Form 1040, the sum of lines 12 and 14.	\$ _____	
<b>Use lines 16 and 17 only if losses exceed gains in lines 10 and 11.</b>		
16. Enter the excess of losses over gains on lines 10 and 11.	\$ _____	
17. Enter here and on line 2, Schedule D, Form 1040, the <b>smallest</b> of the following: (a) the amount on line 16; (b) taxable income computed without regard to capital gains and losses and the deduction for exemptions; or (c) \$1,000.	\$ _____	

**COMPUTATION OF ALTERNATIVE TAX FOR INDIVIDUALS (Form 1040)**

(See instructions on other side as to when the alternative tax applies)

18. Enter from page 3, Form 1040, the income from line 5 if separate return or line 7 (a) if joint return.	\$ _____
19. Enter amount from line 14, column a, above, if separate return, or half of such amount if joint return.	\$ _____
20. Balance (line 18 less line 19).	\$ _____
21. Enter tax on amount on line 20 (Use applicable Tax Rate Schedule in Form 1040 Instructions).	\$ _____
22. If joint return, multiply amount on line 21 by two.	\$ _____
23. Enter 50 percent of line 19.	\$ _____
24. If joint return, multiply amount on line 23 by two.	\$ _____
25. Alternative tax (line 21 plus line 23 if separate return; line 22 plus line 24 if joint return). If smaller than amount on line 6 or line 7(c), page 3, Form 1040, enter this alternative tax on line 8, page 3, Form 1040.	\$ _____

NOTE.—In lines 18 to 25 the treatment in the case of a joint return is also applicable to a return of a surviving widow or widower.



**INSTRUCTIONS—(References are to the Internal Revenue Code of 1954)****GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY.**—Report details in schedule on other side.

**"Capital assets" defined.**—The term "capital assets" means property held by the taxpayer (whether or not connected with his trade or business) but does NOT include—

- (a) stock in trade or other property of a kind properly includible in his inventory if on hand at the close of the taxable year;
- (b) property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business;
- (c) property used in the trade or business of a character which is subject to the allowance for depreciation provided in section 167;
- (d) real property used in the trade or business of the taxpayer;
- (e) certain government obligations issued on or after March 1, 1941, at a discount, payable without interest and maturing at a fixed date not exceeding one year from date of issue;
- (f) certain copyrights, literary, musical, or artistic compositions, etc.; or
- (g) accounts and notes receivable acquired in the ordinary course of trade or business for services rendered or from the sale of property referred to in (a) or (b) above.

In connection with (b) above, the law allows dealers in securities capital gain or loss treatment with respect to certain securities which were clearly identified as being held for investment. Also, in the case of a taxpayer other than a corporation, certain real property subdivided for sale may be treated as capital assets. Sections 1236 and 1237.

If the total distribution to which an employee is entitled under an employees' pension, bonus, or profit-sharing trust plan exempt from tax under section 501(a), is received by the employee in one taxable year, on account of the employee's separation from the service, the aggregate amount of such distribution, to the extent it exceeds the amounts contributed by the employee, shall be treated as a long-term capital gain. See section 402.

A capital gain dividend, as defined in section 852 (relating to tax on regulated investment companies), shall be treated by the shareholder as a long-term capital gain.

Gain on sale of depreciable property between husband and wife or between a shareholder and a "controlled corporation" shall be treated as ordinary gain. Section 1239.

A transfer (other than by gift, inheritance, or devise) by an individual "holder" of all substantial rights evidenced by a patent, or an undivided interest therein, shall be considered the sale or exchange of a capital asset held for more than 6 months.

Gains and losses from transactions described in section 1231 (see below) shall be treated as gains and losses from the sale or exchange of capital assets held for more than 6 months if the total of these gains exceeds the total of these losses. If the total of these gains does not exceed the total of these losses, such gains and losses shall not be treated as gains and losses from the sale or exchange of capital assets. Thus, in the event of a net gain, all these transactions should be entered in the "long-term capital gains and losses" portion of Schedule D. In the event of a net loss, all these transactions should be entered in the "property other than capital assets" portion of Schedule D, or in other applicable schedules on Forms 1040, 1041, or 1065.

Section 1231 deals with gains and losses arising from—

- (a) sale, exchange, or involuntary conversion, of land (including in certain cases unharvested crops sold with the land) and depreciable property if they are used in the trade or business and held for more than 6 months,
- (b) sale, exchange, or involuntary conversion of livestock held for draft, breeding, or dairy purposes (but not including poultry) and held for 1 year or more,
- (c) the cutting of timber or the disposal of timber or coal to which section 631 applies, and
- (d) the involuntary conversion of capital assets held more than 6 months.

See sections 1231 and 631 for specific conditions applicable.

**Description of property listed.**—State following facts: (a) For real estate (including owner-occupied residences), location and description of land and improvements; (b) for bonds or other evidences of indebtedness, name of issuing corporation, particular issue, denomination, and amount; and (c) for stocks, name of corporation, class of stock, number of shares, and capital changes affecting basis (including nontaxable distributions).

**Basis.**—In determining gain or loss in case of property acquired after February 28, 1913, use cost, except as specially provided. The basis of property acquired by gift after December 31, 1920, is the cost or other basis to the donor in the event of gain, but, in the event of loss, it is the lower of either such donor's basis or the fair market value on date of gift. Generally the basis of property acquired by inheritance is the fair market value at time of acquisition which usually is the date of death. For special cases involving property acquired from a decedent, see section 1014. In the case of sales and exchanges of automobiles and other property not used in

your trade or business, or not used for the production of income, the basis for determining gain is the original cost plus the cost of permanent improvements thereto. No losses are recognized for income tax purposes on the sale and exchange of such properties. In determining GAIN in case of property acquired before March 1, 1913, use the cost or the fair market value as of March 1, 1913, as adjusted, whichever is greater, but in determining LOSS use cost as adjusted.

**Sale of a personal residence.**—See Form 1040 instructions for special rules applicable to sale or exchange of your residence.

**Losses on securities becoming worthless.**—If (a) shares of stock become worthless during the year or (b) corporate securities with interest coupons or in registered form become worthless during the year, and are capital assets, the loss therefrom shall be considered as from the sale or exchange of capital assets as of the last day of such taxable year.

**Nonbusiness debts.**—If a debt, such as a personal loan, becomes totally worthless within the taxable year, the loss resulting therefrom shall be considered a loss from the sale or exchange, during the taxable year, of a capital asset held for not more than 6 months. Enter such loss in column (h) and describe in column (a) in the schedule of short-term capital gains and losses on other side. This does not apply to (a) a debt evidenced by a corporate security with interest coupons or in registered form and (b) a debt acquired in your trade or business.

**Classification of capital gains and losses.**—The phrase "short-term" applies to gains and losses from the sale or exchange of capital assets held for 6 months or less; the phrase "long-term" applies to capital assets held for more than 6 months.

**Treatment of capital gains and losses.**—Short-term capital gains and losses will be merged to obtain the net short-term capital gain or loss. Long-term capital gains and losses (taken into account at 100 percent) will be merged to obtain the net long-term capital gain or loss. If the net short-term capital gain exceeds the net long-term capital loss, 100 percent of such excess shall be included in income. If the net long-term capital gain exceeds the net short-term capital loss, 50 percent of such excess shall be included in income. In the case of a fiduciary, see section 1202.

**Limitation on allowable capital losses.**—If the sum of all the capital losses exceeds the sum of all the capital gains (all such gains and losses to be taken into account at 100 percent), then such capital losses shall be allowed as a deduction only to the extent of (1) current year capital gains plus (2) the smaller of either the taxable income of the current year (or adjusted gross income if tax table is used) or \$1,000. For this purpose taxable income is computed without regard to capital gains or losses or the deduction for exemptions. The excess of such allowable losses over the sum of items (1) and (2) above is called "capital loss carryover" (not applicable to partnerships). It may be carried forward and treated as a short-term capital loss in succeeding years. However, the capital loss carryover of each year should be kept separate, since the law limits the use of such carryover to the five succeeding years. In offsetting your capital gain and income of 1954 by prior year loss carryovers, use any capital loss carryover from 1949 before using any such carryover from 1950 or subsequent years. Any 1949 carryover which cannot be used in 1954 must be excluded in determining total loss carryover to 1955 and subsequent years.

**Collapsible corporations.**—Gain from the sale or exchange of stock in a collapsible corporation is not a capital gain. Section 341.

**"Wash sales" losses.**—Losses from the sale or other disposition of stocks or securities are not deductible (unless sustained in connection with the taxpayer's trade or business) if, within 30 days before or after the date of sale or other disposition, the taxpayer has acquired (by purchase or by an exchange upon which the entire amount of gain or loss was recognized by law) or has entered into a contract or option to acquire, substantially identical stock or securities.

**Losses in transactions between certain persons.**—No deduction is allowable for losses from sales or exchanges of property directly or indirectly between (a) members of a family, (b) a corporation and an individual (or a fiduciary) owning more than 50 percent of the corporation's stock (liquidations excepted), (c) a grantor and fiduciary of any trust, (d) a fiduciary and a beneficiary of the same trust, (e) a fiduciary and a fiduciary or beneficiary of another trust created by the same grantor, or (f) an individual and a tax-exempt organization controlled by the individual or his family.

**ALTERNATIVE TAX.**—If the net long-term capital gain exceeds the net short-term capital loss, or in the case of only a long-term capital gain, individual taxpayers (a) filing separate returns with taxable income exceeding \$18,000, or (b) filing joint returns or as surviving widows or widowers with taxable income exceeding \$36,000, or (c) filing as head of household with taxable income exceeding \$24,000, will usually find it to their advantage to compute the alternative tax on the other side. The alternative tax, if less than the tax computed on page 3 of Form 1040, shall be the tax liability.











## INSTRUCTIONS

## METHOD OF ACCOUNTING

Farmers may compute their income either on the cash receipts and disbursements method or the accrual method, but whichever method is adopted in filing their first return must be followed until the consent of the Commissioner is received to change the method.

## CASH RECEIPTS AND DISBURSEMENTS METHOD

A farmer reporting on the basis of cash receipts and disbursements shall include in his gross income for the taxable year (1) the amount of cash or the value of merchandise or other property received from the sale of livestock and produce which were raised during the taxable year or prior years, (2) the profits from the sale of any livestock or other items which were purchased, and (3) gross income from all other sources. The farm expenses will be the actual amounts paid out during the taxable year.

## ACCRUAL METHOD

For a farmer reporting on the accrual method, the gross profits are obtained as indicated in summary of income and deductions on page 3 of this form. The farm expenses will be the actual expenses incurred during the year, whether paid or not.

Farmers who compute income on an accrual method and use inventories, may value their inventories according to the "farm-price method," which provides for the valuation of inventories at market price less direct cost of disposition. If the use of the "farm-price method" of valuing inventories for any taxable year involves a change in method of valuing inventories from that employed in prior years, permission for such change shall first be secured from the Commissioner. Farmers raising livestock may value their inventories of animals according to either the "farm-price method" or the "unit livestock price method."

## INCOME

All the farm income from whatever source must be reported in this schedule. Anything of value received instead of cash, such as groceries received in exchange for produce, must be treated as income to the extent of its market value.

The value of farm produce consumed by the farmer and his family need not be reported as income; but expenses incurred in raising such produce must not be claimed as deductions.

Recoveries for hail and fire insurance on growing crops should be included in gross income.

Rents received in crop shares shall be reported in income in the year in which the crop shares are reduced to money or the equivalent of money.

A taxpayer electing to include in gross income amounts received during the year as loans from Commodity Credit Corporation should file with his return a statement showing details of such loans. (See section 77 of the Internal Revenue Code of 1954.)

Report gains and losses from sales or exchanges of capital assets and other property in separate Schedule D (Form 1040).

The term "farm" embraces the farm in the ordinarily accepted sense, and includes stock, dairy, poultry, fruit, truck farms, and all land used for farming operations. A person cultivating or operating a farm for recreation or pleasure, the result of which is a continual loss from year to year, is not regarded as a farmer.

## EXPENSES AND OTHER DEDUCTIONS

In general, a farmer who operates a farm for profit is entitled to deduct from gross income as necessary expenses all amounts actually expended in carrying on the business of farming, except those which represent capital investment. The following is a list of such expenses (taken from the classification appearing on page 2 of this form though any other equally descriptive classification may be used):

**Labor hired.**—Amounts paid for regular farm labor, piece work, contract labor, and other forms of hired labor. Do not deduct the value of your own labor or that of your wife. Only that part of the board which is purchased for hired labor should be deducted. The value of products furnished by the farm and used in the board of hired labor is not deductible. Rations purchased for laborers or sharecroppers are deductible. Do not deduct amounts paid to persons engaged in household work, except to the extent that the services of such persons are used in boarding and otherwise caring for farm laborers. Services of such employees engaged in caring for the farmer's own household are not deductible.

**Feed purchased.**—Cost of grain, hay, silage, mill feeds, other concentrates and roughages purchased, and amounts paid for grinding, mixing, and processing of feed.

**Machine hire.**—Amounts paid for threshing, combining, silo filling, baling, ginning, and other machine hire.

**Supplies purchased.**—Cost of twine, spray material, poisons, disinfectant, cans, barrels, baskets, egg cases, bags, and other similar farm supplies purchased.

**Cost of repairs and maintenance.**—Amounts expended for repairs and maintenance of farm buildings (except your dwelling), fences, drains, and other farm improvements, and for repairs and maintenance of farm machinery and equipment; cost of small tools of short life such as shovels, rakes, etc. Amounts expended for replacements of, or additions to, farm machinery, farm buildings, or other farm equipment of a permanent nature are not deductible.

**Fertilizers and lime.**—Cost of commercial fertilizers, lime, and manure purchased during the year, the benefit of which is of short duration.

**Taxes.**—State and local taxes. Do not deduct Federal income taxes; estate, inheritance, legacy, succession, and gift taxes; nor taxes assessed for any improvement or betterment tending to increase the value of the property assessed. Do not deduct taxes on your dwelling or household property and other personal taxes.

**Insurance.**—Cost of all insurance on farm buildings (except your dwelling) and improvements, equipment, crops, and livestock.

**Interest on farm notes and mortgages.**—Interest paid on farm mortgages and other obligations incurred to carry on farming.

**Water rent, electricity, and telephone.**—The farm share of these expenditures. Do not deduct personal expenses.

**Rent of farm, part of farm, or pasturage.**—Rent paid in cash. A tenant farmer paying rent to his landlord in the form of crops raised on the farm (under a cropshare agreement) may not deduct as rent the value of the crop given to the landlord, but the tenant may deduct all amounts paid by him in raising the crop.

**Automobile upkeep.**—For automobiles used exclusively in farm operations, all expenses of operation, repair, and depreciation. For automobiles used both for farm and for personal transportation, only that part of the expense corresponding to the farm use may be deducted.

**Soil and water conservation expenses.**—See instructions to Form 1040 for explanation of these expenses.

**Other farm expenses.**—Fees paid for advertising farm products; expenditures for stamps, stationery, account books, and other office supplies purchased for farm use; expenditures for travel in connection with the farm and similar expenditures. Amounts expended for purchase of automobiles, farm machinery, farm buildings, or other farm equipment of a permanent nature are not deductible.

**Depreciation.**—Allowance for depreciation of buildings, improvements, machinery, or other farm equipment of a permanent nature. In computing depreciation do not include the value of farm land nor the land on which farm buildings are located. Do not deduct repairs or depreciation on the dwelling you occupy or on your personal or household equipment. Do not claim as a separate item depreciation on livestock or any other property included in your inventory. Depreciation, however, may be claimed on livestock acquired for work, breeding, or dairy purposes which are not included in your inventory of livestock purchased or raised for sale. See the instructions to Form 1040 for methods of computing depreciation.

**Losses.**—Losses of farm buildings, machinery, and other farm property not included in your inventory, resulting from fire, storm, or other casualty and not compensated for by insurance or otherwise. Losses of property included in your inventory are taken care of by the reduced amount of the inventory at the close of the year. The total loss of a prospective crop by frost, storm, flood, or fire, is not deductible. When reporting on the cash basis, the value of animals raised by you and lost by death is not deductible, while in the case of animals purchased and lost by death, the cost less depreciation allowed or allowable is deductible.

**Amortization.**—If you elect the deduction with respect to the amortization of the adjusted basis of a grain storage facility, a statement of the pertinent facts should be filed with your election. (See section 169 of the Internal Revenue Code of 1954.)

**Net operating loss deductions.**—Every farmer claiming a net operating loss deduction shall file with his return a concise statement setting forth the amount of the net operating loss deduction claimed and all material facts. The deduction should be entered in Schedule C Summary, Form 1040, instead of on Form 1040F.

**Fiscal year farmers.**—If you report income on a fiscal year basis and your year ends after December 31, 1954, consult your local Internal Revenue Service office for the recent changes in the law which affect your liability for self-employment tax.

Read instructions carefully.  
Complete both sides of form.  
Please print.

U. S. INDIVIDUAL INCOME TAX RETURN

1954

If you use this form, the Internal Revenue Service will compute your tax.

FORM 1040A U. S. TREASURY DEPARTMENT INTERNAL REVENUE SERVICE 8-9-54

1. NAME \_\_\_\_\_

2. WIFE'S (HUSBAND'S) NAME \_\_\_\_\_

3. HOME ADDRESS (NUMBER AND STREET OR RURAL ROUTE) \_\_\_\_\_  
(CITY, TOWN, OR POST OFFICE) (ZONE) (STATE)

4. (Check)  Single  Married

5. Is this a joint return?  Yes  No

6. Is wife (husband) filing separately?  Yes  No

	Taxpayer's	Your	Wife's (Husband's)
7. Social Security No.			
8. Wages → (a)		Only if joint return	(b)
9. Tax Withheld → (a)			(b)
10. Other Income → (a)			(b)
11. Special Credit → (a)			(b)
12. Exclusion → (a)			(b)

Do not bend, pin, or mutilate. ENCLOSE FORMS W-2

• List your exemptions on other side.

I DECLARE UNDER THE PENALTIES OF PERJURY THAT THIS IS A TRUE, CORRECT, AND COMPLETE RETURN TO THE BEST OF MY KNOWLEDGE AND BELIEF.

TAXPAYER'S SIGNATURE AND DATE \_\_\_\_\_ IF JOINT RETURN, WIFE'S (HUSBAND'S) SIGNATURE \_\_\_\_\_

(FOR USE OF INTERNAL REVENUE SERVICE)  
C \_\_\_\_\_ B \_\_\_\_\_  
T \_\_\_\_\_ R \_\_\_\_\_

13. EXEMPTIONS FOR YOURSELF AND WIFE (OR HUSBAND)

EXEMPTIONS

- (a) For your own exemption, write the FIGURE 1 \_\_\_\_\_ →
- (b) If you were 65 or over at the end of 1954, write the FIGURE 1 \_\_\_\_\_ →
- (c) If taxpayer was blind at the end of 1954, write the FIGURE 1 \_\_\_\_\_ →
- (d) If your wife (or husband) had no income in 1954, or if this is a joint return, write the FIGURE 1 for her (or his) exemption \_\_\_\_\_ →
- (e) If she (or he) is claimed as an exemption in (d) above and was 65 or over at the end of 1954, write the FIGURE 1 \_\_\_\_\_ →
- (f) If she (or he) is claimed as an exemption in (d) above and was blind at the end of 1954, write the FIGURE 1 \_\_\_\_\_ →

14. EXEMPTIONS FOR YOUR CHILDREN AND OTHER DEPENDENTS (List below)

Name (also give address if different from yours) • Enter Figure 1 in the last column to right for each name listed.	Relationship	Answer ONLY for dependents other than children		
		Did dependent have gross income of \$600 or more?	Amount YOU spent for dependent's support. If 100%, write "All"	Amount spent by OTHERS including dependent

15. Enter total number of exemptions listed in items 13 and 14 above. \_\_\_\_\_ →

851975-0





# FOR EMPLOYEES EARNING LESS THAN \$5,000

The enclosed card, Form 1040A, offers a simple way for employees receiving less than \$5,000 total income to file their 1954 U. S. income tax returns.

## To use this form:

- 1 Read instructions below. Be sure you qualify. If you don't, obtain and file a Form 1040.
- 2 Fill out the copy on other side for your records.
- 3 Transfer answers from your copy to card.
- 4 Sign the card and mail it, together with your withholding statements (Forms W-2), to your District Director in the envelope provided. The Internal Revenue Service will figure your tax and send you a check for any refund due you or a bill for any amount you owe.

**NOTE** *(The tax table shown below is only for your information. You do not use this table in preparing Form 1040A. The Internal Revenue Service will use the table to figure your tax. The table allows you about 10% of your income as deductions. This 10% allowance takes the place of deductions which are allowed only if you itemize your deductions on Form 1040, such as the deductions for charitable contributions, interest, taxes, losses, medical expenses, miscellaneous items, and the new deduction for child care expenses. If your deductions exceed 10% of your income, it will be to your advantage to use Form 1040 and itemize them.)*

### GENERAL INSTRUCTIONS

**Who Must File.**—Every citizen or resident of the United States under 65 who had \$600 (\$1,200 if 65 or over) or more gross income.

**Who May Use U. S. Individual Income Tax Return, Form 1040A.**—If your total gross income was less than \$5,000 and consisted entirely of wages reported on Withholding Statements (Forms W-2) and not more than \$100 total of other wages, dividends, and interest, you may use this form. A husband and wife may file a joint return if their combined incomes do not exceed these limits. If you had income from any other sources, you may not use this form but must file your return on Form 1040. Likewise, Form 1040 must be used (1) in making a separate return of a married person domiciled in a community property State, (2) if husband or wife itemizes deductions, (3) if you claim the status of head of household or surviving widow or widower, or (4) if you wish to claim credit for dividends received or retirement income.

**When to File.**—On or after January 1, 1955, but not later than April 15, 1955.

**Where to File.**—With the District Director of Internal Revenue for your district.

**Where to Get Forms.**—If you need a Form 1040 you can get one from any Internal Revenue office, and from most banks and post offices. Your employer will furnish you with a Withholding Statement.

**Married Couple—Advantage of Joint Return.**—A husband and wife may make a joint return even though one has no income. To assure any benefits of the split-income provisions, they should file a joint return. Both husband and wife must sign a joint return. A joint return on Form 1040A never results in more tax than separate returns.

**Sick Pay Exclusion.**—If an employer continues to pay wages to an employee under a wage continuation plan while the employee is absent from work due to injury or sickness, such payments may be excluded from the employee's income, but only to the extent they do not exceed a weekly rate of \$100. However, the exclusion does not apply to the first seven calendar days of an absence due to sickness unless the employee is hospitalized for at least one day during the period of sickness.

TAX TABLE INTERNAL REVENUE SERVICE WILL USE TO FIGURE YOUR TAX

If your total income is—		And the number of exemptions is—				If your total income is—		And the number of exemptions is—																
At least	But less than	1	2	3	4 or more	At least	But less than	1	2	3	4	5	6	7	8 or more	1	2	3	4	5	6	7	8 or more	
		Your tax is—						Your tax is—																
		\$0	\$0	\$0	\$0	\$2,325	\$2,350	\$301	\$311	\$311	\$61	\$61	\$61	\$61	\$61	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$675	\$0	\$0	\$0	\$0	\$2,325	\$2,350	\$301	\$311	\$311	\$61	\$61	\$61	\$61	\$61	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
675	700	4	0	0	0	2,350	2,375	305	185	185	65	65	65	65	65	0	0	0	0	0	0	0	0	0
700	725	8	0	0	0	2,375	2,400	310	190	190	70	70	70	70	70	0	0	0	0	0	0	0	0	0
725	750	12	0	0	0	2,400	2,425	314	194	194	74	74	74	74	74	0	0	0	0	0	0	0	0	0
750	775	17	0	0	0	2,425	2,450	319	199	199	79	79	79	79	79	0	0	0	0	0	0	0	0	0
775	800	22	0	0	0	2,450	2,475	323	203	203	83	83	83	83	83	0	0	0	0	0	0	0	0	0
800	825	26	0	0	0	2,475	2,500	328	208	208	88	88	88	88	88	0	0	0	0	0	0	0	0	0
825	850	31	0	0	0	2,500	2,525	332	212	212	92	92	92	92	92	0	0	0	0	0	0	0	0	0
850	875	35	0	0	0	2,525	2,550	337	217	217	97	97	97	97	97	0	0	0	0	0	0	0	0	0
875	900	40	0	0	0	2,550	2,575	341	221	221	101	101	101	101	101	0	0	0	0	0	0	0	0	0
900	925	44	0	0	0	2,575	2,600	346	226	226	106	106	106	106	106	0	0	0	0	0	0	0	0	0
925	950	49	0	0	0	2,600	2,625	350	230	230	110	110	110	110	110	0	0	0	0	0	0	0	0	0
950	975	53	0	0	0	2,625	2,650	355	235	235	115	115	115	115	115	0	0	0	0	0	0	0	0	0
975	1,000	58	0	0	0	2,650	2,675	359	239	239	119	119	119	119	119	0	0	0	0	0	0	0	0	0
1,000	1,025	62	0	0	0	2,675	2,700	364	244	244	124	124	124	124	124	0	0	0	0	0	0	0	0	0
1,025	1,050	67	0	0	0	2,700	2,725	368	248	248	128	128	128	128	128	0	0	0	0	0	0	0	0	0
1,050	1,075	71	0	0	0	2,725	2,750	373	253	253	133	133	133	133	133	0	0	0	0	0	0	0	0	0
1,075	1,100	75	0	0	0	2,750	2,775	377	257	257	137	137	137	137	137	0	0	0	0	0	0	0	0	0
1,100	1,125	80	0	0	0	2,775	2,800	382	262	262	142	142	142	142	142	0	0	0	0	0	0	0	0	0
1,125	1,150	85	0	0	0	2,800	2,825	386	266	266	146	146	146	146	146	0	0	0	0	0	0	0	0	0
1,150	1,175	89	0	0	0	2,825	2,850	391	271	271	151	151	151	151	151	0	0	0	0	0	0	0	0	0
1,175	1,200	94	0	0	0	2,850	2,875	395	275	275	155	155	155	155	155	0	0	0	0	0	0	0	0	0
1,200	1,225	98	0	0	0	2,875	2,900	400	280	280	160	160	160	160	160	0	0	0	0	0	0	0	0	0
1,225	1,250	103	0	0	0	2,900	2,925	405	284	284	164	164	164	164	164	0	0	0	0	0	0	0	0	0
1,250	1,275	107	0	0	0	2,925	2,950	410	289	289	169	169	169	169	169	0	0	0	0	0	0	0	0	0
1,275	1,300	112	0	0	0	2,950	2,975	415	293	293	173	173	173	173	173	0	0	0	0	0	0	0	0	0
1,300	1,325	116	0	0	0	2,975	3,000	420	298	298	178	178	178	178	178	0	0	0	0	0	0	0	0	0
1,325	1,350	121	0	0	0	3,000	3,050	427	305	305	185	185	185	185	185	0	0	0	0	0	0	0	0	0
1,350	1,375	125	0	0	0	3,050	3,100	437	314	314	194	194	194	194	194	0	0	0	0	0	0	0	0	0
1,375	1,400	130	0	0	0	3,100	3,150	447	323	323	203	203	203	203	203	0	0	0	0	0	0	0	0	0
1,400	1,425	134	0	0	0	3,150	3,200	457	332	332	212	212	212	212	212	0	0	0	0	0	0	0	0	0
1,425	1,450	139	0	0	0	3,200	3,250	467	341	341	221	221	221	221	221	0	0	0	0	0	0	0	0	0
1,450	1,475	143	0	0	0	3,250	3,300	476	350	350	230	230	230	230	230	0	0	0	0	0	0	0	0	0
1,475	1,500	148	0	0	0	3,300	3,350	486	359	359	239	239	239	239	239	0	0	0	0	0	0	0	0	0
1,500	1,525	152	0	0	0	3,350	3,400	496	368	368	248	248	248	248	248	0	0	0	0	0	0	0	0	0
1,525	1,550	157	0	0	0	3,400	3,450	506	377	377	257	257	257	257	257	0	0	0	0	0	0	0	0	0
1,550	1,575	161	0	0	0	3,450	3,500	516	386	386	266	266	266	266	266	0	0	0	0	0	0	0	0	0
1,575	1,600	166	0	0	0	3,500	3,550	526	395	395	275	275	275	275	275	0	0	0	0	0	0	0	0	0
1,600	1,625	170	0	0	0	3,550	3,600	536	404	404	284	284	284	284	284	0	0	0	0	0	0	0	0	0
1,625	1,650	175	0	0	0	3,600	3,650	546	414	413	293	293	293	293	293	0	0	0	0	0	0	0	0	0
1,650	1,675	179	0	0	0	3,650	3,700	556	423	423	302	302	302	302	302	0	0	0	0	0	0	0	0	0
1,675	1,700	184	0	0	0	3,700	3,750	566	433	431	311	311	311	311	311	0	0	0	0	0	0	0	0	0
1,700	1,725	188	0	0	0	3,750	3,800	575	443	440	320	320	320	320	320	0	0	0	0	0	0	0	0	0
1,725	1,750	193	0	0	0	3,800	3,850	585	453	449	329	329	329	329	329	0	0	0	0	0	0	0	0	0
1,750	1,775	197	0	0	0	3,850	3,900	595	463	458	338	338	338	338	338	0	0	0	0	0	0	0	0	0
1,775	1,800	202	0	0	0	3,900	3,950	605	473	467	347	347	347	347	347	0	0	0	0	0	0	0	0	0
1,800	1,825	206	0	0	0	3,950	4,000	615	483	476	356	356	356	356	356	0	0	0	0	0	0	0	0	0
1,825	1,850	211	0	0	0	4,000	4,050	625	493	485	365	365	365	365	365	0	0	0	0	0	0	0	0	0
1,850	1,875	215	0	0	0																			



**INSTRUCTIONS FOR FRONT OF FORM 1040A**

**Item 7.**—Enter your social security number and your wife's (husband's) social security number, if any, even though she (he) files a separate return.

**Items 8 and 9.**—Enter the total amount of your wages subject to income tax and the total amount of income tax withheld as shown on your Withholding Statements, Forms W-2.

**Item 10.**—Enter all other taxable income from wages, dividends, or interest. Exclude dividends received from corporations in the United States up to \$50. This exclusion does not apply to dividends received from mutual savings banks or building and loan associations. If joint return and both husband and wife had dividend income, each is entitled to a \$50 exclusion provided it is applied against his individual dividend income. If the sum of items 10 (a) and 10 (b) exceeds \$100, you must file a Form 1040.

**Item 11.**—If more than \$72 of F.I.C.A. (Social Security) employee tax was withheld during 1954 because you worked for more than one employer, enter the excess, and it will be credited against your income tax. Figure separately for husband and wife.

**Item 12.**—See "Sick Pay Exclusion" in general instructions. If you received such payments and your employer has not excluded them from the amount of wages shown on your withholding statement (Form W-2), enter your exclusion here. Enclose a statement showing your computation and your name and address.

**Items 8(b) to 12(b).**—Complete these items only if this is a joint return. The signatures of both taxpayer and his wife (or husband) are required on joint returns.

**INSTRUCTIONS FOR BACK OF FORM 1040A**

**Items 13(a) to (f).**—Fill out these items to receive credit for your exemptions and those of your wife (or husband). Marital status, age, and blindness must be determined as of December 31, 1954, except that if the wife or husband of the taxpayer died during the year, the determination is made as of the date of death.

**Item 14.**—Fill in this schedule to receive credit for your children, stepchildren, and other dependents. Each dependent must meet all of the following tests:

- a. Received more than one-half of his or her support from you (or from wife or husband if this is a joint return).
- b. Received less than \$600 gross income. (This test does not apply to your children or stepchildren who are under 19 or who are students.)
- c. Did not file a joint return with her husband (or his wife).
- d. Was either a citizen, or resident of the United States or a resident of Canada, Mexico, the Republic of Panama or the Canal Zone.
- e. Either (1) had as his principal place of abode your home and was a member of your household; OR (2) was related to you (or to husband or wife if this is a joint return) in one of the following ways:

Child	Sister	Mother-in-law	The following if related by blood:
Stepchild	Grandchild	Father-in-law	
Mother	Stepbrother	Brother-in-law	
Father	Stepsister	Sister-in-law	
Grandparent	Stepmother	Son-in-law	
Brother	Stepfather	Daughter-in-law	

**FRONT**

**YOUR COPY**

Read instructions carefully. Complete both sides of form. Please print.	<b>U. S. INDIVIDUAL INCOME TAX RETURN</b> If you use this form, the Internal Revenue Service will compute your tax.	<b>1954</b>																																										
<b>FORM 1040A</b> U. S. TREASURY DEPARTMENT INTERNAL REVENUE SERVICE	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%; padding: 5px;"> <b>1. Name</b> </td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td style="padding: 5px;"> <b>2. Wife's (Husband's) Name</b> </td> <td style="padding: 5px;"> <b>7. Social Security No.</b> </td> <td style="padding: 5px;">                 (a)             </td> <td style="padding: 5px;">                 (b)             </td> <td style="padding: 5px;">                 (a)             </td> <td style="padding: 5px;">                 (b)             </td> </tr> <tr> <td style="padding: 5px;"> <b>3. Home Address (Number and Street or Rural Route)</b>                   (City, Town, or Post Office)      (Zone)      (State)             </td> <td style="padding: 5px;"> <b>8. Wages</b> </td> <td style="padding: 5px;">                 (a)             </td> <td style="padding: 5px;">                 (b)             </td> <td style="padding: 5px;">                 (a)             </td> <td style="padding: 5px;">                 (b)             </td> </tr> <tr> <td style="padding: 5px;"> <b>4. (Check) <input type="checkbox"/> Single    <input type="checkbox"/> Married</b> </td> <td style="padding: 5px;"> <b>9. Tax Withheld</b> </td> <td style="padding: 5px;">                 (a)             </td> <td style="padding: 5px;">                 (b)             </td> <td style="padding: 5px;">                 (a)             </td> <td style="padding: 5px;">                 (b)             </td> </tr> <tr> <td style="padding: 5px;"> <b>5. Is this a joint return?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</b> </td> <td style="padding: 5px;"> <b>10. Other Income</b> </td> <td style="padding: 5px;">                 (a)             </td> <td style="padding: 5px;">                 (b)             </td> <td style="padding: 5px;">                 (a)             </td> <td style="padding: 5px;">                 (b)             </td> </tr> <tr> <td style="padding: 5px;"> <b>6. Is wife (husband) filing separately?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</b> </td> <td style="padding: 5px;"> <b>11. Special Credit</b> </td> <td style="padding: 5px;">                 (a)             </td> <td style="padding: 5px;">                 (b)             </td> <td style="padding: 5px;">                 (a)             </td> <td style="padding: 5px;">                 (b)             </td> </tr> <tr> <td style="padding: 5px;"> <b>6. Is wife (husband) filing separately?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</b> </td> <td style="padding: 5px;"> <b>12. Exclusion</b> </td> <td style="padding: 5px;">                 (a)             </td> <td style="padding: 5px;">                 (b)             </td> <td style="padding: 5px;">                 (a)             </td> <td style="padding: 5px;">                 (b)             </td> </tr> </table>	<b>1. Name</b>						<b>2. Wife's (Husband's) Name</b>	<b>7. Social Security No.</b>	(a)	(b)	(a)	(b)	<b>3. Home Address (Number and Street or Rural Route)</b>  (City, Town, or Post Office)      (Zone)      (State)	<b>8. Wages</b>	(a)	(b)	(a)	(b)	<b>4. (Check) <input type="checkbox"/> Single    <input type="checkbox"/> Married</b>	<b>9. Tax Withheld</b>	(a)	(b)	(a)	(b)	<b>5. Is this a joint return?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</b>	<b>10. Other Income</b>	(a)	(b)	(a)	(b)	<b>6. Is wife (husband) filing separately?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</b>	<b>11. Special Credit</b>	(a)	(b)	(a)	(b)	<b>6. Is wife (husband) filing separately?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</b>	<b>12. Exclusion</b>	(a)	(b)	(a)	(b)	Do not bend, pin, or mutilate. ENCLOSE FORMS W-2
<b>1. Name</b>																																												
<b>2. Wife's (Husband's) Name</b>	<b>7. Social Security No.</b>	(a)	(b)	(a)	(b)																																							
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<b>6. Is wife (husband) filing separately?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</b>	<b>11. Special Credit</b>	(a)	(b)	(a)	(b)																																							
<b>6. Is wife (husband) filing separately?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</b>	<b>12. Exclusion</b>	(a)	(b)	(a)	(b)																																							
I declare under the penalties of perjury that this is a true, correct, and complete return to the best of my knowledge and belief.		(FOR USE OF INTERNAL REVENUE SERVICE)																																										
Taxpayer's Signature and Date	If joint return, Wife's (Husband's) Signature and Date	• List your exemptions on other side.																																										

**BACK**

**YOUR COPY**

<b>13. EXEMPTIONS FOR YOURSELF AND WIFE (OR HUSBAND)</b>				EXEMPTIONS
(a) For your own exemption, write the FIGURE 1	_____	→	_____	_____
(b) If you were 65 or over at the end of 1954, write the FIGURE 1	_____	→	_____	_____
(c) If taxpayer was blind at the end of 1954, write the FIGURE 1	_____	→	_____	_____
(d) If your wife (or husband) had no income in 1954, or if this is a joint return, write the FIGURE 1 for her (or his) exemption	_____	→	_____	_____
(e) If she (or he) is claimed as an exemption in (d) above and was 65 or over at the end of 1954, write the FIGURE 1	_____	→	_____	_____
(f) If she (or he) is claimed as an exemption in (d) above and was blind at the end of 1954, write the FIGURE 1	_____	→	_____	_____
<b>14. EXEMPTIONS FOR YOUR CHILDREN AND OTHER DEPENDENTS (List below)</b>				_____
Name (also give address if different from yours) • Enter Figure 1 in the last column to right for each name listed.	Relationship	Answer ONLY for dependents other than children Did dependent have gross income of \$600 or more?	Amount YOU spent for dependent's support. If 100%, write "All"	Amount spent by OTHERS including dependent
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>15. Enter total number of exemptions listed in items 13 and 14 above.</b>				_____









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