



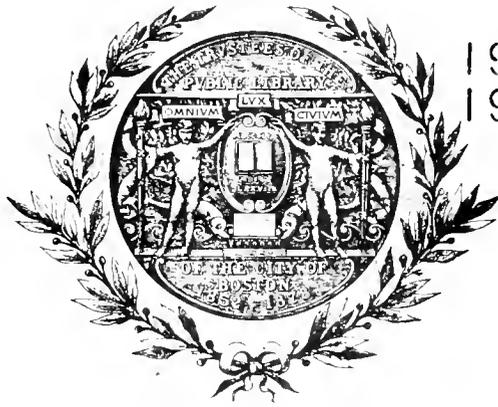
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**STATISTICS OF INCOME . . . 1954 - 56**

*Individual*  
**INCOME TAX  
RETURNS**



for 1954

U. S. TREASURY DEPARTMENT • INTERNAL REVENUE SERVICE

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U.S. GOVERNMENT PRINTING OFFICE: 1954

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*



October 14, 1958  
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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¢)
- Partnerships**         *Statistics of Income, 1953—Partnership Returns*  
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.

# CONTENTS

	Page
Introduction.....	1
<b>INDIVIDUAL INCOME TAX RETURNS</b>	
Characteristics of the year.....	5
Composition of adjusted gross income.....	8
Individual income tax provisions for 1954.....	8
Returns from which data were tabulated.....	9
Marital status of taxpayer.....	11
Personal exemptions.....	11
Salary exclusions for sick pay.....	12
Dividends received.....	12
Contributions.....	15
Drug and medical costs.....	17
Retirement income.....	17
Tabulated data.....	19
Description of sample and limitations of data.....	21
Explanation of classifications and terms.....	23
Classification of individual returns.....	23
Sources comprising adjusted gross income.....	24
Itemized nonbusiness deductions.....	26
Exemptions.....	27
Measures of individual income.....	28
Tax items.....	28
Basic tables, 1954:	
1. Number of returns, adjusted gross income, taxable income, and income tax, by adjusted gross income classes and classes cumulated.....	33
2. Sources of income and loss and nonbusiness deductions, by returns with standard or itemized deductions.....	34
3. Sources of income and loss and nonbusiness deductions, by adjusted gross income classes.....	35
4. Sources of income and loss, exemptions, and tax items—all returns, joint returns, and other returns, by adjusted gross income classes.....	36
5. Itemized nonbusiness deductions, exemptions, and tax items, by adjusted gross income classes—returns with itemized deductions.....	48
6. Number of returns by size of source and by adjusted gross income classes.....	50
7. Number of returns by size of nonbusiness deduction and by adjusted gross income classes.....	55
8. Taxable income, tax credits, and income tax, by taxable income classes for applicable tax rates.....	56
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.....	58
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.....	59
11. Exemptions by marital status of taxpayer and by adjusted gross income classes.....	65
12. Capital gains and losses, short- and long-term, and capital loss carryover, by adjusted gross income classes.....	69
13. Selected sources of income by States and Territories.....	71
14. Adjusted gross income and income tax, by States and Territories and by adjusted gross income classes.....	72
15. Returns with self-employment tax—adjusted gross income and self-employment tax, by adjusted gross income classes.....	75
16. Returns with self-employment tax—adjusted gross income and self-employment tax, by States and Territories.....	76
Historical tables, 1945-54:	
17. Number of returns by major characteristics, adjusted gross income, deficit, and tax.....	79

## Historical tables, 1945-54—Continued

18. Returns with income tax—number, adjusted gross income, income tax, and average tax, by adjusted gross income classes.....	Page 80
19. Sources of income by type.....	81
20. Selected sources of income by adjusted gross income classes.....	82
21. Itemized deductions by type.....	84
22. Returns with adjusted gross income—number, adjusted gross income, and income tax, by States and Territories.....	85

**SYNOPSIS OF TAX LAWS**

Income tax:	
A. Requirement for filing return and exemptions.....	89
B. Income tax rates.....	90
Self-employment tax:	
C. Requirement for filing return and tax rate.....	91

**FACSIMILES OF TAX RETURNS, 1954**

Form 1040, Individual Income Tax Return.....	95
Form 1040A, Individual Income Tax Return.....	125

**INDEX**

Alphabetical index.....	129
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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.....	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 II; 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

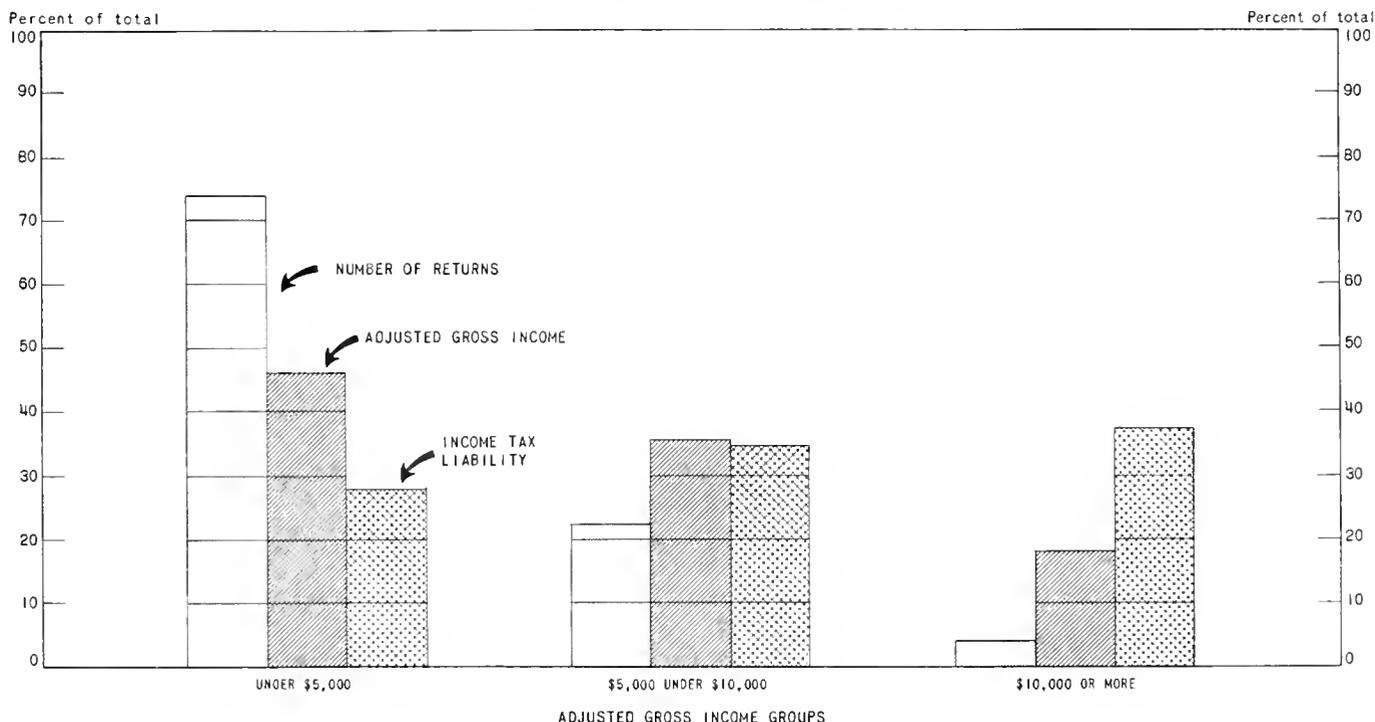
for 1953. Income tax was 28 percent of the total income tax, or 2 percent less than for 1953.

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

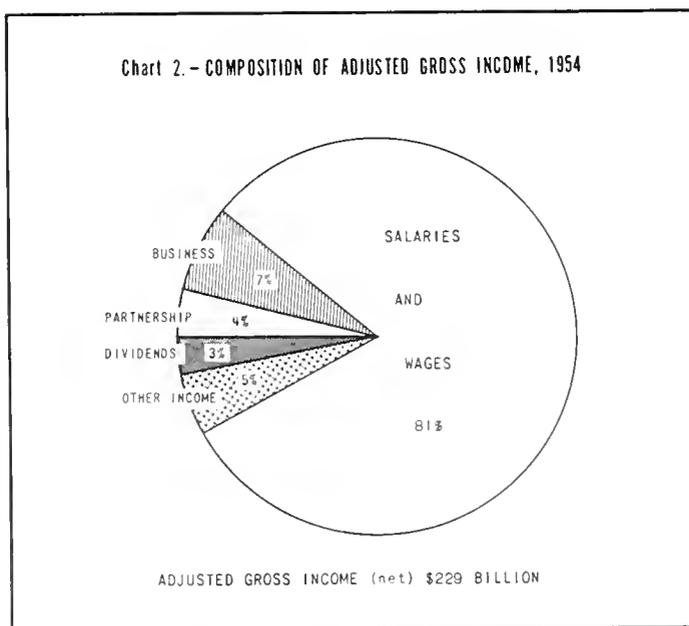


of each item compared. However, the trend in the proportion contributed by each of the two higher income groups has changed somewhat for 1954. The middle income group, adjusted gross income \$5,000 under \$10,000, shows, for the first time since 1949, a decrease in the proportion of adjusted gross income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



### 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 10-0 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 (Thousand dollars)	Taxable income (Thousand dollars)
	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	2,298,781	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	1,714,631	4,958,400
Total.....	155,444,429	113,154,490	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.....	\$6,000 under \$7,000.....	19,561,328	36,894	19,524,434
\$7,000 under \$8,000.....	\$7,000 under \$8,000.....	13,141,984	69,259	13,114,520
\$8,000 under \$9,000.....	\$8,000 under \$9,000.....	8,437,226	48,074	8,421,401
\$9,000 under \$10,000.....	\$9,000 under \$10,000.....	5,497,754	26,150	5,489,197
\$10,000 under \$15,000.....	\$10,000 under \$15,000.....	9,330,721	38,355	9,313,107
\$15,000 under \$20,000.....	\$15,000 under \$20,000.....	3,085,244	8,006	3,080,449
\$20,000 under \$30,000.....	\$20,000 under \$30,000.....	2,936,768	6,345	2,932,427
\$30,000 under \$50,000.....	\$30,000 under \$50,000.....	2,272,765	3,548	2,270,042
\$50,000 under \$100,000.....	\$50,000 under \$100,000.....	1,553,979	1,763	1,552,370
\$100,000 under \$150,000.....	\$100,000 under \$150,000.....	375,784	331	375,496
\$150,000 under \$200,000.....	\$150,000 under \$200,000.....	120,404	83	120,331
\$200,000 under \$300,000.....	\$200,000 under \$300,000.....	142,357	92	142,242
\$300,000 under \$500,000.....	\$300,000 under \$500,000.....	17,011	6	17,002
\$500,000 or more.....	\$500,000 or more.....	6,110	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	(1)	(1)	157,697
Under \$600.....	1,146,887	5,558	9,205	1,137,682
\$600 under \$1,000.....	367,178	5,512	4,645	362,533
\$1,000 under \$1,500.....	1,647,731	5,995	6,029	1,641,702
\$1,500 under \$2,000.....	2,123,116	5,784	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	(1)	(1)	497,136
\$5,000 under \$6,000.....	354,653	(1)	(1)	352,892
\$6,000 under \$8,000.....	141,053	-	-	141,053
\$8,000 under \$10,000.....	(1)	-	-	(1)
\$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."  
 1 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	7,964	1,990	14,055	4,440	878	18,555	3,523	112	15,522	58
2 \$1,000 under \$1,500.....	38,790	15,048	1,694	35,783	7,788	1,440	34,744	7,260	209	25,218	151
3 \$1,500 under \$2,000.....	72,740	40,855	3,563	69,143	23,203	3,260	62,690	17,652	303	51,593	424
4 \$2,000 under \$2,500.....	95,496	55,055	4,677	87,410	30,253	4,080	85,399	24,703	597	64,324	657
5 \$2,500 under \$3,000.....	111,370	63,447	5,213	101,846	32,865	5,080	100,870	26,082	833	82,739	799
6 \$3,000 under \$3,500.....	138,280	75,464	6,911	124,211	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	121,328	1,210
8 \$4,000 under \$4,500.....	167,036	105,745	8,660	151,983	54,462	7,253	143,437	45,783	1,407	111,240	1,894
9 \$4,500 under \$5,000.....	163,187	125,337	9,013	154,677	70,040	7,669	147,093	55,297	1,344	111,891	1,791
10 \$5,000 under \$6,000.....	337,472	188,457	17,876	309,706	102,431	14,441	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	276,339	89,118	2,790	193,389	3,202
12 \$7,000 under \$8,000.....	269,775	152,394	16,472	248,584	136,501	13,704	249,650	115,893	2,768	188,357	4,026
13 \$8,000 under \$9,000.....	198,453	177,746	13,358	186,278	124,758	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	107,046	9,205	154,352	74,714	1,516	118,933	2,639
15 \$10,000 under \$15,000.....	488,445	273,683	30,269	449,207	387,464	46,467	425,311	336,219	3,802	362,617	13,064
16 \$15,000 under \$20,000.....	202,249	524,108	14,084	190,751	476,670	14,595	187,717	247,338	1,444	171,197	9,472
17 \$20,000 under \$30,000.....	187,279	778,880	13,325	176,181	407,880	12,059	176,294	371,022	1,226	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	16,018
19 \$50,000 under \$100,000.....	59,465	491,328	4,807	57,603	407,622	4,546	57,620	493,706	261	56,531	17,999
20 \$100,000 under \$150,000.....	10,605	343,770	891	10,403	207,285	857	10,411	206,485	34	10,276	7,293
21 \$150,000 under \$200,000.....	2,993	147,104	251	2,948	95,827	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	3,016	191,644	7	2,995	6,163
23 \$500,000 under \$1,000,000.....	4,007	139,075	34	4,200	64,555	34	4,122	74,420	(1)	3,997	2,069
24 \$1,000,000 or more.....	146	197,765	14	193	88,559	14	195	109,406	(1)	185	2,462
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	26,294	9,919	1,545	21,652	6,642	221	-	-
27 Under \$600.....	31,261	8,398	1,483	30,245	4,806	1,131	26,256	3,592	264	-	-
28 \$600 under \$1,000.....	58,842	22,605	2,875	55,319	12,882	2,561	49,824	9,703	314	(2)	(2)
29 \$1,000 under \$1,500.....	87,648	34,417	4,632	77,049	24,399	4,042	72,684	14,048	590	7,040	195
30 \$1,500 under \$2,000.....	69,873	40,836	5,628	64,286	23,408	3,363	60,899	19,469	297	14,692	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.....	45,413	25,575	1,465	44,372	13,183	1,300	42,366	14,392	165	9,135	180
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	495	5,081	4,739	38	3,068	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.....	146	17,525	100	1,531	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	76,025	1,422
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	118,224
43 Returns under \$5,000.....	1,384,809	827,457	72,435	1,283,505	461,020	62,956	1,214,699	366,437	9,799	73,707	9,399
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	19,327	1,726,096	108,825

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>									
\$600 under \$1,000.....	23,623	8,919	20,555	7,963	90	5,602	952	2,123	7,925
\$1,000 under \$1,500.....	47,275	18,546	38,750	15,048	1,699	10,003	3,498	4,752	16,847
\$1,500 under \$2,000.....	86,386	46,325	72,760	40,857	3,566	19,153	5,540	74,769	42,832
\$2,000 under \$2,500.....	102,006	58,147	85,476	55,055	4,677	23,526	3,092	92,894	53,470
\$2,500 under \$3,000.....	129,472	62,986	111,370	68,477	5,913	22,025	4,039	121,420	57,073
\$3,000 under \$3,500.....	155,353	81,319	138,280	85,111	6,912	26,649	5,057	142,266	74,107
\$3,500 under \$4,000.....	174,866	92,553	154,776	88,117	8,410	22,178	4,356	150,611	84,143
\$4,000 under \$4,500.....	187,705	111,319	167,086	105,703	8,660	28,221	6,174	165,059	103,259
\$4,500 under \$5,000.....	141,770	134,821	143,187	145,337	9,013	32,100	9,485	172,643	125,809
\$5,000 under \$6,000.....	367,603	200,657	337,471	188,457	17,876	43,752	11,694	307,240	182,775
\$6,000 under \$7,000.....	341,138	234,470	311,092	195,880	17,312	45,734	9,116	286,674	187,684
\$7,000 under \$8,000.....	287,408	257,259	269,775	254,394	16,472	26,706	4,871	236,609	240,793
\$8,000 under \$9,000.....	234,518	184,334	198,753	177,726	12,358	24,717	6,608	184,722	171,976
\$9,000 under \$10,000.....	180,686	156,553	170,136	151,760	10,721	20,181	4,793	158,896	145,832
\$10,000 under \$15,000.....	475,217	742,747	458,445	723,683	30,269	42,973	19,066	421,750	712,478
\$15,000 under \$20,000.....	407,926	534,030	202,296	524,108	14,089	21,013	9,922	191,953	519,941
\$20,000 under \$30,000.....	190,958	792,345	187,299	778,880	13,225	20,884	13,465	179,527	779,020
\$30,000 under \$50,000.....	123,724	875,692	121,724	863,072	9,280	15,438	12,618	118,634	866,412
\$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
\$100,000 under \$150,000.....	10,658	421,093	10,605	413,770	891	2,408	7,323	10,530	420,202
\$150,000 under \$200,000.....	3,007	200,735	2,993	197,104	252	844	3,631	2,975	200,483
\$200,000 under \$500,000.....	3,074	375,280	3,067	367,981	257	996	7,399	3,060	375,023
\$500,000 under \$1,000,000.....	426	143,073	420	139,073	34	188	3,978	425	143,019
\$1,000,000 or more.....	197	203,012	196	197,965	14	74	5,047	197	202,998
<b>Total taxable returns.....</b>	<b>3,564,824</b>	<b>6,917,871</b>	<b>3,302,768</b>	<b>6,736,814</b>	<b>197,794</b>	<b>449,840</b>	<b>181,057</b>	<b>3,146,694</b>	<b>6,720,077</b>
<b>Nontaxable returns:</b>									
No adjusted gross income.....	35,896	18,732	29,841	16,461	1,766	7,063	2,171	29,840	16,966
Under \$600.....	66,216	11,661	31,261	8,298	1,483	15,443	3,263	44,239	10,178
\$600 under \$1,000.....	84,411	31,851	58,842	23,605	2,875	27,110	9,246	84,412	28,976
\$1,000 under \$1,500.....	114,181	53,240	87,648	43,417	4,632	28,523	9,873	114,141	48,658
\$1,500 under \$2,000.....	98,673	56,476	69,873	40,836	3,060	34,823	15,440	93,712	52,616
\$2,000 under \$2,500.....	64,863	43,531	54,439	37,370	3,028	13,447	6,161	60,768	40,503
\$2,500 under \$3,000.....	45,444	39,660	36,413	33,160	2,124	10,548	6,500	42,893	37,536
\$3,000 under \$3,500.....	30,425	28,829	25,413	25,575	1,465	6,570	3,254	26,816	27,364
\$3,500 under \$4,000.....	13,624	15,592	11,118	13,044	745	2,550	1,362	14,847	14,847
\$4,000 under \$4,500.....	6,181	5,482	6,081	5,809	533	(1)	(1)	6,581	5,449
\$4,500 under \$5,000.....	6,074	7,263	5,040	7,555	287	(1)	(1)	6,074	8,976
\$5,000 under \$6,000.....	5,541	7,905	5,052	7,540	371	(1)	(1)	5,541	7,534
\$6,000 under \$3,000.....	3,529	4,476	3,009	4,141	227	(1)	(1)	3,529	9,249
\$8,000 under \$10,000.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$10,000 or more.....	1,618	12,094	1,604	17,525	100	110	567	1,611	17,992
<b>Total nontaxable returns.....</b>	<b>558,100</b>	<b>351,111</b>	<b>426,177</b>	<b>289,505</b>	<b>23,322</b>	<b>152,172</b>	<b>61,606</b>	<b>534,313</b>	<b>327,789</b>
<b>Grand totals.....</b>	<b>4,122,924</b>	<b>7,268,982</b>	<b>3,728,945</b>	<b>7,026,319</b>	<b>221,116</b>	<b>602,012</b>	<b>242,663</b>	<b>3,681,007</b>	<b>7,047,866</b>
Returns under \$5,000.....	1,645,345	329,964	1,384,804	827,457	71,435	303,504	102,512	1,507,726	857,534
Returns \$5,000 or more.....	2,477,579	6,939,018	2,344,141	6,198,862	149,681	298,508	140,151	2,173,281	6,190,332

See text for "Description, 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.

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	41,830	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	280
\$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	2,306
\$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	14,937	(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>13,482</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																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
	Number of returns for medical deduction (1)	Deduction for medical expenses (2)	Adjusted gross income (3)	Deduction for medical expenses (4)	Medical and drug cost			Total (6)	Number of returns (7)	Medical cost		Number of returns (11)	Adjusted gross income (12)	Deduction for medical expenses (13)	Total (14)	Drugs		Number of returns (17)	Medical cost (18)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
					Amount (thousand dollars) (5)	Number of returns (8)	Amount (thousand dollars) (9)			Number of returns (10)	Amount (thousand dollars) (15)					Number of returns (16)	Amount (thousand dollars) (19)			Number of returns (20)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
Taxable returns:																				1 \$0,000 under \$1,000.....	35,663	3,416	41,958	3,416	4,455	20,096	1,038	44,663	3,417	3,006	372	39,999	372	403	—	—	3,006	86	2 \$1,000 under \$1,500.....	121,940	19,882	167,866	19,882	38,548	81,435	5,896	116,824	18,684	1,866	3,857	31,818	3,857	700	1,145	20,010	3,955	3	3 \$1,500 under \$2,000.....	246,770	79,119	346,889	79,119	107,067	169,506	13,946	211,013	116,161	1,786	10,791	161,791	10,791	11,684	2,788	45,784	4,296	3	4 \$2,000 under \$2,500.....	376,797	128,011	504,808	128,011	167,596	267,146	20,576	325,999	171,919	786	1,918	324,235	1,918	3,093	6,398	53,344	4,296	5	5 \$2,500 under \$3,000.....	66,176	17,195	83,371	17,195	23,423	29,847	3,670	30,517	11,619	5,888	15,656	15,656	15,656	15,988	3,093	30,413	11,115	5	6 \$3,000 under \$3,500.....	62,184	170,667	1,858,676	190,551	219,511	410,129	54,493	410,129	11,040	3,848	30,106	31,954	30,106	31,954	7,338	80,495	17,020	6	7 \$3,500 under \$4,000.....	669,079	181,779	850,858	181,779	249,331	400,320	66,948	467,269	211,137	8,011	20,776	287,493	20,776	28,790	5,118	71,344	23,672	7	8 \$4,000 under \$4,500.....	78,562	51,006	129,568	51,006	70,065	87,944	8,944	96,888	44,721	11,848	29,776	29,776	29,776	29,776	5,118	61,344	23,672	8	9 \$4,500 under \$5,000.....	83,498	44,545	128,043	44,545	58,505	64,004	3,196	73,811	271,509	6,466	27,340	273,081	27,340	273,081	6,466	20,416	3	10 \$5,000 under \$6,000.....	1,281,070	386,727	1,667,797	386,727	587,770	866,128	16,678	1,042,806	1,184,111	4,442	69,047	376,115	69,047	376,115	6,126	68,597	81,444	10	11 \$6,000 under \$7,000.....	769,016	699,016	1,468,032	699,016	397,844	516,194	9,000	705,194	304,864	4,442	11,019	311,013	11,019	311,013	3,855	30,977	11	12 \$7,000 under \$8,000.....	169,898	148,898	318,796	148,898	131,315	148,898	50,811	379,707	184,366	15,881	55,196	324,503	55,196	324,503	1,220	26,776	12	13 \$8,000 under \$9,000.....	227,968	49,714	277,682	49,714	137,324	137,015	27,256	164,280	104,899	17,883	17,184	181,464	17,184	20,502	1,381	18,123	13	14 \$9,000 under \$10,000.....	133,543	58,714	192,257	58,714	76,803	76,714	18,481	95,195	74,742	7,442	14,779	110,483	14,779	6,656	1,481	9,964	14	15 \$10,000 under \$11,000.....	26,584	151,796	2,228,214	108,215	214,123	51,306	16,487	160,811	60,811	4,432	605,564	605,564	605,564	51,296	16,471	8,123	15	16 \$11,000 under \$12,000.....	80,650	99,455	1,227,271	127,271	72,106	93,263	8,768	102,031	64,818	7,708	491,589	491,589	491,589	24,829	2,482	27,547	16	17 \$12,000 under \$13,000.....	65,752	66,152	86,891	66,152	68,429	14,460	5,786	74,215	64,463	24,600	722,081	722,081	722,081	11,168	7,977	26,345	17	18 \$13,000 under \$14,000.....	36,461	45,105	56,521	45,105	4,679	4,679	1,781	15,411	60,105	4,432	50,785	55,217	50,785	4,432	1,476	20,947	18	19 \$14,000 under \$15,000.....	17,594	26,734	44,327	26,734	2,477	1,119	607	3,446	14,810	13,117	781,869	781,869	781,869	21,747	61	21,133	19	20 \$15,000 under \$16,000.....	3,405	5,679	46,270	5,679	3,118	111	90	3,036	81	3,010	363,150	363,150	363,150	5,411	235	5,000	20	21 \$16,000 under \$17,000.....	1,048	1,855	950	1,855	950	33	23	927	426	2,212	1,502	2,212	1,502	2,212	265	427	2,136	21	22 \$17,000 under \$18,000.....	1,123	2,258	262	2,258	793	16	7	786	786	1,646	1,034	1,646	1,034	1,646	76	1,027	2,552	22	23 \$18,000 under \$19,000.....	1,162	13	3	13	57	31	7	31	31	1,061	5,571	5,571	5,571	15	155	556	23	24 \$19,000 or more.....	7	163	1,209	163	33	1	1	1	33	73	133,736	133,736	133,736	355	21	70	350	24	Total taxable returns.....	7,636,764	2,824,057	37,984,101	2,824,057	4,418,328	11,403,156	771,735	6,721,283	2,446,591	701,654	7,248,915	7,248,915	7,248,915	1,556,810	388,616	56,483	72,472	398,327	25	Non-taxable returns:																				26 No adjusted gross income.....	5,272	7,276	2,730	7,276	3,017	3,017	198	4,667	2,824	2,605	2,197	1,258	1,258	1,392	14	15	15	15	27 Under \$600.....	5,218	2,318	5,274	2,318	1,445	4,499	198	5,535	1,497	4,523	3,006	2,197	1,365	1,386	181	181	4,006	27	28 \$600 under \$1,000.....	85,341	25,613	58,084	25,613	22,198	41,825	3,519	67,727	18,695	15,557	6,270	12,760	6,136	6,270	8,483	725	19,552	5,545	29 \$1,000 under \$1,500.....	118,246	39,922	72,568	39,922	26,610	48,359	6,084	68,018	31,721	45,678	60,129	17,432	17,432	19,353	2,115	1,645	43,161	15,708	30 \$1,500 under \$2,000.....	142,532	67,524	36,545	67,524	41,602	58,485	6,344	77,231	39,466	60,800	109,168	30,979	30,979	35,458	5,657	57,815	30,791	30	31 \$2,000 under \$2,500.....	141,515	65,730	180,148	65,730	44,027	57,445	7,867	78,591	36,160	66,744	134,084	28,351	28,351	30,673	3,913	58,335	25,680	31	32 \$2,500 under \$3,000.....	14,437	73,228	24,225	73,228	50,706	69,318	9,105	81,573	41,601	57,347	157,569	31,913	31,913	35,381	3,814	5,326	30,025	32	33 \$3,000 under \$3,500.....	123,945	67,478	76,418	67,478	51,174	26,323	10,023	37,503	37,503	38,309	122,716	31,788	31,788	37,813	3,178	37,792	33,274	33	34 \$3,500 under \$4,000.....	93,700	51,390	248,879	51,390	43,383	59,343	8,283	73,518	34,802	13,655	50,266	18,979	18,979	28,486	3,784	13,465	27,442	34	35 \$4,000 under \$4,500.....	59,422	30,497	118,172	30,497	21,977	28,404	3,732	49,266	22,372	9,080	34,384	9,300	9,300	9,730	6,563	8,180	8,075	35	36 \$4,500 under \$5,000.....	33,689	21,488	116,188	21,488	17,346	21,528	3,240	25,262	19,026	7,108	33,948	8,420	8,420	11,365	5,402	13,110	6,941	36	37 \$5,000 under \$6,000.....	27,245	22,614	132,373	22,614	23,397	21,177	3,758	24,694	19,692	4,551	13,690	4,946	4,946	7,187	1	2,551	3,245	37	38 \$6,000 under \$8,000.....	11,080	16,533	61,074	16,533	13,450	8,346	2,741	13,563	11,594	1	1	1	1	1	1	1	1	38	39 \$8,000 or more.....	751	1,054	681	1,054	90	60	60	60	90	260	3,222	3,222	3,222	725	31	255	694	39	Total non-taxable returns.....	1,002,783	433,391	3,185,801	433,391	296,238	366,029	68,929	659,714	297,080	319,619	3,744,079	197,153	197,153	230,486	1,450,019	28,723	302,355	201,763	41	Grand total.....	8,639,547	2,975,448	7,970,074	2,975,448	4,714,666	11,769,315	840,664	7,381,017	2,743,671	1,021,273	10,993,094	7,446,068	7,446,068	8,639,547	5,796,835	85,206	1,033,328	600,070	42	Returns under \$5,000.....	5,307,517	1,605,749	4,975,187	1,605,749	1,861,707	3,244,639	4,959,567	3,244,639	4,458,873	1,426,050	732,330	2,169,877	313,611	360,150	4,366,653	98,840	704,198	301,310	43	Returns \$5,000 or more.....	3,331,999	1,369,699	2,994,887	1,369,699	1,852,959	4,025,436	401,097	4,126,378	1,317,621	336,763	5,823,217	2,677,480	2,677,480	325,446	146,482	26,166	329,130	298,760	44
1 \$0,000 under \$1,000.....	35,663	3,416	41,958	3,416	4,455	20,096	1,038	44,663	3,417	3,006	372	39,999	372	403	—	—	3,006	86																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
2 \$1,000 under \$1,500.....	121,940	19,882	167,866	19,882	38,548	81,435	5,896	116,824	18,684	1,866	3,857	31,818	3,857	700	1,145	20,010	3,955	3																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
3 \$1,500 under \$2,000.....	246,770	79,119	346,889	79,119	107,067	169,506	13,946	211,013	116,161	1,786	10,791	161,791	10,791	11,684	2,788	45,784	4,296	3																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
4 \$2,000 under \$2,500.....	376,797	128,011	504,808	128,011	167,596	267,146	20,576	325,999	171,919	786	1,918	324,235	1,918	3,093	6,398	53,344	4,296	5																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
5 \$2,500 under \$3,000.....	66,176	17,195	83,371	17,195	23,423	29,847	3,670	30,517	11,619	5,888	15,656	15,656	15,656	15,988	3,093	30,413	11,115	5																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
6 \$3,000 under \$3,500.....	62,184	170,667	1,858,676	190,551	219,511	410,129	54,493	410,129	11,040	3,848	30,106	31,954	30,106	31,954	7,338	80,495	17,020	6																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
7 \$3,500 under \$4,000.....	669,079	181,779	850,858	181,779	249,331	400,320	66,948	467,269	211,137	8,011	20,776	287,493	20,776	28,790	5,118	71,344	23,672	7																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
8 \$4,000 under \$4,500.....	78,562	51,006	129,568	51,006	70,065	87,944	8,944	96,888	44,721	11,848	29,776	29,776	29,776	29,776	5,118	61,344	23,672	8																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
9 \$4,500 under \$5,000.....	83,498	44,545	128,043	44,545	58,505	64,004	3,196	73,811	271,509	6,466	27,340	273,081	27,340	273,081	6,466	20,416	3																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
10 \$5,000 under \$6,000.....	1,281,070	386,727	1,667,797	386,727	587,770	866,128	16,678	1,042,806	1,184,111	4,442	69,047	376,115	69,047	376,115	6,126	68,597	81,444	10																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
11 \$6,000 under \$7,000.....	769,016	699,016	1,468,032	699,016	397,844	516,194	9,000	705,194	304,864	4,442	11,019	311,013	11,019	311,013	3,855	30,977	11																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
12 \$7,000 under \$8,000.....	169,898	148,898	318,796	148,898	131,315	148,898	50,811	379,707	184,366	15,881	55,196	324,503	55,196	324,503	1,220	26,776	12																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
13 \$8,000 under \$9,000.....	227,968	49,714	277,682	49,714	137,324	137,015	27,256	164,280	104,899	17,883	17,184	181,464	17,184	20,502	1,381	18,123	13																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
14 \$9,000 under \$10,000.....	133,543	58,714	192,257	58,714	76,803	76,714	18,481	95,195	74,742	7,442	14,779	110,483	14,779	6,656	1,481	9,964	14																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
15 \$10,000 under \$11,000.....	26,584	151,796	2,228,214	108,215	214,123	51,306	16,487	160,811	60,811	4,432	605,564	605,564	605,564	51,296	16,471	8,123	15																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
16 \$11,000 under \$12,000.....	80,650	99,455	1,227,271	127,271	72,106	93,263	8,768	102,031	64,818	7,708	491,589	491,589	491,589	24,829	2,482	27,547	16																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
17 \$12,000 under \$13,000.....	65,752	66,152	86,891	66,152	68,429	14,460	5,786	74,215	64,463	24,600	722,081	722,081	722,081	11,168	7,977	26,345	17																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
18 \$13,000 under \$14,000.....	36,461	45,105	56,521	45,105	4,679	4,679	1,781	15,411	60,105	4,432	50,785	55,217	50,785	4,432	1,476	20,947	18																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
19 \$14,000 under \$15,000.....	17,594	26,734	44,327	26,734	2,477	1,119	607	3,446	14,810	13,117	781,869	781,869	781,869	21,747	61	21,133	19																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
20 \$15,000 under \$16,000.....	3,405	5,679	46,270	5,679	3,118	111	90	3,036	81	3,010	363,150	363,150	363,150	5,411	235	5,000	20																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
21 \$16,000 under \$17,000.....	1,048	1,855	950	1,855	950	33	23	927	426	2,212	1,502	2,212	1,502	2,212	265	427	2,136	21																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
22 \$17,000 under \$18,000.....	1,123	2,258	262	2,258	793	16	7	786	786	1,646	1,034	1,646	1,034	1,646	76	1,027	2,552	22																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
23 \$18,000 under \$19,000.....	1,162	13	3	13	57	31	7	31	31	1,061	5,571	5,571	5,571	15	155	556	23																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
24 \$19,000 or more.....	7	163	1,209	163	33	1	1	1	33	73	133,736	133,736	133,736	355	21	70	350	24																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
Total taxable returns.....	7,636,764	2,824,057	37,984,101	2,824,057	4,418,328	11,403,156	771,735	6,721,283	2,446,591	701,654	7,248,915	7,248,915	7,248,915	1,556,810	388,616	56,483	72,472	398,327	25																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
Non-taxable returns:																				26 No adjusted gross income.....	5,272	7,276	2,730	7,276	3,017	3,017	198	4,667	2,824	2,605	2,197	1,258	1,258	1,392	14	15	15	15	27 Under \$600.....	5,218	2,318	5,274	2,318	1,445	4,499	198	5,535	1,497	4,523	3,006	2,197	1,365	1,386	181	181	4,006	27	28 \$600 under \$1,000.....	85,341	25,613	58,084	25,613	22,198	41,825	3,519	67,727	18,695	15,557	6,270	12,760	6,136	6,270	8,483	725	19,552	5,545	29 \$1,000 under \$1,500.....	118,246	39,922	72,568	39,922	26,610	48,359	6,084	68,018	31,721	45,678	60,129	17,432	17,432	19,353	2,115	1,645	43,161	15,708	30 \$1,500 under \$2,000.....	142,532	67,524	36,545	67,524	41,602	58,485	6,344	77,231	39,466	60,800	109,168	30,979	30,979	35,458	5,657	57,815	30,791	30	31 \$2,000 under \$2,500.....	141,515	65,730	180,148	65,730	44,027	57,445	7,867	78,591	36,160	66,744	134,084	28,351	28,351	30,673	3,913	58,335	25,680	31	32 \$2,500 under \$3,000.....	14,437	73,228	24,225	73,228	50,706	69,318	9,105	81,573	41,601	57,347	157,569	31,913	31,913	35,381	3,814	5,326	30,025	32	33 \$3,000 under \$3,500.....	123,945	67,478	76,418	67,478	51,174	26,323	10,023	37,503	37,503	38,309	122,716	31,788	31,788	37,813	3,178	37,792	33,274	33	34 \$3,500 under \$4,000.....	93,700	51,390	248,879	51,390	43,383	59,343	8,283	73,518	34,802	13,655	50,266	18,979	18,979	28,486	3,784	13,465	27,442	34	35 \$4,000 under \$4,500.....	59,422	30,497	118,172	30,497	21,977	28,404	3,732	49,266	22,372	9,080	34,384	9,300	9,300	9,730	6,563	8,180	8,075	35	36 \$4,500 under \$5,000.....	33,689	21,488	116,188	21,488	17,346	21,528	3,240	25,262	19,026	7,108	33,948	8,420	8,420	11,365	5,402	13,110	6,941	36	37 \$5,000 under \$6,000.....	27,245	22,614	132,373	22,614	23,397	21,177	3,758	24,694	19,692	4,551	13,690	4,946	4,946	7,187	1	2,551	3,245	37	38 \$6,000 under \$8,000.....	11,080	16,533	61,074	16,533	13,450	8,346	2,741	13,563	11,594	1	1	1	1	1	1	1	1	38	39 \$8,000 or more.....	751	1,054	681	1,054	90	60	60	60	90	260	3,222	3,222	3,222	725	31	255	694	39	Total non-taxable returns.....	1,002,783	433,391	3,185,801	433,391	296,238	366,029	68,929	659,714	297,080	319,619	3,744,079	197,153	197,153	230,486	1,450,019	28,723	302,355	201,763	41	Grand total.....	8,639,547	2,975,448	7,970,074	2,975,448	4,714,666	11,769,315	840,664	7,381,017	2,743,671	1,021,273	10,993,094	7,446,068	7,446,068	8,639,547	5,796,835	85,206	1,033,328	600,070	42	Returns under \$5,000.....	5,307,517	1,605,749	4,975,187	1,605,749	1,861,707	3,244,639	4,959,567	3,244,639	4,458,873	1,426,050	732,330	2,169,877	313,611	360,150	4,366,653	98,840	704,198	301,310	43	Returns \$5,000 or more.....	3,331,999	1,369,699	2,994,887	1,369,699	1,852,959	4,025,436	401,097	4,126,378	1,317,621	336,763	5,823,217	2,677,480	2,677,480	325,446	146,482	26,166	329,130	298,760	44																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
26 No adjusted gross income.....	5,272	7,276	2,730	7,276	3,017	3,017	198	4,667	2,824	2,605	2,197	1,258	1,258	1,392	14	15	15	15																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
27 Under \$600.....	5,218	2,318	5,274	2,318	1,445	4,499	198	5,535	1,497	4,523	3,006	2,197	1,365	1,386	181	181	4,006	27																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
28 \$600 under \$1,000.....	85,341	25,613	58,084	25,613	22,198	41,825	3,519	67,727	18,695	15,557	6,270	12,760	6,136	6,270	8,483	725	19,552	5,545																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
29 \$1,000 under \$1,500.....	118,246	39,922	72,568	39,922	26,610	48,359	6,084	68,018	31,721	45,678	60,129	17,432	17,432	19,353	2,115	1,645	43,161	15,708																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
30 \$1,500 under \$2,000.....	142,532	67,524	36,545	67,524	41,602	58,485	6,344	77,231	39,466	60,800	109,168	30,979	30,979	35,458	5,657	57,815	30,791	30																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
31 \$2,000 under \$2,500.....	141,515	65,730	180,148	65,730	44,027	57,445	7,867	78,591	36,160	66,744	134,084	28,351	28,351	30,673	3,913	58,335	25,680	31																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
32 \$2,500 under \$3,000.....	14,437	73,228	24,225	73,228	50,706	69,318	9,105	81,573	41,601	57,347	157,569	31,913	31,913	35,381	3,814	5,326	30,025	32																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
33 \$3,000 under \$3,500.....	123,945	67,478	76,418	67,478	51,174	26,323	10,023	37,503	37,503	38,309	122,716	31,788	31,788	37,813	3,178	37,792	33,274	33																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
34 \$3,500 under \$4,000.....	93,700	51,390	248,879	51,390	43,383	59,343	8,283	73,518	34,802	13,655	50,266	18,979	18,979	28,486	3,784	13,465	27,442	34																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
35 \$4,000 under \$4,500.....	59,422	30,497	118,172	30,497	21,977	28,404	3,732	49,266	22,372	9,080	34,384	9,300	9,300	9,730	6,563	8,180	8,075	35																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
36 \$4,500 under \$5,000.....	33,689	21,488	116,188	21,488	17,346	21,528	3,240	25,262	19,026	7,108	33,948	8,420	8,420	11,365	5,402	13,110	6,941	36																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
37 \$5,000 under \$6,000.....	27,245	22,614	132,373	22,614	23,397	21,177	3,758	24,694	19,692	4,551	13,690	4,946	4,946	7,187	1	2,551	3,245	37																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
38 \$6,000 under \$8,000.....	11,080	16,533	61,074	16,533	13,450	8,346	2,741	13,563	11,594	1	1	1	1	1	1	1	1	38																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
39 \$8,000 or more.....	751	1,054	681	1,054	90	60	60	60	90	260	3,222	3,222	3,222	725	31	255	694	39																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
Total non-taxable returns.....	1,002,783	433,391	3,185,801	433,391	296,238	366,029	68,929	659,714	297,080	319,619	3,744,079	197,153	197,153	230,486	1,450,019	28,723	302,355	201,763	41																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
Grand total.....	8,639,547	2,975,448	7,970,074	2,975,448	4,714,666	11,769,315	840,664	7,381,017	2,743,671	1,021,273	10,993,094	7,446,068	7,446,068	8,639,547	5,796,835	85,206	1,033,328	600,070	42																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
Returns under \$5,000.....	5,307,517	1,605,749	4,975,187	1,605,749	1,861,707	3,244,639	4,959,567	3,244,639	4,458,873	1,426,050	732,330	2,169,877	313,611	360,150	4,366,653	98,840	704,198	301,310	43																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
Returns \$5,000 or more.....	3,331,999	1,369,699	2,994,887	1,369,699	1,852,959	4,025,436	401,097	4,126,378	1,317,621	336,763	5,823,217	2,677,480	2,677,480	325,446	146,482	26,166	329,130	298,760	44																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														

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 income less 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)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Taxable returns:</b>								
1 \$500 under \$1,000.....	-	(1)	-	-	-	-	(1)	-
2 \$1,000 under \$1,500.....	1	9,322	4,551	4,212	(1)	(1)	2,636	391
3 \$1,500 under \$2,000.....	7,114	21,842	9,601	6,766	4,051	2,845	6,981	1,517
4 \$2,000 under \$2,500.....	16,198	41,974	18,062	12,693	(1)	(1)	11,030	2,326
5 \$2,500 under \$3,000.....	11,624	34,396	11,614	8,380	3,092	2,253	18,401	3,989
6 \$3,000 under \$3,500.....	25,818	61,396	20,635	10,661	(1)	(1)	13,997	3,226
7 \$3,500 under \$4,000.....	61,462	137,626	45,823	24,499	4,540	3,449	24,434	3,836
8 \$4,000 under \$4,500.....	26,751	71,116	24,116	13,051	4,051	3,580	17,717	3,708
9 \$4,500 under \$5,000.....	24,271	64,488	21,497	12,898	3,547	6,308	25,590	5,311
10 \$5,000 under \$6,000.....	23,286	64,103	21,557	13,606	3,051	3,170	19,465	3,861
11 \$6,000 under \$7,000.....	19,767	54,117	18,981	10,381	(1)	(1)	15,696	3,537
12 \$7,000 under \$8,000.....	14,171	48,587	16,091	8,799	(1)	(1)	15,345	3,078
13 \$8,000 under \$9,000.....	14,168	41,165	14,168	11,165	(1)	(1)	7,759	1,583
14 \$9,000 under \$10,000.....	8,040	24,792	8,040	8,380	1,685	3,327	28,832	6,091
15 \$10,000 under \$15,000.....	29,588	142,532	3,435	3,623	752	861	13,702	2,459
16 \$15,000 under \$20,000.....	12,707	141,196	3,054	2,959	422	3,570	11,343	1,557
17 \$20,000 under \$30,000.....	11,851	187,541	1,532	1,717	232	2,037	4,491	928
18 \$30,000 under \$50,000.....	8,192	71,976	333	45	47	173	937	195
19 \$50,000 under \$100,000.....	4,577	35,310	134	131	15	26	317	66
20 \$100,000 under \$150,000.....	341	54,779	107	102	17	21	351	72
21 \$150,000 under \$200,000.....	354	21,079	13	14	2	16	60	13
22 \$200,000 under \$500,000.....	60	26,564	6	5	3	1	30	6
23 \$500,000 under \$1,000,000.....	29	-	-	-	-	-	-	-
24 \$1,000,000 or more.....	29	-	-	-	-	-	-	-
25 Total taxable returns.....	298,764	1,433,934	102,223	84,742	31,048	40,253	241,738	50,323
<b>Nontaxable returns:</b>								
26 No adjusted gross income.....	-	-	-	-	-	-	-	-
27 Under \$600.....	1	(1)	-	-	-	-	(1)	(1)
28 \$600 under \$1,000.....	19,643	23,210	1	(1)	-	-	18,657	718
29 \$1,000 under \$1,500.....	50,346	81,810	10,784	6,572	3,534	1,355	48,351	4,344
30 \$1,500 under \$2,000.....	41,842	82,154	7,091	3,462	(1)	(1)	40,932	5,385
31 \$2,000 under \$2,500.....	25,438	70,154	(1)	(1)	(1)	(1)	28,224	3,643
32 \$2,500 under \$3,000.....	17,760	53,271	(1)	(1)	(1)	(1)	20,392	2,339
33 \$3,000 under \$3,500.....	6,615	17,541	(1)	(1)	-	-	6,828	1,208
34 \$3,500 under \$4,000.....	4,054	12,091	(1)	(1)	-	-	5,332	760
35 \$4,000 under \$4,500.....	4,346	17,049	(1)	(1)	-	-	5,466	911
36 \$4,500 under \$5,000.....	1,098	11,882	-	-	-	-	5,342	671
37 \$5,000 under \$6,000.....	-	-	-	-	-	-	-	-
38 \$6,000 under \$8,000.....	-	-	-	-	-	-	-	-
39 \$8,000 under \$10,000.....	-	-	-	-	-	-	-	-
40 \$10,000 or more.....	428	1,083	-	-	-	-	117	868
41 Total nontaxable returns.....	174,479	371,534	26,334	18,724	7,636	3,847	181,197	20,875
42 Grand total.....	473,243	2,305,473	128,557	103,466	38,684	44,100	422,935	71,198
43 Returns under \$5,000.....	311,101	692,728	84,014	63,138	27,945	32,107	266,225	38,383
44 Returns \$5,000 or more.....	162,142	1,612,745	44,543	40,328	10,739	21,993	156,710	32,815

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.

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

(1) 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.....	-	-	-	-	-	-	-	-	-	-	-
2 \$1,000 under \$1,500.....	(1)	(1)	(1)	(1)	-	-	-	-	-	-	-
3 \$1,500 under \$2,000.....	7,114	(1)	(1)	(1)	6,097	9,279	1,993	4,551	4,012	(1)	(1)
4 \$2,000 under \$2,500.....	16,158	4,023	3,616	1,950	14,135	18,226	5,031	9,601	6,766	4,051	2,845
5 \$2,500 under \$3,000.....	15,624	4,017	7,604	4,149	11,607	26,470	6,881	5,068	4,693	(1)	(1)
6 \$3,000 under \$3,500.....	6,254	4,000	3,115	1,515	24,252	58,721	16,886	12,114	8,380	3,094	2,293
7 \$3,500 under \$4,000.....	23,782	2,043	3,176	1,696	21,733	58,186	13,301	11,652	7,661	(1)	(1)
8 \$4,000 under \$4,500.....	26,751	6,119	4,918	1,763	20,632	62,108	14,671	7,102	5,848	5,557	2,999
9 \$4,500 under \$5,000.....	25,271	2,040	6,333	1,771	22,331	67,087	15,946	8,604	7,054	4,051	3,580
10 \$5,000 under \$6,000.....	30,386	3,068	3,157	3,082	27,318	103,431	23,508	7,597	6,808	4,081	6,308
11 \$6,000 under \$7,000.....	1,790	1,068	12,552	3,820	17,722	75,551	15,625	5,946	3,606	4,051	3,170
12 \$7,000 under \$8,000.....	19,171	3,523	3,035	1,659	16,648	86,882	13,037	6,033	5,081	(1)	(1)
13 \$8,000 under \$9,000.....	15,642	(1)	(1)	(1)	14,175	94,222	13,641	3,051	2,795	(1)	(1)
14 \$9,000 under \$10,000.....	8,040	(1)	(1)	(1)	7,040	46,401	6,650	(1)	(1)	(1)	(1)
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
16 \$15,000 under \$20,000.....	13,668	412	1,536	423	13,256	140,996	13,374	4,600	3,622	858	861
17 \$20,000 under \$30,000.....	12,418	1,669	425	12,014	18,536	10,718	4,251	3,453	473	3,453	1,126
18 \$30,000 under \$50,000.....	8,815	142	92	145	8,673	181,709	7,308	3,247	2,949	430	3,570
19 \$50,000 under \$100,000.....	4,728	75	1,400	56	4,653	186,081	4,653	1,647	1,405	211	2,037
20 \$100,000 under \$150,000.....	1,025	4	380	4	1,031	71,546	933	346	454	50	173
21 \$150,000 under \$200,000.....	362	2	47	1	354	34,383	313	143	131	14	24
22 \$200,000 under \$500,000.....	272	1	1	1	370	5,777	350	116	102	17	24
23 \$500,000 under \$1,000,000.....	60	-	-	-	60	11,974	60	14	14	2	16
24 \$1,000,000 or more.....	29	-	-	-	29	26,554	30	6	5	3	1
25 Total taxable returns.....	310,181	31,550	71,344	30,446	274,631	1,864,595	411,342	107,579	84,742	35,432	40,243
<b>Nontaxable returns:</b>											
26 No adjusted gross income.....	-	-	-	-	-	-	-	-	-	-	-
27 Under \$600.....	-	-	-	-	-	-	-	-	-	-	-
28 \$600 under \$1,000.....	(1)	(1)	(1)	(1)	-	-	-	-	-	-	-
29 \$1,000 under \$1,500.....	19,643	4,557	5,950	3,397	15,086	17,660	14,260	(1)	(1)	-	-
30 \$1,500 under \$2,000.....	50,346	7,067	8,190	4,199	43,279	71,520	40,222	10,584	6,572	3,534	1,355
31 \$2,000 under \$2,500.....	41,842	4,568	7,017	4,657	37,324	75,142	36,275	7,501	3,942	(1)	(1)
32 \$2,500 under \$3,000.....	25,238	4,585	7,846	4,669	20,653	62,688	23,555	(1)	(1)	(1)	(1)
33 \$3,000 under \$3,500.....	21,362	(1)	(1)	(1)	19,845	51,307	18,857	(1)	(1)	(1)	(1)
34 \$3,500 under \$4,000.....	7,684	(1)	(1)	(1)	7,200	15,736	6,241	(1)	(1)	-	-
35 \$4,000 under \$4,500.....	5,577	-	-	-	5,577	12,041	5,932	(1)	(1)	-	-
36 \$4,500 under \$5,000.....	5,070	-	-	-	5,070	17,099	5,466	(1)	(1)	-	-
37 \$5,000 under \$6,000.....	5,102	(1)	(1)	(1)	4,585	10,532	4,702	-	-	-	-
38 \$6,000 under \$8,000.....	-	-	-	-	-	-	-	-	-	-	-
39 \$8,000 under \$10,000.....	-	-	-	-	-	-	-	-	-	-	-
40 \$10,000 or more.....	328	-	-	-	328	1,083	117	-	-	-	-
41 Total nontaxable returns.....	183,236	24,284	36,676	25,570	158,947	334,858	155,627	30,494	18,724	8,653	3,847
42 Grand total.....	493,418	55,834	108,020	56,016	433,578	2,199,453	366,869	138,573	103,466	44,085	44,100
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
44 Returns \$5,000 or more.....	175,160	12,307	38,612	14,308	158,858	1,576,133	142,352	48,882	40,328	13,589	21,993

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.

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	Under \$10,000.....	All.....	13,278,525	26,204	1/500	1/507
	\$10,000 under \$30,000.....	All.....	41,456,390	82,663	1/489	1/502
1040	\$10,000 under \$50,000.....	Business.....	1,914,376	79,304	1/23	1/24
	\$30,000 under \$150,000.....	Business.....				
	\$50,000 under \$150,000.....	Nonbusiness.....	161,777	45,175	9/30	9/32
	\$150,000 and over.....	All.....				
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

	Page
1. Number of returns, adjusted gross income, taxable income, and income tax, by adjusted gross income classes and classes cumulated.	33
2. Sources of income and loss and nonbusiness deductions, by returns with standard or itemized deductions.	34
3. Sources of income and loss and nonbusiness deductions, by adjusted gross income classes.	35
4. Sources of income and loss, exemptions, and tax items—all returns, joint returns, and other returns, by adjusted gross income classes.	36
5. Itemized nonbusiness deductions, exemptions, and tax items, by adjusted gross income classes—returns with itemized deductions.	48
6. Number of returns by size of source and by adjusted gross income classes.	50
7. Number of returns by size of nonbusiness deduction and by adjusted gross income classes.	55
8. Taxable income, tax credits, and income tax, by taxable income classes for applicable tax rates.	56
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.	58
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.	59
11. Exemptions by marital status of taxpayer and by adjusted gross income classes.	65
12. Capital gains and losses, short- and long-term, and capital loss carryover, by adjusted gross income classes.	69
13. Selected sources of income by States and Territories.	71
14. Adjusted gross income and income tax, by States and Territories and by adjusted gross income classes.	72
15. Returns with self-employment tax—adjusted gross income and self-employment tax, by adjusted gross income classes.	75
16. Returns with self-employment tax—adjusted gross income and self-employment tax, by States and Territories.	76



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)
<b>ADJUSTED GROSS INCOME CLASSES</b>								
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.....	3,180,741	5.6	2,542,668	1.1	188,587	0.2	37,648	0.1
3 \$1,000 under \$1,500.....	4,200,995	8.0	5,630,728	2.4	1,072,631	1.0	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	346,635	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	9.0	12,304,840	5.3	4,125,277	3.6	817,847	3.1
7 \$3,000 under \$3,500.....	4,601,475	8.2	14,979,298	6.7	5,606,880	4.9	1,120,604	4.2
8 \$3,500 under \$4,000.....	4,548,394	8.1	17,066,187	7.4	6,649,647	5.8	1,346,641	5.1
9 \$4,000 under \$4,500.....	4,404,754	7.9	17,849,574	7.8	7,489,011	6.4	1,489,976	5.6
10 \$4,500 under \$5,000.....	3,708,266	7.0	17,586,011	7.6	7,259,499	6.7	1,554,860	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.....	3,332,077	6.0	21,666,984	9.4	11,821,063	10.2	2,385,403	8.9
13 \$7,000 under \$8,000.....	2,016,601	3.6	15,026,572	6.5	8,945,178	7.8	1,820,597	6.8
14 \$8,000 under \$9,000.....	1,181,244	2.1	10,036,658	4.4	6,324,219	5.5	1,301,277	4.4
15 \$9,000 under \$10,000.....	721,146	1.3	6,812,809	3.0	4,479,948	3.9	932,992	3.1
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	1,145,689	4.3
18 \$20,000 under \$30,000.....	241,882	0.4	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	4,666,424	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	230,231,855	100.0	115,331,301	100.0	26,665,753	100.0
27 Returns with no adjusted gross income, nontaxable.....	440,304	-	21,014,480	-	-	-	-	-
28 Grand total.....	56,747,008	-	229,221,375	-	115,331,301	-	26,665,753	-
<b>CUMULATED FROM LOWEST ADJUSTED GROSS INCOME CLASS</b>								
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	595,801	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	38,934,669	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	5,945,993	22.3
38 Under \$5,000.....	41,711,417	74.1	106,311,739	46.2	37,254,418	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.....	54,177,625	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	92,379,967	80.6	18,301,499	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.....	56,054,599	99.6	213,948,489	93.8	103,400,965	89.7	21,568,971	80.9
47 Under \$50,000.....	56,217,394	99.8	222,020,164	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	24,916,662	93.6
49 Under \$150,000.....	56,299,622	99.9	228,067,689	99.1	113,571,212	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	229,134,577	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	114,998,766	99.7	26,443,379	99.2
53 All returns.....	56,306,704	100.0	230,231,855	100.0	115,331,301	100.0	26,665,753	100.0
54 Returns with no adjusted gross income, nontaxable.....	440,304	-	21,014,480	-	-	-	-	-
55 Total returns.....	56,747,008	-	229,221,375	-	115,331,301	-	26,665,753	-
<b>CUMULATED FROM HIGHEST ADJUSTED GROSS INCOME CLASS</b>								
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)	3,559,269	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.....	211,105	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	6,618,667	24.8
64 \$15,000 or more.....	911,870	1.6	27,634,494	12.0	22,391,334	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.....	2,830,165	5.1	48,898,131	21.2	36,328,569	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	12,183,629	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.....	9,406,088	16.7	95,577,345	41.5	64,019,229	55.5	16,389,689	61.5
70 \$5,000 or more.....	14,995,287	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	69.3	92,374,393	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.....	31,862,621	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	95.8
76 \$2,000 or more.....	40,439,073	71.9	213,410,022	92.7	112,321,569	97.4	26,069,951	97.8
77 \$1,500 or more.....	44,661,751	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	11,142,714	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	230,231,855	100.0	115,331,301	100.0	26,665,753	100.0
81 Returns with no adjusted gross income, nontaxable.....	440,304	-	21,014,480	-	-	-	-	-
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.

## INDIVIDUAL INCOME TAX RETURNS FOR 1954

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 ( <i>Thousand dollars</i> )	Number of returns	Amount ( <i>Thousand dollars</i> )	Showing adjusted gross income		Showing no adjusted gross income		
					Number of returns	Amount ( <i>Thousand dollars</i> )	Number of returns	Amount ( <i>Thousand dollars</i> )	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
<b>Sources:</b>									
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	1
2 Dividends (after exclusions).....	3,621,007	7,047,866	1,915,025	1,584,015	1,736,134	5,446,885	29,849	16,966	2
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	3
<b>Business or profession:</b>									
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	4
5 Net loss.....	1,464,726	2,308,809	753,186	675,529	361,734	617,988	34,806	1,015,290	5
<b>Partnership:</b>									
6 Net profit.....	1,588,046	9,004,043	975,539	3,962,516	601,681	5,011,377	10,826	30,150	6
7 Net loss.....	228,949	478,242	94,978	70,255	86,068	189,471	47,903	218,518	7
8 Net operating loss deduction.....	34,781	144,965	18,166	38,383	5,569	20,447	11,046	86,136	8
<b>Sales of capital assets:</b>									
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	9
10 Net loss.....	664,084	379,446	304,181	160,593	335,305	202,031	24,598	16,821	10
<b>Sales of property other than capital assets:</b>									
11 Net gain.....	135,062	107,811	77,387	56,780	54,641	48,151	3,034	2,881	11
12 Net loss.....	207,456	199,058	87,844	56,613	98,128	72,409	21,484	70,035	12
13 Annuities and pensions.....	730,279	806,069	439,563	443,262	288,141	356,032	2,575	6,777	13
<b>Rents and royalties:</b>									
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	14
15 Net loss.....	1,143,837	429,542	534,497	174,149	578,931	227,591	30,409	27,802	15
<b>Estates and trusts:</b>									
16 Income.....	368,806	685,140	172,787	239,025	193,970	444,408	( <sup>1</sup> )	( <sup>1</sup> )	16
17 Loss.....	12,258	5,800	5,482	1,517	6,752	4,024	( <sup>1</sup> )	( <sup>1</sup> )	17
18 Other sources.....	5,019,718	690,691	3,134,372	368,877	1,825,258	310,191	60,088	11,624	18
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	<sup>3</sup> 1,014,480	19
<b>Itemized nonbusiness deductions:</b>									
20 Contributions.....	14,565,306	3,892,547	-	-	14,555,918	3,891,173	9,388	1,374	20
21 Interest paid.....	10,727,798	3,204,542	-	-	10,721,354	3,201,287	6,444	3,255	21
22 Taxes.....	14,577,343	4,085,362	-	-	14,565,630	4,076,630	11,713	8,732	22
23 Medical and dental expenses.....	8,639,147	2,975,448	-	-	8,633,875	2,971,172	5,272	4,276	23
24 Child care.....	272,737	88,714	-	-	272,237	87,960	( <sup>1</sup> )	( <sup>1</sup> )	24
25 Losses from fire, storm, other casualty, or theft.....	2,107,002	444,300	-	-	2,106,457	444,245	( <sup>1</sup> )	( <sup>1</sup> )	25
26 Other deductions.....	11,507,354	2,731,267	-	-	11,504,665	2,730,760	2,689	507	26
27 Total itemized deductions.....	15,243,545	17,422,180	-	-	15,229,351	17,403,227	14,194	18,953	27

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 3.—SOURCES OF INCOME AND LOSS AND NONBUSINESS DEDUCTIONS, BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	All returns													
	Number of returns (1)	Salaries and wages (after exclusions) (2)	Dividends (after exclusions) (3)	Interest received (4)	Business or profession Net profit (5)	Business or profession Net loss (6)	Partnership Net profit (7)	Partnership Net loss (8)	Net operating loss deduction (9)	Sales of capital assets Net gain (10)	Sales of capital assets Net loss (11)	Sales of property other than capital assets Net gain (12)	Sales of property other than capital assets Net loss (13)	Annulments and pensions (14)
Taxable and nontaxable returns:														
No adjusted gross income.....	440,104	157,697	16,966	20,315	16,041	1,015,200	218,518	86,116	117,850	16,821	2,881	70,035	6,777	
Under \$500.....	3,939,817	1,137,681	10,178	21,955	140,399	71,078	13,958	10,348	20,495	11,749	1,708	14,427	5,199	
\$500 under \$1,000.....	3,180,541	1,038,081	36,001	53,966	351,725	51,408	42,612	2,984	30,410	10,186	2,316	5,034	24,566	
\$1,000 under \$1,500.....	4,520,595	4,433,881	65,448	94,194	777,115	90,111	78,134	11,634	57,167	19,313	4,818	4,118	79,300	
\$1,500 under \$2,000.....	4,206,678	5,873,995	95,448	107,508	824,895	84,074	104,592	6,614	58,313	16,388	4,760	5,379	113,001	
\$2,000 under \$2,500.....	4,311,673	8,119,186	93,473	106,014	982,191	95,293	139,110	8,695	66,076	15,454	4,884	5,031	98,137	
\$2,500 under \$3,000.....	4,684,779	10,641,552	94,609	92,588	1,068,887	90,895	139,110	7,099	66,430	15,454	8,111	9,228	77,183	
\$3,000 under \$4,000.....	9,156,374	28,790,142	200,464	176,014	2,030,897	138,584	200,333	7,432	150,964	33,488	7,951	18,135	81,130	
\$4,000 under \$5,000.....	7,910,960	32,468,575	243,601	186,123	1,659,320	110,939	174,155	4,824	131,441	39,150	10,280	14,337	72,499	
\$5,000 under \$10,000.....	1,456,678	72,590,811	946,788	444,444	4,387,887	172,514	524,349	10,453	594,328	96,156	23,144	25,696	134,494	
\$10,000 under \$15,000.....	1,117,144	9,319,192	721,459	256,104	4,234,854	67,410	1,188,504	1,351	372,542	36,841	13,342	11,541	37,840	
\$15,000 under \$20,000.....	968,467	2,083,117	520,773	136,975	1,326,095	42,447	795,926	1,877	237,951	16,734	4,452	3,047	17,790	
\$20,000 under \$30,000.....	291,858	2,933,567	780,502	176,403	1,447,476	51,496	1,109,131	445	331,170	21,041	9,521	5,943	17,068	
\$30,000 under \$40,000.....	161,995	2,270,315	868,526	173,144	1,103,834	57,408	1,085,311	716	338,930	15,131	4,451	4,953	18,111	
\$40,000 under \$100,000.....	70,400	1,555,470	1,008,076	138,428	346,550	69,144	835,897	1,044	300,335	7,653	3,465	4,948	12,116	
\$100,000 under \$150,000.....	11,628	375,500	420,241	18,203	97,073	26,715	245,844	14,997	190,598	1,106	1,054	1,451	4,537	
\$150,000 under \$200,000.....	3,197	120,346	200,724	11,916	25,205	7,267	76,257	87	101,500	330	244	431	1,615	
\$200,000 under \$500,000.....	1,245	182,322	376,622	11,094	25,887	31,943	97,570	5	244,269	503	68	648	1,400	
\$500,000 under \$1,000,000.....	439	17,068	143,601	5,441	4,815	10,991	6,969	1	107,311	34	78	178	1,141	
\$1,000,000 or more.....	201	6,106	202,998	5,851	3,893	5,787	3,455	51	189,497	30	36	108	591	
Total.....	56,747,008	183,952,623	7,070,486	3,370,330	19,234,444	3,908,804	9,008,043	144,965	3,711,862	779,446	107,811	199,088	806,064	

Adjusted gross income classes	Returns with itemized deductions											Deductions for—				
	Net income (15)	Net loss (16)	Income (17)	Loss (18)	Other sources (19)	Adjusted gross income (20)	Number of returns (21)	Adjusted gross income (22)	Contributions (23)	Interest paid (24)	Taxes (25)	Medical and dental expenses (26)	Child care (27)	Losses from fire, storm, or theft (28)	Other deductions (29)	Total deductions (30)
Taxable and nontaxable returns:																
No adjusted gross income.....	38,375	27,802	(1)	(1)	11,624	21,014,480	440,704	21,014,480	1,374	3,075	8,734	4,276	(1)	(1)	507	16,953
Under \$500.....	41,127	13,636	9,451	627	14,720	1,294,816	30,603	11,155	2,959	1,300	3,482	2,318	(1)	(1)	1,407	13,119
\$500 under \$1,000.....	104,290	6,877	6,270	-	19,635	2,544,668	220,540	184,310	15,149	6,715	13,997	29,029	(1)	811	9,889	74,249
\$1,000 under \$1,500.....	188,819	11,659	12,423	-	32,764	5,630,728	410,507	543,636	34,603	16,881	38,082	59,516	987	2,242	19,439	173,150
\$1,500 under \$2,000.....	187,277	14,544	17,046	-1	45,430	7,357,621	615,848	1,076,271	64,368	30,886	60,212	114,043	2,362	9,856	39,631	323,958
\$2,000 under \$2,500.....	179,532	16,753	13,148	27	43,225	9,703,996	807,763	1,821,233	104,520	52,144	91,443	153,874	5,042	12,204	51,969	371,196
\$2,500 under \$3,000.....	159,779	26,478	13,404	-	42,559	12,304,840	963,611	2,659,964	141,156	85,022	123,476	191,423	10,853	16,941	81,161	650,161
\$3,000 under \$4,000.....	257,957	43,145	28,858	177	90,484	32,044,685	2,959,555	9,004,661	431,039	338,911	400,878	502,224	29,025	4,971	253,160	1,389,298
\$4,000 under \$5,000.....	279,887	49,287	23,008	997	66,162	35,435,985	2,966,888	13,335,511	557,871	552,617	594,706	843,376	22,462	65,654	377,618	2,718,704
\$5,000 under \$10,000.....	826,065	114,002	109,080	371	155,466	81,878,795	5,445,659	35,599,599	1,343,276	1,450,479	1,556,584	1,004,372	18,683	17,063	1,042,878	6,635,355
\$10,000 under \$15,000.....	331,573	28,231	82,667	707	47,867	14,410,918	573,041	6,865,328	260,100	222,985	307,949	152,315	929	33,030	240,308	1,217,622
\$15,000 under \$20,000.....	189,840	12,353	59,231	393	31,386	6,233,542	330,696	3,927,099	141,634	105,636	175,967	65,198	208	16,447	118,611	608,401
\$20,000 under \$30,000.....	243,155	17,071	78,139	281	28,156	7,023,346	217,474	5,257,593	175,572	97,593	216,981	65,503	182	16,665	141,043	723,739
\$30,000 under \$40,000.....	225,645	19,074	70,642	563	28,627	6,071,073	138,314	5,212,764	176,660	83,032	206,974	43	13	16,321	127,502	657,960
\$40,000 under \$100,000.....	168,164	14,666	89,530	1,113	19,511	4,659,424	65,940	4,341,986	171,249	66,040	162,154	26,836	48	17,380	114,307	558,184
\$100,000 under \$150,000.....	54,817	4,863	23,214	289	9,443	1,991,103	11,269	1,348,089	73,956	21,558	49,392	51,697	2	5,815	41,511	197,931
\$150,000 under \$200,000.....	16,968	2,653	9,695	222	2,317	567,816	3,169	539,760	36,047	20,468	20,468	65,198	2	2,320	18,821	88,874
\$200,000 under \$500,000.....	23,660	5,161	20,272	297	2,726	919,072	3,088	908,445	79,551	21,246	34,150	2,265	2	3,151	31,906	172,271
\$500,000 under \$1,000,000.....	71,544	1,038	7,297	26	1,003	294,745	2,000	294,166	32,241	6,174	9,412	326	1	1,005	9,705	59,366
\$1,000,000 or more.....	11,577	259	9,359	9	184	406,532	200	405,431	50,420	2,882	11,133	163	1	772	8,474	73,844
Total.....	3,536,292	429,542	685,140	5,800	690,691	3,229,221,375	15,703,595	3,923,333,578	3,892,547	3,204,542	4,085,362	2,975,448	86,714	444,300	2,711,267	17,422,180

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.  
 † Adjusted gross income less adjusted gross deficit.  
 ‡ Adjusted gross income less 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 (Thousands dollars)	Net gain		Net loss		Number of returns	Amount (Thousands dollars)	Net gain		Net loss		Number of returns	Amount (Thousands dollars)	Net income		Net loss	
			Number of returns	Amount (Thousands dollars)	Number of returns	Amount (Thousands dollars)			Number of returns	Amount (Thousands dollars)	Number of returns	Amount (Thousands dollars)			Number of returns	Amount (Thousands dollars)	Number of returns	Amount (Thousands dollars)
Taxable returns:	(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	(2)	(2)	(2)	(2)	2,989	1,978	27,800	10,049	3,500	503		
2 \$1,000 under \$1,500	(3)	(4)	33,009	10,410	11,624	7,456	(4)	(3)	(2)	(2)	7,074	4,872	56,927	31,948	15,404	4,106		
3 \$1,500 under \$2,000	(2)	(4)	50,084	20,156	13,233	8,191	3,568	1,873	3,099	993	19,072	19,687	96,812	44,922	26,953	8,236		
4 \$2,000 under \$2,500	(4)	(4)	73,198	34,017	18,679	10,725	3,223	784	5,536	2,102	26,123	24,684	124,700	80,575	37,873	11,643		
5 \$2,500 under \$3,000	(2)	(4)	75,887	42,370	26,390	13,379	4,006	2,893	7,625	6,158	27,181	28,128	158,190	97,409	54,386	14,793		
6 \$3,000 under \$3,500	(4)	(4)	80,715	43,990	28,273	12,875	2,061	2,961	10,607	7,117	37,466	34,432	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	12,159	9,674	31,219	24,552	303,211	105,145	74,985	18,338		
8 \$4,000 under \$4,500	(4)	(4)	111,927	70,594	34,839	18,563	1,161	1,161	13,358	9,357	33,531	26,154	139,138	101,877	101,877	18,708		
9 \$4,500 under \$5,000	(4)	(4)	93,395	59,262	29,796	15,058	7,343	5,887	6,375	4,805	25,724	31,968	235,021	116,385	89,303	23,240		
10 \$5,000 under \$6,000	(2)	(4)	207,008	152,244	55,207	27,670	6,023	3,495	23,325	10,993	42,874	46,242	332,969	232,269	152,735	39,543		
11 \$6,000 under \$7,000	(4)	(4)	159,512	113,075	45,638	26,131	7,113	3,230	13,227	5,021	30,263	30,885	275,393	187,130	115,140	31,097		
12 \$7,000 under \$8,000	(4)	(4)	186,418	133,650	33,012	15,050	7,608	4,564	9,146	4,737	23,644	29,279	301,083	147,812	68,164	18,091		
13 \$8,000 under \$9,000	(4)	(4)	90,584	86,855	30,663	14,634	7,615	3,663	3,393	3,985	19,215	17,786	131,694	137,452	44,271	14,208		
14 \$9,000 under \$10,000	(4)	(4)	87,251	75,058	23,292	14,447	5,065	2,987	2,371	3,861	15,767	13,100	85,624	109,284	22,994	8,553		
15 \$10,000 under \$15,000	1,171	3,351	247,265	370,790	61,868	36,192	10,765	13,331	11,614	11,505	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	30,873	19,873	4,934	4,934	5,023	5,027	12,171	17,686	189,818	176,763	12,108	16		
17 \$20,000 under \$30,000	291	445	136,418	314,511	31,980	21,011	3,824	4,321	4,154	5,493	10,338	17,568	76,912	263,342	16,132	17,071		
18 \$30,000 under \$50,000	203	716	77,293	398,954	21,651	15,111	1,877	4,451	3,003	4,293	7,798	18,053	22,468	130,355	19,040	18		
19 \$50,000 under \$100,000	47	1,044	42,215	10,357	7,617	6,955	3,365	1,518	3,428	4,994	4,994	12,115	21,450	165,599	14,370	19		
20 \$100,000 under \$150,000	(2)	(4)	8,190	190,331	1,488	1,102	136	1,092	361	1,431	971	3,489	8,837	54,837	1,997	20		
21 \$150,000 under \$200,000	3	87	2,413	103,031	394	327	97	97	431	86	352	1,615	1,755	361	2,463	21		
22 \$200,000 under \$300,000	2	5	2,592	243,397	375	303	63	244	108	639	370	2,100	1,909	2,598	443	31		
23 \$300,000 under \$400,000	1	1	372	107,300	46	46	39	38	11	38	36	170	170	7,544	73	32		
24 \$400,000 under \$500,000	2	51	164	166,997	32	30	11	11	10	102	23	293	80	11,577	29	34		
25 Total taxable returns	14,174	30,296	1,943,303	3,359,499	526,371	299,537	87,272	78,666	137,327	91,887	405,527	454,572	2,786,097	2,825,125	967,123	339,813	25	
26 Nontaxable returns:	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	26	
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	27	
28 \$600 under \$1,000	(2)	(2)	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	28	
29 \$1,000 under \$1,500	(2)	(2)	85,776	46,757	17,639	11,679	8,980	4,695	8,048	3,987	82,661	70,466	235,080	154,871	24,714	7,553	29	
30 \$1,500 under \$2,000	(2)	(2)	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	30	
31 \$2,000 under \$2,500	(2)	(2)	50,599	32,059	10,524	4,729	6,584	4,100	5,546	2,929	51,765	73,443	115,211	98,977	16,209	5,110	31	
32 \$2,500 under \$3,000	(2)	(2)	41,954	24,080	10,614	4,991	5,418	4,991	5,546	3,070	29,727	49,025	74,499	62,370	18,184	11,685	32	
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	33	
34 \$3,500 under \$4,000	(2)	(2)	18,104	13,031	5,984	2,974	(2)	(2)	(2)	(2)	4,085	5,085	23,076	13,154	10,597	4,103	34	
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	35	
36 \$4,500 under \$5,000	(2)	(2)	2,551	297	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	9,087	7,761	(2)	(2)	36	
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	37	
38 \$6,000 under \$8,000	(2)	(2)	3,529	5,138	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	4,553	6,417	(2)	(2)	38	
39 \$8,000 under \$10,000	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	39	
40 \$10,000 or more	(2)	(2)	711	9,573	820	773	33	13	41	123	151	244	623	7,163	244	775	40	
41 Total nontaxable returns	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	41	
42 Grand total	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	42	
43 Returns under \$5,000	24,194	117,102	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	43	
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	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 I.—ALL RETURNS—Cont. Inued

	Estates and trusts				Other sources (Thousand dollars) (36)	Adjusted gross incomes (Thousand dollars) (37)	Exemptions (Thousand dollars) (38)	Taxable income		Income tax before credits (Thousand dollars) (42)	Tax credits for—	
	Income		Loss					Number of returns (40)	Amount (Thousand dollars) (41)		Dividends received (Thousand dollars) (44)	Retirement income (Thousand dollars) (46)
	Number of returns (32)	Amount (Thousand dollars) (33)	Number of returns (34)	Amount (Thousand dollars) (35)								
Taxable returns:												
1 \$600 under \$1,000	2,500	767	-	-	4,432	1,078,798	775,793	1,292,988	188,445	37,706	15,522	-
2 \$1,000 under \$1,500	5,016	3,469	-	-	12,069	3,047,987	1,634,140	2,426,670	1,069,613	213,724	25,218	151
3 \$1,500 under \$2,000	9,575	5,206	(2)	(2)	18,116	6,237,823	3,178,049	4,311,232	1,728,796	345,450	51,593	391
4 \$2,000 under \$2,500	11,102	9,419	(2)	(2)	22,317	9,527,726	4,952,225	3,078,559	2,890,502	577,376	69,824	1,517
5 \$2,500 under \$3,000	10,625	10,417	-	(2)	24,856	9,505,225	4,210,705	3,452,029	4,107,080	820,975	82,759	2,326
6 \$3,000 under \$3,500	15,165	18,043	(2)	(2)	26,853	12,592,640	5,383,703	3,867,430	5,944,041	1,125,834	104,557	3,989
7 \$3,500 under \$4,000	11,046	5,771	-	(2)	43,313	15,219,849	6,527,673	4,057,107	6,932,842	1,151,132	101,328	2,826
8 \$4,000 under \$4,500	11,597	8,603	(2)	(2)	31,623	16,818,643	7,139,046	3,959,609	7,404,211	1,496,025	111,240	3,836
9 \$4,500 under \$5,000	11,706	13,376	(2)	(2)	29,373	17,010,192	6,921,884	3,585,645	7,754,769	1,565,375	111,891	3,708
10 \$5,000 under \$6,000	25,102	21,371	(2)	(2)	44,924	27,910,808	10,265,715	5,108,368	13,782,379	2,778,685	214,267	2,992
11 \$6,000 under \$7,000	22,611	14,481	(2)	(2)	38,910	21,524,454	6,763,313	3,331,451	11,821,062	2,392,894	203,389	3,861
12 \$7,000 under \$8,000	16,677	15,794	(2)	(2)	30,166	14,961,906	4,016,882	2,008,053	8,944,484	1,828,209	188,357	3,537
13 \$8,000 under \$9,000	19,680	21,801	(2)	(2)	24,676	10,032,034	2,359,202	1,186,721	6,324,419	1,307,544	145,465	3,078
14 \$9,000 under \$10,000	16,155	30,437	(2)	(2)	10,070	6,808,273	1,436,249	720,646	4,479,948	937,243	118,933	3,040
15 \$10,000 under \$15,000	40,783	82,379	971	707	47,693	14,390,558	2,452,592	1,215,482	10,096,351	2,205,606	362,617	6,091
16 \$15,000 under \$20,000	20,456	59,229	755	393	31,361	6,316,307	768,160	368,492	4,808,176	1,548,436	171,197	2,519
17 \$20,000 under \$30,000	23,204	78,329	576	281	28,154	7,018,963	613,382	291,668	5,610,769	1,540,047	164,555	2,459
18 \$30,000 under \$50,000	16,441	70,595	690	562	28,925	6,067,727	342,787	161,897	5,082,115	1,704,304	111,234	1,557
19 \$50,000 under \$100,000	11,606	89,385	464	1,113	17,510	4,651,794	147,010	80,332	3,946,269	1,732,154	56,531	928
20 \$100,000 under \$150,000	2,431	22,432	123	289	9,237	1,389,769	23,452	11,617	1,170,369	633,445	10,276	195
21 \$150,000 under \$200,000	799	9,681	42	222	2,315	566,921	6,371	3,192	452,540	261,673	2,901	341
22 \$200,000 under \$500,000	930	19,881	64	297	2,727	915,760	6,463	3,234	740,497	463,586	2,974	354
23 \$500,000 or more	136	7,297	8	26	267	293,111	810	437	234,854	157,694	13,395	60
24 \$1,000,000 or more	66	9,359	3	9	184	406,532	354	201	332,333	226,062	185	29
25 Total taxable returns	305,409	627,250	10,720	4,671	531,771	209,668,830	66,965,710	42,633,060	115,226,743	26,851,139	2,427,188	50,323
Non-taxable returns:												
No adjusted gross income	(2)	(2)	(2)	(2)	11,624	31,014,480	723,910	-	440,304	-	-	-
Under \$600	4,006	9,451	(2)	(2)	14,720	1,294,816	3,317,634	-	3,939,817	-	-	-
\$600 under \$1,000	12,022	5,503	-	(2)	15,202	1,463,870	2,624,079	(2)	1,886,564	(2)	(2)	(2)
\$1,000 under \$1,500	11,511	8,954	-	-	20,695	2,582,741	3,669,343	20,615	2,073,310	913	7,040	195
\$1,500 under \$2,000	13,530	11,840	-	-	28,314	3,119,798	3,768,755	51,363	19,818	4,501	19,692	157
\$2,000 under \$2,500	5,011	3,729	-	-	20,907	2,781,270	3,162,076	42,392	1,190,722	5,498	12,152	113
\$2,500 under \$3,000	4,523	3,757	-	(2)	17,404	2,799,615	2,932,474	26,238	1,006,512	3,759	10,135	116
\$3,000 under \$3,500	2,489	3,032	(2)	(2)	9,677	2,386,658	2,367,224	19,277	721,268	2,525	186	25,238
\$3,500 under \$4,000	2,489	3,032	(2)	(2)	10,441	1,842,338	1,790,841	6,615	6,195	1,279	5,098	71
\$4,000 under \$4,500	2,489	3,032	(2)	(2)	3,482	1,030,931	966,505	4,554	4,800	959	3,048	199
\$4,500 under \$5,000	2,489	3,032	(2)	(2)	1,683	575,819	505,369	5,047	4,730	947	(2)	4,546
\$5,000 under \$6,000	(2)	(2)	-	(2)	2,616	435,963	367,944	3,068	4,275	738	2,551	55
\$6,000 under \$10,000	(2)	(2)	-	(2)	1,005	196,196	125,935	(2)	28,674	(2)	(2)	3,068
\$10,000 or more	236	1,681	4	1	1,148	47,849	6,899	415	4,480	1,289	269	19
Total non-taxable returns	63,397	57,890	1,528	1,129	138,920	419,552,545	26,330,952	181,072	104,558	22,661	72,615	1,222
Grand total	368,806	685,140	12,248	5,800	690,691	429,221,375	93,296,662	42,814,133	115,331,301	26,873,800	2,499,803	50,323
Returns under \$5,000	148,470	125,814	5,041	1,529	367,101	4105,297,259	63,594,178	28,328,359	13,823,362	7,554,082	743,707	9,373
Returns \$5,000 or more	220,336	559,326	7,217	4,271	323,590	123,924,116	29,702,484	14,486,774	77,805,883	19,319,708	1,756,096	32,815

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		Number of returns <sup>5</sup>		Amount (Thousand dollars)		Number of returns		Amount (Thousand dollars)		Number of returns	
	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	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)
Taxable returns:	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(58)	(59)	(60)	(61)	(62)	(63)
1 \$600 under \$1,000	-	-	-	-	-	-	37,648	1,109,765	93,295	20,912	222,194	5,540	1,047,007	61,184	9,702	757
2 \$1,000 under \$1,500	-	-	-	-	-	-	213,519	2,132,468	262,790	69,814	735,394	24,716	1,971,148	77,486	24,991	1,862
3 \$1,500 under \$2,000	-	-	-	-	-	-	344,635	3,797,768	475,970	113,258	1,147,258	43,319	4,426,877	136,138	44,206	2,647
4 \$2,000 under \$2,500	(2)	(2)	(2)	(2)	(2)	(2)	575,180	2,677,957	627,970	166,195	954,966	61,384	1,946,813	80,963	63,679	8,707
5 \$2,500 under \$3,000	-	-	-	-	(2)	(2)	817,847	3,075,596	886,582	206,397	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	3,729,547	1,180,154	223,499	1,505,897	94,328	2,605,140	180,528	79,987	8,778
7 \$3,500 under \$4,000	-	-	-	-	(2)	(2)	1,346,691	3,674,857	1,413,191	254,484	70,213	1,599,087	107,501	2,303,097	80,195	11,632
8 \$4,000 under \$4,500	(2)	(2)	(2)	(2)	(2)	(2)	1,489,975	3,666,167	1,565,993	265,846	86,471	1,439,029	107,428	2,377,382	131,525	13,411
9 \$4,500 under \$5,000	(2)	(2)	(2)	(2)	(2)	(2)	1,559,856	3,352,693	1,619,377	250,805	1,283,192	108,461	2,177,362	230,965	85,460	14,019
10 \$5,000 under \$6,000	(1)	(2)	(2)	(2)	(2)	(2)	2,770,109	4,758,254	2,792,259	436,889	1,701,170	195,435	3,214,847	340,293	147,795	26,985
11 \$6,000 under \$7,000	(1)	(2)	(2)	(2)	(2)	(2)	2,385,403	3,101,022	2,377,300	359,280	1,246,805	159,232	1,943,184	228,441	119,386	22,807
12 \$7,000 under \$8,000	(1)	(2)	(2)	(2)	(2)	(2)	1,820,597	1,828,585	1,674,977	306,311	173,945	882,426	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	644,417	72,687	41,721	17,594
14 \$9,000 under \$10,000	(2)	(2)	(2)	(2)	(2)	(2)	932,992	619,522	769,337	192,576	143,843	369,106	295,273	43,630	56,904	15,635
15 \$10,000 under \$15,000	7,850	1,264	1,236	3	883	18	2,185,166	895,545	1,229,769	568,047	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	247,563	473,563	260,697	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	164,773	487,463	243,255	27,720	280,291	27,392	70,198	65,579	17
18 \$30,000 under \$50,000	7,620	2,720	2,843	5	1,365	22	1,683,981	41,867	565,277	146,614	1,057,477	577,511	9,784	17,090	215,239	18
19 \$50,000 under \$100,000	7,391	4,484	2,008	11	893	24	1,708,710	91,867	615,873	67,283	1,180,511	49,279	285,936	2,757	18,486	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	94,183	323	2,083	3,080	18,880
21 \$150,000 under \$200,000	932	1,192	154	(7)	75	4	257,014	22,880	3,154	202,529	112	1,205	1,205	835	6,655	20
22 \$200,000 under \$500,000	799	1,977	172	(7)	82	11	425,963	1,887	28,743	3,202	378,397	66,969	103	1,246	17,433	22
23 \$500,000 under \$1,000,000	163	773	47	11	17	3	154,785	215	2,904	431	136,302	296	19,194	22	2,728	23
24 \$1,000,000 or more	68	719	47	-	7	1	222,374	99	1,086	201	197,252	26,753	11	436	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	15,647,041	2,984,554	24,821,679	2,365,645	1,377,973	665,149
Non-taxable returns:																
26 No adjusted gross income	-	-	-	-	-	-	-	74,922	20,020	58,176	10,080	330	94,858	35,113	31,475	11,519
27 Under \$600	-	-	-	-	-	-	-	3,224,143	104,233	29,636	80,007	1,150	3,233,360	107,636	15,805	2,801
28 \$600 under \$1,000	-	-	-	-	-	-	-	983,438	54,319	41,578	155,540	3,563	991,571	77,737	25,259	5,797
29 \$1,000 under \$1,500	-	-	-	-	-	-	-	962,228	75,907	59,019	10,094	186,641	972,935	79,048	32,850	5,354
30 \$1,500 under \$2,000	-	-	-	-	-	-	-	923,457	80,068	71,691	14,137	6,936	936,946	84,627	34,551	7,334
31 \$2,000 under \$2,500	-	-	-	-	-	-	-	657,207	59,135	60,223	99,393	5,341	672,349	63,088	25,800	3,542
32 \$2,500 under \$3,000	-	-	-	-	-	-	-	619,836	62,872	44,550	94,456	6,013	615,998	66,052	22,005	3,895
33 \$3,000 under \$3,500	-	-	-	-	-	-	-	498,585	46,365	35,498	7,581	58,993	497,349	48,808	16,000	3,258
34 \$3,500 under \$4,000	-	-	-	-	-	-	-	355,203	37,204	3,891	30,939	2,595	369,255	38,391	10,235	1,661
35 \$4,000 under \$4,500	-	-	-	-	-	-	-	173,412	21,925	8,800	1,729	18,533	170,372	22,219	4,143	660
36 \$4,500 under \$5,000	(2)	(2)	(2)	(2)	(2)	(2)	12,403	91,762	7,150	1,693	5,153	465	94,785	13,261	(2)	(2)
37 \$5,000 under \$6,000	(2)	(2)	(2)	(2)	(2)	(2)	62,075	11,325	5,661	2,639	5,174	(2)	64,133	11,846	4,102	1,839
38 \$6,000 under \$8,000	(2)	(2)	(2)	(2)	(2)	(2)	5,929	4,602	4,602	4,602	(2)	19,079	9,376	2,585	1,370	37
39 \$8,000 under \$10,000	159	402	-	-	-	-	-	901	1,630	1,492	121	13	1,379	3,477	636	1,939
40 \$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
Total non-taxable returns	53,868	18,638	13,652	43	9,113	144	26,665,753	46,739,208	20,515,733	4,857,949	17,151,983	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	10,414,210	601,727	26,014,341	1,984,144	784,526	116,728
43 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	6,136,813	2,361,315	7,550,730	1,022,735	850,955	599,898
44 Returns \$5,000 or more	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

See Note 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 income less adjusted gross deficit.

4 Includes returns with income tax withheld, or with excess social security 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 4.—SOURCES OF INCOME AND LOSS, EXEMPTIONS, AND OTHER RETURNS, BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	SOURCES OF INCOME AND OTHER RETURNS, BY ADJUSTED GROSS INCOME CLASSES—Continued										Partnership				
	Salaries and wages (after exclusions)		Dividends (after exclusions)		Interest received		Business or profession			Partnership					
	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)	
<b>Taxable returns:</b>	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
1 \$0,000 under \$1,000	136,907	10,714	2,485	8,042	2,542	42,647	50,820	4,025	4,270	151,927	151,927	8,073	1,588	—	—
2 \$1,000 under \$1,500	75,159	337,321	11,524	9,876	1,863	108,957	151,927	24,066	20,792	27,966	27,966	25,121	48,207	—	—
3 \$1,500 under \$2,500	93,453	780,014	42,782	61,035	16,081	198,056	338,692	37,072	37,993	37,993	37,993	25,121	48,207	3,529	2,234
4 \$2,500 under \$3,000	1,654,938	1,276,941	35,656	94,544	6,932	228,771	462,870	48,695	40,934	40,934	44,725	44,725	94,341	9,536	3,663
5 \$3,000 under \$4,000	2,013,805	1,813,570	50,270	137,008	17,008	339,791	639,791	56,319	46,392	46,392	44,992	44,992	94,341	9,536	3,663
6 \$4,000 under \$5,000	4,213,817	3,857,876	70,576	179,506	26,719	34,745	672,592	79,707	56,332	56,332	54,971	54,971	158,191	8,597	5,151
7 \$5,000 under \$7,500	4,965,716	4,776,097	78,813	204,291	29,291	54,368	720,569	74,806	64,254	64,254	71,254	71,254	219,882	8,084	5,046
8 \$7,500 under \$10,000	2,890,378	2,764,175	94,474	260,383	56,551	234,173	676,942	55,056	38,674	38,674	66,369	66,369	219,374	8,125	7,776
9 \$10,000 under \$15,000	7,691,165	4,456,100	195,907	225,300	80,305	304,173	1,108,081	79,550	52,494	52,494	115,347	115,347	409,709	14,220	4,253
10 \$15,000 under \$20,000	3,310,336	2,910,412	104,004	110,270	82,209	276,992	972,619	46,313	39,343	39,343	79,288	79,288	319,776	10,655	8,495
11 \$20,000 under \$30,000	1,865,911	1,724,906	185,681	310,753	76,019	171,329	770,915	36,818	40,067	40,067	67,385	67,385	352,277	5,574	3,507
12 \$30,000 under \$50,000	1,111,494	1,007,431	101,383	134,318	70,957	131,380	699,753	13,068	15,713	15,713	90,033	90,033	35,337	3,633	3,920
13 \$50,000 under \$100,000	779,854	601,387	134,357	187,221	58,944	93,956	586,528	13,834	15,563	15,563	46,529	46,529	264,897	5,616	2,921
14 \$100,000 under \$150,000	1,109,457	881,467	353,888	420,242	184,510	243,060	2,069,419	26,009	55,229	55,229	134,393	134,393	1,055,226	11,631	42,715
15 \$150,000 under \$200,000	331,080	227,926	164,681	167,067	119,265	99,190	1,247,890	12,404	37,759	37,759	67,677	67,677	725,143	5,415	10,109
16 \$200,000 under \$300,000	258,228	167,460	152,143	145,883	138,274	80,060	1,377,248	10,628	47,676	47,676	68,135	68,135	1,017,565	5,668	14,521
17 \$300,000 under \$500,000	144,975	6,382	313	630,066	97,366	143,455	1,013,346	7,947	50,728	50,728	46,346	46,346	16,194	4,813	16,194
18 \$500,000 under \$1,000,000	5,217	44,053	51,426	74,739	106,088	11,573	52,721	5,342	55,784	55,784	2,828	2,828	797,994	2,994	19,614
19 \$1,000,000 or more	10,411	7,647	9,035	8,154	31,418	1,635	91,117	1,330	24,387	24,387	3,501	3,501	214,314	771	14,120
20 \$150,000 under \$200,000	4,693	4,224	2,497	2,276	11,193	387	10,812	464	885	885	72,353	72,353	4,446	302	4,446
21 \$200,000 under \$500,000	2,656	4,031	2,777	2,862	16,563	334	23,075	570	18,087	18,087	803	803	89,107	382	8,091
22 \$500,000 or more	32	233	313	293	3,511	41	8,931	123	8,931	8,931	70	70	12,939	84	5,860
23 \$1,000,000 or more	111	93	107	107	65,631	15	2,442	15	3,394	3,394	21	21	3,508	59	1,778
24 Total taxable returns	26,697,672	24,112,138	4,088,797	3,555,224	1,386,070	3,108,165	14,257,243	625,182	786,063	786,063	1,044,972	1,044,972	7,576,354	115,807	183,038
<b>Nontaxable returns:</b>															
26 No adjusted gross income	30,432	75,120	136,809	19,104	12,598	12,491	13,134	256,284	807,676	807,676	8,241	8,241	14,527	30,644	170,407
27 Under \$600	599,110	307,295	142,646	134,583	3,668	207,164	77,458	59,163	56,340	56,340	16,190	16,190	7,694	5,084	2,477
28 \$600 under \$1,000	83,252	590,953	21,078	8,492	15,025	306,446	221,284	43,031	40,721	40,721	23,899	23,899	19,821	4,023	7,958
29 \$1,000 under \$1,500	1,321,535	866,301	1,012,805	53,060	19,031	446,938	469,354	61,072	74,121	74,121	34,553	34,553	42,411	2,530	1,051
30 \$1,500 under \$2,000	1,351,828	978,080	471,902	22,895	115,985	386,397	549,802	52,065	53,160	53,160	40,646	40,646	55,209	3,075	3,104
31 \$2,000 under \$2,500	1,068,711	816,741	401,334	231,566	231,566	267,787	470,548	43,516	45,421	45,421	29,774	29,774	54,993	2,156	4,233
32 \$2,500 under \$3,000	936,201	728,157	30,751	44,714	26,532	224,654	476,179	36,460	46,032	46,032	27,570	27,570	58,272	2,523	2,687
33 \$3,000 under \$4,000	693,715	594,141	1,822,592	12,428	38,815	124,152	302,049	19,515	14,260	14,260	18,091	18,091	46,360	3,602	14,132
34 \$4,000 under \$5,000	470,167	417,028	1,505,449	10,601	8,066	7,864	181,865	15,426	8,042	8,042	15,371	15,371	38,491	—	—
35 \$5,000 under \$7,500	231,626	203,710	329,158	5,581	4,883	32,428	100,871	5,261	1,195	1,195	7,721	7,721	19,215	—	—
36 \$7,500 under \$10,000	118,014	106,314	428,315	7,450	3,412	14,736	47,114	—	—	—	—	—	—	—	—
37 \$10,000 under \$15,000	79,814	64,097	352,892	4,524	4,763	11,185	39,933	—	—	—	—	—	—	—	—
38 \$15,000 under \$20,000	27,168	21,615	132,777	3,529	5,659	7,640	27,839	—	—	—	—	—	—	—	—
39 \$20,000 or more	2,497	1,034	10,132	1,374	3,942	399	4,729	721	7,150	7,150	198	198	1,635	65	1,462
40 Total nontaxable returns	8,001,010	5,706,605	12,049,078	273,498	174,017	602,760	2,980,163	591,312	1,161,991	1,161,991	226,823	226,823	372,185	57,084	209,933
41 Grand total	34,698,682	29,818,743	14,127,875	3,828,722	1,560,087	3,710,925	17,237,406	1,217,494	1,948,054	1,948,054	1,271,795	1,271,795	7,948,539	172,891	392,971
42 Returns under \$5,000	21,324,564	17,853,067	56,000,420	635,229	290,597	1,587,064	4,519,887	964,356	1,458,135	1,458,135	552,747	552,747	1,248,163	99,532	241,581
43 Returns \$5,000 or more	13,243,918	12,145,866	85,727,208	1,727,066	4,145,504	2,570,920	10,617,541	253,138	489,919	489,919	719,048	719,048	6,700,386	73,359	191,390

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	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	Net gain		Net loss	Amount		Number of returns	Amount		Number of returns			
				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 Taxable returns:																		
1 \$6,000 under \$1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2 \$1,000 under \$1,000	(2)	(2)	7,922	1,561	4,513	2,633	1,192	-	-	-	-	-	-	-	-	-	-	-
3 \$1,500 under \$2,000	(2)	(2)	15,998	7,701	3,068	2,633	2,633	-	-	-	-	-	-	-	-	-	-	-
4 \$2,000 under \$2,500	(2)	(2)	38,008	17,810	10,640	6,652	6,652	-	-	-	-	-	-	-	-	-	-	-
5 \$2,500 under \$3,000	(2)	(2)	45,077	26,419	1,766	6,133	1,766	6,133	1,766	6,133	1,766	6,133	1,766	6,133	1,766	6,133	1,766	6,133
6 \$3,000 under \$3,500	(2)	(2)	56,113	24,551	9,131	6,254	6,254	6,254	9,131	6,254	9,131	6,254	9,131	6,254	9,131	6,254	9,131	6,254
7 \$3,500 under \$4,000	(2)	(2)	86,486	47,388	16,550	8,620	8,620	8,620	16,550	8,620	16,550	8,620	16,550	8,620	16,550	8,620	16,550	8,620
8 \$4,000 under \$4,500	(2)	(2)	76,167	47,868	27,668	15,653	15,653	15,653	27,668	15,653	27,668	15,653	27,668	15,653	27,668	15,653	27,668	15,653
9 \$4,500 under \$5,000	(2)	(2)	97,148	47,108	24,155	15,092	15,092	15,092	24,155	15,092	24,155	15,092	24,155	15,092	24,155	15,092	24,155	15,092
10 \$5,000 under \$6,000	(2)	(2)	15,971	8,667	41,976	21,976	21,976	21,976	41,976	21,976	41,976	21,976	41,976	21,976	41,976	21,976	41,976	21,976
11 \$6,000 under \$7,000	(2)	(2)	136,151	85,168	38,431	25,708	25,708	25,708	38,431	25,708	38,431	25,708	38,431	25,708	38,431	25,708	38,431	25,708
12 \$7,000 under \$8,000	(2)	(2)	108,348	81,883	16,519	10,813	10,813	10,813	16,519	10,813	16,519	10,813	16,519	10,813	16,519	10,813	16,519	10,813
13 \$8,000 under \$9,000	(2)	(2)	75,891	66,118	24,972	16,908	16,908	16,908	24,972	16,908	24,972	16,908	24,972	16,908	24,972	16,908	24,972	16,908
14 \$9,000 under \$10,000	(2)	(2)	76,527	65,723	21,703	13,436	13,436	13,436	21,703	13,436	21,703	13,436	21,703	13,436	21,703	13,436	21,703	13,436
15 \$10,000 under \$15,000	1,061	3,121	208,131	286,651	51,297	28,836	28,836	28,836	51,297	28,836	51,297	28,836	51,297	28,836	51,297	28,836	51,297	28,836
16 \$15,000 under \$20,000	86	1,377	95,736	188,019	3,767	3,767	3,767	3,767	3,767	3,767	3,767	3,767	3,767	3,767	3,767	3,767	3,767	3,767
17 \$20,000 under \$30,000	196	443	95,113	55,172	38,185	18,792	18,792	18,792	38,185	18,792	38,185	18,792	38,185	18,792	38,185	18,792	38,185	18,792
18 \$30,000 under \$50,000	196	689	62,561	52,770	18,963	12,886	12,886	12,886	18,963	12,886	18,963	12,886	12,886	12,886	12,886	12,886	12,886	12,886
19 \$50,000 under \$100,000	27	1,355	37,116	38,436	8,536	6,837	6,837	6,837	8,536	6,837	8,536	6,837	6,837	6,837	6,837	6,837	6,837	6,837
20 \$100,000 under \$150,000	(2)	(2)	7,076	16,171	1,343	433	433	433	1,343	433	1,343	433	433	433	433	433	433	433
21 \$150,000 under \$200,000	3	87	2,065	87,129	67	67	67	67	67	67	67	67	67	67	67	67	67	67
22 \$200,000 under \$300,000	1	5	4,183	405,720	26	26	26	26	26	26	26	26	26	26	26	26	26	26
23 \$300,000 under \$500,000	2	3	1,794	8,848	6	6	6	6	6	6	6	6	6	6	6	6	6	6
24 \$1,000,000 or more	2	53	164	11,103	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Total taxable returns	12,655	29,361	1,441,866	4,711,793	39,830	2,976	2,976	2,976	39,830	2,976	39,830	2,976	2,976	2,976	2,976	2,976	2,976	2,976
25 Total taxable returns	12,655	29,361	1,441,866	4,711,793	39,830	2,976	2,976	2,976	39,830	2,976	39,830	2,976	2,976	2,976	2,976	2,976	2,976	2,976
26 Nontaxable returns:																		
27 No adjusted gross income	8,471	8,471	46,693	101,166	1,693	11,138	11,138	11,138	11,138	11,138	11,138	11,138	11,138	11,138	11,138	11,138	11,138	11,138
28 Under \$600	(2)	(2)	23,354	16,226	11,009	3,608	3,608	3,608	3,608	3,608	3,608	3,608	3,608	3,608	3,608	3,608	3,608	3,608
29 \$600 under \$1,000	(2)	(2)	35,313	18,262	9,602	5,466	5,466	5,466	9,602	5,466	9,602	5,466	5,466	5,466	5,466	5,466	5,466	5,466
30 \$1,000 under \$1,500	3,000	10,100	57,899	36,110	17,133	8,765	8,765	8,765	17,133	8,765	17,133	8,765	8,765	8,765	8,765	8,765	8,765	8,765
31 \$1,500 under \$2,000	(2)	(2)	56,899	31,279	18,962	9,261	9,261	9,261	18,962	9,261	18,962	9,261	9,261	9,261	9,261	9,261	9,261	9,261
32 \$2,000 under \$2,500	-	-	45,528	28,780	8,507	3,477	3,477	3,477	8,507	3,477	8,507	3,477	3,477	3,477	3,477	3,477	3,477	3,477
33 \$2,500 under \$3,000	(2)	(2)	36,003	21,442	8,997	4,757	4,757	4,757	8,997	4,757	8,997	4,757	4,757	4,757	4,757	4,757	4,757	4,757
34 \$3,000 under \$3,500	(2)	(2)	18,767	12,796	5,573	3,471	3,471	3,471	5,573	3,471	5,573	3,471	3,471	3,471	3,471	3,471	3,471	3,471
35 \$3,500 under \$4,000	(2)	(2)	14,087	10,250	5,595	3,485	3,485	3,485	5,595	3,485	5,595	3,485	3,485	3,485	3,485	3,485	3,485	3,485
36 \$4,000 under \$4,500	(2)	(2)	5,032	3,076	2,551	1,410	1,410	1,410	2,551	1,410	2,551	1,410	1,410	1,410	1,410	1,410	1,410	1,410
37 \$4,500 under \$5,000	(2)	(2)	181	127	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
38 \$5,000 under \$6,000	(2)	(2)	8,019	4,046	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
39 \$6,000 under \$7,000	(2)	(2)	3,509	5,438	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
40 \$7,000 under \$10,000	(2)	(2)	518	5,642	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
\$10,000 or more	(2)	(2)	518	5,642	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Total nontaxable returns	17,537	108,076	465,554	306,876	4,107	54,761	54,761	54,761	4,107	54,761	4,107	54,761	4,107	54,761	4,107	54,761	4,107	54,761
Grand total	28,192	137,437	1,786,721	4,922,669	44,937	79,727	79,727	79,727	44,937	79,727	44,937	79,727	44,937	79,727	44,937	79,727	44,937	79,727
41 Returns under \$5,000	23,023	126,015	716,095	609,801	203,059	116,045	116,045	116,045	203,059	116,045	203,059	116,045	116,045	116,045	116,045	116,045	116,045	116,045
42 Returns \$5,000 or more	5,169	17,422	1,070,626	4,416,967	249,878	163,636	163,636	163,636	249,878	163,636	249,878	163,636	163,636	163,636	163,636	163,636	163,636	163,636

See footnote 3 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										Tax credits for—					
	Estates 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)	Dividends received		Retirement income	
	Income		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)	Amount (Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	
1	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	
Table returns:																
1	\$600 under \$1,000.....	-	-	-	-	192,774	164,288	136,907	9,348	-	1,847	-	-	-	1	
2	\$1,000 under \$1,500.....	(?)	(?)	-	-	752,362	514,995	429,194	169,017	-	30,194	(?)	(?)	-	2	
3	\$1,500 under \$2,000.....	2,557	4,054	-	-	2,102,024	1,414,809	933,923	429,922	-	86,208	106	106	-	3	
4	\$2,000 under \$3,000.....	3,085	5,967	(?)	(?)	4,054,792	2,512,129	1,403,928	1,098,184	22,089	205,685	130	130	(?)	5	
5	\$3,000 under \$4,000.....	4,057	7,112	-	-	6,575,130	3,764,925	2,013,820	1,057,824	32,155	267	267	8,609	6		
6	\$4,000 under \$5,000.....	5,523	9,054	-	-	8,397,228	5,195,432	2,619,817	1,290,870	41,740	659,761	974	974	10,667	7	
7	\$5,000 under \$6,000.....	5,991	10,054	(?)	(?)	12,527,228	6,177,854	2,845,716	1,460,403	48,147	924,362	497	497	14,699	8	
8	\$6,000 under \$7,000.....	6,207	10,153	(?)	(?)	13,723,435	6,232,492	2,860,378	1,369,795	56,799	1,113,939	627	627	12,633	9	
9	\$7,000 under \$8,000.....	17,017	7,007	(?)	(?)	24,598,438	9,680,553	4,491,165	11,445,946	124,262	2,288,565	1,348	1,348	16,673	10	
10	\$8,000 under \$9,000.....	14,054	5,769	(?)	(?)	19,800,631	6,507,559	3,061,436	1,091,497	139,603	2,125,267	1,819	1,819	13,148	11	
11	\$9,000 under \$10,000.....	11,613	3,357	(?)	(?)	13,408,796	3,884,889	1,865,911	617,734	143,951	1,657,116	2,296	2,296	11,080	12	
12	\$10,000 under \$15,000.....	12,613	6,485	(?)	(?)	9,404,115	2,885,708	1,112,664	3,986,379	114,948	1,200,609	1,923	1,923	7,108	13	
13	\$15,000 under \$20,000.....	12,098	13,263	(?)	(?)	6,442,890	1,992,000	678,354	4,180,669	99,569	867,379	1,969	1,969	9,023	14	
14	\$20,000 under \$25,000.....	22,529	41,841	783	446	13,120,664	2,346,116	1,109,497	9,104,209	299,478	1,950,119	8,293	8,293	15,162	15	
15	\$25,000 under \$30,000.....	14,485	29,950	492	205	5,676,901	729,076	331,980	4,347,770	145,308	1,001,783	6,524	6,524	6,325	16	
16	\$30,000 under \$35,000.....	17,031	46,758	505	226	6,216,107	577,446	259,228	4,963,779	138,321	1,303,773	9,455	9,455	5,978	17	
17	\$35,000 under \$40,000.....	12,714	46,257	525	376	5,437,116	324,692	144,975	4,562,363	97,097	1,475,197	11,794	11,794	4,840	18	
18	\$40,000 under \$45,000.....	9,242	66,311	349	842	4,110,629	137,865	62,417	3,692,392	49,312	1,491,432	2,493	2,493	500	19	
19	\$45,000 under \$50,000.....	1,424	16,497	119	255	1,200,886	21,701	10,041	1,016,213	8,806	528,051	550	550	106	20	
20	\$50,000 under \$100,000.....	643	6,300	31	182	460,661	2,608	2,692	383,378	2,435	216,407	218	218	43	21	
21	\$100,000 under \$150,000.....	727	13,379	51	214	727,521	5,796	2,956	369,459	2,432	4,651	200	200	41	22	
22	\$150,000 under \$200,000.....	105	3,186	6	13	216,779	674	322	173,456	99	112,813	34	34	4	23	
23	\$200,000 under \$300,000.....	34	4,238	2	3	196,968	241	110	169,840	-	104,067	1,003	1,003	4	24	
24	\$300,000 under \$500,000.....	178,959	336,456	7,380	3,228	161,234,821	53,857,648	26,567,472	85,999,316	-	20,106,292	1,587,637	76,588	1,000,988	22,756	25
25	Total taxable returns.....	(?)	(?)	(?)	(?)	382,982	610,354	-	309,432	-	-	-	-	-	26	
26	Non-taxable returns:															
27	No adjusted gross income.....	(?)	(?)	-	-	198,635	1,055,018	-	558,410	-	-	-	-	-	27	
28	Under \$600.....	(?)	(?)	-	-	673,678	1,952,153	-	830,262	-	-	-	-	-	28	
29	\$600 under \$1,000.....	2,489	1,729	-	-	1,653,584	2,660,410	-	1,322,046	-	(?)	(?)	(?)	(?)	29	
30	\$1,000 under \$1,500.....	5,997	7,066	-	-	2,980,266	3,054,471	-	1,248,811	-	674	(?)	(?)	(?)	30	
31	\$1,500 under \$2,000.....	3,511	2,190	-	-	2,414,915	2,825,948	-	1,056,569	-	1,404	(?)	(?)	(?)	31	
32	\$2,000 under \$2,500.....	2,506	2,175	-	-	4,539,924	2,715,859	-	4,139	-	1,404	(?)	(?)	(?)	32	
33	\$2,500 under \$3,000.....	(?)	(?)	-	-	2,346,562	2,715,859	-	5,301	-	1,072	31	31	11,090	33	
34	\$3,000 under \$3,500.....	(?)	(?)	-	-	2,235,907	1,725,562	-	6,773	-	1,316	122	122	11,486	34	
35	\$3,500 under \$4,000.....	(?)	(?)	-	-	1,664,267	1,725,562	-	4,864	-	1,316	974	974	6,115	35	
36	\$4,000 under \$4,500.....	(?)	(?)	-	-	924,829	1,927,406	-	4,800	-	959	3,048	199	199	760	36
37	\$4,500 under \$5,000.....	(?)	(?)	-	-	594,153	493,629	-	3,857	-	773	(?)	(?)	(?)	3,547	37
38	\$5,000 under \$6,000.....	(?)	(?)	-	-	430,263	366,274	-	3,708	-	626	(?)	(?)	(?)	2,551	38
39	\$6,000 under \$8,000.....	(?)	(?)	-	-	121,495	119,970	-	(?)	-	(?)	-	-	-	279	39
40	\$10,000 or more.....	184	436	-	-	35,533	6,423	363	4,109	1,734	1,170	238	17	279	736	40
41	Total non-taxable returns.....	30,244	33,997	(?)	(?)	415,242,995	20,347,879	58,571	39,351	7,942,439	9,302	24,111	662	55,487	8,093	41
42	Grand total.....	209,103	370,253	8,360	3,469	476,477,816	74,205,527	26,626,043	86,038,667	7,942,439	20,115,594	1,611,748	77,250	196,475	30,849	42
43	Returns under \$5,000.....	53,027	53,393	3,017	492	464,350,007	45,809,336	13,488,790	17,095,015	7,435,774	3,421,075	243,624	2,682	103,299	12,108	43
44	Returns \$5,000 or more.....	156,076	316,860	5,343	2,977	112,127,809	28,396,191	13,137,253	68,943,652	106,665	16,694,519	1,368,124	74,568	93,176	18,741	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		Amount			Number of returns			Number of returns			Amount			Number of returns			Amount			Number of returns		
	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)	Number of returns	Amount (Thousand dollars)	
(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(73)	
Taxable returns:																											
\$600 under \$1,000.....	-	1,858	-	91,658	-	30,088	-	9,089	-	4,108	-	48,311	-	1,242	-	7,890	-	87,090	-	23,314	-	12,321	-	2,329	-	1	
\$1,000 under \$1,500.....	-	308,739	-	43,588	-	86,092	-	43,588	-	36,907	-	149,024	-	9,585	-	236,793	-	236,793	-	603,683	-	61,045	-	29,853	-	3	
\$1,500 under \$2,000.....	-	-	-	728,136	-	-	-	122,552	-	70,480	-	290,085	-	21,123	-	61,045	-	290,085	-	603,683	-	61,045	-	29,853	-	4	
\$2,500 under \$3,000.....	-	-	-	1,218,240	-	205,152	-	262,660	-	115,118	-	420,030	-	35,895	-	100,931	-	420,030	-	984,506	-	100,931	-	34,825	-	5	
\$3,500 under \$4,000.....	-	-	-	1,752,578	-	390,533	-	476,051	-	137,361	-	600,194	-	52,698	-	134,250	-	600,194	-	1,342,554	-	134,250	-	44,373	-	6	
\$4,000 under \$4,500.....	-	-	-	2,371,604	-	688,409	-	742,182	-	179,018	-	763,569	-	763,569	-	1,755,554	-	763,569	-	1,755,554	-	1,755,554	-	59,717	-	7	
\$4,500 under \$5,000.....	-	-	-	2,704,523	-	1,019,004	-	1,019,004	-	1,019,004	-	824,861	-	824,861	-	2,007,420	-	824,861	-	2,007,420	-	2,007,420	-	36,760	-	8	
\$5,000 under \$5,500.....	-	-	-	2,704,587	-	1,111,971	-	1,111,971	-	1,111,971	-	858,280	-	858,280	-	1,937,736	-	858,280	-	1,937,736	-	1,937,736	-	58,853	-	9	
\$5,500 under \$6,000.....	-	-	-	2,884,220	-	2,284,220	-	2,377,709	-	336,391	-	1,324,943	-	1,324,943	-	3,008,459	-	1,324,943	-	3,008,459	-	3,008,459	-	116,185	-	10	
\$6,000 under \$6,500.....	2,531	397	-	2,873,778	-	2,150,545	-	2,119,455	-	285,779	-	1,078,852	-	1,078,852	-	1,866,462	-	1,078,852	-	1,866,462	-	1,866,462	-	9,951	-	11	
\$7,000 under \$7,500.....	2	3	-	1,723,451	-	1,652,977	-	1,554,750	-	247,064	-	786,191	-	786,191	-	1,010,334	-	786,191	-	1,010,334	-	1,010,334	-	67,607	-	12	
\$8,000 under \$8,500.....	2	3	-	1,460,666	-	1,197,047	-	883,666	-	199,358	-	530,817	-	530,817	-	530,787	-	530,817	-	530,787	-	530,787	-	48,759	-	13	
\$9,000 under \$10,000.....	2	3	-	1,473,652	-	864,177	-	592,135	-	172,056	-	320,147	-	320,147	-	298,227	-	320,147	-	298,227	-	298,227	-	50,224	-	14	
\$10,000 under \$15,000.....	5,390	1,012	-	1,937,566	-	1,937,566	-	845,631	-	487,946	-	653,189	-	653,189	-	1,186,436	-	653,189	-	1,186,436	-	1,186,436	-	139,748	-	15	
\$15,000 under \$20,000.....	3,333	564	-	1,118	-	337	-	209,754	-	228,452	-	433,263	-	433,263	-	51,270	-	433,263	-	51,270	-	51,270	-	43,307	-	16	
\$20,000 under \$30,000.....	5,508	1,215	-	2,591,791	-	1,215	-	453,578	-	212,418	-	685,421	-	685,421	-	174,760	-	685,421	-	174,760	-	174,760	-	23,996	-	17	
\$30,000 under \$50,000.....	5,854	1,746	-	1,744	-	929	-	85,605	-	130,325	-	883,666	-	883,666	-	93,972	-	883,666	-	93,972	-	93,972	-	8,484	-	18	
\$50,000 under \$100,000.....	5,912	3,608	-	1,471	-	589	-	39,405	-	292,826	-	987,036	-	987,036	-	259,431	-	987,036	-	259,431	-	259,431	-	15,407	-	19	
\$100,000 under \$150,000.....	1,780	1,132	-	472	-	168	-	6,415	-	70,399	-	387,436	-	387,436	-	7,206	-	387,436	-	7,206	-	7,206	-	2,580	-	20	
\$150,000 under \$200,000.....	936	831	-	121	-	61	-	212,916	-	20,999	-	294,680	-	294,680	-	1,925	-	294,680	-	1,925	-	1,925	-	676	-	21	
\$200,000 under \$300,000.....	76	137	-	137	-	3	-	1,725	-	26,625	-	1,860	-	1,860	-	56,841	-	1,860	-	56,841	-	56,841	-	904	-	22	
\$300,000 under \$500,000.....	111	433	-	17	-	1	-	186	-	793	-	316	-	316	-	14,509	-	316	-	14,509	-	14,509	-	78	-	23	
\$500,000 under \$1,000,000.....	33	171	-	-	-	-	-	75	-	110	-	86,022	-	86,022	-	17,344	-	86,022	-	17,344	-	17,344	-	28	-	24	
Total taxable returns.....	38,928	13,031	6,120	23,615,490	34,723,801	3,298,482	5,550,252	9,241,345	2,309,922	16,070,937	1,821,449	1,606,435	553,205	25	27,638	25,403	69,780	254	6,971	254	6,971	254	6,971	254	6,971	254	
Nontaxable returns:																											
No adjusted gross income.....	-	-	-	-	-	-	-	55,602	-	16,719	-	19,940	-	19,940	-	69,780	-	19,940	-	69,780	-	69,780	-	8,595	-	26	
Under \$600.....	-	-	-	-	-	-	-	359,662	-	9,461	-	4,779	-	4,779	-	265,794	-	4,779	-	265,794	-	265,794	-	11,802	-	27	
\$600 under \$1,000.....	-	-	-	-	-	-	-	18,728	-	21,675	-	7,002	-	7,002	-	355,131	-	7,002	-	355,131	-	355,131	-	16,514	-	28	
\$1,000 under \$1,500.....	-	-	-	-	-	-	-	597,819	-	49,069	-	8,419	-	8,419	-	599,384	-	8,419	-	599,384	-	599,384	-	26,166	-	29	
\$1,500 under \$2,000.....	-	-	-	-	-	-	-	690,633	-	60,905	-	11,747	-	11,747	-	687,458	-	11,747	-	687,458	-	687,458	-	28,879	-	30	
\$2,000 under \$2,500.....	-	-	-	-	-	-	-	568,232	-	50,790	-	8,261	-	8,261	-	573,733	-	8,261	-	573,733	-	573,733	-	23,215	-	31	
\$2,500 under \$3,000.....	-	-	-	-	-	-	-	599,510	-	54,160	-	7,522	-	7,522	-	548,146	-	7,522	-	548,146	-	548,146	-	20,964	-	32	
\$3,000 under \$3,500.....	-	-	-	-	-	-	-	473,467	-	43,990	-	6,539	-	6,539	-	466,925	-	6,539	-	466,925	-	466,925	-	12,419	-	33	
\$3,500 under \$4,000.....	-	-	-	-	-	-	-	362,640	-	34,731	-	3,525	-	3,525	-	362,667	-	3,525	-	362,667	-	362,667	-	9,718	-	34	
\$4,000 under \$4,500.....	-	-	-	-	-	-	-	164,899	-	20,998	-	1,729	-	1,729	-	161,859	-	1,729	-	161,859	-	161,859	-	4,143	-	35	
\$4,500 under \$5,000.....	-	-	-	-	-	-	-	90,238	-	11,969	-	1,155	-	1,155	-	92,778	-	1,155	-	92,778	-	92,778	-	12,806	-	36	
\$5,000 under \$6,000.....	-	-	-	-	-	-	-	624,075	-	11,325	-	2,203	-	2,203	-	612,872	-	2,203	-	612,872	-	612,872	-	3,585	-	37	
\$6,000 under \$7,000.....	-	-	-	-	-	-	-	4,911	-	4,085	-	4,887	-	4,887	-	18,079	-	4,887	-	18,079	-	18,079	-	617	-	38	
\$7,000 under \$8,000.....	-	-	-	-	-	-	-	783	-	1,230	-	2,696	-	2,696	-	1,172	-	2,696	-	1,172	-	1,172	-	501	-	39	
\$8,000 under \$10,000.....	151	397	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40	
Total nontaxable returns.....	1,151	547	-	-	-	-	-	4,218,745	-	389,618	-	90,404	-	90,404	-	422,027	-	90,404	-	422,027	-	422,027	-	183,213	-	41	
Grand total.....	40,079	13,578	6,120	27,834,235	35,113,419	3,621,930	5,640,656	9,962,534	2,343,370	20,297,670	2,244,476	1,606,435	596,612	42	70,718	68,297	70,718	254	7,219	254	7,219	254	7,219	254	7,219	254	
Returns under \$5,000.....	2	3	2	16,017,876	4,225,843	1,236,318	325,451	4,674,187	369,988	13,118,763	1,285,144	484,318	87,149	43	38,562	13,387	38,562	11,816,359	10,887,576	2,385,612	5,288,347	1,973,582	705,330	509,463	44		
Returns \$5,000 or more.....	38,926	13,387	5,603	11,816,359	32,887,576	2,385,612	5,315,205	5,288,347	1,973,582	7,178,907	1,285,144	1,122,117	509,463	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	PART III.—OTHER THAN JOINT RETURNS														
	Salaries and wages (after exclusions)		Dividends (after exclusions)		Interest received		Business or profession		Partnership						
	Number of returns	Amount (Thousand dollars)	Number of returns <sup>1</sup>	Amount (Thousand dollars)	Number of returns <sup>1</sup>	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)					
Taxable returns:	(11)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
1 \$600 under \$1,000.....	1,242,038	1,204,830	995,550	23,123	7,925	45,676	8,819	69,868	46,068	8,078	8,085	13,750	9,645	(2)	(2)
2 \$1,000 under \$1,500.....	2,289,763	2,155,465	2,056,701	40,267	16,730	86,471	20,486	97,672	106,196	11,914	8,694	21,643	23,155	2,568	2,343
3 \$1,500 under \$2,000.....	2,500,073	2,300,073	3,189,291	63,215	3,189,291	117,709	36,951	90,326	122,172	13,693	8,656	22,535	34,641	4,003	2,160
4 \$2,000 under \$2,500.....	2,164,636	2,016,864	4,466,259	70,112	44,720	137,451	36,374	84,756	155,164	15,656	8,757	22,488	31,789	3,012	2,228
5 \$2,500 under \$3,000.....	1,948,101	1,892,248	5,119,224	85,765	46,044	135,320	35,296	58,957	119,763	10,051	4,211	19,924	42,397	2,517	803
6 \$3,000 under \$3,500.....	1,853,625	1,766,684	5,661,922	91,992	56,959	149,387	47,195	121,562	121,562	14,152	4,262	25,522	61,772	3,006	506
7 \$3,500 under \$4,000.....	1,497,249	1,376,391	5,367,688	80,116	57,424	149,397	38,356	37,664	98,158	7,623	8,366	18,428	45,522	(2)	(2)
8 \$4,000 under \$4,500.....	1,131,893	1,037,871	3,337,864	86,506	73,680	128,512	32,883	21,858	47,644	8,086	3,304	9,285	25,525	5,568	5,909
9 \$4,500 under \$5,000.....	695,267	653,633	3,011,566	73,166	81,480	99,125	28,077	21,966	66,046	4,054	1,934	13,262	40,239	(2)	(2)
10 \$5,000 under \$6,000.....	617,203	555,277	2,861,517	111,733	102,470	155,089	48,079	35,348	138,133	5,573	7,629	16,986	67,620	(2)	(2)
11 \$6,000 under \$7,000.....	368,015	331,621	1,368,790	76,821	83,675	83,675	37,873	19,641	89,535	2,557	4,461	9,271	41,028	(2)	(2)
12 \$7,000 under \$8,000.....	184,142	167,234	710,881	50,228	103,460	52,396	23,534	13,693	79,883	2,006	2,872	8,724	46,864	(2)	(2)
13 \$8,000 under \$9,000.....	74,027	68,027	376,660	24,539	70,993	33,534	11,460	6,717	44,630	2,540	5,807	6,770	33,211	(2)	(2)
14 \$9,000 under \$10,000.....	41,792	28,883	230,711	14,921	18,376	18,376	9,439	6,742	26,215	517	517	6,247	32,971	(2)	(2)
15 \$10,000 under \$15,000.....	107,125	94,318	443,655	67,362	275,975	69,724	66,737	18,148	143,990	3,038	9,717	16,318	132,968	1,868	2,106
16 \$15,000 under \$20,000.....	37,412	19,444	179,374	27,272	169,374	29,970	6,681	4,371	76,059	1,202	4,371	6,111	70,783	666	1,444
17 \$20,000 under \$30,000.....	33,440	19,656	100,079	27,384	269,035	24,349	38,097	4,436	68,988	1,127	4,249	6,996	88,596	810	1,430
18 \$30,000 under \$50,000.....	1,511	1,119	1,670,342	1,708	1,905	29,247	1,500	55,661	5,661	739	5,515	71,240	17,240	859	1,357
19 \$50,000 under \$100,000.....	8,115	3,119	81,537	7,421	258,377	6,535	21,891	826	24,981	595	9,074	1,447	47,721	297	1,396
20 \$100,000 under \$150,000.....	1,576	579	19,933	1,695	102,137	1,289	6,767	138	5,796	111	2,307	243	12,535	93	877
21 \$150,000 under \$200,000.....	488	186	11,308	478	43,655	427	2,658	60	2,356	60	2,075	67	3,751	44	937
22 \$200,000 under \$500,000.....	578	224	11,338	561	97,335	492	4,084	42	2,512	94	3,339	62	8,349	62	1,284
23 \$500,000 under \$1,000,000.....	115	45	1,382	112	40,348	98	1,686	8	882	28	2,020	22	5,757	16	503
24 \$1,000,000 or more.....	41	37	1,695	110	137,367	84	3,409	10	1,611	23	2,395	9	5,633	22	1,877
Total taxable returns.....	16,366,582	14,923,212	40,822,320	1,057,897	2,458,193	1,523,206	616,608	647,038	1,639,873	107,536	123,568	249,293	986,392	32,150	36,614
Non-taxable returns:															
No adjusted gross income.....	139,872	0,337	26,288	10,740	4,408	16,723	4,624	4,143	2,907	93,522	207,614	2,585	17,623	17,259	48,111
Under \$600.....	3,381,407	3,109,003	995,436	30,656	6,810	73,717	12,609	171,872	62,941	23,442	14,738	25,061	8,264	4,102	1,794
\$600 under \$1,000.....	1,657,291	747,227	624,515	63,334	20,484	117,734	30,122	126,029	84,969	9,078	4,602	18,009	13,146	(2)	(2)
\$1,000 under \$1,500.....	771,360	5,132,323	628,897	61,081	29,627	115,764	36,416	104,945	104,945	6,021	3,028	9,684	10,717	(2)	(2)
\$1,500 under \$2,000.....	423,618	314,831	526,736	45,810	29,731	61,176	22,553	35,996	50,994	(2)	(2)	6,580	7,134	(2)	(2)
\$2,000 under \$2,500.....	164,403	119,608	253,166	20,634	16,937	28,687	15,152	9,609	17,787	(2)	(2)	(2)	(2)	(2)	(2)
\$2,500 under \$3,000.....	46,549	75,879	195,542	12,442	12,822	14,069	3,828	5,532	12,075	(2)	(2)	(2)	(2)	(2)	(2)
\$3,000 under \$3,500.....	46,830	34,630	106,304	4,084	14,436	8,608	6,195	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
\$3,500 under \$4,000.....	21,045	14,587	51,766	3,023	3,851	5,506	2,775	3,002	9,373	(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)
\$4,500 under \$5,000.....	4,547	3,041	8,621	(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)
\$6,000 under \$7,000.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
\$7,000 under \$8,000.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
\$8,000 under \$10,000.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
\$10,000 or more.....	370	135	1,293	237	4,875	136	867	33	686	42	2,006	7	189	13	1,147
Total nontaxable returns.....	6,112,938	5,062,160	3,402,675	260,815	153,772	443,192	137,970	460,127	357,333	139,696	237,187	66,998	69,342	23,908	52,657
Grand total.....	22,179,520	20,026,372	44,224,995	1,318,712	2,611,965	1,966,401	754,578	1,107,165	1,997,206	247,232	360,755	316,291	1,055,494	56,058	89,271
Returns under \$5,000.....	20,827,137	18,949,005	37,880,393	873,497	566,937	1,485,962	407,235	993,867	1,231,805	326,971	291,150	233,311	386,526	46,112	67,473
Returns \$5,000 or more.....	1,351,383	1,077,367	6,444,602	445,215	2,045,028	480,439	347,343	113,298	765,401	202,261	69,605	82,940	668,968	9,946	17,793

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)	Net gain		Net loss	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)	
Taxable returns:														
1 \$600 under \$1,000.....	(1)	-	1,032	3,035	3,706	948	(2)	-	2,489	1,978	27,800	10,049	3,500	503
2 \$1,000 under \$1,500.....	(2)	-	2,087	6,909	9,111	6,264	(1)	-	1,057	4,012	49,813	24,863	14,584	3,879
3 \$1,500 under \$2,000.....	(2)	-	3,096	12,456	16,165	5,968	(2)	-	16,063	16,673	45,749	45,749	15,596	3,825
4 \$2,000 under \$2,500.....	-	-	3,140	14,407	17,444	4,073	(2)	-	17,424	17,424	69,776	48,776	19,579	5,113
5 \$2,500 under \$3,000.....	-	-	6,080	18,947	25,264	5,264	(2)	-	19,158	22,613	68,444	47,421	22,093	5,965
6 \$3,000 under \$3,500.....	-	-	9,102	28,324	37,426	6,102	(2)	-	28,287	34,279	101,562	64,279	20,562	6,021
7 \$3,500 under \$4,000.....	(2)	-	4,223	19,825	24,117	4,851	(2)	-	14,901	19,148	38,111	38,111	14,547	4,000
8 \$4,000 under \$4,500.....	-	-	6,996	23,596	30,771	7,071	(2)	-	14,840	18,261	44,809	34,567	16,093	4,500
9 \$4,500 under \$5,000.....	-	-	4,257	12,994	17,251	2,396	(2)	-	10,767	14,686	39,648	31,648	13,644	3,844
10 \$5,000 under \$6,000.....	(1)	-	5,107	16,577	21,684	6,411	(2)	-	14,185	18,115	52,037	44,793	19,710	7,070
11 \$6,000 under \$7,000.....	(1)	-	7,071	27,717	34,788	3,005	(2)	-	27,643	34,642	64,284	54,284	21,547	6,000
12 \$7,000 under \$8,000.....	(1)	-	5,180	31,637	36,817	4,001	(2)	-	31,766	35,767	64,137	54,137	21,547	6,000
13 \$8,000 under \$9,000.....	-	-	14,093	49,737	63,830	11,641	(2)	-	49,697	53,698	101,397	84,397	31,000	8,000
14 \$9,000 under \$10,000.....	-	-	11,335	31,335	42,670	3,335	(2)	-	31,335	34,670	66,005	54,670	21,335	6,000
15 \$10,000 under \$15,000.....	(1)	-	11,344	34,469	45,813	7,368	(2)	-	34,469	37,813	74,282	62,813	21,469	6,000
16 \$15,000 under \$20,000.....	(1)	-	1,344	3,344	4,688	1,344	(2)	-	3,344	3,688	7,032	5,688	2,344	600
17 \$20,000 under \$30,000.....	(1)	-	1,344	3,344	4,688	1,344	(2)	-	3,344	3,688	7,032	5,688	2,344	600
18 \$30,000 under \$50,000.....	(1)	-	1,344	3,344	4,688	1,344	(2)	-	3,344	3,688	7,032	5,688	2,344	600
19 \$50,000 under \$100,000.....	(1)	-	1,344	3,344	4,688	1,344	(2)	-	3,344	3,688	7,032	5,688	2,344	600
20 \$100,000 under \$150,000.....	(1)	-	1,344	3,344	4,688	1,344	(2)	-	3,344	3,688	7,032	5,688	2,344	600
21 \$150,000 under \$200,000.....	(1)	-	1,344	3,344	4,688	1,344	(2)	-	3,344	3,688	7,032	5,688	2,344	600
22 \$200,000 under \$500,000.....	(1)	-	1,344	3,344	4,688	1,344	(2)	-	3,344	3,688	7,032	5,688	2,344	600
23 \$500,000 under \$1,000,000.....	(1)	-	1,344	3,344	4,688	1,344	(2)	-	3,344	3,688	7,032	5,688	2,344	600
24 \$1,000,000 or more.....	(1)	-	1,344	3,344	4,688	1,344	(2)	-	3,344	3,688	7,032	5,688	2,344	600
Total taxable returns.....	1,714	256	60,237	200,706	260,943	50,237	18,951	13,186	17,784	11,599	175,245	608,348	491,296	191,000
25 Total taxable returns.....	1,714	256	60,237	200,706	260,943	50,237	18,951	13,186	17,784	11,599	175,245	608,348	491,296	191,000
26 Nontaxable returns:														
27 Under \$600.....	(1)	-	1,032	3,035	3,706	948	(2)	-	2,489	1,978	27,800	10,049	3,500	503
28 \$600 under \$1,000.....	(1)	-	2,087	6,909	9,111	6,264	(1)	-	1,057	4,012	49,813	24,863	14,584	3,879
29 \$1,000 under \$1,500.....	(1)	-	3,096	12,456	16,165	5,968	(2)	-	16,063	16,673	45,749	45,749	15,596	3,825
30 \$1,500 under \$2,000.....	(1)	-	3,140	14,407	17,444	4,073	(2)	-	17,424	17,424	69,776	48,776	19,579	5,113
31 \$2,000 under \$2,500.....	-	-	6,080	18,947	25,264	5,264	(2)	-	19,158	22,613	68,444	47,421	22,093	5,965
32 \$2,500 under \$3,000.....	-	-	9,102	28,324	37,426	6,102	(2)	-	28,287	34,279	101,562	64,279	20,562	6,021
33 \$3,000 under \$3,500.....	-	-	4,223	19,825	24,117	4,851	(2)	-	14,901	19,148	38,111	38,111	14,547	4,000
34 \$3,500 under \$4,000.....	-	-	6,996	23,596	30,771	7,071	(2)	-	14,840	18,261	44,809	34,567	16,093	4,500
35 \$4,000 under \$4,500.....	-	-	4,257	12,994	17,251	2,396	(2)	-	10,767	14,686	39,648	31,648	13,644	3,844
36 \$4,500 under \$5,000.....	-	-	5,107	16,577	21,684	6,411	(2)	-	14,185	18,115	52,037	44,793	19,710	7,070
37 \$5,000 under \$6,000.....	-	-	7,071	27,717	34,788	3,005	(2)	-	27,643	34,642	64,284	54,284	21,547	6,000
38 \$6,000 under \$7,000.....	-	-	5,180	31,637	36,817	4,001	(2)	-	31,766	35,767	64,137	54,137	21,547	6,000
39 \$7,000 under \$8,000.....	-	-	14,093	49,737	63,830	11,641	(2)	-	49,697	53,698	101,397	84,397	31,000	8,000
40 \$8,000 or more.....	-	-	11,335	31,335	42,670	3,335	(2)	-	31,335	34,670	66,005	54,670	21,335	6,000
Total nontaxable returns.....	5,204	7,868	171,627	565,242	736,836	101,627	29,467	19,964	16,542	11,599	1,205,544	411,544	141,000	37,000
41 Grand total.....	7,918	8,124	231,864	765,948	1,007,779	151,864	48,418	33,150	34,327	29,193	1,380,789	1,102,840	332,000	74,000
42 Returns under \$1,000.....	5,111	7,087	106,454	311,986	418,370	63,265	19,113	14,854	13,446	10,185	109,312	588,224	197,000	47,000
43 Returns \$1,000 or more.....	2,793	1,081	165,173	453,256	588,466	88,399	19,355	19,106	16,318	18,984	176,433	514,616	295,000	27,000

See Part III, and Part IV, for detailed returns for "Exemption Classification 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	ESTATES AND TRUSTS						ADJUSTED GROSS INCOME			EXEMPTIONS		TAXABLE INCOME		NUMBER OF RETURNS WITH NO TAXABLE INCOME		INCOME TAX BEFORE CREDITS		TAX CREDITS FOR—				
	Income		Loss		Other sources (Thousand dollars)	Adjusted gross income (Thousand dollars)	Exemptions (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)	Dividends received (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Retirement income			
	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>																						
1 \$0,000 under \$1,000.....	2,500	767	-	4,432	1,078,798	775,793	1,92,988	188,445	-	-	-	37,706	15,522	58	-	-	-	-	-	-	-	1
2 \$1,000 under \$1,500.....	5,016	3,469	-	10,813	2,651,213	1,467,851	2,89,763	1,063,265	-	-	-	211,577	24,701	149	(2)	(2)	(2)	(2)	(2)	(2)	(2)	2
3 \$1,500 under \$2,000.....	9,072	7,112	(2)	12,383	3,485,441	1,474,461	3,01,073	1,093,779	-	-	-	415,256	44,023	318	(2)	(2)	(2)	(2)	(2)	(2)	(2)	3
4 \$2,000 under \$2,500.....	8,575	7,116	(2)	12,832	4,610,702	1,763,440	4,14,456	1,460,580	-	-	-	391,168	57,056	593	(2)	(2)	(2)	(2)	(2)	(2)	(2)	4
5 \$2,500 under \$3,000.....	7,540	4,180	-	13,337	5,450,433	1,668,578	1,529,131	3,078,926	-	-	-	615,290	60,650	669	(2)	(2)	(2)	(2)	(2)	(2)	(2)	5
6 \$3,000 under \$3,500.....	11,108	12,931	-	15,803	6,070,510	1,639,174	1,513,625	3,640,177	-	-	-	734,102	72,402	974	(2)	(2)	(2)	(2)	(2)	(2)	(2)	6
7 \$3,500 under \$4,000.....	6,273	3,716	-	19,764	5,382,553	1,332,441	1,157,293	3,282,980	-	-	-	691,771	59,388	832	(2)	(2)	(2)	(2)	(2)	(2)	(2)	7
8 \$4,000 under \$4,500.....	6,706	6,330	(2)	9,439	4,914,415	961,192	751,643	1,754,308	-	-	-	271,683	63,093	1,077	(2)	(2)	(2)	(2)	(2)	(2)	(2)	8
9 \$4,500 under \$5,000.....	5,699	6,323	-	4,793	3,186,777	693,393	693,393	2,184,974	-	-	-	451,456	55,092	1,164	(2)	(2)	(2)	(2)	(2)	(2)	(2)	9
10 \$5,000 under \$6,000.....	8,685	14,364	(2)	12,461	3,351,870	582,162	617,003	3,36,413	-	-	-	499,130	90,005	1,644	(2)	(2)	(2)	(2)	(2)	(2)	(2)	10
11 \$6,000 under \$7,000.....	5,272	8,732	(2)	13,513	1,723,823	259,754	289,754	1,38,954	-	-	-	171,623	63,796	1,983	(2)	(2)	(2)	(2)	(2)	(2)	(2)	11
12 \$7,000 under \$8,000.....	7,074	11,737	-	7,031	1,351,516	141,293	141,293	1,27,767	-	-	-	106,935	44,776	1,203	(2)	(2)	(2)	(2)	(2)	(2)	(2)	12
13 \$8,000 under \$9,000.....	7,067	13,116	-	7,069	1,254,510	70,495	74,037	463,046	-	-	-	106,935	44,776	1,203	(2)	(2)	(2)	(2)	(2)	(2)	(2)	13
14 \$9,000 under \$10,000.....	4,767	17,114	-	11,139	393,583	44,244	41,792	59,583	-	-	-	69,870	19,424	670	(2)	(2)	(2)	(2)	(2)	(2)	(2)	14
15 \$10,000 under \$15,000.....	12,56	4,538	188	14,158	1,469,874	108,128	108,128	99,143	-	-	-	45,485	13,139	4,771	(2)	(2)	(2)	(2)	(2)	(2)	(2)	15
16 \$15,000 under \$20,000.....	2,271	9,277	63	7,777	50,146	39,785	37,415	51,000	-	-	-	156,453	25,889	4,943	(2)	(2)	(2)	(2)	(2)	(2)	(2)	16
17 \$20,000 under \$30,000.....	1,173	31,571	(2)	8,176	802,888	31,936	31,936	667,990	-	-	-	236,271	26,234	4,687	(2)	(2)	(2)	(2)	(2)	(2)	(2)	17
18 \$30,000 under \$50,000.....	3,327	15,338	115	9,106	930,601	16,194	16,194	529,762	-	-	-	16,194	1,137	3,352	(2)	(2)	(2)	(2)	(2)	(2)	(2)	18
19 \$50,000 under \$100,000.....	4,364	23,074	115	3,156	542,965	9,145	6,115	453,940	-	-	-	24,721	7,119	4,348	(2)	(2)	(2)	(2)	(2)	(2)	(2)	19
20 \$100,000 under \$150,000.....	482	5,935	(2)	1,658	188,883	1,751	1,576	154,116	-	-	-	4,794	1,470	1,613	(2)	(2)	(2)	(2)	(2)	(2)	(2)	20
21 \$150,000 under \$200,000.....	156	3,381	11	1,915	84,280	563	563	69,071	-	-	-	466	782	1,233	(2)	(2)	(2)	(2)	(2)	(2)	(2)	21
22 \$200,000 under \$500,000.....	103	6,500	12	20	1,683,339	667	573	134,961	-	-	-	46,127	542	1,512	(2)	(2)	(2)	(2)	(2)	(2)	(2)	22
23 \$500,000 under \$1,000,000.....	31	4,111	13	38	76,332	136	115	61,393	-	-	-	44,511	104	581	(2)	(2)	(2)	(2)	(2)	(2)	(2)	23
24 \$1,000,000 or more.....	31	6,971	1	20	109,564	113	91	162,493	-	-	-	121,994	86	1,959	(2)	(2)	(2)	(2)	(2)	(2)	(2)	24
<b>Total taxable returns.....</b>	126,590	290,794	3,330	1,443	193,036	13,108,061	16,065,588	29,227,447	-	-	-	6,744,847	839,551	60,234	157,776	271,567	25					25
<b>Non-taxable returns:</b>																						
No adjusted gross income.....	(2)	(2)	(2)	(2)	3,119	2,111,498	113,556	-	-	-	-	130,872	-	-	-	-	-	-	-	-	-	26
Under \$600.....	(2)	(2)	(2)	(2)	8,865	1,096,181	2,462,616	(2)	(2)	(2)	(2)	3,381,407	-	-	-	-	-	-	-	-	-	27
\$600 under \$1,000.....	10,505	5,248	-	7,193	790,192	1,031,926	(2)	(2)	(2)	(2)	1,056,302	-	-	-	-	-	-	-	-	-	-	28
\$1,000 under \$1,500.....	9,023	7,235	-	7,753	939,437	1,848,503	20,146	2,994	-	-	-	717	6,023	16	(2)	(2)	(2)	(2)	(2)	(2)	(2)	29
\$1,500 under \$2,000.....	6,933	4,774	-	7,718	739,532	48,346	48,346	18,761	-	-	-	3,827	17,635	140	(2)	(2)	(2)	(2)	(2)	(2)	(2)	30
\$2,000 under \$2,500.....	(2)	(2)	-	9,344	366,355	336,127	30,250	20,631	-	-	-	4,994	20,635	107	(2)	(2)	(2)	(2)	(2)	(2)	(2)	31
\$2,500 under \$3,000.....	(2)	(2)	-	3,488	249,691	216,616	14,648	13,696	-	-	-	7,101	7,101	85	(2)	(2)	(2)	(2)	(2)	(2)	(2)	32
\$3,000 under \$3,500.....	(2)	(2)	-	1,997	150,751	121,061	6,074	6,074	-	-	-	40,756	3,533	64	(2)	(2)	(2)	(2)	(2)	(2)	(2)	33
\$3,500 under \$4,000.....	(2)	(2)	-	1,525	78,041	65,141	(2)	(2)	-	-	-	1,209	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	34
\$4,000 under \$4,500.....	(2)	(2)	-	(2)	48,102	39,098	(2)	(2)	-	-	-	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	35
\$4,500 under \$5,000.....	(2)	(2)	-	(2)	21,666	11,740	(2)	(2)	-	-	-	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	36
\$5,000 under \$6,000.....	(2)	(2)	-	(2)	5,700	1,220	(2)	(2)	-	-	-	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	37
\$6,000 under \$8,000.....	(2)	(2)	-	(2)	12,901	5,965	(2)	(2)	-	-	-	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	38
\$8,000 under \$10,000.....	(2)	(2)	-	(2)	(2)	(2)	(2)	(2)	-	-	-	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	39
\$10,000 or more.....	52	1,265	4	1,122	12,316	476	52	371	-	-	-	119	31	2	(2)	(2)	(2)	(2)	(2)	(2)	(2)	40
<b>Total non-taxable returns.....</b>	33,153	64,993	528	888	53,399,550	5,983,074	122,502	65,207	5,990,436	-	-	13,359	48,504	560	118,992	11,782	41					41
<b>Grand total.....</b>	159,703	314,887	3,878	2,331	246,202	45,743,559	19,091,132	16,181,090	39,294,934	5,990,436	6,758,206	888,055	40,774	276,768	-0.349	42						42
Returns under \$5,000.....	95,443	7,421	(2)	156,601	4,094,725	17,784,840	14,839,569	20,430,403	5,987,888	4,133,017	9,987,888	500,083	6,691	207,802	26,275	43						43
Returns \$5,000 or more.....	64,260	242,466	1,954	89,601	11,796,307	1,309,299	1,343,521	8,462,531	2,848	2,625,189	387,972	68,946	34,083	68,946	34,074	44						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 6.—ITEMIZED NONBUSINESS DEDUCTIONS, EXEMPTIONS, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES—RETURNS WITH ITEMIZED DEDUCTIONS

Adjusted gross income classes	Number of returns	Adjusted gross income (Thousand dollars)	Deduction for—											Total deductions			
			Contributions		Interest paid		Taxes		Medical and dental expenses		Child care		Losses from fire, storm, or other casualty, or theft		Other deductions	Number of returns	Amount (Thousand dollars)
	(1)	(2)	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)	(15)	(16)	(17)
<b>Taxable returns:</b>																	
1 \$5,000 under \$10,000.....	70,877	63,192	60,784	4,020	17,557	971	2,921	35,663	3,416	11,995	7,540	73,263	49,712	330,259	2,254,764	2,254,764	2,309,327
2 \$10,000 under \$15,000.....	211,328	266,386	185,179	17,494	65,220	5,088	13,521	121,930	19,594	117,995	10,016	111,382	13,701	729,578	1,483,346	1,483,346	1,748,987
3 \$15,000 under \$20,000.....	393,034	694,011	363,911	41,850	144,760	3,783	30,719	246,770	47,119	212,779	11,991	142,234	18,405	1,200,207	2,725,998	2,725,998	3,092,822
4 \$20,000 under \$25,000.....	590,723	1,341,012	546,431	76,645	259,586	30,252	58,388	376,797	88,144	376,797	3,235	491,107	7,667	3,286,000	7,667	7,667	8,990,999
5 \$25,000 under \$30,000.....	749,143	2,065,264	708,875	109,366	399,686	57,172	89,506	462,196	117,995	462,196	7,540	591,521	13,701	4,591,724	10,521	10,521	12,434,684
6 \$30,000 under \$35,000.....	1,033,374	3,368,740	988,001	171,502	639,578	104,981	143,267	813,184	177,995	813,184	10,016	1,016,382	19,594	6,451,724	14,594	14,594	7,434,684
7 \$35,000 under \$40,000.....	1,219,794	4,881,113	1,178,547	208,668	862,537	166,292	204,976	792,500	212,779	792,500	11,991	1,424,234	18,405	10,200,207	22,405	22,405	11,936,316
8 \$40,000 under \$45,000.....	1,415,523	6,016,695	1,375,848	255,990	1,003,211	235,265	263,742	883,672	244,945	883,672	10,269	1,300,418	18,405	10,200,207	22,405	22,405	11,936,316
9 \$45,000 under \$50,000.....	1,407,038	6,681,374	269,870	269,870	1,124,821	283,095	299,734	832,598	244,945	832,598	10,269	1,300,418	18,405	10,200,207	22,405	22,405	11,936,316
10 \$50,000 under \$60,000.....	2,255,312	12,321,563	2,199,234	469,598	1,878,930	529,660	535,419	1,292,770	386,727	1,292,770	24,046	348,673	49,712	3,000,259	2,254,764	2,254,764	3,000,259
11 \$60,000 under \$70,000.....	1,423,371	9,867,108	1,423,371	360,462	1,248,771	394,918	1,174,749	764,074	259,016	764,074	10,016	1,016,382	19,594	4,010,101	1,483,346	1,483,346	4,010,101
12 \$70,000 under \$80,000.....	856,113	6,283,513	845,034	234,297	719,202	256,367	278,113	422,858	162,298	422,858	11,991	155,936	18,405	1,390,846	184,036	184,036	1,574,882
13 \$80,000 under \$90,000.....	494,880	4,221,040	494,880	162,502	433,030	172,634	188,424	227,998	94,714	227,998	6,034	97,998	13,701	1,331,867	499,856	499,856	1,831,723
14 \$90,000 under \$100,000.....	285,485	2,699,270	285,485	101,068	236,233	102,630	123,744	131,523	58,944	131,523	500	64,459	15,753	79,866	285,485	285,485	482,055
15 \$10,000 under \$15,000.....	571,445	6,845,784	560,205	228,773	436,271	220,267	306,229	246,584	151,756	246,584	2,016	107,550	29,694	2,300,776	571,445	571,445	1,198,724
16 \$15,000 under \$20,000.....	230,281	3,959,864	226,164	141,346	359,441	90,989	172,123	80,620	64,955	172,123	208	33,569	8,858	116,081	230,281	230,281	602,160
17 \$20,000 under \$25,000.....	216,857	5,252,827	216,857	175,617	441,353	105,777	216,773	65,752	65,445	216,773	383	33,624	16,617	139,846	216,857	216,857	720,257
18 \$25,000 under \$30,000.....	138,216	3,208,818	138,216	174,238	85,308	82,767	204,714	36,469	45,105	36,469	86	11,638	15,862	126,650	138,216	138,216	649,179
19 \$30,000 under \$35,000.....	65,381	4,337,356	64,383	170,576	39,200	64,686	161,728	17,594	26,734	17,594	33	18	11,638	113,557	65,381	65,381	553,572
20 \$35,000 under \$40,000.....	11,258	1,346,755	11,101	72,188	6,824	21,553	49,361	3,405	5,679	3,405	4	2,586	5,815	41,030	11,258	11,258	195,628
21 \$40,000 under \$45,000.....	3,124	538,896	3,108	35,984	1,952	9,016	10,081	2,852	3,292	2,852	2	805	2,292	31,102	3,124	3,124	88,081
22 \$45,000 under \$50,000.....	3,197	905,132	3,148	77,679	2,080	20,700	11,123	2,258	2,258	11,123	3	921	3,137	31,102	3,197	3,197	168,762
23 \$50,000 under \$55,000.....	200	405,431	199	50,420	134	2,982	11,133	74	163	11,133	-	82	1,772	8,474	200	200	57,445
24 \$1,000,000 or more.....	200	405,431	199	50,420	134	2,982	11,133	74	163	11,133	-	82	1,772	8,474	200	200	57,445
<b>Total taxable returns.....</b>	13,711,830	89,380,676	13,250,925	3,671,162	9,946,163	2,984,063	3,826,184	7,636,364	2,482,057	7,636,364	231,077	73,264	359,292	2,479,288	13,706,612	13,706,612	15,875,910
<b>Non-taxable returns:</b>																	
26 No adjusted gross income.....	440,304	1,014,480	9,388	1,374	6,444	3,255	8,732	5,272	4,276	5,272	4	2	2	507	14,194	14,194	18,953
27 Under \$600.....	30,603	11,155	18,083	2,595	8,052	1,300	3,482	10,558	2,318	10,558	4	2	2	3,407	23,101	23,101	13,119
28 \$600 under \$1,000.....	149,683	121,718	115,049	10,129	33,740	5,744	11,076	85,361	25,613	85,361	4	7,551	546	7,363	144,654	144,654	60,730
29 \$1,000 under \$1,500.....	199,179	257,250	183,023	16,765	66,598	11,593	24,564	118,246	39,822	118,246	3,006	917	1,487	10,672	196,190	196,190	105,921
30 \$1,500 under \$2,000.....	222,800	385,260	183,522	24,518	82,342	15,721	29,493	142,532	67,524	142,532	4,500	928	1,670	6,745	219,244	219,244	163,429
31 \$2,000 under \$2,500.....	217,040	480,911	186,278	27,875	39,244	21,592	33,055	141,515	65,730	141,515	1,807	18,574	4,537	19,109	214,433	214,433	173,705
32 \$2,500 under \$3,000.....	212,268	564,700	184,619	31,790	114,700	27,850	33,970	149,437	73,428	149,437	8,519	18,548	7,220	26,010	211,740	211,740	205,581
33 \$3,000 under \$3,500.....	172,376	558,375	152,302	26,460	112,022	29,746	34,330	123,495	67,478	123,495	7,568	14,622	3,905	26,749	171,887	171,887	191,723
34 \$3,500 under \$4,000.....	133,301	496,633	128,246	24,409	101,546	28,812	24,785	93,700	51,390	93,700	5,551	17,046	9,196	24,483	133,301	133,301	164,738
35 \$4,000 under \$4,500.....	91,589	387,964	87,555	19,937	68,465	19,868	19,178	59,422	30,497	59,422	6,000	2,371	16,505	28,382	90,590	90,590	131,597
36 \$4,500 under \$5,000.....	52,738	249,478	47,732	12,474	43,689	14,389	11,552	33,689	21,488	33,689	4	6,582	3,857	25,120	52,738	52,738	89,263
37 \$5,000 under \$6,000.....	43,797	236,622	35,797	8,968	31,730	13,061	10,810	27,245	22,614	27,245	-	8,517	15,431	12,603	41,296	41,296	83,487
38 \$6,000 under \$8,000.....	20,667	141,322	18,632	6,040	16,616	7,424	7,857	11,080	16,533	11,080	-	4,523	12,109	29,656	20,150	20,150	89,619
39 \$8,000 under \$10,000.....	2,396	47,033	2,130	7,686	1,923	8,739	2,230	751	3,054	751	-	600	1,681	16,785	2,395	2,395	46,274
40 \$10,000 or more.....	1,989,765	35,952,902	1,314,381	221,385	781,635	219,879	1,323,234	259,178	1,002,783	259,178	41,660	138,798	85,008	251,979	1,536,933	1,536,933	1,546,270
<b>Total non-taxable returns.....</b>	15,701,595	39,333,378	14,365,306	3,892,547	10,727,798	3,204,542	4,085,362	8,639,147	2,975,448	8,639,147	272,737	88,714	444,300	2,731,267	15,243,549	15,243,549	17,422,180
<b>Grand total.....</b>	29,413,425	128,714,054	27,616,231	7,563,709	20,674,461	6,188,605	7,911,546	16,275,511	5,457,505	16,275,511	273,811	162,078	804,592	5,210,555	29,413,425	29,413,425	33,298,090
41 Returns under \$5,000.....	9,013,125	27,593,551	8,028,891	1,333,335	4,807,798	1,077,791	1,336,508	5,307,517	1,605,749	5,307,517	213,187	68,644	935,469	154,771	8,559,124	8,559,124	6,432,899
42 Returns \$5,000 or more.....	6,688,470	64,740,027	6,587,340	2,159,212	5,440,000	2,126,791	6,564,854	10,967,826	3,851,756	10,967,826	59,590	20,070	1,171,533	1,895,086	6,688,470	6,688,470	10,989,221

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)	Dividends received (Thousand dollars)			Retirement income (Thousand dollars)			Foreign tax paid (Thousand dollars)			Tax credits for—			Income tax liability after credits (Thousand dollars)	
	(18)	Number of returns	Amount	Number of returns			(20)	(21)	(22)	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Partially tax-exempt interest		Number of returns
					(23)	(24)													(25)	
Taxable returns:																				
1 \$600 under \$1,000.....	42,526	70,877	7,167			1,419	2,500	5											1,414	
2 \$1,000 under \$1,500.....	132,824	211,328	66,073			13,203	10,611	40											13,163	
3 \$1,500 under \$2,000.....	335,069	393,034	195,413			39,129	18,198	108											38,960	
4 \$2,000 under \$2,500.....	595,934	590,723	467,587			89,200	30,316	283											88,308	
5 \$2,500 under \$3,000.....	910,303	749,143	710,590			141,720	33,589	291											140,978	
6 \$3,000 under \$3,500.....	1,504,141	1,033,784	1,169,915			234,942	42,208	406											232,676	
7 \$3,500 under \$4,000.....	2,142,360	1,219,794	1,320,600			320,628	43,032	461											318,739	
8 \$4,000 under \$4,500.....	2,643,165	1,415,523	2,177,214			437,559	96,589	860											434,524	
9 \$4,500 under \$5,000.....	2,831,498	1,407,038	2,548,348			512,406	52,206	913											509,806	
10 \$5,000 under \$6,000.....	4,801,924	2,255,312	5,210,812			1,034,594	79,132	1,156											1,042,204	
11 \$6,000 under \$7,000.....	3,173,984	1,683,371	4,664,137			934,184	1,429	1,429											935,453	
12 \$7,000 under \$8,000.....	1,822,633	856,123	3,416,461			693,571	77,933	1,738											684,769	
13 \$8,000 under \$9,000.....	1,058,366	499,880	2,393,344			490,014	59,092	1,583											487,174	
14 \$9,000 under \$10,000.....	618,046	285,485	1,599,119			330,544	45,910	997											328,675	
15 \$10,000 under \$15,000.....	1,421,334	571,445	4,425,726			987,178	181,548	7,091											945,122	
16 \$15,000 under \$20,000.....	492,136	230,281	2,864,768			680,746	114,480	6,651											671,422	
17 \$20,000 under \$30,000.....	465,522	126,857	4,067,048			1,105,641	131,222	11,695											1,090,435	
18 \$30,000 under \$50,000.....	295,636	138,216	2,564,003			1,430,810	99,532	34,673											1,411,995	
19 \$50,000 under \$100,000.....	136,996	65,381	3,644,788			1,597,416	53,690	17,553											1,574,453	
20 \$100,000 under \$150,000.....	22,740	11,258	1,128,387			600,245	10,111	7,228											591,421	
21 \$150,000 under \$200,000.....	6,889	3,144	444,556			257,223	2,865	3,386											254,575	
22 \$200,000 under \$500,000.....	6,406	3,197	729,964			457,790	2,946	6,147											449,583	
23 \$500,000 under \$1,000,000.....	809	436	234,278			157,180	394	2,058											156,322	
24 \$1,000,000 or more.....	352	200	331,235			225,117	184	2,961											221,430	
25 Total taxable returns.....	25,163,543	13,711,830	48,341,223			12,759,459	1,236,635	89,713	164,768	26,954	52,192	18,078	13,135	144	9,113	144	12,624,531	144	12,624,531	
Non-taxable returns:																				
26 No adjusted gross income.....	723,210				440,304															
27 Under \$600.....	36,979				30,603															
28 \$600 under \$1,000.....	1,46,454				149,683															
29 \$1,000 under \$1,500.....	235,999				198,679															
30 \$1,500 under \$2,000.....	314,759				208,031															
31 \$2,000 under \$2,500.....	385,123				203,488															
32 \$2,500 under \$3,000.....	446,641				196,603															
33 \$3,000 under \$3,500.....	420,229				164,700															
34 \$3,500 under \$4,000.....	364,778				139,193															
35 \$4,000 under \$4,500.....	286,531				83,569															
36 \$4,500 under \$5,000.....	171,215				48,498															
37 \$5,000 under \$6,000.....	169,916				41,746															
38 \$6,000 under \$8,000.....	71,024				20,167															
39 \$8,000 under \$10,000.....																				
40 \$10,000 or more.....	6,508				4,031															
41 Total non-taxable returns.....	3,766,980	67,246	41,218		1,922,519			36,790	642	8,810	1,676	560								
42 Grand total.....	28,930,523	13,779,076	48,382,441		1,922,519	12,769,475	1,273,425	90,355	229,930	35,764	53,868	18,638	13,652	144	9,113	144	12,647,162	144	12,647,162	
43 Returns \$5,000 or more.....	16,256,438	7,159,574	8,956,153		1,857,551	1,799,298	323,743	3,945	129,086	15,364	4,017	370	517						1,778,568	
44 Returns \$5,000 or more.....	16,375,585	6,623,502	39,426,988		64,963	10,971,217	949,682	86,410	100,844	20,400	4,851	18,268	13,135						10,845,963	

See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."  
 1. Adjusted gross deficit.  
 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—Continued

Adjusted gross income classes	Number of returns	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 SALES OF CAPITAL ASSETS</b>																			
With net gain																			
Taxable and nontaxable returns:																			
No adjusted gross income.....	61,371	9,512	7,564	7,470	2,995	5,491	15,723	7,554	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Under \$500.....	40,211	8,644	8,644	7,454	3,463	3,463	3,463	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$500 under \$1,000.....	76,832	16,978	15,513	14,924	5,834	4,959	14,988	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$1,000 under \$1,500.....	118,745	31,427	15,951	12,507	11,412	7,399	26,512	3,040	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$1,500 under \$2,000.....	118,425	28,058	16,424	11,828	15,118	3,405	19,470	6,521	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$2,000 under \$2,500.....	123,797	27,795	20,078	15,434	14,005	6,438	22,403	10,072	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$2,500 under \$3,000.....	117,841	32,686	14,448	11,416	17,763	4,971	21,972	4,034	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$3,000 under \$3,500.....	242,448	98,008	29,604	27,730	21,062	17,561	34,562	10,724	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$3,500 under \$4,000.....	213,005	69,054	33,212	27,440	19,621	11,277	30,256	7,405	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$4,000 under \$4,500.....	693,862	194,304	47,816	42,816	37,013	14,394	114,443	36,464	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$4,500 under \$5,000.....	100,000	20,000	10,000	10,000	10,000	10,000	10,000	10,000	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$5,000 under \$10,000.....	111,717	50,433	26,796	19,282	13,210	12,054	37,090	13,438	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$10,000 under \$15,000.....	111,717	19,096	8,812	8,812	5,612	7,455	15,081	7,972	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$15,000 under \$20,000.....	111,717	16,786	8,045	7,058	5,254	4,162	14,373	7,121	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$20,000 under \$30,000.....	111,717	10,270	5,242	3,752	2,942	2,763	8,237	4,393	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$30,000 under \$50,000.....	42,428	3,248	2,020	1,561	1,246	1,058	3,343	2,759	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$50,000 under \$100,000.....	8,194	436	272	183	197	133	465	331	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$100,000 under \$150,000.....	2,426	70	42	35	21	17	100	76	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$150,000 under \$200,000.....	2,594	70	42	35	21	17	73	48	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$200,000 under \$300,000.....	373	13	1	1	1	1	2	4	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$300,000 under \$1,000,000.....	164	3	2	1	1	1	4	1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$1,000,000 or more.....	11	1	1	1	1	1	2	1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Total.....	2,111,147	591,642	307,548	215,427	174,195	142,903	395,413	172,431	112,441	65,369	52,006	99,613	42,215	28,772	36,684	21,368	1,381	1,381	1,381
<b>RETURNS WITH SALES OF PROPERTY OTHER THAN CAPITAL ASSETS</b>																			
With net loss																			
Taxable and nontaxable returns:																			
No adjusted gross income.....	3,034	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Under \$500.....	4,536	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$500 under \$1,000.....	4,074	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$1,000 under \$1,500.....	9,986	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$1,500 under \$2,000.....	10,693	2,551	1,023	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$2,000 under \$2,500.....	10,107	2,532	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$2,500 under \$3,000.....	8,997	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$3,000 under \$4,000.....	12,607	3,051	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$4,000 under \$5,000.....	15,564	3,040	2,989	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$5,000 under \$10,000.....	31,941	7,123	2,517	5,561	3,104	2,575	5,006	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$10,000 under \$15,000.....	10,797	2,178	1,390	1,113	562	399	1,483	646	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$15,000 under \$20,000.....	4,106	947	601	271	268	294	1,459	419	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$20,000 under \$30,000.....	3,824	578	292	202	265	(1)	956	207	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$30,000 under \$50,000.....	1,877	374	188	140	(1)	111	222	158	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$50,000 under \$100,000.....	695	116	54	66	32	32	100	50	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$100,000 under \$150,000.....	136	27	11	(1)	(1)	(1)	14	14	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$150,000 under \$200,000.....	38	6	5	5	5	(1)	2	1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$200,000 under \$300,000.....	63	17	1	7	7	8	2	3	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$300,000 under \$500,000.....	16	1	1	2	2	1	1	1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$500,000 under \$1,000,000.....	11	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$1,000,000 or more.....	11	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Total.....	135,062	28,065	20,134	12,399	10,748	10,516	23,845	10,901	6,454	4,800	2,429	1,812	425	1,880	576	64	9	9	9
<b>RETURNS WITH NET LOSS</b>																			
Taxable and nontaxable returns:																			
No adjusted gross income.....	21,484	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Under \$10,000.....	160,221	34,341	18,241	18,770	14,200	12,189	32,451	18,820	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$10,000 under \$30,000.....	20,621	2,492	2,010	1,188	1,188	1,755	2,065	986	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$30,000 or more.....	5,190	714	504	416	254	152	1,056	233	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Total.....	207,456	40,074	22,771	22,196	17,627	16,109	40,227	23,546	5,255	4,839	3,764	3,637	1,509	4,358	918	108	518	518	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."

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>																		
Taxable and nontaxable returns:																		
No adjusted gross income:																		
Under \$100.....	13,003	(1)	(1)	3,482	(1)	(1)	(1)	2,530	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Under \$100,000.....	44,004	2,500	6,017	3,017	3,000	5,514	24,356	3,000	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$100,000 under \$1,000.....	89,235	2,500	4,015	4,015	3,000	4,034	21,130	30,050	37,450	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$1,000 under \$5,000.....	101,101	2,500	4,015	4,015	3,000	4,034	21,130	30,050	37,450	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$5,000 under \$10,000.....	77,894	4,650	6,016	2,517	3,534	3,534	11,334	14,591	19,467	15,291	19,467	15,291	19,467	15,291	19,467	15,291	19,467	15,291
\$10,000 under \$20,000.....	56,308	4,516	2,978	3,254	4,017	4,017	5,051	7,504	13,573	13,573	13,573	13,573	13,573	13,573	13,573	13,573	13,573	13,573
\$20,000 under \$30,000.....	84,826	13,074	11,080	4,017	4,017	4,017	10,139	10,107	4,036	4,036	4,036	4,036	4,036	4,036	4,036	4,036	4,036	4,036
\$30,000 under \$40,000.....	67,106	9,050	5,068	2,517	2,517	2,517	3,991	5,108	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$40,000 under \$50,000.....	126,304	17,061	9,030	6,031	6,031	6,031	4,314	21,762	16,117	16,117	16,117	16,117	16,117	16,117	16,117	16,117	16,117	16,117
\$50,000 under \$100,000.....	29,946	4,650	2,980	2,982	1,999	899	9,737	3,726	2,603	2,603	2,603	2,603	2,603	2,603	2,603	2,603	2,603	2,603
\$100,000 under \$150,000.....	15,196	1,677	1,626	522	874	635	2,313	1,645	786	471	443	656	344	344	344	344	344	344
\$150,000 under \$200,000.....	10,138	1,728	1,065	1,068	408	290	1,767	1,068	386	272	272	272	272	272	272	272	272	272
\$200,000 under \$300,000.....	7,822	748	1,438	652	423	373	1,435	762	505	411	351	324	324	324	324	324	324	324
\$300,000 under \$400,000.....	4,998	382	429	344	58	300	895	524	365	211	165	206	174	380	218	174	380	218
\$400,000 under \$500,000.....	975	61	57	44	50	18	177	118	81	75	64	64	64	64	64	64	64	64
\$500,000 under \$1,000,000.....	352	13	17	17	16	10	51	34	39	39	10	23	23	38	30	38	30	38
\$1,000,000 under \$500,000.....	370	18	25	18	12	11	43	35	43	23	15	23	17	46	41	11	46	41
\$500,000 under \$1,000,000.....	56	1	1	1	1	1	6	2	7	2	2	5	4	13	8	13	8	13
\$1,000,000 or more.....	43	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Total.....	730,379	43,964	57,418	41,792	36,735	32,170	158,762	163,556	101,610	53,434	17,336	13,869	3,756	5,130	3,661	45	19	274
<b>RETURNS WITH BONDS AND ROYALTIES</b>																		
Taxable and nontaxable returns:																		
No adjusted gross income:																		
Under \$100.....	6,000	8,372	6,091	6,091	6,574	3,529	9,256	(1)	2,566	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Under \$100,000.....	127,365	25,114	14,256	17,419	24,114	17,419	16,968	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$100,000 under \$1,000.....	219,110	34,201	23,110	31,666	23,110	24,685	91,690	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$1,000 under \$1,500.....	294,007	39,210	31,680	45,737	21,881	21,881	77,223	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$1,500 under \$2,000.....	274,961	37,752	33,721	34,756	21,068	21,068	50,407	30,705	41,143	3,057	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$2,000 under \$2,500.....	240,011	36,705	31,439	25,205	24,890	15,433	44,987	18,478	17,585	26,555	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$2,500 under \$3,000.....	232,689	40,794	36,303	25,191	24,825	16,486	34,487	15,482	10,082	9,432	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$3,000 under \$4,000.....	613,510	93,546	81,503	59,520	62,934	37,332	49,405	25,905	11,100	7,009	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$4,000 under \$5,000.....	512,100	122,275	94,551	76,439	56,729	30,762	64,076	29,880	13,430	7,636	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$5,000 under \$10,000.....	1,048,760	203,873	160,016	133,255	109,247	77,133	156,681	68,465	35,028	26,314	21,453	20,461	10,659	29,336	(1)	(1)	(1)	(1)
\$10,000 under \$15,000.....	197,452	24,300	19,849	17,320	13,679	11,501	34,655	19,155	11,955	7,824	5,146	4,986	4,950	14,865	(1)	(1)	(1)	(1)
\$15,000 under \$20,000.....	78,694	8,320	6,076	5,809	4,512	4,004	14,933	3,165	3,127	3,127	3,127	3,127	3,127	3,127	(1)	(1)	(1)	(1)
\$20,000 under \$30,000.....	70,373	9,707	5,227	4,067	3,441	3,178	9,122	6,749	4,219	4,219	4,219	4,219	4,219	4,219	(1)	(1)	(1)	(1)
\$30,000 under \$40,000.....	44,388	3,618	2,512	4,038	1,669	1,315	5,435	3,463	2,720	1,844	1,799	1,799	1,799	1,799	(1)	(1)	(1)	(1)
\$40,000 under \$50,000.....	21,275	1,665	1,102	904	725	604	2,201	1,442	1,089	94	82	1,266	92	3,233	(1)	(1)	(1)	(1)
\$50,000 under \$100,000.....	3,937	316	402	148	104	129	372	226	150	132	111	179	136	491	(1)	(1)	(1)	(1)
\$100,000 under \$150,000.....	1,344	75	36	37	38	34	130	56	47	39	40	72	36	108	(1)	(1)	(1)	(1)
\$150,000 under \$200,000.....	1,103	100	55	47	43	34	128	81	43	49	40	53	36	116	(1)	(1)	(1)	(1)
\$200,000 under \$300,000.....	1,170	13	9	8	7	7	21	10	6	7	6	5	5	14	(1)	(1)	(1)	(1)
\$300,000 under \$400,000.....	180	10	5	4	3	3	4	2	2	2	2	1	2	6	(1)	(1)	(1)	(1)
Total.....	3,863,718	471,595	367,401	459,186	377,012	284,767	666,101	368,435	159,309	102,352	66,459	67,641	36,251	72,007	26,889	3,779	331	274
<b>RETURNS WITH PER LOSS</b>																		
Taxable and nontaxable returns:																		
No adjusted gross income:																		
Under \$100,000.....	30,404	6,516	3,051	3,051	3,546	(1)	4,002	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$100,000 under \$200,000.....	1,014,807	392,500	227,771	135,163	90,156	57,455	104,629	27,135	3,464	4,597	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$200,000 under \$300,000.....	31,235	17,321	14,134	10,119	6,469	5,997	13,985	5,213	2,265	2,068	1,465	1,465	706	813	(1)	(1)	(1)	(1)
\$300,000 under \$400,000.....	17,386	2,408	1,432	1,432	894	894	2,933	857	857	861	794	794	423	1,012	(1)	(1)	(1)	(1)
Total.....	1,147,832	576,745	250,326	149,715	101,199	64,674	125,349	36,198	13,955	8,701	3,787	5,214	1,124	2,225	1,215	1,117	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																	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
RETURNS WITH INCOME FROM ESTATES AND TRUSTS																			
Taxable and nontaxable returns:																			
No adjusted gross income:																			
Under \$600.....	(1)																		
\$600 under \$1,000.....	4,006	(1)																	
\$1,000 under \$1,500.....	14,522	(1)																	
\$1,500 under \$2,000.....	16,527	(1)																	
\$2,000 under \$2,500.....	23,105	(1)																	
\$2,500 under \$3,000.....	16,113	(1)																	
\$3,000 under \$4,000.....	15,148	(1)																	
\$4,000 under \$5,000.....	30,737	5,523																	
\$5,000 under \$10,000.....	26,281	4,160	2,151																
\$10,000 under \$15,000.....	103,248	24,667	10,080	8,563	8,013	6,509	16,092	10,046	5,655					6,042					
\$15,000 under \$20,000.....	40,921	4,980	3,815	2,999	2,877	1,989	5,417	3,220	3,408	1,545	1,442	1,442	1,442	1,780					
\$20,000 under \$30,000.....	20,480	2,462	1,573	892	708	904	2,814	2,014	1,517	919	977	987	987	1,969					
\$30,000 under \$50,000.....	23,228	2,297	1,328	1,670	1,104	787	3,090	2,508	1,286	999	1,181	1,148	1,148	2,576					
\$50,000 under \$100,000.....	16,459	1,236	1,289	765	788	668	2,066	1,446	1,270	868	611	1,074	693	1,945					
\$100,000 under \$150,000.....	11,627	816	606	534	507	439	1,526	987	609	501	432	597	458	1,308					
\$150,000 under \$200,000.....	2,438	215	167	129	75	68	264	179	125	125	72	132	72	272					
\$200,000 under \$300,000.....	900	54	39	30	31	23	105	56	45	34	34	42	32	99					
\$300,000 under \$500,000.....	933	80	43	33	32	24	90	54	47	48	36	50	35	97					
\$500,000 under \$1,000,000.....	136	10	4	3	3	2	14	6	10	3	3	10	9	5					
\$1,000,000 or more.....	66	2	1	3	2	2	4	3	4	4	2	1	1	7					
Total.....	368,806	55,886	38,036	29,154	27,120	20,533	68,121	40,633	21,531	8,996	6,654	14,007	8,529	18,448	8,862	2,052	393		

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)	-	-	-	-	-	-	-	-	-
\$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	269,607	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	28,806	28,856	28,131	23,982	69,059	20,606	8,351	3,537	1,783	1,167	890	291	-
\$20,000 under \$30,000.....	712,877	9,199	19,123	20,109	22,876	21,519	66,527	26,215	11,394	6,037	3,304	3,599	1,377	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	370	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
<b>Total.....</b>	<b>14,565,306</b>	<b>4,424,037</b>	<b>3,956,750</b>	<b>2,395,944</b>	<b>1,466,403</b>	<b>844,246</b>	<b>1,165,591</b>	<b>166,018</b>	<b>54,999</b>	<b>27,442</b>	<b>15,179</b>	<b>16,983</b>	<b>8,139</b>	<b>13,588</b>	<b>9,987</b>
<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	131,160	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.....	1,695,686	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	475,541	427,574	377,475	215,351	179,231	6,085	(1)	-	-	-	-	-	-
\$5,000 under \$10,000.....	4,965,036	735,143	699,360	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	32,559	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	22,243	10,279	4,611	2,673	1,667	1,862	901	1,522	425
\$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.....	1,957	200	126	77	94	74	286	188	137	93	61	121	82	187	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.....	474	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	4	8	6	9	10	50	57
<b>Total.....</b>	<b>10,727,798</b>	<b>2,747,830</b>	<b>1,937,423</b>	<b>1,703,239</b>	<b>1,658,415</b>	<b>1,141,719</b>	<b>1,346,619</b>	<b>116,428</b>	<b>30,879</b>	<b>15,023</b>	<b>8,686</b>	<b>7,488</b>	<b>4,441</b>	<b>6,131</b>	<b>3,477</b>
<b>RETURNS WITH TAXES PAID</b>															
Taxable and nontaxable returns:															
No adjusted gross income.....	11,713	2,594	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)	(1)	-	-	-	-	-	-	-	-
\$600 under \$1,000.....	166,947	116,541	32,266	13,568	3,017	-	(1)	-	-	-	-	-	-	-	-
\$1,000 under \$1,500.....	325,305	185,315	84,660	35,749	10,136	4,021	5,034	(1)	-	-	-	-	-	-	-
\$1,500 under \$2,000.....	533,930	322,622	134,869	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	42,411	17,241	9,142	(1)	-	-	-	-	-	-	-
\$3,000 under \$4,000.....	2,444,351	784,974	518,163	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)	-	-	-	-	-	-	-
\$5,000 under \$10,000.....	5,345,178	367,537	1,172,726	1,575,684	1,223,604	582,782	400,664	15,744	(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.....	226,957	2,877	6,788	14,060	16,344	22,269	114,766	37,502	7,922	2,452	747	447	239	120	(1)
\$20,000 under \$30,000.....	212,778	2,338	4,696	7,741	10,044	13,143	82,465	57,065	21,991	7,773	2,973	1,634	462	479	-
\$30,000 under \$50,000.....	135,674	1,052	1,790	2,947	3,921	4,994	34,306	32,135	22,415	13,824	8,709	6,118	2,019	1,699	285
\$50,000 under \$100,000.....	64,372	341	574	733	1,084	1,414	8,863	10,513	8,583	6,850	5,006	8,830	4,917	5,555	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	99	706
\$200,000 under \$500,000.....	3,165	7	9	19	17	26	128	153	149	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.....	199	-	1	1	1	2	1	7	10	7	7	5	9	10	134
<b>Total.....</b>	<b>14,577,343</b>	<b>3,072,041</b>	<b>2,944,063</b>	<b>3,302,807</b>	<b>1,961,921</b>	<b>933,507</b>	<b>999,215</b>	<b>188,642</b>	<b>70,283</b>	<b>36,195</b>	<b>22,528</b>	<b>19,145</b>	<b>9,410</b>	<b>13,643</b>	<b>3,943</b>
<b>RETURNS WITH MEDICAL EXPENSE DEDUCTED</b>															
Taxable and nontaxable returns:															
No adjusted gross income.....	5,472	(1)	(1)	(1)	(1)	(1)	(1)	(1)	-	(1)	(1)	-	(1)	(1)	-
Under \$600.....	10,558	4,064	4,016	(1)	(1)	(1)	(1)	-	(1)	-	-	-	-	-	-
\$600 under \$1,000.....	121,004	44,837	32,168	17,007	9,574	6,542	8,518	(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)	-	-	-	-
\$1,500 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)	-	-	-
\$2,000 under \$2,500.....	518,312	112,882	132,120												

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

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	10,913,442	76,588,333	18,044	484,160	7,676	84,557	11,579	20,653,422	7,399,805	-	-
2 Over \$4,000 not over \$8,000	4,370,699	24,300,549	18,887	479,035	8,870	23,281	1,397	4,550,899	4,966,900	-	-
3 Over \$8,000 not over \$12,000	880,066	6,524,803	9,185	114,444	8,801	19,564	1,184	680,064	1,414,253	-	-
4 Over \$12,000 not over \$16,000	454,616	3,776,927	9,400	120,617	7,818	11,843	978	259,616	831,470	-	-
5 Over \$16,000 not over \$20,000	144,910	1,736,840	8,775	73,346	4,417	11,401	928	142,258	640,150	-	-
6 Over \$20,000 not over \$24,000	87,330	1,244,341	8,987	51,063	4,107	8,311	441	87,804	300,676	-	-
7 Over \$24,000 not over \$28,000	46,990	671,623	8,000	36,444	2,366	1,772	403	56,761	427,474	-	-
8 Over \$28,000 not over \$32,000	24,633	1,181,355	7,385	26,182	1,848	1,071	184	34,435	366,869	-	-
9 Over \$32,000 not over \$36,000	27,760	940,843	6,073	18,841	2,643	928	169	27,144	306,311	-	-
10 Over \$36,000 not over \$40,000	26,555	780,154	5,000	14,444	2,158	786	118	13,167	174,646	8,254	107,420
11 Over \$40,000 not over \$44,000	11,159	677,044	4,111	17,444	2,151	488	105	4,791	150,251	6,368	97,747
12 Over \$44,000 not over \$48,000	11,554	1,028,824	3,783	16,611	3,607	766	154	11,709	214,270	9,849	182,544
13 Over \$48,000 not over \$52,000	11,370	1,415,088	3,442	14,634	3,457	698	143	4,448	227,852	9,822	235,519
14 Over \$52,000 not over \$56,000	10,347	1,744,447	2,731	13,804	3,171	495	134	4,244	137,549	6,061	188,880
15 Over \$56,000 not over \$60,000	6,305	484,461	2,344	8,085	2,504	323	64	1,407	95,339	3,598	138,078
16 Over \$60,000 not over \$64,000	3,461	371,847	1,340	3,377	1,196	175	37	1,313	66,555	1,608	119,770
17 Over \$64,000 not over \$68,000	3,365	400,411	1,284	3,402	1,334	176	40	1,272	75,916	2,593	144,692
18 Over \$68,000 not over \$72,000	1,111	84,141	431	1,957	1,003	148	30	651	48,342	1,593	108,832
19 Over \$72,000 not over \$76,000	1,184	87,666	412	1,122	1,111	43	16	329	29,669	929	76,024
20 Over \$76,000 not over \$80,000	804	137,051	1,361	724	887	65	12	171	14,180	638	60,300
21 Over \$80,000 not over \$84,000	71	103,316	91	507	49	34	3	138	17,111	433	47,471
22 Over \$84,000 not over \$88,000	1,111	84,364	476	4,104	2,231	90	20	213	35,023	989	138,529
23 Over \$88,000 not over \$92,000	364	144,073	1,147	3,8	867	33	5	58	14,375	306	62,988
24 Over \$92,000	443	387,564	3,371	444	1,722	55	13	69	43,577	421	199,320
25 Total taxable returns	26,606,776	261,443,559	113,079	1,544,108	76,668	141,904	22,417	26,552,314	18,134,092	54,462	1,908,114
<b>Nontaxable returns:</b>											
26 Not over \$4,000	69,282	26,334	8,206	4,351	656	5,306	7,464	-	-	-	-
27 Over \$4,000 not over \$8,000	130	867	180	51	6	4	11	-	-	-	-
28 Over \$8,000 not over \$12,000	27	241	73	14	4	4	46	-	-	-	-
29 Over \$12,000 not over \$16,000	75	1,072	256	71	1	71	344	-	-	-	-
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	69,471	40,346	9,437	14,511	675	55,537	8,113	-	-	-	-
33 Grand total	26,676,247	261,483,905	122,516	1,618,619	77,343	197,441	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 \$4,000	11,721,394	71,213,344	1,719	21,142	3,512	67,148	9,448	10,849,384	1,231,408	-	-
2 Over \$4,000 not over \$8,000	3,470,670	20,884,348	10,416	264,248	4,772	38,443	6,391	3,470,670	4,219,116	-	-
3 Over \$8,000 not over \$12,000	2,081,214	16,684,668	6,874	126,794	2,432	16,134	3,411	2,081,214	6,044,006	-	-
4 Over \$12,000 not over \$16,000	1,147,565	8,444,644	4,141	60,871	2,138	8,842	1,217	1,147,565	1,811,454	-	-
5 Over \$16,000 not over \$20,000	414,444	5,114,444	3,141	21,444	1,141	4,718	614	414,444	1,044,444	-	-
6 Over \$20,000 not over \$24,000	24,997	347,527	1,011	14,106	1,140	4,377	750	1,807	86,156	-	-
7 Over \$24,000 not over \$28,000	17,984	23,070	2,014	1,772	1,364	2,730	550	17,154	67,124	-	-
8 Over \$28,000 not over \$32,000	11,314	134,347	1,119	8,782	1,761	1,461	344	12,314	50,182	-	-
9 Over \$32,000 not over \$36,000	6,212	16,138	2,472	1,681	1,187	1,374	211	4,638	5,750	-	-
10 Over \$36,000 not over \$40,000	4,216	133,234	1,347	1,447	1,323	1,323	258	4,620	34,193	1,876	12,247
11 Over \$40,000 not over \$44,000	1,043	126,433	1,143	4,767	842	1,003	413	4,484	33,881	1,557	11,652
12 Over \$44,000 not over \$48,000	1,466	172,344	1,440	4,507	4,711	1,731	444	4,643	4,771	2,771	25,166
13 Over \$48,000 not over \$52,000	1,111	144,444	1,444	1,444	1,444	1,444	326	6,683	56,346	2,776	32,395
14 Over \$52,000 not over \$56,000	1,111	137,000	1,111	1,111	1,111	1,111	134	3,071	36,376	1,885	28,438
15 Over \$56,000 not over \$60,000	1,111	144,444	1,111	1,937	846	466	82	1,110	21,843	1,301	22,669
16 Over \$60,000 not over \$64,000	1,111	81,953	91	1,587	769	438	76	853	20,440	848	20,236
17 Over \$64,000 not over \$68,000	1,111	114,444	1,444	1,444	1,444	444	141	899	26,049	1,142	32,850
18 Over \$68,000 not over \$72,000	1,111	84,880	1,011	1,111	850	363	64	581	21,340	715	24,380
19 Over \$72,000 not over \$76,000	1,111	63,247	1,111	646	641	142	40	232	10,443	483	19,693
20 Over \$76,000 not over \$80,000	1,111	43,617	1,111	436	462	165	33	147	1,444	341	16,455
21 Over \$80,000 not over \$84,000	1,111	46,440	1,111	444	444	171	34	130	7,444	358	20,249
22 Over \$84,000 not over \$88,000	1,111	66,844	1,366	781	1,074	264	44	246	20,443	582	46,867
23 Over \$88,000 not over \$92,000	1,111	44,444	824	271	444	87	17	11,774	149	1,453	23
24 Over \$92,000	1,111	144,444	4,444	444	2,440	107	24	147	70,444	330	126,346
25 Total taxable returns	17,007,117	261,644,130	65,444	747,704	35,567	143,146	26,076	17,080,054	9,590,148	17,163	456,836
<b>Nontaxable returns:</b>											
26 Not over \$4,000	111,411	61,111	1,111	4,087	631	115,401	1,440	-	-	-	-
27 Over \$4,000 not over \$8,000	-	-	-	-	-	-	-	-	-	-	-
28 Over \$8,000 not over \$12,000	-	-	-	-	-	-	-	-	-	-	-
29 Over \$12,000 not over \$16,000	-	-	-	-	-	-	-	-	-	-	-
30 Over \$16,000 not over \$20,000	-	-	-	-	-	-	-	-	-	-	-
31 Over \$20,000	-	-	-	-	-	-	-	-	-	-	-
32 Total nontaxable returns	111,411	62,111	1,111	4,087	631	115,401	1,440	-	-	-	-
33 Grand total	17,118,528	261,706,241	66,555	751,791	36,198	164,071	38,474	17,080,054	9,590,148	17,163	456,836

1. Explanatory material for this table is located in the 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 3 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 \$5,000.....	439,114	433,419	361	13,641	160	2,017	201	439,114	85,408	-	-
2 Over \$5,000 not over \$10,000.....	373,004	1,031,559	758	29,835	658	1,024	100	373,004	208,239	-	-
3 Over \$10,000 not over \$20,000.....	70,602	354,322	803	18,419	344	2,105	404	70,602	69,266	-	-
4 Over \$20,000 not over \$30,000.....	18,092	124,674	459	3,066	270	1,421	181	18,092	27,250	-	-
5 Over \$30,000 not over \$40,000.....	8,240	71,385	281	4,236	200	393	80	8,240	17,441	-	-
6 Over \$40,000 not over \$50,000.....	4,323	47,401	255	4,438	162	383	88	4,323	11,552	-	-
7 Over \$50,000 not over \$60,000.....	3,045	40,081	211	1,808	147	243	53	3,045	10,311	-	-
8 Over \$60,000 not over \$70,000.....	2,027	30,302	167	1,221	121	194	41	2,027	8,286	-	-
9 Over \$70,000 not over \$80,000.....	1,021	34,174	387	1,427	142	166	33	1,021	3,954	-	-
10 Over \$80,000 not over \$90,000.....	1,272	44,127	60	831	82	48	12	1,272	7,188	-	-
11 Over \$90,000 not over \$100,000.....	1,091	44,064	134	660	108	111	24	1,091	6,264	-	-
12 Over \$100,000 not over \$120,000.....	1,523	34,772	278	1,303	151	75	18	1,470	10,414	-	-
13 Over \$120,000 not over \$130,000.....	1,061	27,443	156	785	132	69	10	862	7,243	276	2,374
14 Over \$130,000 not over \$140,000.....	704	20,355	134	546	121	52	13	434	4,277	265	1,847
15 Over \$140,000 not over \$150,000.....	742	29,763	432	572	153	103	18	434	6,087	308	3,854
16 Over \$150,000 not over \$160,000.....	528	21,623	121	397	104	60	8	148	3,560	330	5,697
17 Over \$160,000 not over \$180,000.....	308	14,620	41	240	82	34	5	158	3,722	150	3,101
18 Over \$180,000 not over \$200,000.....	353	14,101	253	281	114	46	8	172	4,000	181	4,436
19 Over \$200,000 not over \$300,000.....	204	13,533	154	174	127	36	7	94	3,083	115	3,570
20 Over \$300,000 not over \$400,000.....	159	11,841	148	153	132	44	11	51	2,034	107	4,144
21 Over \$400,000 not over \$500,000.....	55	4,732	44	47	34	20	4	30	1,433	25	1,115
22 Over \$500,000 not over \$1,000,000.....	86	8,100	73	81	67	12	2	24	1,311	62	3,215
23 Over \$1,000,000 not over \$1,500,000.....	126	14,740	143	118	127	10	1	32	2,393	94	6,048
24 Over \$1,500,000 not over \$2,000,000.....	41	7,120	147	39	82	6	1	11	1,373	30	3,053
25 Over \$2,000,000 not over \$3,000,000.....	30	7,235	105	26	80	5	1	7	1,274	23	3,361
26 Over \$3,000,000.....	32	21,447	124	24	106	5	1	7	1,597	47	11,639
27 Total taxable returns.....	929,067	2,444,054	6,365	87,376	4,267	3,704	1,333	927,074	518,043	1,993	18,541
<b>Nontaxable returns:</b>											
28 Not over \$2,000.....	3,017	1,402	280	1,017	16	3,017	264	-	-	-	-
29 Over \$2,000 not over \$4,000.....	-	-	-	-	-	-	-	-	-	-	-
30 Over \$4,000 not over \$6,000.....	-	-	-	-	-	-	-	-	-	-	-
31 Over \$6,000 not over \$8,000.....	-	-	-	-	-	-	-	-	-	-	-
32 Over \$8,000 not over \$10,000.....	-	-	-	-	-	-	-	-	-	-	-
33 Over \$10,000.....	-	-	-	-	-	-	-	-	-	-	-
34 Total nontaxable returns.....	3,017	1,402	280	1,017	16	3,017	264	-	-	-	-
35 Grand total.....	932,084	2,445,456	6,645	88,393	4,283	11,726	1,597	927,074	518,043	1,993	18,541

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 2.—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 (Thousand dollars)	Taxable income (Thousand dollars)	Income tax liability after credits (Thousand dollars)	Average income tax (Dollars)	Effective tax rate—income tax after credits as a percent of taxable income	
		(1)	(2)	(3)	(4)	(5)	(6)	
ALL TAXABLE RETURNS								
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	932,942	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	6,316,207	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	33.2	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	932,942	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.....	368,492	6,316,207	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	1,877,843	813,611	23,547	43.3	44
45	\$100,000 under \$150,000.....	3,900	461,847	384,746	210,347	53,235	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	71,842	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.....	(1)	(1)	(1)	(1)	(1)	(1)	51
52	\$15,000 under \$20,000.....	(1)	(1)	(1)	(1)	(1)	(1)	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	427,422	385,583	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	585,342	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."

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									
	Total number of returns	Adjusted gross income (Thousands of dollars)	Exemptions (Thousands of dollars)	Taxable income (Thousands of dollars)	Income tax liability after credits (Thousands of dollars)	Number of returns	Adjusted gross income (Thousands of dollars)	Exemptions (Thousands of dollars)	Taxable income (Thousands of dollars)	Income tax liability after credits (Thousands of dollars)	Number of returns	Adjusted gross income (Thousands of dollars)	Exemptions (Thousands of dollars)	Taxable income (Thousands of dollars)	Income tax liability after credits (Thousands of dollars)	Number of returns	Adjusted gross income (Thousands of dollars)	Exemptions (Thousands of dollars)	Taxable income (Thousands of dollars)	Income tax liability after credits (Thousands of dollars)
Taxable returns:																				
1 \$1,000 under \$1,000.....	1,078,348	1,078,798	777,743	1,847,445	37,748	13,407	182,774	164,488	4,348	1,965	82,615	68,201	4,569	11,001	162,049	68,201	4,569	11,001	162,049	
2 \$1,000 under \$1,500.....	4,006,670	3,007,937	1,636,140	1,094,413	333,519	1,304,407	182,774	1,094,413	4,348	1,965	162,049	68,201	4,569	11,001	408,747	162,049	4,569	11,001	408,747	
3 \$1,500 under \$2,000.....	1,078,359	4,007,937	3,178,975	1,738,778	366,435	1,304,407	754,382	1,738,778	144,017	30,088	187,351	328,064	149,456	137,000	328,064	187,351	149,456	137,000	328,064	
4 \$2,000 under \$2,500.....	1,078,359	7,932,752	5,178,056	3,860,500	578,180	33,943	110,034	3,860,500	529,902	8,400	429,410	513,113	308,788	353,329	429,410	429,410	308,788	353,329	429,410	
5 \$2,500 under \$3,000.....	3,850,079	9,595,335	6,210,765	4,107,080	1,107,827	1,594,918	1,054,792	4,107,080	1,048,154	305,352	359,354	681,809	358,190	358,190	359,354	359,354	358,190	358,190	359,354	
6 \$3,000 under \$3,500.....	3,850,079	12,493,120	8,383,703	5,946,041	1,110,004	1,013,805	1,575,130	5,946,041	1,197,844	390,532	256,108	834,106	485,350	485,350	834,106	485,350	485,350	834,106	485,350	
7 \$3,500 under \$4,000.....	4,077,107	15,219,829	9,579,773	6,484,951	1,346,991	2,134,817	1,837,746	6,484,951	3,194,802	584,009	362,489	777,170	452,946	452,946	362,489	362,489	452,946	452,946	362,489	
8 \$4,000 under \$4,500.....	3,487,494	18,181,833	7,139,036	7,704,311	1,874,975	1,546,316	1,527,748	7,704,311	3,291,031	941,797	342,354	704,344	171,469	171,469	342,354	342,354	171,469	171,469	342,354	
9 \$4,500 under \$5,000.....	3,487,494	17,103,132	6,921,924	7,756,774	1,564,486	1,890,178	13,723,435	7,756,774	3,543,795	1,111,671	104,204	488,594	138,485	138,485	488,594	488,594	138,485	138,485	488,594	
10 \$5,000 under \$5,000.....	5,108,648	37,310,898	10,362,879	13,782,479	3,770,109	4,931,115	14,120,927	13,782,479	6,384,200	4,284,200	304,033	304,033	199,159	199,159	304,033	304,033	199,159	199,159	304,033	
11 \$5,000 under \$5,000.....	3,334,651	14,526,320	6,753,313	11,431,062	3,385,009	3,063,080	19,508,031	11,431,062	10,581,008	1,927,055	26,400	169,536	3,772	3,772	169,536	169,536	3,772	3,772	169,536	
12 \$5,000 under \$5,000.....	1,008,161	14,526,320	8,102,482	8,266,282	1,404,949	1,815,411	13,902,778	8,266,282	9,172,746	1,652,977	1,814	76,496	63,683	63,683	76,496	76,496	63,683	63,683	76,496	
13 \$5,000 under \$5,000.....	1,729,751	10,032,132	2,359,502	5,054,115	1,011,977	1,113,484	3,984,708	5,054,115	3,874,073	1,197,047	10,221	96,653	11,499	11,499	96,653	96,653	11,499	11,499	96,653	
14 \$5,000 under \$10,000.....	729,146	4,208,273	1,736,259	4,079,442	93,794	794,854	6,941,940	4,079,442	4,180,615	84,177	3,717	35,431	5,311	5,311	35,431	35,431	5,311	5,311	35,431	
15 \$10,000 under \$15,000.....	1,415,482	14,390,588	2,456,992	10,096,351	1,176,448	1,109,457	13,120,927	10,096,351	11,146,116	1,477,515	4,902	107,432	7,559	7,559	107,432	107,432	7,559	7,559	107,432	
16 \$15,000 under \$20,000.....	588,442	6,016,307	758,110	4,099,174	1,154,889	3,063,080	5,175,901	4,099,174	4,309,179	913,077	3,703	66,341	5,107	5,107	66,341	66,341	5,107	5,107	66,341	
17 \$20,000 under \$30,000.....	241,494	4,028,463	613,382	3,104,982	1,541,921	1,592,238	5,216,774	3,104,982	4,363,779	1,941,741	3,703	76,604	76,496	76,496	76,604	76,604	76,496	76,496	76,604	
18 \$30,000 under \$50,000.....	191,894	4,067,757	3,797,797	5,054,115	1,841,921	1,897,975	6,174,144	5,054,115	5,824,362	1,604,795	1,477	55,544	55,544	55,544	55,544	55,544	55,544	55,544	55,544	
19 \$50,000 under \$100,000.....	70,126	4,651,794	1,740,010	3,944,668	1,709,710	62,117	4,106,829	3,944,668	4,180,615	1,473,452	631	41,385	41,385	41,385	41,385	41,385	41,385	41,385	41,385	
20 \$100,000 under \$50,000.....	11,617	1,389,769	23,456	1,170,339	636,557	10,481	1,200,986	1,170,339	1,016,213	543,224	191	15,778	15,778	15,778	15,778	15,778	15,778	15,778	15,778	
21 \$50,000 under \$50,000.....	3,115	6,016,307	5,371	4,099,174	2,071,011	2,193	4,601,661	4,099,174	3,983,392	5,286	31	5,286	5,286	5,286	5,286	5,286	5,286	5,286	5,286	
22 \$200,000 under \$300,000.....	4,426	9,015,760	6,410	7,504,979	5,964,963	2,166	7,671,521	7,504,979	6,954,536	363,303	65	18,794	18,794	18,794	18,794	18,794	18,794	18,794	18,794	
23 \$300,000 under \$1,000,000.....	4,426	28,111,111	6,410	34,366,466	15,878,252	3,822	31,677,775	34,366,466	37,173,456	110,983	21	15,296	15,296	15,296	15,296	15,296	15,296	15,296	15,296	
24 \$1,000,000 or more.....	301	4,067,522	374	33,133,333	33,133,333	110	194,963	33,133,333	24,169,340	104,688	36	26,511	26,511	26,511	26,511	26,511	26,511	26,511	26,511	
Total taxable returns.....	24,233,060	209,668,830	64,965,710	115,466,763	26,665,753	26,567,472	163,236,821	115,466,763	87,999,116	19,493,821	1,751,525	5,690,670	1,708,824	3,238,172	755,692	5,690,670	1,708,824	3,238,172	755,692	
Non-taxable returns:																				
26 No adjusted gross income.....	440,304	1,014,480	723,910	-	-	309,432	1,602,982	610,354	-	-	6,098	11,962	11,962	-	6,098	11,962	11,962	-	-	
27 Under \$600.....	3,939,817	1,294,816	3,317,636	-	-	558,410	199,635	1,059,018	-	-	255,226	84,092	188,420	-	255,226	84,092	188,420	-	-	
28 \$600 under \$1,000.....	1,837,553	1,453,870	2,626,079	142	142	830,462	673,678	1,992,153	142	142	83,184	61,987	85,869	142	83,184	61,987	85,869	142	142	
29 \$1,000 under \$1,500.....	1,094,525	2,582,721	3,659,353	3,018	3,018	1,322,535	1,643,322	2,650,840	3,018	3,018	88,342	109,019	138,158	3,018	88,342	109,019	138,158	3,018	3,018	
30 \$1,500 under \$2,000.....	1,775,446	3,119,798	3,768,755	19,318	19,318	1,351,928	2,380,266	3,039,743	1,077	1,077	52,058	90,742	102,792	1,077	52,058	90,742	102,792	1,077	1,077	
31 \$2,000 under \$2,500.....	1,133,114	2,781,270	3,162,076	24,770	24,770	1,099,711	2,414,915	2,845,948	4,139	4,139	23,218	53,222	58,149	4,139	23,218	53,222	58,149	4,139	4,139	
32 \$2,500 under \$3,000.....	1,031,780	2,999,615	2,432,774	19,797	19,797	936,201	2,539,324	2,715,959	5,301	5,301	20,667	56,006	56,307	5,301	20,667	56,006	56,307	5,301	5,301	
33 \$3,000 under \$3,500.....	204,565	2,386,158	2,167,624	12,439	12,439	694,715	2,235,407	2,246,162	6,778	6,778	27,732	25,090	25,090	6,778	27,732	25,090	25,090	6,778	6,778	
34 \$3,500 under \$4,000.....	241,328	1,865,138	1,790,821	6,195	6,195	470,197	1,766,197	1,725,700	4,974	4,974	5,051	18,827	19,416	4,974	5,051	18,827	19,416	4,974	4,974	
35 \$4,000 under \$4,500.....	243,115	1,030,931	466,505	4,800	4,800	118,016	982,829	927,406	4,800	4,800	12,971	16,301	16,301	4,800	12,971	16,301	16,301	4,800	4,800	
36 \$4,500 under \$5,000.....	122,561	575,819	505,369	4,730	4,730	118,016	554,153	493,619	3,957	3,957	12	12	12	12	12	12	12	12	12	
37 \$5,000 under \$5,000.....	80,831	435,963	367,974	375	375	79,416	430,263	366,274	3,709	3,709	-	-	-	3,709	-	-	-	-	-	
38 \$5,000 under \$5,000.....	24,174	194,196	125,934	694	694	17,162	183,295	119,970	694	694	-	-	-	694	-	-	-	-	-	
39 \$10,000 under \$10,000.....	72	181	121	694	694	12	119,970	119,970	694	694	-	-	-	694	-	-	-	-	-	
40 \$10,000 or more.....	1,007	7,189,9	61,899	4,680	4,680	2,097	35,434	6,423	4,680	4,680	31	1,354	1,354	4,680	31	1,354	1,354	4,680	4,680	
Total non-taxable returns.....	14,113,948	319,582,545	26,330,962	104,582	-	8,001,010	315,241,997	20,347,879	39,353	-	547,456	3,512,652	698,354	1,008	547,456	3,512,652	698,354	1,008	1,008	
Grand total.....	38,347,008	529,251,375	91,296,672	115,571,345	26,665,753	34,568,482	469,478,818	135,814,642	125,469,116	19,493,821	2,298,981	9,203,322	2,407,178	4,248,790	755,692	9,203,322	2,407,178	4,248,790	755,692	
Returns under \$5,000.....	24,141,721	210,507,259	63,594,178	37,625,618	1,505,955	21,304,966	366,350,007	45,809,336	17,094,015	3,406,087	2,171,662	3,031,466	2,261,008	3,397,914	48,115	3,031,466	2,261,008			

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

	Returns of heads of household						Returns of surviving spouse						Returns of single persons not head of household or surviving spouse							
	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)
1	161	171	181	191	201	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35
2	1,511	11,110	2,110	3,110	4,110	5,110	6,110	7,110	8,110	9,110	10,110	11,110	12,110	13,110	14,110	15,110	16,110	17,110	18,110	19,110
3	5,039	58,985	3,826	17,357	3,475	4,500	5,513	6,523	7,533	8,543	9,553	10,563	11,573	12,583	13,593	14,603	15,613	16,623	17,633	18,643
4	10,078	91,029	8,273	30,160	5,968	6,000	7,013	8,023	9,033	10,043	11,053	12,063	13,073	14,083	15,093	16,103	17,113	18,123	19,133	20,143
5	20,156	183,339	16,548	57,548	11,421	6,000	7,013	8,023	9,033	10,043	11,053	12,063	13,073	14,083	15,093	16,103	17,113	18,123	19,133	20,143
6	40,312	370,018	33,107	101,147	20,063	7,506	8,513	9,523	10,533	11,543	12,553	13,563	14,573	15,583	16,593	17,603	18,613	19,623	20,633	21,643
7	80,624	739,299	66,213	184,944	36,833	10,511	11,523	12,533	13,543	14,553	15,563	16,573	17,583	18,593	19,603	20,613	21,623	22,633	23,643	24,653
8	161,248	1,478,598	132,426	369,888	73,666	21,022	22,033	23,043	24,053	25,063	26,073	27,083	28,093	29,103	30,113	31,123	32,133	33,143	34,153	35,163
9	322,496	2,957,196	264,852	669,776	147,332	42,044	43,053	44,063	45,073	46,083	47,093	48,103	49,113	50,123	51,133	52,143	53,153	54,163	55,173	56,183
10	644,992	5,914,392	529,704	1,339,552	294,664	84,088	85,093	86,103	87,113	88,123	89,133	90,143	91,153	92,163	93,173	94,183	95,193	96,203	97,213	98,223
11	1,289,984	11,828,784	1,059,408	2,679,104	589,328	168,176	169,183	170,193	171,203	172,213	173,223	174,233	175,243	176,253	177,263	178,273	179,283	180,293	181,303	182,313
12	2,579,968	23,657,568	2,118,816	5,358,208	1,178,656	336,352	337,353	338,353	339,353	340,353	341,353	342,353	343,353	344,353	345,353	346,353	347,353	348,353	349,353	350,353
13	5,159,936	47,315,136	4,237,632	10,716,416	2,357,312	672,704	673,703	674,703	675,703	676,703	677,703	678,703	679,703	680,703	681,703	682,703	683,703	684,703	685,703	686,703
14	10,319,872	94,630,272	8,475,264	21,432,832	4,714,624	1,345,408	1,346,403	1,347,403	1,348,403	1,349,403	1,350,403	1,351,403	1,352,403	1,353,403	1,354,403	1,355,403	1,356,403	1,357,403	1,358,403	1,359,403
15	20,639,744	189,260,544	16,950,528	42,865,664	9,429,248	2,690,816	2,691,813	2,692,813	2,693,813	2,694,813	2,695,813	2,696,813	2,697,813	2,698,813	2,699,813	2,700,813	2,701,813	2,702,813	2,703,813	2,704,813
16	41,279,488	378,521,088	33,901,056	85,731,328	18,858,496	5,381,632	5,382,633	5,383,633	5,384,633	5,385,633	5,386,633	5,387,633	5,388,633	5,389,633	5,390,633	5,391,633	5,392,633	5,393,633	5,394,633	5,395,633
17	82,558,976	757,042,176	67,802,112	171,462,656	37,716,992	10,763,264	10,764,263	10,765,263	10,766,263	10,767,263	10,768,263	10,769,263	10,770,263	10,771,263	10,772,263	10,773,263	10,774,263	10,775,263	10,776,263	10,777,263
18	165,117,952	1,514,084,352	135,604,224	342,925,312	75,433,984	21,526,528	21,527,523	21,528,523	21,529,523	21,530,523	21,531,523	21,532,523	21,533,523	21,534,523	21,535,523	21,536,523	21,537,523	21,538,523	21,539,523	21,540,523
19	330,235,904	3,028,168,704	271,208,448	685,850,624	150,867,968	43,053,056	43,054,053	43,055,053	43,056,053	43,057,053	43,058,053	43,059,053	43,060,053	43,061,053	43,062,053	43,063,053	43,064,053	43,065,053	43,066,053	43,067,053
20	660,471,808	6,056,337,408	542,416,896	1,371,701,248	301,735,936	86,106,112	86,107,113	86,108,113	86,109,113	86,110,113	86,111,113	86,112,113	86,113,113	86,114,113	86,115,113	86,116,113	86,117,113	86,118,113	86,119,113	86,120,113
21	1,320,943,616	12,112,674,816	1,084,833,792	2,743,402,496	603,471,872	172,212,224	172,213,223	172,214,223	172,215,223	172,216,223	172,217,223	172,218,223	172,219,223	172,220,223	172,221,223	172,222,223	172,223,223	172,224,223	172,225,223	172,226,223
22	2,641,887,232	24,225,349,632	2,169,667,584	5,486,804,992	1,206,943,744	344,424,448	344,425,443	344,426,443	344,427,443	344,428,443	344,429,443	344,430,443	344,431,443	344,432,443	344,433,443	344,434,443	344,435,443	344,436,443	344,437,443	344,438,443
23	5,283,774,464	48,450,699,264	4,339,335,168	10,973,609,984	2,413,887,488	688,848,896	688,849,893	688,850,893	688,851,893	688,852,893	688,853,893	688,854,893	688,855,893	688,856,893	688,857,893	688,858,893	688,859,893	688,860,893	688,861,893	688,862,893
24	10,567,548,928	96,901,398,528	8,678,670,336	21,947,219,776	4,827,774,976	1,377,697,792	1,377,698,783	1,377,699,783	1,377,700,783	1,377,701,783	1,377,702,783	1,377,703,783	1,377,704,783	1,377,705,783	1,377,706,783	1,377,707,783	1,377,708,783	1,377,709,783	1,377,710,783	1,377,711,783
25	21,135,097,856	193,802,797,152	17,357,340,672	43,894,439,552	9,655,549,952	2,755,395,584	2,755,396,573	2,755,397,573	2,755,398,573	2,755,399,573	2,755,400,573	2,755,401,573	2,755,402,573	2,755,403,573	2,755,404,573	2,755,405,573	2,755,406,573	2,755,407,573	2,755,408,573	2,755,409,573
26	42,270,195,712	387,605,594,304	34,714,681,344	87,788,879,104	19,311,099,904	5,510,791,168	5,510,792,153	5,510,793,153	5,510,794,153	5,510,795,153	5,510,796,153	5,510,797,153	5,510,798,153	5,510,799,153	5,510,800,153	5,510,801,153	5,510,802,153	5,510,803,153	5,510,804,153	5,510,805,153
27	84,540,391,424	775,211,188,608	69,429,362,688	175,577,758,208	38,622,199,808	11,021,582,336	11,021,583,323	11,021,584,323	11,021,585,323	11,021,586,323	11,021,587,323	11,021,588,323	11,021,589,323	11,021,590,323	11,021,591,323	11,021,592,323	11,021,593,323	11,021,594,323	11,021,595,323	11,021,596,323
28	169,080,782,848	1,550,422,377,216	138,858,725,376	351,155,516,416	77,244,399,616	22,043,164,672	22,043,165,653	22,043,166,653	22,043,167,653	22,043,168,653	22,043,169,653	22,043,170,653	22,043,171,653	22,043,172,653	22,043,173,653	22,043,174,653	22,043,175,653	22,043,176,653	22,043,177,653	22,043,178,653
29	338,161,565,696	3,100,844,754,432	277,717,450,752	702,311,032,832	154,488,799,232	44,086,329,344	44,086,330,323	44,086,331,323	44,086,332,323	44,086,333,323	44,086,334,323	44,086,335,323	44,086,336,323	44,086,337,323	44,086,338,323	44,086,339,323	44,086,340,323	44,086,341,323	44,086,342,323	44,086,343,323
30	676,323,131,392	6,201,689,508,864	555,434,901,504	1,404,622,065,664	308,977,598,464	88,172,658,688	88,172,659,653	88,172,660,653	88,172,661,653	88,172,662,653	88,172,663,653	88,172,664,653	88,172,665,653	88,172,666,653	88,172,667,653	88,172,668,653	88,172,669,653	88,172,670,653	88,172,671,653	88,172,672,653
31	1,352,646,262,784	12,403,379,017,728	1,110,869,803,008	2,809,244,131,328	617,955,196,928	176,345,317,376	176,345,318,353	176,345,319,353	176,345,320,353	176,345,321,353	176,345,322,353	176,345,323,353	176,345,324,353	176,345,325,353	176,345,326,353	176,345,327,353	176,345,328,353	176,345,329,353	176,345,330,353	176,345,331,353
32	2,705,292,525,568	24,806,758,035,456	2,221,739,606,016	5,618,488,262,656	1,235,910,393,856	352,690,634,752	352,690,635,723	352,690,636,723	352,690,637,723	352,690,638,723	352,690,639,723	352,690,640,723	352,690,641,723	352,690,642,723	352,690,643,723	352,690,644,723	352,690,645,723	352,690,646,723	352,690,647,723	352,690,648,723
33	5,410,585,051,136	51,613,516,070,912	4,443,479,212,032	11,236,976,525,312	2,471,820,787,712	705,381,269,504	705,381,270,473	705,381,271,473	705,381,272,473	705,381,273,473	705,381,274,473	705,381,275,473	705,381,276,473	705,381,277,473	705,381,278,473	705,381,279,473	705,381,280,473	705,381,281,473	705,381,282,473	705,381,283,473
34	10,821,170,102,272	103,227,032,141,824	8,886,958,424,064	22,473,953,050,624	4,943,641,575,424	1,410,762,539,008	1,410,762,540,443	1,410,762,541,443	1,410,762,542,443	1,410,762,543,443	1,410,762,544,443	1,410,762,545,443	1,410,762,546,443	1,410,762,547,443	1,410,762,548,443	1,410,762,549,443	1,410,762,550,443	1,410,762,551,443	1,410,762,552,443	1,410,762,553,443
35	21,642,340,204,544	206,454,064,283,648	17,773,916,848,128	44,947,906,101,248	9,887,283,150,848	2,821,525,078,016	2,821,525,079,423	2,821,525,080,423	2,821,525,081,423	2,821,525,082,423	2,821,525,083,423	2,821,525,084,423	2,821,525,085,423	2,821,525,086,423	2,821,525,087,423	2,821,525,088,423	2,821,525,089,423	2,821,525,		

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

PART II.—RETURNS WITH STANDARD DEDUCTION

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 \$1,000 under \$1,000.....	1,222,111	1,015,606	733,267	181,298	36,234	1,111,158	3,079,353	1,957,717	814,001	162,707	206,431	563,667	202,414	304,793	61,090
2 \$1,000 under \$1,500.....	2,215,342	2,781,601	1,501,316	1,003,540	200,376	1,334,356	1,891,201	1,611,227	916,160	1,807	76,547	62,768	45,928	10,626	2,161
3 \$1,500 under \$2,000.....	4,038,198	3,564,812	1,959,906	1,533,383	305,675	355,028	620,316	426,034	132,444	26,542	146,442	185,025	99,757	67,907	13,395
4 \$2,000 under \$2,500.....	2,487,836	5,581,715	2,585,115	2,442,915	486,872	750,791	1,682,088	1,156,745	357,387	71,466	194,278	436,079	178,358	234,321	42,689
5 \$2,500 under \$3,000.....	2,702,886	7,439,961	3,300,402	3,196,550	676,869	1,111,158	3,079,353	1,957,717	814,001	162,707	206,431	563,667	202,414	304,793	61,090
6 \$3,000 under \$3,500.....	2,833,446	9,223,900	3,879,562	3,624,126	887,928	1,387,167	4,649,633	2,634,767	1,441,238	287,747	199,472	647,861	192,500	390,242	78,682
7 \$3,500 under \$4,000.....	2,837,313	10,638,736	4,485,313	5,092,252	1,027,952	1,710,496	6,419,629	3,457,158	2,322,049	463,981	166,223	622,856	193,196	367,271	75,028
8 \$4,000 under \$4,500.....	2,546,086	10,801,948	4,495,981	5,276,997	1,055,471	1,806,195	7,677,447	3,815,416	3,095,477	618,164	102,326	634,644	127,140	263,845	54,178
9 \$4,500 under \$5,000.....	2,178,007	10,328,818	4,090,386	5,206,421	1,050,050	1,672,465	7,937,203	3,605,164	3,538,492	706,349	75,137	355,293	104,903	234,920	43,965
10 \$5,000 under \$6,000.....	2,853,056	17,589,245	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	40,315	125,102	25,959
11 \$6,000 under \$7,000.....	1,848,080	11,937,346	3,589,329	7,176,925	1,449,950	1,674,014	10,756,120	3,420,357	6,260,866	1,257,239	13,167	84,879	16,109	62,135	13,244
12 \$7,000 under \$8,000.....	1,151,930	8,578,394	2,194,245	5,528,023	1,130,798	1,054,665	6,857,012	1,104,098	4,968,471	1,008,102	5,121	37,887	4,696	30,631	6,449
13 \$8,000 under \$9,000.....	868,441	7,810,394	1,300,836	3,931,075	414,103	637,158	5,391,349	1,257,955	3,595,054	738,192	5,087	42,623	6,057	34,022	7,075
14 \$9,000 under \$10,000.....	435,161	4,110,003	318,153	2,880,859	624,317	406,213	3,834,659	789,903	2,461,459	553,482	1,554	14,757	2,138	11,843	2,731
15 \$10,000 under \$15,000.....	698,037	7,539,774	1,231,259	5,670,625	1,240,144	585,090	6,884,748	1,175,663	5,093,592	1,089,604	2,296	27,346	2,387	23,431	6,231
16 \$15,000 under \$20,000.....	138,011	4,356,643	273,024	1,925,408	476,167	1,042,542	2,509,439	420,357	1,726,408	406,599	801	13,312	830	12,081	3,757
17 \$20,000 under \$30,000.....	76,136	1,766,136	147,460	1,563,721	431,448	56,000	1,557,955	139,587	1,352,169	361,971	512	11,823	73	11,055	4,026
18 \$30,000 under \$50,000.....	23,881	259,909	47,151	188,112	271,386	21,051	766,285	44,745	700,488	233,593	68	2,526	53	2,429	1,089
19 \$50,000 under \$100,000.....	4,451	314,438	10,014	289,440	134,257	4,448	281,125	9,476	267,199	116,956	14	915	15	893	518
20 \$100,000 under \$150,000.....	560	43,014	712	41,744	23,134	330	39,490	887	38,473	20,954	-	27,346	2,387	23,431	6,231
21 \$150,000 under \$200,000.....	48	9,055	82	7,944	4,139	37	4,189	67	6,077	3,461	-	830	830	12,081	3,757
22 \$200,000 under \$300,000.....	37	10,268	5	10,533	5,780	30	8,773	51	8,492	6,559	-	11,823	73	11,055	4,026
23 \$300,000 under \$1,000,000.....	1	579	1	576	463	1	579	1	577	463	-	2,526	53	2,429	1,089
24 \$1,000,000 or more.....	1	1,101	2	1,092	944	1	1,102	2	1,098	944	-	915	15	893	518
Total taxable returns.....	29,412,330	120,289,154	41,802,110	66,288,510	16,341,222	15,705,704	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
Non-taxable returns:															
26 Non-adjusted gross income.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27 Under \$300.....	3,904,014	1,283,661	3,280,655	2,497,624	342	548,890	195,220	1,037,006	1,556,715	-	253,692	83,723	186,489	78,682	18,395
28 \$300 under \$1,000.....	1,737,870	1,342,152	2,497,624	1,462,152	142	810,148	697,362	1,556,715	1,556,715	-	78,133	57,802	82,938	131,224	28,888
29 \$1,000 under \$1,500.....	1,946,746	2,325,491	3,453,344	2,467	2,867	1,248,295	1,545,468	2,513,681	24	24	81,302	100,059	131,224	116,995	23,272
30 \$1,500 under \$2,000.....	1,564,646	2,734,538	2,453,996	1,162	1,162	1,237,629	2,180,334	2,853,499	906	906	47,507	82,974	97,031	116,995	23,272
31 \$2,000 under \$2,500.....	1,016,674	2,300,359	2,776,953	1,937	1,937	907,888	2,058,108	2,520,037	3,847	3,847	20,677	47,289	54,481	234,321	42,689
32 \$2,500 under \$3,000.....	920,482	2,214,915	2,485,833	2,093	2,093	760,602	2,054,925	2,323,755	3,539	3,539	17,667	47,799	52,108	304,793	61,090
33 \$3,000 under \$3,500.....	568,169	1,828,883	1,946,995	1,579	1,579	539,004	1,734,530	1,853,781	4,514	4,514	6,554	21,266	22,091	390,242	78,682
34 \$3,500 under \$4,000.....	357,941	1,345,705	1,421,563	3,377	3,377	344,419	1,295,197	1,371,768	2,046	2,046	4,551	16,888	17,916	263,845	54,178
35 \$4,000 under \$4,500.....	151,556	642,967	679,374	2,568	2,568	145,536	617,902	652,574	4,568	4,568	(2)	(2)	(2)	234,920	43,965
36 \$4,500 under \$5,000.....	69,823	326,341	334,154	2,068	2,068	68,327	319,143	326,075	4,068	4,068	(2)	(2)	(2)	234,920	43,965
37 \$5,000 under \$6,000.....	37,034	199,274	197,578	1,196	1,196	37,034	199,343	197,578	1,196	1,196	-	-	-	304,793	61,090
38 \$6,000 under \$8,000.....	9,107	54,874	54,911	-	-	8,107	51,839	51,911	-	-	-	-	-	390,242	78,682
39 \$8,000 under \$10,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	390,242	78,682
40 \$10,000 or more.....	71	816	391	361	-	71	816	391	361	-	-	-	-	390,242	78,682
Total non-taxable returns.....	11,124,183	16,594,643	22,263,972	63,340	63,340	6,458,247	12,910,085	17,258,771	21,069	21,069	513,110	470,718	658,717	437	437
Grand total.....	40,536,513	136,883,797	64,066,082	129,628,550	16,404,562	22,161,951	97,706,171	48,738,307	66,271,978	9,519,314	1,895,107	4,464,537	1,998,525	2,465,439	465,996
Returns under \$5,000.....	31,138,547	77,703,708	49,039,240	28,569,265	5,727,387	15,532,776	44,790,960	34,223,719	11,729,840	2,338,963	1,832,512	4,044,086	1,925,393	1,951,417	364,480
Returns \$5,000 or more.....	9,397,966	59,180,089	15,026,842	38,379,285	8,313,835	7,629,175	52,915,211	14,514,588	33,497,218	7,158,644	62,595	418,451	73,132	314,032	71,094

Explanations 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

	Returns of heads of household					Returns of surviving spouse					Returns of single person, not head of household, or surviving spouse				
	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)
1	11,016	3,202	5,610	1,632	340	(2)	2	(2)	(2)	(2)	1,133,522	680,122	168,405	33,710	
2	41,822	53,514	32,116	16,004	3,405	(2)	2	(2)	(2)	(2)	1,891,022	1,202,015	909,553	191,768	
3	35,414	64,590	31,314	24,532	4,872	(2)	2	(2)	(2)	(2)	1,496,286	1,078,537	1,259,353	250,985	
4	53,065	119,225	61,915	44,336	4,033	(2)	3,493	3,493	3,493	3,493	1,496,286	1,171,477	1,822,373	362,404	
5	54,061	160,407	76,401	67,461	14,675	(2)	11,987	9,001	4,255	(2)	1,232,430	1,057,569	2,205,460	438,743	
6	23,000	51,139	27,692	19,413	3,698	(2)	4	(2)	(2)	(2)	1,168,030	463,138	4,553,281	493,353	
7	29,457	29,457	17,475	16,132	33,366	(2)	18	(2)	(2)	(2)	880,937	725,134	1,233,495	455,450	
8	20,130	27,705	27,705	19,446	27,705	(2)	4	(2)	(2)	(2)	916,403	70,050	1,688,016	347,159	
9	50,003	25,710	70,774	37,428	37,428	(2)	4	(2)	(2)	(2)	368,402	1,741,813	305,387	460,913	
10	23,732	34,474	30,724	230,658	77,075	(2)	(2)	(2)	(2)	(2)	338,353	1,840,044	274,191	290,674	
11	24,177	182,065	39,760	130,311	11,176	(2)	(2)	(2)	(2)	(2)	130,567	695,302	110,582	150,616	
12	20,549	151,687	29,621	107,406	11,562	(2)	(2)	(2)	(2)	(2)	70,364	523,485	415,836	92,634	
13	5,098	43,465	6,984	34,882	7,038	(2)	—	—	—	—	333,757	31,252	269,157	61,403	
14	5,613	53,405	6,713	11,263	4,421	(2)	—	—	—	—	256,782	13,369	166,464	24,264	
15	4,134	107,420	12,256	25,439	10,424	(2)	6,737	280	5,309	(2)	588,403	34,784	472,195	123,985	
16	15,000	45,000	45,000	38,845	11,059	(2)	192	4,262	2,612	(2)	11,086	4,262	167,662	23,166	
17	30,000	90,000	1,634	26,145	3,436	(2)	3,446	314	2,989	(2)	163,903	5,809	151,162	36,157	
18	30,000	90,000	501	11,473	4,568	(2)	(2)	(2)	(2)	(2)	2,183	1,758	72,535	26,327	
19	30,000	90,000	110	4,578	2,252	(2)	34	34	1,278	(2)	26,793	1,578	25,152	13,467	
20	100,000	150,000	—	—	—	(2)	—	—	—	(2)	—	—	—	—	
21	150,000	150,000	—	—	—	(2)	—	—	—	(2)	—	—	—	—	
22	200,000	150,000	—	—	—	(2)	—	—	—	(2)	—	—	—	—	
23	200,000	150,000	—	—	—	(2)	—	—	—	(2)	—	—	—	—	
24	200,000	150,000	—	—	—	(2)	—	—	—	(2)	—	—	—	—	
25	200,000	150,000	—	—	—	(2)	—	—	—	(2)	—	—	—	—	
26	200,000	150,000	—	—	—	(2)	—	—	—	(2)	—	—	—	—	
27	200,000	150,000	—	—	—	(2)	—	—	—	(2)	—	—	—	—	
28	200,000	150,000	—	—	—	(2)	—	—	—	(2)	—	—	—	—	
29	200,000	150,000	—	—	—	(2)	—	—	—	(2)	—	—	—	—	
30	200,000	150,000	—	—	—	(2)	—	—	—	(2)	—	—	—	—	
31	200,000	150,000	—	—	—	(2)	—	—	—	(2)	—	—	—	—	
32	200,000	150,000	—	—	—	(2)	—	—	—	(2)	—	—	—	—	
33	200,000	150,000	—	—	—	(2)	—	—	—	(2)	—	—	—	—	
34	200,000	150,000	—	—	—	(2)	—	—	—	(2)	—	—	—	—	
35	200,000	150,000	—	—	—	(2)	—	—	—	(2)	—	—	—	—	
36	200,000	150,000	—	—	—	(2)	—	—	—	(2)	—	—	—	—	
37	200,000	150,000	—	—	—	(2)	—	—	—	(2)	—	—	—	—	
38	200,000	150,000	—	—	—	(2)	—	—	—	(2)	—	—	—	—	
39	200,000	150,000	—	—	—	(2)	—	—	—	(2)	—	—	—	—	
40	200,000	150,000	—	—	—	(2)	—	—	—	(2)	—	—	—	—	
41	Total nonvariable returns	130,705	154,449	196,432	917	—	18,027	26,142	995	—	4,806,494	3,043,310	39,923	—	
42	Grand total	752,092	2,661,722	923,701	1,536,931	325,463	38,572	107,601	51,982	11,078	15,798,091	31,947,762	12,651,919	17,867,447	3,751,069
43	Returns under \$5,000	613,982	1,677,497	741,610	826,387	165,413	32,557	60,310	18,001	3,469	15,120,749	27,128,849	12,104,061	14,043,615	2,825,134
44	Returns \$5,000 or more	138,110	984,225	182,091	710,544	160,450	6,015	47,291	33,981	7,709	677,342	4,818,913	547,858	3,823,832	915,935

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

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				
	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 \$0,000 under \$1,000.....	70,999	65,174	67,784	7,440	1,414	2,951	3,073	3,061	138	38	6,068	3,641	576	115	
2 \$1,000 under \$1,500.....	211,328	66,496	134,834	66,073	13,163	2,131	13,066	1,573	1,573	15,607	19,122	9,979	4,979	1,000	
3 \$1,500 under \$2,000.....	99,034	94,011	197,814	197,814	48,160	7,131	41,029	3,102	3,102	36,665	60,899	26,466	30,000	4,076	
4 \$2,000 under \$2,500.....	90,723	1,341,011	457,937	457,937	48,408	183,131	88,064	94,064	5,536	14,426	34,132	30,430	29,008	5,182	
5 \$2,500 under \$3,000.....	74,143	3,065,626	910,303	710,530	146,978	382,770	576,312	214,073	42,645	42,645	43,018	37,507	53,397	10,640	
6 \$3,000 under \$3,500.....	1,033,341	3,968,516	1,504,141	1,169,415	234,676	646,233	3,107,968	1,616,262	516,282	102,776	17,136	17,245	94,104	18,462	
7 \$3,500 under \$4,000.....	1,114,796	6,981,115	2,066,340	1,900,000	318,339	694,343	3,107,967	1,534,761	1,534,761	176,431	51,239	51,239	89,616	17,884	
8 \$4,000 under \$4,500.....	1,475,623	6,019,734	2,663,116	2,177,234	426,564	1,113,921	3,862,781	2,566,728	3,016,633	405,623	169,720	169,720	83,500	14,978	
9 \$4,500 under \$5,000.....	1,407,048	6,681,651	2,831,418	2,146,268	509,806	1,427,913	5,786,532	2,031,493	4,075,042	48,071	133,301	33,682	73,995	14,465	
10 \$5,000 under \$6,000.....	576,412	1,131,693	530,026	510,411	1,044,204	4,079,102	6,613,999	6,613,998	9,118	9,118	121,679	23,874	76,077	19,319	
11 \$6,000 under \$7,000.....	1,483,371	4,681,108	3,173,492	3,066,137	1,116,653	1,369,225	9,064,411	3,307,302	6,363,106	13,132	84,658	16,613	54,567	11,146	
12 \$7,000 under \$8,000.....	876,123	6,383,511	3,322,333	3,166,111	1,671,949	811,224	6,050,463	1,780,791	3,304,663	7,693	56,609	7,741	39,320	7,420	
13 \$8,000 under \$9,000.....	496,880	4,221,040	1,058,196	4,893,364	487,174	479,536	1,031,594	2,861,329	4,683,955	5,136	43,840	5,842	29,661	6,707	
14 \$9,000 under \$10,000.....	285,487	2,638,670	1,184,096	1,599,117	329,176	572,691	3,579,331	602,067	1,514,206	2,163	20,674	3,173	14,023	3,446	
15 \$10,000 under \$15,000.....	571,445	6,485,786	1,222,134	7,702,129	645,612	56,367	6,276,186	1,168,453	9,473,621	6,606	79,966	7,162	69,823	17,173	
16 \$15,000 under \$20,000.....	230,281	3,954,876	495,114	2,461,978	1,716,222	3,954,377	3,542,782	58,779	6,343,106	13,132	84,658	3,277	40,830	16,210	
17 \$20,000 under \$30,000.....	216,857	5,252,827	465,522	4,019,048	1,099,436	192,228	3,658,110	4,371,469	3,939,820	4,402	58,781	2,660	47,637	17,026	
18 \$30,000 under \$40,000.....	138,216	5,208,818	286,636	3,664,002	1,511,965	1,326,276	2,997,467	3,831,895	1,237,073	1,409	43,840	1,576	33,100	19,471	
19 \$40,000 under \$50,000.....	46,381	4,338,354	136,794	3,666,798	1,066,453	107,764	3,465,704	3,229,153	1,196,476	617	40,470	651	31,342	17,445	
20 \$50,000 under \$100,000.....	11,228	1,346,755	32,740	1,138,397	91,421	4,711	1,161,596	31,014	979,740	131	18,778	137	13,340	7,462	
21 \$100,000 under \$200,000.....	3,136	5,984,876	6,234	6,234	2,827,975	2,676	5,933	397,011	207,542	31	3,286	37	4,180	4,757	
22 \$200,000 under \$500,000.....	3,139	905,113	6,409	729,764	4,474,583	6,426	734,768	6,752	8,964	65	18,764	80	14,683	10,225	
23 \$500,000 under \$1,000,000.....	46	292,531	809	234,778	1,561,361	301	326,000	173	1,409	21	1,296	29	11,730	9,195	
24 \$1,000,000 or more.....	20	405,431	35	331,235	1,541,300	104	195,466	154	101,464	36	96,511	57	55,941	46,363	
Total taxable returns.....	13,711,830	89,380,676	25,163,543	48,461,423	12,676,591	10,661,768	76,434,735	21,379,123	40,719,327	10,476,166	1,696,851	369,016	973,170	290,133	
Non-taxable returns:															
26 No adjusted gross income.....	40,304	1,104,480	723,910	-	-	304,431	4,021,962	610,166	-	-	1,098	4,860	-	-	
27 Under \$600.....	30,603	11,195	36,979	-	-	9,520	3,415	18,012	-	-	(2)	(2)	-	-	
28 \$600 under \$1,000.....	169,683	121,718	126,456	-	-	20,114	16,316	35,338	-	-	5,091	3,031	-	-	
29 \$1,000 under \$1,500.....	194,176	297,270	235,440	151	151	34,340	47,856	107,159	171	171	7,040	6,934	-	-	
30 \$1,500 under \$2,000.....	252,800	385,260	314,799	3,696	3,696	114,199	194,532	136,264	171	171	7,968	5,761	-	-	
31 \$2,000 under \$2,500.....	217,040	490,911	385,123	4,833	4,833	160,426	356,007	309,911	232	232	2,541	3,018	-	-	
32 \$2,500 under \$3,000.....	212,268	584,700	446,661	10,714	10,714	175,699	484,994	342,104	1,762	1,762	3,000	4,199	526	32	
33 \$3,000 under \$3,500.....	172,376	598,175	420,259	6,660	6,660	154,711	501,377	331,341	2,364	2,364	(2)	(2)	-	-	
34 \$3,500 under \$4,000.....	133,301	446,433	369,278	2,818	2,818	135,778	469,100	353,434	4,818	4,818	(2)	(2)	-	-	
35 \$4,000 under \$4,500.....	94,584	347,494	286,531	2,232	2,232	86,090	366,727	276,832	2,432	2,432	(2)	(2)	-	-	
36 \$4,500 under \$5,000.....	52,178	249,478	171,215	2,662	2,662	49,687	235,010	167,554	1,949	1,949	-	-	-	-	
37 \$5,000 under \$6,000.....	43,797	236,642	169,416	3,079	3,079	42,780	230,942	168,606	4,513	4,513	-	-	-	-	
38 \$6,000 under \$8,000.....	20,667	121,352	66,606	66	66	19,161	131,456	68,059	646	646	-	-	-	-	
39 \$8,000 under \$10,000.....	2,139	47,033	6,508	4,119	-	2,026	3,718	6,033	-	-	31	1,354	-	-	
Total non-taxable returns.....	1,989,765	2,952,902	3,766,980	41,218	-	1,345,163	2,132,911	3,089,108	18,284	-	34,346	39,037	1,171	-	
Grand total.....	15,701,595	92,333,578	28,930,523	48,382,641	12,678,591	12,006,931	78,456,646	25,468,230	40,811,611	10,510,166	3,738,785	408,053	974,341	290,133	
43 Returns under \$5,000.....	9,013,125	27,593,551	14,594,938	8,456,153	1,778,568	5,788,768	319,559,047	11,585,617	54,365,175	1,067,124	39,150	398,380	446,497	89,002	
44 Returns \$5,000 or more.....	6,688,470	64,740,027	14,375,585	39,426,488	10,897,963	6,221,163	59,222,594	13,881,613	35,466,436	9,402,040	64,724	75,038	527,844	200,141	

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

	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)
Adjusted gross income classes	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.....	2,500	2,229	1,500	271	55	(2)	(2)	(2)	(2)	(2)	62,309	37,385	6,300	1,264	
2 \$1,000 under \$1,500.....	4,517	5,471	2,710	1,353	270	(2)	(2)	(2)	(2)	(2)	148,153	116,789	59,511	11,850	
3 \$1,500 under \$2,000.....	14,559	26,439	14,459	5,638	1,126	(2)	(2)	(2)	(2)	(2)	269,739	471,616	152,753	30,213	
4 \$2,000 under \$2,500.....	17,522	40,114	18,313	12,272	2,308	(2)	(2)	(2)	(2)	(2)	394,337	287,327	333,033	65,553	
5 \$2,500 under \$3,000.....	36,047	98,611	42,636	33,286	4,568	3,500	9,655	4,799	2,740	5,7	313,808	271,349	407,034	80,569	
6 \$3,000 under \$3,500.....	31,995	128,360	51,665	46,541	9,295	5,051	14,545	5,761	7,080	1,337	990,094	283,088	505,560	100,366	
7 \$3,500 under \$4,000.....	41,567	156,907	53,180	70,493	14,051	(2)	(2)	(2)	(2)	(2)	222,241	830,244	194,067	465,664	
8 \$4,000 under \$4,500.....	40,573	171,569	55,583	80,662	16,135	(2)	(2)	(2)	(2)	(2)	194,896	823,378	175,315	486,947	
9 \$4,500 under \$5,000.....	41,132	194,603	53,867	104,053	20,879	2,517	11,818	4,240	4,716	923	117,405	112,881	334,680	97,555	
10 \$5,000 under \$5,000.....	32,017	173,843	45,019	91,899	18,653	(2)	(2)	(2)	(2)	(2)	124,492	674,056	86,293	86,293	
11 \$6,000 under \$7,000.....	4,033	59,076	11,440	33,919	7,039	(2)	(2)	(2)	(2)	(2)	61,294	395,406	254,311	59,293	
12 \$7,000 under \$8,000.....	4,577	33,213	5,507	16,787	3,426	(2)	(2)	(2)	(2)	(2)	31,607	235,317	154,238	33,702	
13 \$8,000 under \$9,000.....	2,517	20,630	3,320	11,626	2,432	(2)	(2)	(2)	(2)	(2)	16,633	134,803	17,845	19,179	
14 \$9,000 under \$10,000.....	2,517	24,332	3,320	16,909	3,744	(2)	(2)	(2)	(2)	(2)	8,164	76,043	94,506	10,990	
15 \$10,000 under \$15,000.....	7,335	90,088	10,758	61,713	14,118	1,444	17,312	2,761	11,639	2,421	32,202	382,082	272,075	65,338	
16 \$15,000 under \$20,000.....	3,319	56,632	5,007	42,369	10,894	422	7,307	1,003	5,376	1,259	16,010	276,385	164,000	211,281	
17 \$20,000 under \$30,000.....	4,666	116,527	6,693	91,900	28,271	395	17,186	714	8,071	2,152	17,186	409,195	328,135	60,481	
18 \$30,000 under \$50,000.....	2,228	84,776	3,133	64,796	24,596	246	10,278	375	8,195	2,954	10,409	390,213	10,626	113,168	
19 \$50,000 under \$100,000.....	1,071	71,949	1,643	60,009	28,556	111	7,555	167	6,305	2,942	5,813	391,678	61,147	136,942	
20 \$100,000 under \$150,000.....	203	23,949	292	14,286	10,602	25	2,880	37	2,515	1,467	1,184	142,752	1,260	115,515	
21 \$150,000 under \$200,000.....	74	10,734	91	8,304	5,055	12	2,063	23	1,611	903	383	62,341	405	34,406	
22 \$200,000 under \$300,000.....	7	21,968	101	16,928	10,601	14	3,907	25	3,301	2,128	418	121,744	455	98,404	
23 \$300,000 under \$400,000.....	15	9,835	21	8,816	4,816	14	8,816	10	6,554	4,869	65	42,383	70	35,053	
24 \$400,000 under \$500,000.....	3	9,085	3	8,666	4,466	8	17,696	10	15,480	11,417	44	96,273	45	82,406	
25 Total taxable returns.....	307,680	1,630,932	390,261	913,042	250,721	18,759	147,715	25,443	93,256	37,307	2,354,095	9,466,435	2,000,702	5,568,429	1,550,203
Non-taxable returns:															
26 No adjusted gross income.....	2,583	12,495	2,497	-	-	(2)	(2)	(2)	(2)	(2)	121,678	1,064,050	105,871	-	-
27 Under \$600.....	(2)	(2)	(2)	-	-	(2)	(2)	(2)	(2)	(2)	18,549	7,201	15,936	-	-
28 \$600 under \$1,000.....	3,017	2,572	2,120	-	-	(2)	(2)	(2)	(2)	(2)	121,001	98,209	45,265	-	-
29 \$1,000 under \$1,500.....	5,495	7,193	5,984	-	-	(2)	(2)	(2)	(2)	(2)	111,387	141,955	115,013	-	-
30 \$1,500 under \$2,000.....	6,516	11,810	7,810	60	-	(2)	(2)	(2)	(2)	(2)	96,534	163,772	113,744	151	
31 \$2,000 under \$2,500.....	2,517	5,714	3,620	425	-	(2)	(2)	(2)	(2)	(2)	50,656	111,193	71,024	3,425	
32 \$2,500 under \$3,000.....	6,033	16,235	10,250	-	-	(2)	(2)	(2)	(2)	(2)	27,136	73,998	39,188	8,426	
33 \$3,000 under \$3,500.....	(2)	(2)	(2)	-	-	(2)	(2)	(2)	(2)	(2)	13,648	43,810	21,218	3,351	
34 \$3,500 under \$4,000.....	(2)	(2)	(2)	-	-	(2)	(2)	(2)	(2)	(2)	6,006	21,910	11,105	-	
35 \$4,000 under \$4,500.....	(2)	(2)	(2)	-	-	(2)	(2)	(2)	(2)	(2)	1,949	8,442	3,900	-	
36 \$4,500 under \$5,000.....	(2)	(2)	(2)	-	-	(2)	(2)	(2)	(2)	(2)	3,041	14,448	3,661	873	
37 \$5,000 under \$6,000.....	(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)
39 \$8,000 under \$10,000.....	7	520	11	-	-	25	431	30	-	(2)	307	10,012	371	-	
40 \$10,000 or more.....	(2)	(2)	(2)	-	-	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
41 Total non-taxable returns.....	29,668	351,524	38,292	485	-	6,589	314,926	10,034	-	-	573,919	3,511,609	589,910	21,279	-
42 Grand total.....	337,348	3,162,456	428,553	913,527	250,721	25,348	3,162,456	35,477	93,256	37,307	2,928,044	9,978,044	2,590,612	5,589,708	1,550,203
43 Returns under \$5,000.....	267,124	387,327	331,594	355,054	70,777	20,632	360,421	27,804	17,602	3,401	2,600,451	9,116,372	2,274,309	2,771,824	547,570
44 Returns \$5,000 or more.....	70,224	810,129	96,959	558,473	179,944	4,716	102,220	7,673	75,654	33,906	327,643	3,861,672	316,303	2,817,884	1,002,633

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

Adjusted gross deficit.

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

Adjusted gross income less adjusted gross deficit.

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

Adjusted Gross Income classes	All returns													Joint returns of husbands and wives			
	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 other than age or blindness			Aggregate number of exemptions	Number of returns	Returns with exemptions for age and/or blindness		
	Total number of returns	Total number of exemptions	Number of returns	Number of exemptions	Number of returns	Number of exemptions	One	Two	Three	Four	Five	Six or more			Number of returns	Number of exemptions	Number of returns
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
1 Taxable returns:																	
1 \$0.00 under \$1,000.....	1,292,988	1,292,988	46,697	1,292,988	1,292,988	250,199	1,114,777	1,169,368	170,895	361,855	2,405,685	1,453,923	155,179	203,817	155,179	203,817	1
2 \$1,000 under \$1,500.....	2,426,670	2,426,670	144,068	2,426,670	2,426,670	769,551	1,657,119	1,657,119	406,899	750,220	1,615,042	1,36,907	104,546	136,907	104,546	136,907	2
3 \$1,500 under \$2,000.....	2,524,282	2,524,282	144,068	2,524,282	2,524,282	769,551	1,657,119	1,657,119	406,899	750,220	1,615,042	1,36,907	104,546	136,907	104,546	136,907	3
4 \$2,000 under \$2,500.....	1,078,159	1,078,159	274,360	1,078,159	1,078,159	861,490	1,645,940	1,645,940	576,210	576,210	1,645,940	1,645,940	429,159	429,159	429,159	78,464	4
5 \$2,500 under \$3,000.....	3,152,029	3,152,029	257,657	3,152,029	3,152,029	990,407	1,489,264	1,489,264	333,084	333,084	1,489,264	1,489,264	653,928	653,928	653,928	183,951	5
6 \$3,000 under \$3,500.....	3,867,430	3,867,430	261,621	3,867,430	3,867,430	1,329,599	1,238,974	1,238,974	604,662	604,662	1,238,974	1,238,974	2,013,865	2,013,865	2,013,865	259,175	6
7 \$3,500 under \$4,000.....	4,057,107	4,057,107	394,918	4,057,107	4,057,107	1,160,056	843,223	843,223	383,362	383,362	1,160,056	1,160,056	2,191,817	2,191,817	2,191,817	263,115	7
8 \$4,000 under \$4,500.....	3,384,671	3,384,671	220,967	3,384,671	3,384,671	844,571	1,073,056	1,073,056	409,487	409,487	1,073,056	1,073,056	2,184,576	2,184,576	2,184,576	228,414	8
9 \$4,500 under \$5,000.....	3,365,645	3,365,645	187,577	3,365,645	3,365,645	843,123	1,073,056	1,073,056	428,846	428,846	1,073,056	1,073,056	2,189,000	2,189,000	2,189,000	228,414	9
10 \$5,000 under \$5,000.....	5,108,368	5,108,368	201,151	5,108,368	5,108,368	1,377,588	1,114,777	1,114,777	1,169,368	1,169,368	1,377,588	1,377,588	3,064,850	3,064,850	3,064,850	208,438	10
11 \$6,000 under \$7,000.....	1,723,189	1,723,189	119,425	1,723,189	1,723,189	934,093	760,484	760,484	406,899	406,899	760,484	760,484	1,045,932	1,045,932	1,045,932	114,500	11
12 \$7,000 under \$8,000.....	2,028,653	2,028,653	85,052	2,028,653	2,028,653	634,086	557,233	557,233	330,360	330,360	557,233	557,233	1,064,815	1,064,815	1,064,815	62,878	12
13 \$8,000 under \$9,000.....	1,156,721	1,156,721	32,734	1,156,721	1,156,721	501,595	421,233	421,233	177,533	177,533	421,233	421,233	584,513	584,513	584,513	46,509	13
14 \$9,000 under \$10,000.....	720,646	720,646	38,518	720,646	720,646	261,327	156,893	156,893	146,269	146,269	156,893	156,893	302,000	302,000	302,000	44,540	14
15 \$10,000 under \$15,000.....	1,215,842	1,215,842	108,648	1,215,842	1,215,842	385,538	252,477	252,477	170,631	170,631	252,477	252,477	1,109,456	1,109,456	1,109,456	74,660	15
16 \$15,000 under \$20,000.....	1,283,458	1,283,458	42,001	1,283,458	1,283,458	190,337	72,934	72,934	79,536	79,536	190,337	190,337	1,215,127	1,215,127	1,215,127	80,015	16
17 \$20,000 under \$30,000.....	291,899	291,899	26,734	291,899	291,899	86,556	54,814	54,814	62,907	62,907	86,556	86,556	343,100	343,100	343,100	29,345	17
18 \$30,000 under \$50,000.....	1,189,999	1,189,999	26,734	1,189,999	1,189,999	303,668	25,886	25,886	32,878	32,878	303,668	303,668	145,875	145,875	145,875	29,007	18
19 \$50,000 under \$100,000.....	70,132	245,016	15,755	21,320	245,016	21,320	24,930	24,930	12,576	12,576	24,930	24,930	39,592	39,592	39,592	17,240	19
20 \$100,000 under \$150,000.....	11,617	39,087	3,347	4,977	39,087	6,403	1,919	1,919	1,865	1,865	6,403	6,403	10,041	10,041	10,041	3,550	20
21 \$150,000 under \$200,000.....	3,132	10,119	1,043	1,437	10,119	403	496	496	410	410	403	403	2,693	2,693	2,693	1,166	21
22 \$200,000 under \$300,000.....	3,423	10,772	1,148	1,571	10,772	45	1,517	1,517	387	387	1,517	1,517	2,656	2,656	2,656	1,232	22
23 \$300,000 under \$1,000,000.....	1,350	11,350	185	247	11,350	65	129	129	59	59	65	65	352	352	352	172	23
24 \$1,000,000 or more.....	201	590	82	106	590	71	61	61	15	15	71	71	110	110	110	38	24
Total taxable returns.....	4,633,060	111,609,510	2,368,214	2,899,098	108,710,412	12,697,289	11,390,893	7,470,863	6,517,342	3,144,542	14,321,341	9,127,490	26,567,472	89,762,740	1,461,668	1,983,140	25
26 Nontaxable returns:																	
26 No adjusted Gross Income.....	440,304	1,206,517	71,338	89,957	1,116,560	111,082	104,793	63,218	49,847	34,335	17,029	115,175	309,432	1,017,245	42,787	61,404	26
27 Under \$600.....	3,939,817	5,529,390	296,871	361,886	5,147,504	3,264,363	410,235	33,643	78,619	33,643	27,332	183,095	598,410	1,758,363	127,199	190,697	27
28 \$600 under \$1,000.....	1,887,553	4,373,450	644,876	577,049	3,796,401	777,087	688,086	220,892	101,820	56,043	45,656	303,021	830,252	2,653,589	192,164	302,388	28
29 \$1,000 under \$1,500.....	1,093,925	4,115,515	543,777	681,105	3,434,410	1,093,925	943,945	55,945	204,564	107,503	78,280	533,586	1,322,535	4,368,067	264,885	394,417	29
30 \$1,500 under \$2,000.....	1,775,666	6,281,249	232,348	599,176	5,702,083	1,093,925	394,382	316,284	139,707	101,836	700,951	1,351,828	5,064,239	310,473	469,313	609,313	30
31 \$2,000 under \$2,500.....	1,233,114	5,270,126	253,625	389,590	4,880,536	462,611	205,490	113,143	515,547	205,472	1,074,201	964,318	1,058,711	4,709,914	204,361	337,265	31
32 \$2,500 under \$3,000.....	1,032,750	4,887,457	144,270	229,183	4,658,274	20,143	111,067	61,871	324,584	304,303	210,762	1,410,513	936,201	4,526,431	124,599	209,005	32
33 \$3,000 under \$3,500.....	710,545	3,945,373	122,020	98,215	3,827,158	9,086	41,884	20,187	71,605	300,378	267,423	1,756,659	939,715	3,724,004	51,888	85,583	33
34 \$3,500 under \$4,000.....	991,292	2,982,375	212,732	36,849	2,945,526	3,506	14,657	25,787	36,247	11,433	362,947	2,102,906	470,197	2,076,166	20,209	31,329	34
35 \$4,000 under \$4,500.....	253,145	1,610,841	11,152	18,247	1,592,594	(1)	10,633	(1)	11,536	22,740	195,238	1,605,458	231,426	1,565,177	10,752	17,326	35
36 \$4,500 under \$5,000.....	122,991	842,281	8,614	12,661	829,620	(1)	6,102	2,559	3,017	10,010	99,483	755,557	118,014	824,719	7,097	11,144	36
37 \$5,000 under \$5,000.....	80,831	612,490	3,951	6,084	608,539	(1)	5,095	(1)	2,500	4,071	18,208	54,364	79,914	104,456	2,534	5,607	37
38 \$5,000 under \$6,000.....	29,174	209,801	2,517	5,033	204,858	(1)	-5,517	(1)	2,517	(1)	16,145	153,327	27,118	189,460	4,517	6,033	38
39 \$6,000 under \$10,000.....	1,042	4,024	42	402	4,024	238	342	456	278	339	5,999	2,097	10,715	10,715	201	201	39
40 \$10,000 or more.....	2,467	11,498	342	402	11,096	238	342	456	278	339	5,999	2,097	10,715	10,715	201	201	40
Total nontaxable returns.....	14,113,948	43,888,419	2,310,493	3,085,457	40,799,462	4,633,656	3,001,143	1,808,029	1,708,326	1,322,342	14,640,654	11,296,469	8,000,010	33,913,133	1,361,346	2,121,255	41
42 Grand total.....	8,747,008	155,497,929	4,678,707	5,984,555	149,509,874	17,330,945	14,392,026	9,279,892	8,225,668	4,466,884	30,772,995	20,423,959	34,567,482	123,675,873	4,822,011	7,104,395	42
43 Returns under \$5,000.....	42,151,721	109,990,287	3,920,342	4,993,953	100,996,334	16,386,003	10,087,500	6,112,947	4,954,708	2,459,988	14,981,718	12,981,576	27,344,576	76,344,898	4,204,441	6,313,464	43
44 Returns \$5,000 or more.....	14,595,287	40,507,642	768,365	990,502	48,513,540	944,942	4,304,526	3,166,945	3,269,960	1,789,896	14,121,480	7,442,383	7,282,906	47,326,985	591,953	790,931	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 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 blindness		Returns with exemptions for age or blindness		Number of returns by number of exemptions other than age or blindness		Four or more		Number of returns	Aggregate number of exemptions	Number of returns	Number of exemptions for age and blindness	
		Number of exemptions for age and blindness	Number of exemptions for age and blindness	One	Two	Three	Number of returns	Number of exemptions other than age or blindness						
Taxable returns:	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)		
1 \$0.00 under \$1,000.....	13,516	-	13,516	13,516	12,006	-	-	-	(1)	(1)	(1)	-		
2 \$1,000 under \$1,500.....	49,158	(1)	58,064	36,036	25,006	-	-	-	2,500	2,500	(1)	-		
3 \$1,500 under \$2,000.....	50,008	2,438	52,446	25,134	25,096	-	-	-	5,000	5,000	(1)	(1)		
4 \$2,000 under \$2,500.....	70,387	2,438	72,825	31,424	30,539	-	-	-	5,000	5,000	(1)	(1)		
5 \$2,500 under \$3,000.....	46,108	3,000	49,108	19,529	25,531	1,429	17,946	25,000	7,500	7,500	(1)	(1)		
6 \$3,000 under \$3,500.....	11,618	3,000	14,618	27,680	25,297	2,383	27,944	17,946	17,946	17,946	(1)	(1)		
7 \$3,500 under \$4,000.....	120,224	(1)	120,224	259,936	74,772	19,561	5,000	23,000	(1)	(1)	(1)	(1)		
8 \$4,000 under \$4,500.....	100,439	1,317	101,756	327,644	19,872	6,017	2,016	(1)	(1)	(1)	(1)	(1)		
9 \$4,500 under \$5,000.....	101,335	4,194	105,529	203,702	58,174	3,506	3,500	15,500	3,500	3,500	(1)	(1)		
10 \$5,000 under \$5,500.....	95,724	3,000	98,724	13,889	52,705	19,139	6,517	12,568	6,517	6,517	(1)	(1)		
11 \$5,500 under \$6,000.....	38,430	3,000	41,430	80,131	26,145	4,133	(1)	(1)	2,500	2,500	(1)	(1)		
12 \$6,000 under \$6,500.....	25,166	1,500	26,666	53,325	13,113	2,013	(1)	(1)	(1)	(1)	(1)	(1)		
13 \$6,500 under \$7,000.....	7,614	(1)	7,614	15,426	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
14 \$7,000 under \$7,500.....	3,135	(1)	3,135	15,733	7,560	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
15 \$7,500 under \$8,000.....	16,571	3,500	20,071	35,034	12,736	1,174	1,174	1,174	1,174	1,174	(1)	(1)		
16 \$8,000 under \$8,500.....	24,094	1,116	25,210	12,633	1,545	3,1	3,1	3,1	3,1	3,1	(1)	(1)		
17 \$8,500 under \$9,000.....	5,971	1,500	7,471	12,173	1,333	1,490	393	1,490	393	393	(1)	(1)		
18 \$9,000 under \$9,500.....	2,971	1,500	4,471	12,173	1,333	1,490	393	1,490	393	393	(1)	(1)		
19 \$9,500 under \$10,000.....	1,150	1,500	2,650	2,597	889	38	12	12	12	12	(1)	(1)		
20 \$10,000 under \$10,500.....	203	1,500	1,703	1,111	81	19	25	100	25	25	(1)	(1)		
21 \$10,500 under \$11,000.....	64	1,500	1,564	1,111	24	21	29	100	29	29	(1)	(1)		
22 \$11,000 under \$11,500.....	73	1,500	1,573	1,111	23	35	20	100	20	20	(1)	(1)		
23 \$11,500 under \$12,000.....	15	1,500	1,515	1,111	3	3	3	12	3	3	(1)	(1)		
24 \$12,000 or more.....	5	1	6	2	1	1	1	1	1	1	(1)	(1)		
Total taxable returns.....	929,060	39,736	968,796	1,424,150	483,476	168,773	36,058	134,472	39,304	39,304	7,773	2,335		
Non-taxable returns:														
26 No adjusted gross income.....	2,583	-	2,583	-	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
27 Under \$600.....	11,093	2,534	13,627	5,132	7,539	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
28 \$600 under \$1,000.....	23,259	4,534	27,793	39,132	11,006	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
29 \$1,000 under \$1,500.....	36,621	7,082	43,703	78,123	19,962	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
30 \$1,500 under \$2,000.....	36,242	9,517	45,759	88,537	4,716	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
31 \$2,000 under \$2,500.....	4,516	(1)	4,516	28,513	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
32 \$2,500 under \$3,000.....	10,825	38,038	48,863	38,138	2,531	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
33 \$3,000 under \$3,500.....	3,000	15,998	18,998	15,998	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
34 \$3,500 under \$4,000.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
35 \$4,000 under \$4,500.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
36 \$4,500 under \$5,000.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
37 \$5,000 under \$5,500.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
38 \$5,500 under \$6,000.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
39 \$6,000 under \$6,500.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
40 \$10,000 or more.....	7	18	25	18	7	2	1	1	2	2	(1)	(1)		
Total non-taxable returns.....	160,373	391,207	551,580	373,122	57,737	30,575	27,970	133,851	24,415	24,415	1,434	1,434		
Grand total.....	1,089,433	2,253,798	3,220,376	2,797,272	541,213	179,348	64,028	268,323	63,719	63,719	9,207	3,769		
Returns under \$5,000.....	881,106	1,768,677	2,649,783	1,759,533	483,922	164,311	50,465	228,902	53,189	53,189	12,087	3,769		
Returns \$5,000 or more.....	208,326	485,121	555,593	1,037,739	127,291	45,037	11,004	51,211	10,731	10,731	4,790	1,570		

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 exemptions other than age or blindness	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 exemptions other than age or blindness	Number of returns by number of exemptions other than age or blindness		Number of exemptions other than age or blindness	Four or more							
		One	Two				Three	Number of returns			Two	Three	Number of returns				
1 Taxable returns:	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)	
1 \$0 under \$1,000.....	(1)	(1)	-	-	-	-	1,195,857	1,194,857	1,195,857	-	1,195,857	1,195,857	-	-	-	-	
2 \$1,000 under \$1,500.....	2,500	2,500	-	-	-	-	2,079,175	2,208,006	2,079,175	45,673	2,162,333	1,996,017	83,158	-	-	-	
3 \$1,500 under \$2,000.....	(1)	(1)	-	-	-	-	1,764,620	2,139,559	1,356,39	135,639	1,525,920	239,900	239,900	-	-	-	
4 \$2,000 under \$2,500.....	3,499	(1)	3,499	-	-	-	1,840,439	2,468,040	1,18,370	118,370	2,329,670	1,407,790	256,967	116,182	-	-	
5 \$2,500 under \$3,000.....	14,344	(1)	-	(1)	(1)	(1)	1,637,438	2,214,841	100,108	101,108	2,111,733	1,343,608	223,937	85,510	27,186	108,744	
6 \$3,000 under \$3,500.....	13,084	(1)	3,033	(1)	(1)	(1)	1,676,848	2,077,377	94,275	95,271	1,981,106	1,129,568	20,036	34,196	34,196	140,310	
7 \$3,500 under \$4,000.....	(1)	(1)	-	-	-	-	1,103,178	1,557,984	63,770	64,770	1,462,814	855,757	146,471	70,680	30,147	131,649	
8 \$4,000 under \$4,500.....	(1)	(1)	-	-	-	-	761,299	1,075,557	50,858	51,375	1,024,182	601,257	90,787	46,699	22,556	101,254	
9 \$4,500 under \$5,000.....	11,366	(1)	2,501	(1)	(1)	(1)	36,207	697,879	38,228	39,345	658,534	389,133	45,903	28,139	19,042	85,188	
10 \$5,000 under \$6,000.....	6,051	(1)	(1)	(1)	(1)	(1)	467,845	647,653	41,877	42,378	605,275	371,604	61,117	18,591	11,533	55,664	
11 \$6,000 under \$7,000.....	5,602	(1)	(1)	(1)	(1)	(1)	200,851	281,120	26,129	26,129	254,991	164,744	19,074	7,533	5,500	25,500	
12 \$7,000 under \$8,000.....	(1)	(1)	(1)	(1)	(1)	(1)	102,156	137,880	16,075	16,075	121,805	90,519	7,619	3,017	1,001	6,497	
13 \$8,000 under \$9,000.....	-	-	-	-	-	-	56,131	81,811	12,096	13,096	68,715	49,081	2,516	3,534	1,000	4,000	
14 \$9,000 under \$10,000.....	-	-	-	-	-	-	29,940	48,175	6,083	6,083	42,092	22,486	5,056	1,048	1,000	6,000	
15 \$10,000 under \$15,000.....	4,724	118	1,282	402	191	836	78,259	119,905	28,746	29,010	90,895	70,728	7,729	1,960	1,152	4,829	
16 \$15,000 under \$20,000.....	1,768	(1)	214	184	167	739	27,096	42,781	11,271	11,390	25,691	2,289	524	26	26	1,215	
17 \$20,000 under \$30,000.....	1,642	93	107	117	206	910	24,117	39,007	11,028	11,028	27,885	21,422	2,015	433	277	1,134	
18 \$30,000 under \$50,000.....	622	(1)	46	(1)	(1)	(1)	15,992	20,640	5,930	5,977	11,135	1,070	210	177	177	758	
19 \$50,000 under \$100,000.....	279	46	47	25	14	64	6,202	10,874	3,627	3,627	7,178	5,570	420	136	76	340	
20 \$100,000 under \$150,000.....	37	(1)	15	3	5	20	1,217	2,146	774	776	1,368	1,117	75	11	14	68	
21 \$150,000 under \$200,000.....	35	2	2	3	5	20	392	684	232	234	450	357	22	8	5	25	
22 \$200,000 under \$300,000.....	34	7	3	1	3	18	424	766	282	286	480	20	20	7	7	33	
23 \$300,000 under \$1,000,000.....	14	14	-	-	-	-	65	116	44	44	72	60	2	2	2	23	
24 \$1,000,000 or more.....	10	7	-	1	-	-	44	75	25	25	50	41	2	-	1	5	
25 Total taxable returns.....	79,990	13,472	15,409	6,261	4,162	16,917	13,345,692	17,047,851	811,240	817,872	16,229,979	11,298,911	1,417,223	774,463	155,095	673,423	25
Montable returns:	(1)	(1)	-	-	-	-	121,678	176,453	27,550	27,550	148,903	103,465	11,679	5,035	(1)	(1)	26
26 No adjusted gross income.....	(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
27 Under \$600.....	12,984	4,506	(1)	(1)	(1)	(1)	943,557	1,517,634	256,537	258,526	1,259,108	714,625	146,448	44,897	17,587	76,896	28
28 \$600 under \$1,000.....	9,528	7,518	(1)	(1)	(1)	(1)	649,474	1,418,608	262,551	264,540	1,154,068	288,708	240,134	95,006	26,626	120,074	29
29 \$1,000 under \$2,000.....	7,550	(1)	(1)	(1)	(1)	(1)	337,000	941,597	102,851	105,340	836,257	101,482	36,822	153,640	57,751	204,606	30
30 \$2,000 under \$3,000.....	(1)	(1)	(1)	(1)	(1)	(1)	131,652	429,698	45,730	45,730	381,968	44,227	10,006	17,569	9,999	264,498	31
31 \$3,000 under \$4,000.....	3,946	(1)	(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
32 \$4,000 under \$5,000.....	(1)	(1)	(1)	(1)	(1)	(1)	31,259	137,902	9,632	10,132	127,770	7,584	3,048	(1)	20,504	107,691	33
33 \$5,000 under \$6,000.....	(1)	(1)	(1)	(1)	(1)	(1)	14,027	65,642	4,006	4,506	61,136	3,506	(1)	(1)	9,522	55,614	34
34 \$6,000 under \$7,000.....	(1)	(1)	(1)	(1)	(1)	(1)	4,499	24,496	(1)	(1)	23,996	(1)	(1)	(1)	3,500	22,497	35
35 \$7,000 under \$8,000.....	-	-	-	-	-	-	4,040	15,005	(1)	(1)	13,965	(1)	(1)	(1)	(1)	(1)	(1)
36 \$8,000 under \$9,000.....	-	-	-	-	-	-	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
37 \$9,000 under \$10,000.....	-	-	-	-	-	-	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
38 \$10,000 or more.....	50	-	25	-	-	-	307	642	136	136	506	231	52	24	24	171	40
40 Total montable returns.....	46,193	14,041	3,552	4,534	2,489	11,446	5,380,493	8,356,365	890,251	901,759	7,475,606	4,269,970	523,396	351,713	235,404	1,082,705	41
41 Grand total.....	126,181	27,513	18,961	10,793	6,651	28,363	18,726,185	25,404,216	1,701,491	1,719,631	23,684,585	15,568,881	1,940,619	826,176	390,509	1,755,938	42
42 Returns under \$5,000.....	101,310	25,102	14,548	8,534	5,005	21,510	17,721,203	23,963,943	1,536,619	1,552,157	22,421,786	14,729,975	1,836,040	789,159	368,026	1,646,254	43
43 Returns \$5,000 or more.....	24,873	2,411	4,413	2,257	1,646	6,853	1,004,982	1,440,273	164,872	167,474	1,262,799	838,906	107,579	37,017	22,483	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									
	Net loss from sales of capital assets after limitation					Short-term (after carryover)					Long-term					Total				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)				
<b>Taxable returns:</b>																				
1 \$600 under \$1,000.....	19,028	3,006	948	2,405	-	50	-	2,355	-	16,022	637	-	6,069	37	-	1				
2 \$1,000 under \$1,500.....	44,633	11,624	7,456	14,951	-	7,334	-	7,617	6,838	33,009	1,823	383	17,555	-	-	2				
3 \$1,500 under \$2,000.....	61,317	13,233	8,191	15,507	103	4,874	-	10,736	6,974	50,084	940	-	38,453	-	-	3				
4 \$2,000 under \$2,500.....	91,877	18,679	10,725	22,136	37	16,863	828	6,329	13,852	73,198	2,728	5,948	68,521	-	-	4				
5 \$2,500 under \$3,000.....	102,777	26,390	13,379	28,488	230	8,618	74	20,174	7,669	42,370	3,782	1,973	79,149	-	3,394	5				
6 \$3,000 under \$3,500.....	108,988	12,829	12,829	43,989	1	33,657	245	10,577	26,905	90,715	1,974	1,972	85,308	139	641	6				
7 \$3,500 under \$4,000.....	140,098	25,239	13,697	32,374	1,088	10,054	75	23,408	8,983	114,859	6,728	8,882	116,476	423	-	7				
8 \$4,000 under \$4,500.....	146,706	34,839	18,637	40,747	429	15,162	1,058	27,092	9,677	70,594	7,608	136	126,954	-	-	8				
9 \$4,500 under \$5,000.....	123,191	29,796	15,058	40,277	95	27,243	3,910	17,039	16,837	59,262	5,104	2,940	111,257	-	699	9				
10 \$5,000 under \$6,000.....	262,215	55,207	27,670	82,425	127	47,329	1,691	37,065	27,970	152,244	9,244	1,640	287,813	86	-	10				
11 \$6,000 under \$7,000.....	205,150	45,638	26,313	91,175	430	55,748	4,588	40,076	51,784	113,075	16,861	3,997	198,044	187	3,287	11				
12 \$7,000 under \$8,000.....	169,430	33,012	15,020	41,029	627	22,726	3,164	27,092	17,299	113,650	13,256	1,472	202,633	187	1,713	12				
13 \$8,000 under \$9,000.....	121,247	30,663	14,634	30,083	1,274	8,968	763	23,151	4,895	86,855	15,586	895	143,578	71	659	13				
14 \$9,000 under \$10,000.....	110,543	23,292	14,447	27,435	28	7,123	15,987	12,212	51,551	75,058	11,347	160	130,391	1,404	180	14				
15 \$10,000 under \$15,000.....	394,113	61,848	36,192	129,079	917	78,972	7,072	58,096	65,268	370,790	48,215	11,016	660,441	2,142	8,684	15				
16 \$15,000 under \$20,000.....	304,229	18,775	18,775	68,844	307	49,334	4,947	25,265	43,231	111,526	25,366	7,689	417,013	1,105	6,548	16				
17 \$20,000 under \$30,000.....	169,421	31,580	21,011	89,402	1,675	35,241	9,085	35,241	56,070	314,511	32,004	13,909	582,159	1,619	14,569	17				
18 \$30,000 under \$40,000.....	98,944	15,111	11,390	27,945	1,390	70,745	17,296	28,094	63,210	77,293	35,099	12,166	137,871	995	15,499	18				
19 \$50,000 under \$100,000.....	52,252	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	16,314	19				
20 \$100,000 under \$150,000.....	9,678	1,488	1,102	7,725	127	5,720	1,299	3,420	3,987	190,331	8,052	7,468	372,362	168	5,422	20				
21 \$150,000 under \$200,000.....	2,807	394	327	8,591	13	7,525	1,089	2,169	7,404	103,003	3,602	3,308	202,590	53	2,308	21				
22 \$200,000 under \$500,000.....	2,967	375	303	4,293	34	3,295	804	1,836	2,775	263,357	6,152	5,062	479,473	2	1,898	22				
23 \$500,000 under \$1,000,000.....	418	46	30	2,466	4	1,860	436	1,042	1,660	107,800	3,253	2,189	210,287	2	776	23				
24 \$1,000,000 or more.....	186	32	30	3,475	-	3,421	874	-	3,352	166,967	700	1,419	334,014	-	-	24				
Total taxable returns.....	2,469,874	526,571	299,537	1,002,276	10,753	659,354	85,462	439,140	535,199	1,943,303	3,359,499	293,584	105,454	6,257,862	10,281	85,871	25			
<b>Non-taxable returns:</b>																				
26 No adjusted gross income.....	85,469	24,598	16,821	56,874	2	30,404	1,131	27,604	28,137	117,850	3,949	7,423	235,229	-	-	37				
27 Under \$600.....	61,851	21,435	11,749	25,655	875	11,206	2	15,325	7,844	40,216	1,981	29	37,034	-	-	27				
28 \$600 under \$1,000.....	78,322	17,452	9,238	21,856	16	13,889	16	7,984	9,688	60,870	2,030	670	50,472	157	709	28				
29 \$1,000 under \$1,500.....	103,375	17,439	11,679	27,024	1,548	18,397	2,530	12,704	14,633	85,736	2,479	486	89,238	95	-	29				
30 \$1,500 under \$2,000.....	87,424	19,083	10,197	13,855	-	6,246	254	7,863	6,309	38,157	794	158	74,884	-	91	30				
31 \$2,000 under \$2,500.....	61,123	10,524	4,729	7,652	-	419	-	7,234	6,199	32,059	1,503	-	61,109	-	-	31				
32 \$2,500 under \$3,000.....	52,568	10,614	6,160	12,095	1,529	7,128	347	6,843	8,024	43,954	1,493	425	45,880	143	791	32				
33 \$3,000 under \$3,500.....	28,860	5,090	3,988	14,833	9	11,103	337	4,075	2,598	25,765	6,041	436	39,884	-	281	33				
34 \$3,500 under \$4,000.....	14,088	4,194	2,974	18,326	9	7,423	337	10,903	3,973	14,021	1,768	-	24,557	26	-	34				
35 \$4,000 under \$4,500.....	8,083	1,111	411	1,111	-	-	-	-	-	3,088	-	-	6,176	-	-	35				
36 \$4,500 under \$5,000.....	3,068	111	111	111	-	-	-	-	-	111	-	-	111	-	-	36				
37 \$5,000 under \$6,000.....	10,042	1,111	111	1,111	-	-	-	-	-	6,759	438	-	12,441	-	-	37				
38 \$6,000 under \$8,000.....	3,524	111	111	111	-	-	-	-	-	5,438	111	-	10,877	-	-	38				
39 \$8,000 under \$10,000.....	1,331	920	773	9,303	58	1,176	517	4,702	7,493	9,573	1,033	149	17,230	-	312	40				
\$10,000 or more.....	605,357	137,513	79,909	211,445	4,037	115,415	5,297	105,564	90,468	372,363	25,176	9,776	705,872	863	2,221	41				
Total non-taxable returns.....	3,075,231	664,084	379,446	1,213,921	34,790	774,769	90,759	544,704	625,167	2,411,347	318,760	115,230	6,963,714	11,144	88,092	42				
Grand total.....	1,429,906	316,766	179,536	423,334	5,961	234,074	10,865	226,117	180,710	1,113,140	955,515	22,859	1,314,999	1,020	6,643	43				
43 Returns \$5,000 or more.....	1,645,325	347,318	199,530	770,587	8,829	540,695	79,864	218,587	442,957	2,998,007	263,255	92,401	5,668,715	10,124	81,468	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 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 assets in adjusted gross income (Thousand dollars)		Short-term (after carryover)		Long-term		Capital loss carryover 1949-53 (Thousand dollars)	Number of returns	Net gain from sales of assets in adjusted gross income (Thousand dollars)	Short-term (after carryover)		Net long-term capital gain (100%) (Thousand dollars)	Capital loss carryover from 1949-53 (Thousand dollars)	Net long-term capital gain in excess of net short-term capital loss (Thousand dollars)	
		short-term capital gain (Thousand dollars)	Net short-term capital loss (Thousand dollars)	Net long-term capital gain (100%) (Thousand dollars)	Net long-term capital loss (100%) (Thousand dollars)	Net short-term capital gain (Thousand dollars)	Net short-term capital loss (Thousand dollars)									
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)			
Taxable returns:																
1 \$0 under \$1,000.....	14,022	3,036	637	-	6,069	37	-	-	-	-	-	-	-	-		
2 \$1,000 under \$1,500.....	33,009	10,410	1,823	383	17,555	137	-	-	-	-	-	-	-	-		
3 \$1,500 under \$2,000.....	50,084	20,154	4,000	940	38,433	-	-	-	-	-	-	-	-	-		
4 \$2,000 under \$2,500.....	73,198	34,017	5,728	5,448	48,521	-	-	-	-	-	-	-	-	-		
5 \$2,500 under \$3,000.....	75,687	42,370	3,781	1,373	74,149	-	3,394	-	-	-	-	-	-	-		
6 \$3,000 under \$3,500.....	90,715	43,940	1,974	1,801	85,308	139	6-1	-	-	-	-	-	-	-		
7 \$3,500 under \$4,000.....	114,659	67,608	5,332	20	114,706	423	-	-	-	-	-	-	-	-		
8 \$4,000 under \$4,500.....	111,927	70,694	7,603	136	126,954	-	639	-	-	-	-	-	-	-		
9 \$4,500 under \$5,000.....	93,395	59,262	5,104	2,460	111,457	-	639	-	-	-	-	-	-	-		
10 \$5,000 under \$6,000.....	207,008	154,444	9,244	1,440	287,213	86	3,787	-	-	-	-	-	-	-		
11 \$6,000 under \$7,000.....	179,512	113,075	14,861	3,297	198,504	810	1,713	-	-	-	-	-	-	-		
12 \$7,000 under \$8,000.....	136,413	113,650	13,256	1,472	202,433	187	639	-	-	-	-	-	-	-		
13 \$8,000 under \$9,000.....	90,454	86,855	15,584	995	143,578	71	180	-	-	-	-	-	-	-		
14 \$9,000 under \$10,000.....	87,421	72,058	11,327	160	130,391	1,404	180	-	-	-	-	-	-	-		
15 \$10,000 under \$15,000.....	247,265	370,790	48,215	11,016	600,443	2,142	8,684	-	-	-	-	-	-	-		
16 \$15,000 under \$20,000.....	111,498	314,357	31,808	7,688	411,994	1,195	6,548	-	-	-	-	-	-	-		
17 \$20,000 under \$30,000.....	105,509	298,237	29,789	13,436	594,168	1,619	14,143	-	-	-	-	-	-	-		
18 \$30,000 under \$50,000.....	58,446	264,027	27,228	9,417	484,805	995	111,388	-	-	-	-	-	-	-		
19 \$50,000 under \$100,000.....	6,436	59,219	8,327	4,469	189,669	1,039	31,178	-	-	-	-	-	-	-		
20 \$100,000 under \$150,000.....	473	15,441	1,098	1,202	30,445	148	1,024	-	-	-	-	-	-	-		
21 \$150,000 under \$200,000.....	95	6,137	532	331	11,648	53	96	-	-	-	-	-	-	-		
22 \$200,000 under \$500,000.....	74	6,896	334	73	11,400	1	35	-	-	-	-	-	-	-		
23 \$500,000 under \$1,000,000.....	9	3,041	167	4	5,860	2	-	-	-	-	-	-	-	-		
24 \$1,000,000 or more.....	6	-	-	-	15	-	-	-	-	-	-	-	-	-		
25 Total taxable returns.....	1,859,685	2,134,744	247,369	68,946	3,979,448	10,281	54,169	-	-	-	-	-	-	-		
26 Returns under \$5,000.....	659,046	351,242	33,477	19,202	649,422	599	4,734	-	-	-	-	-	-	-		
27 Returns \$5,000 or more.....	1,210,589	1,841,104	213,892	55,744	3,329,326	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)

	Number of taxable returns	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 net gain and loss from partnership		Combined rents and royalties net income and loss		Adjusted gross income	Income tax liability after credit
		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)		
1 Alabama.....	713,889	63,502	2,072,119	5,906	41,907	36,796	16,077	79,158	155,420	18,821	31,117	19,229	44,610	2,444	2,447,188	223,476	1
2 Arizona.....	279,070	24,004	860,189	1,082	7,907	38,646	14,773	3,754	126,110	7,883	13,190	20,665	23,328	17,407	1,133,078	126,174	2
3 Arkansas.....	390,897	3,812	936,117	13,406	20,342	10,173	10,173	123,430	17,270	7,908	11,611	21,037	34,989	2,079	1,621,340	116,451	3
4 Calif. incl. ....	5,733,811	4,162,918	17,210,871	378,754	723,914	710,387	327,854	538,982	3,333,115	177,693	330,998	3,333,115	52,127	4,313,319	2,023,493	2,712,364	4
5 Colorado.....	522,881	42,231	1,617,438	3,620	57,280	75,920	36,772	83,274	210,816	24,371	10,044	45,124	60,631	4,933	2,137,817	244,683	5
6 Connecticut....	914,793	136,328	3,428,979	96,774	437,900	170,434	46,116	771,304	295,194	20,684	52,324	55,062	87,471	29,283	4,330,313	179,227	6
7 Delaware.....	160,000	130,332	482,991	13,879	41,626	19,376	7,003	19,376	13,754	1,289	8,010	8,010	8,010	8,010	659,777	124,882	7
8 District of Columbia.....	369,399	314,209	1,181,911	29,693	69,107	23,864	23,864	1,089	67,900	40,176	21,640	25,840	23,103	27,844	1,476,718	198,935	8
9 Florida.....	1,093,433	462,248	1,710,871	34,323	188,208	117,871	68,023	182,983	32,450	180,240	69,467	156,785	75,643	75,643	2,067,109	341,661	9
10 Georgia.....	889,460	807,796	4,762,963	38,218	77,823	77,344	23,402	110,786	189,389	23,006	128,673	36,061	62,764	44,786	3,149,890	310,937	10
11 Hawaii.....	187,621	97,985	3,728,621	13,772	21,864	20,733	4,829	18,731	47,902	16,176	32,839	18,857	17,347	1,157	719,367	36,684	11
12 Idaho.....	194,076	184,766	779,325	9,372	8,227	20,733	15,016	16,731	176,807	13,831	48,106	24,379	14,373	1,337	790,691	68,057	12
13 Illinois.....	3,684,401	3,284,036	13,446,222	54,673	371,168	371,168	138,887	39,992	1,281,624	146,542	372,324	217,112	372,324	221,191	16,997,198	2,131,725	13
14 Indiana.....	1,369,811	1,194,707	5,463,000	76,432	86,482	148,201	46,339	286,290	642,634	47,076	176,777	49,776	120,685	68,468	6,103,111	684,319	14
15 Iowa.....	424,112	670,411	2,090,382	5,811	54,079	11,026	50,429	308,334	74,918	51,934	210,487	6,183	87,061	57,040	3,376,360	344,794	15
16 Kansas.....	733,346	58,479	2,013,230	39,384	41,077	76,927	25,111	191,700	41,117	13,133	121,354	33,800	87,002	18,000	2,742,186	281,353	16
17 Kentucky.....	797,181	688,814	3,100,111	17,486	31,701	62,187	17,731	146,293	139,142	38,404	78,734	29,976	178,310	42,411	2,772,382	279,360	17
18 Louisiana.....	726,310	933,342	4,826,612	32,316	51,779	59,526	17,007	273,794	273,794	21,373	27,301	24,373	21,373	1,636	3,011,572	301,572	18
19 Maine.....	393,301	301,393	833,789	7,598	46,068	46,068	14,076	87,787	209,943	12,461	24,384	36,641	74,640	77,390	2,800,016	76,769	19
20 Maryland.....	1,084,152	292,461	3,482,166	27,221	133,742	133,632	43,652	488,443	45,274	23,554	122,774	73,950	131,284	85,468	4,231,032	111,408	20
21 Massachusetts..	1,946,708	1,801,371	6,312,276	167,918	39,421	138,042	83,354	146,293	437,440	33,428	78,734	78,734	18,000	15,000	7,134,938	864,662	21
22 Michigan.....	2,631,022	2,408,002	10,411,090	127,328	28,876	28,876	98,101	709,276	709,276	68,182	118,862	150,516	219,179	1,636	11,946,326	1,523,997	22
23 Minnesota.....	1,109,206	903,921	3,121,745	67,340	100,366	162,717	43,341	236,726	50,189	16,887	76,151	46,464	26,494	4,917	4,077,055	428,624	23
24 Mississippi.....	3,362,270	2,746,762	858,371	11,336	18,730	22,424	53,442	99,340	10,752	1,472	10,439	1,472	20,766	20,766	1,076,518	93,386	24
25 Missouri.....	1,443,093	1,211,409	4,731,158	103,736	179,445	137,471	137,471	286,443	488,443	45,274	232,004	73,950	131,284	85,468	5,764,885	636,777	25
26 Montana.....	418,442	180,801	598,337	15,807	8,826	13,827	9,240	48,601	139,142	12,703	7,219	7,219	21,002	13,422	840,262	89,707	26
27 Nebraska.....	497,166	374,774	1,311,773	34,671	34,671	62,187	17,331	48,601	139,142	24,000	26,541	26,541	42,411	42,411	1,666,111	176,026	27
28 Nevada.....	89,406	61,616	32,728	1,075	7,048	3,746	3,746	11,091	22,911	3,716	5,276	13,656	4,421	6,717	410,893	59,885	28
29 New Hampshire..	215,998	196,957	618,513	16,116	32,101	38,783	13,132	20,112	51,854	4,231	13,789	8,485	15,818	4,080	799,875	76,769	29
30 New Jersey.....	2,140,475	1,944,331	8,167,475	165,134	93,677	104,181	81,998	173,790	527,703	54,317	283,151	107,779	185,181	70,362	9,626,661	1,166,222	30
31 New Mexico.....	311,876	187,142	650,155	9,231	10,241	18,058	7,017	31,754	70,882	8,988	40,413	7,926	21,530	14,612	804,419	63,691	31
32 New York.....	6,347,814	5,787,067	23,428,446	490,261	1,461,748	771,900	344,972	1,676,085	196,836	32,009	515,018	515,018	450,208	15,875	29,407,626	3,643,312	32
33 North Carolina..	1,102,034	986,436	3,944,780	48,901	54,344	62,961	23,669	162,438	286,065	33,441	16,750	32,818	68,882	34,376	3,891,644	304,673	33
34 North Dakota... 35 Ohio.....	200,277 3,218,821	124,198 2,908,083	336,212 11,788,474	12,584 201,154	132 304,107	20,247 350,534	7,767 116,116	91,441 377,887	155,752 944,288	30,135 73,343	30,135 371,386	8,657 136,543	16,634 267,253	61,382 176,837	56,491 1,487,208	47,466 1,670,881	34 35
36 Oklahoma.....	663,978	557,291	1,857,788	34,731	52,281	32,310	27,842	141,821	27,284	6,017	115,088	115,088	81,018	61,084	2,441,407	297,364	36
37 Oregon.....	578,776	498,340	1,851,153	34,076	42,812	41,797	36,181	91,411	216,793	38,182	174,293	40,024	54,668	33,342	4,227,876	270,400	37
38 Pennsylvania....	4,111,703	3,766,431	13,556,403	269,164	799,507	336,013	115,096	399,169	643,398	97,148	494,645	1,83,351	285,736	143,903	16,167,247	1,874,750	38
39 Puerto Rico....	21,324	21,324	54,364			(1)	(1)								5,784	1,330,394	
40 Rhode Island... 41 South Carolina..	317,938 218,243	291,168 471,811	962,779 3,108,117	17,767 14,937	31,211 26,702	3,379 21,514	12,074 7,110	22,159 199,397	61,130 294,397	2,269 3,249	22,333 13,826	14,006 10,824	27,627 32,623	8,649 26,177	1,124,238 1,697,147	133,450 140,498	40 41
42 South Dakota... 43 Tennessee.....	284,982 908,671	249,866 2,223,784	397,094 7,963,361	9,910 126,362	8,738 311,827	54,067 191,717	34,067 87,874	87,240 43,069	132,530 740,004	13,542 12,224	44,122 41,733	10,824 11,833	16,019 21,846	16,019 14,861	651,376 10,247,638	59,392 1,008,674	42 43
44 Texas.....	2,362,362	2,233,784	7,963,361	126,362	311,827	191,717	87,874	43,069	740,004	9,814	41,733	11,833	21,846	8,837	10,247,638	1,008,674	44
45 Utah.....	247,331	219,420	740,004	12,224	14,287	28,046	6,564	33,808	87,308	9,814	41,733	11,833	21,846	8,837	916,911	83,489	45
46 Vermont.....	128,901	108,057	310,817	4,937	26,702	21,514	7,110	29,397	61,130	3,249	13,826	3,973	13,592	4,476	344,419	33,799	46
47 Virginia.....	1,101,911	1,008,399	3,108,117	61,466	117,691	84,741	76,068	110,602	199,713	31,163	134,276	44,601	76,068	44,601	4,440,240	417,993	47
48 Washington.....	98,470	871,600	3,193,205	57,034	71,627	163,411	63,256	39,428	161,880	39,428	191,808	70,407	90,320	68,408	7,009,623	600,377	48
49 West Virginia... 50 Wisconsin.....	68,242 1,324,829	523,142 1,108,267	1,743,326 4,004,932	28,006 110,885	36,740 118,778	28,006 184,767	8,429 57,067	16,154 54,769	116,154 347,662	17,163 6,207	16,154 21,730	17,163 6,207	17,163 6,207	17,163 6,207	1,909,683 4,008,341	184,974 531,898	49 50
51 Wyoming.....	108,924	82,376	314,983	4,999	7,714	11,328	3,328	12,018	34,162	6,207	21,730	6,207	17,737	14,606	409,817	49,893	51
52 Total.....	56,303,881	49,827,310	185,985,785	3,655,092	7,035,811	6,071,124	2,245,459	7,404,997	17,983,102	1,798,753	8,724,629	3,529,497	4,927,333	3,099,011	330,401,432	46,797,011	52

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.

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

<sup>3</sup>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	211,315	6,550	48,937	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	197,078	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.....	4,773	116,171	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	91,647	9,176	1,824	5,817	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	29,923	717,867	158,500				
\$30,000 under \$50,000.....	1,352	50,210	13,829	1,260	34,461	9,875	723	26,716	7,693	17,944	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	1,900	570	353	60,733	28,021				
\$200,000 under \$500,000.....	18	9,931	2,712	8	2,468	1,530	10	2,862	1,415	326	94,099	45,261				
\$500,000 under \$1,000,000.....	1	730	386	-	-	-	3	2,157	904	37	25,030	12,485				
\$1,000,000 or more.....	1	4,008	1,287	-	-	-	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>122,171</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	15,908	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	72,416	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	16,097	73,451	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	23,524	278,434	42,286	4,073	4,073	48,181	7,557	10,171	120,900	18,131				
\$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	6,941	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	4,724	4,563	326	38,850	17,333	120	14,386	6,931	99	11,698	4,882				
\$150,000 under \$200,000.....	19	3,450	1,709	93	15,965	8,020	30	5,155	2,855	20	3,419	1,629				
\$200,000 under \$500,000.....	16	4,223	1,974	105	31,063	15,696	53	15,579	9,298	41	11,178	5,319				
\$500,000 under \$1,000,000.....	3	2,050	1,073	8	5,474	3,024	25	16,393	10,195	5	3,509	1,701				
\$1,000,000 or more.....	4	8,278	4,244	6	11,825	6,106	13	31,996	21,700	1	1,603	953				
<b>Total.....</b>	<b>542,393</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.....	122,754	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	67,612	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	614,598	31,925	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.....	2,721	271,936	40,722	13,791	164,936	25,044	4,002	47,802	7,221	3,375	39,497	5,858				
\$15,000 under \$20,000.....	7,301	125,946	23,189	5,032	86,130	15,598	955	16,023	2,924	1,100	18,593	3,267				
\$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	351	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	733	327				
\$150,000 under \$200,000.....	4	10,753	4,922	25	4,287	2,111	1	100	138	-	-	-				
\$200,000 under \$500,000.....	73	20,348	10,211	18	4,268	2,088	4	3,905	408	-	-	-				
\$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>4,064,109</b>	<b>441,261</b>	<b>886,480</b>	<b>3,147,890</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	232,325	347,866	14,573	62,789	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	266,260	935,055	77,434	146,223	508,520	39,019	120,712	421,116	31,098				
\$4,000 under \$5,000.....	535,026	2,401,507	235,507	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	6,332,880	763,884	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	396,658	46,004	16,903	199,715	29,884	12,688	152,427	22,678				
\$15,000 under \$20,000.....	29,376	505,712	32,996	7,398	127,162	23,882	4,213									



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

Adjusted gross income classes	Number of returns	Adjusted gross income (Thousand dollars)	Income tax liability after credits (Thousand dollars)	Returns with adjusted gross income)							
				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)
				South Carolina		South Dakota		Tennessee		Texas	
Taxable and nontaxable returns:											
Under \$1,000.....	77,197	36,793	711	25,322	310	13,741	77,749	525	350,155	199,121	1,446
\$1,000 under \$2,000.....	100,663	150,040	4,943	43,833	72,491	2,769	132,384	274,478	7,512	414,116	612,908
\$2,000 under \$3,000.....	130,833	297,470	14,119	45,440	112,908	6,009	179,327	445,268	21,210	409,124	1,016,867
\$3,000 under \$4,000.....	70,507	275,163	19,569	36,702	116,080	8,065	142,765	497,546	30,464	401,023	1,398,025
\$4,000 under \$5,000.....	57,694	245,337	17,417	25,927	114,926	8,290	96,508	427,438	34,290	333,798	1,502,679
\$5,000 under \$10,000.....	10,397	490,132	47,211	13,438	133,290	15,676	148,891	963,232	104,100	528,035	3,433,974
\$10,000 under \$15,000.....	6,495	76,347	11,847	4,536	30,308	4,533	12,175	145,265	24,085	52,810	627,156
\$15,000 under \$20,000.....	4,177	37,277	6,774	647	11,430	3,134	4,054	69,361	19,300	329,274	98,121
\$20,000 under \$25,000.....	1,411	35,361	6,111	503	12,627	2,900	3,266	77,511	1,704	15,448	376,683
\$25,000 under \$30,000.....	14	27,214	4,944	254	9,126	2,528	1,716	42,345	18,793	7,723	293,166
\$30,000 under \$50,000.....	202	17,119	2,923	66	7,742	1,555	672	46,363	17,482	3,707	247,458
\$50,000 under \$100,000.....	29	3,543	1,771	6	3,099	339	128	14,943	6,707	602	71,950
\$100,000 under \$200,000.....	2	694	1,435	3	320	174	16	2,733	1,480	117	28,300
\$200,000 under \$500,000.....	1	2,340	1,123	1	204	114	22	6,222	3,389	119	48,931
\$500,000 under \$1,000,000.....	1	745	436	-	-	-	-	1,220	695	8	32,314
\$1,000,000 or more.....	-	-	-	-	-	-	-	-	-	16	30,532
Total.....	519,347	1,247,197	140,929	224,952	653,976	55,392	408,671	3,115,501	297,079	4,536,573	10,248,638
				Utah		Vermont		Virginia		Washington <sup>4</sup>	
Taxable and nontaxable returns:											
Under \$1,000.....	27,754	20,343	212	21,793	13,946	160	150,119	79,375	786	117,541	61,457
\$1,000 under \$2,000.....	26,121	51,210	2,377	27,945	40,695	1,559	206,305	304,371	11,269	121,814	181,858
\$2,000 under \$3,000.....	21,229	39,709	6,933	27,324	67,125	3,879	213,333	525,339	30,134	134,507	336,941
\$3,000 under \$4,000.....	27,263	138,268	1,354	24,217	77,419	5,613	189,345	627,694	44,399	147,187	517,176
\$4,000 under \$5,000.....	19,389	198,552	11,937	17,157	55,660	3,325	124,746	583,210	44,097	191,716	680,631
\$5,000 under \$10,000.....	4,214	296,384	29,444	14,544	89,504	8,384	198,339	1,312,169	149,058	267,176	1,762,740
\$10,000 under \$15,000.....	4,007	47,453	6,718	1,733	20,037	2,663	21,733	255,393	37,793	21,616	327,439
\$15,000 under \$20,000.....	1,035	17,828	3,041	439	7,659	1,399	6,056	103,795	18,437	6,884	118,145
\$20,000 under \$25,000.....	1,101	27,596	2,183	420	13,343	2,296	4,234	102,139	21,357	1,382	130,490
\$25,000 under \$30,000.....	471	17,253	4,711	161	6,176	1,707	2,266	84,965	22,854	1,858	70,521
\$30,000 under \$50,000.....	141	11,179	2,225	47	2,383	96	786	1,674	18,697	636	41,281
\$50,000 under \$100,000.....	2	37	267	11	1,281	423	99	11,659	5,342	96	11,578
\$100,000 under \$200,000.....	1	23	326	2	374	157	35	5,362	2,814	25	4,214
\$200,000 under \$500,000.....	1	47	14	1	1,141	690	23	5,587	2,854	27	7,394
\$500,000 under \$1,000,000.....	1	1	1	1	91	713	2	1,566	983	2	1,387
\$1,000,000 or more.....	1	1	1	1	1	1	1	10,647	4,617	3	10,074
Total.....	247,741	216,751	27,671	178,201	607,421	33,299	1,105,419	4,340,843	415,799	982,470	4,263,326
				West Virginia		Wisconsin		Wyoming			
Taxable and nontaxable returns:											
Under \$1,000.....	4,774	4,289	390	192,279	102,942	913	1,089	8,289	100		
\$1,000 under \$2,000.....	117,160	174,111	6,429	126,378	347,668	15,405	19,816	29,551	1,163		
\$2,000 under \$3,000.....	29,942	49,706	14,419	182,970	601,864	31,271	14,816	37,986	2,482		
\$3,000 under \$4,000.....	22,127	117,444	3,111	124,493	692,041	23,950	14,726	61,193	3,353		
\$4,000 under \$5,000.....	11,419	63,721	1,876	12,860	874,117	2,343	14,944	62,790	5,831		
\$5,000 under \$10,000.....	1,121	13,211	2,482	233,386	1,212,400	39,452	1,452	157,514	17,301		
\$10,000 under \$15,000.....	821	21,467	1,111	21,000	267,390	29,682	4,129	25,297	4,002		
\$15,000 under \$20,000.....	1,073	34,233	2,334	2,334	114,499	11,401	476	6,217	1,555		
\$20,000 under \$25,000.....	473	44,111	4,688	4,688	14,497	30,166	328	7,552	1,738		
\$25,000 under \$50,000.....	104	21,438	2,146	2,146	4,969	25,114	172	5,641	1,094		
\$50,000 under \$100,000.....	22	14,243	4,229	700	11,207	18,118	37	6,338	3,329		
\$100,000 under \$200,000.....	7	4,021	1,123	114	14,999	6,926	30	3,430	1,611		
\$200,000 under \$500,000.....	1	4,471	741	17	4,712	6,352	1	154	75		
\$500,000 under \$1,000,000.....	1	2,436	1,423	43	1,199	6,312	6	3,363	1,144		
\$1,000,000 or more.....	1	1	1	1	1	1,177	1	1	1		
Total.....	167,247	1,200,651	136,074	1,724,219	7,087,007	711,244	198,262	405,817	47,083		

See text for individual returns. "Explanation of Classification of Returns" and "Explanation 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	135,400	75c	13,305	135,400	75c
2 Under \$600.....	84,824	41,316	1,670	84,829	41,316	1,670
3 \$600 under \$1,000.....	224,318	176,842	5,394	181,461	142,443	4,339
4 \$1,000 under \$1,500.....	318,161	401,388	10,392	230,087	281,785	7,845
5 \$1,500 under \$2,000.....	354,399	432,036	15,494	210,398	309,954	4,178
6 \$2,000 under \$2,500.....	345,486	778,358	14,181	136,807	309,606	7,776
7 \$2,500 under \$3,000.....	366,493	1,004,362	24,733	124,343	337,242	8,394
8 \$3,000 under \$3,500.....	351,353	1,141,419	26,701	77,691	250,081	5,824
9 \$3,500 under \$4,000.....	305,975	1,145,524	25,052	42,354	158,695	3,837
10 \$4,000 under \$4,500.....	273,830	1,161,268	23,223	24,754	164,958	2,109
11 \$4,500 under \$5,000.....	213,794	1,013,465	18,288	7,262	34,140	691
12 \$5,000 under \$6,000.....	331,677	1,823,025	24,307	7,783	41,886	694
13 \$6,000 under \$7,000.....	226,416	1,466,335	20,635	(2)	(2)	(2)
14 \$7,000 under \$8,000.....	160,987	1,148,979	15,333	(2)	(2)	(2)
15 \$8,000 under \$9,000.....	118,222	1,000,424	11,188	-	-	-
16 \$9,000 under \$10,000.....	84,423	844,610	8,684	-	-	-
17 \$10,000 under \$15,000.....	217,070	2,614,057	26,446	110	1,247	10
18 \$15,000 under \$20,000.....	82,498	1,416,422	8,792	(2)	(2)	(2)
19 \$20,000 under \$30,000.....	66,044	1,622,503	7,242	(2)	(2)	(2)
20 \$30,000 under \$50,000.....	36,392	1,363,462	3,959	(2)	(2)	(2)
21 \$50,000 under \$100,000.....	15,169	995,053	1,644	(2)	(2)	(2)
22 \$100,000 under \$150,000.....	5,531	302,546	271	-	-	-
23 \$150,000 under \$200,000.....	651	111,445	71	-	-	-
24 \$200,000 under \$500,000.....	611	174,337	66	1	325	(3)
25 \$500,000 under \$1,000,000.....	81	53,531	3	-	-	-
26 \$1,000,000 or more.....	30	62,760	8	-	-	-
27 Total.....	4,211,656	22,510,439	301,448	1,148,895	2,063,570	53,404

See text for individual returns for "Explanation of Classifications and Terms" and for "Description of Sample and Limitations of Data."  
 1 Adjusted gross deficit.  
 2 Sample variability of this item is too large to warrant showing it separately. However, this value is included in each total.  
 3 Less than \$500.  
 4 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 returns with self-employ- ment tax	Adjusted gross income (Thousand dollars)	Self-employ- ment tax (Thousand 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	364,579	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	Puert. 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

### INDIVIDUAL RETURNS, 1945-1954

	Page
17. Number of returns by major characteristics, adjusted gross income and deficit, and tax.....	79
18. Returns with income tax—number, adjusted gross income, income tax, and average tax, by adjusted gross income classes.....	80
19. Sources of income by type.....	81
20. Selected sources of income by adjusted gross income classes.....	82
21. Itemized deductions by type.....	84
22. Returns with adjusted gross income—number, adjusted gross income, and income tax, by States and Territories.....	85



**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> .....	6,747,308	7,838,184	56,508,817	55,447,009	53,060,048	51,814,144	51,372,004	55,044,008	51,816,547	44,411,863
Returns with adjusted gross income, total.....	56,306,704	57,415,885	56,107,084	55,042,597	52,655,564	51,301,910	51,745,647	54,794,936	51,600,470	44,750,991
Taxable returns.....	54,619,755	55,206,149	43,866,833	42,636,797	38,186,683	35,628,395	36,311,348	41,578,544	37,415,696	41,210,302
Nontaxable returns.....	13,686,949	12,209,736	12,240,251	12,405,800	14,468,881	15,673,515	15,434,299	13,216,392	14,184,774	7,100,689
Returns with no adjusted gross income, total <sup>2</sup> .....	440,304	422,299	421,738	404,412	404,534	512,234	326,304	244,072	116,077	181,742
Returns with only self-employment tax.....	13,401	17,641	11,387	11,813	-	-	-	-	-	-
Nontaxable returns <sup>2</sup> .....	426,903	404,658	410,351	392,600	404,534	512,234	326,304	244,072	116,077	181,742
Number of—										
Taxable returns.....	42,633,060	42,223,151	43,876,273	42,648,610	38,186,683	35,628,395	36,411,348	41,578,544	37,415,696	42,670,502
Nontaxable returns <sup>2</sup> .....	14,113,948	14,615,033	12,654,564	12,758,199	14,873,416	16,185,814	15,660,798	13,100,484	14,400,851	7,282,381
Returns with itemized deductions <sup>2</sup> .....	15,701,545	14,426,417	15,835,776	11,581,646	10,320,298	9,691,340	8,828,427	10,401,107	8,753,174	8,478,500
Taxable.....	13,711,330	12,934,132	11,462,697	10,211,821	8,724,546	7,894,661	7,267,843	8,440,664	7,566,176	7,800,550
Nontaxable <sup>2</sup> .....	1,990,215	1,492,285	1,373,079	1,369,825	1,595,752	1,796,679	1,131,084	1,410,143	1,187,003	678,050
Returns with standard deduction.....	41,044,413	43,411,767	43,643,041	43,865,313	42,739,800	42,122,784	43,243,074	44,677,901	44,063,368	41,454,193
Taxable.....	38,411,230	38,291,014	38,414,668	38,435,788	34,483,136	27,729,134	24,113,405	32,627,560	30,349,520	34,849,952
Nontaxable.....	12,124,183	11,120,748	11,229,373	11,429,525	13,277,664	14,393,650	14,129,674	12,110,341	13,713,848	6,604,241
Number of returns by source of income:										
Positive income:										
Salaries and wages.....	49,425,305	50,873,912	49,342,862	48,538,649	46,147,311	44,167,331	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	3,668,443	3,656,982	4,321,922	3,448,646	3,306,431	4,452,101
Interest received <sup>3</sup> .....	6,124,385	7,579,720	5,146,434	4,324,056	4,410,271	4,714,567	3,463,527	3,385,116	3,636,477	4,754,423
Annuities and pensions.....	730,279	738,471	634,381	598,330	525,514	545,768	377,517	319,518	308,457	254,423
Income from estates and trusts.....	368,806	426,823	455,669	432,106	387,298	353,347	328,386	314,118	348,605	291,854
Business profit.....	6,330,812	6,121,674	5,771,797	6,127,629	5,876,423	5,817,827	6,387,370	6,466,638	6,301,650	5,276,269
Partnership profit.....	1,588,046	1,644,591	1,635,300	1,632,545	1,874,550	1,971,001	1,636,218	1,903,981	1,584,734	1,421,871
Net gain from sales of capital assets.....	3,411,147	1,987,723	2,034,196	3,133,367	1,845,963	1,439,221	1,694,230	1,866,853	2,244,498	1,671,140
Net gain from sales of other property.....	135,052	83,741	98,738	100,765	117,067	123,254	136,131	121,431	137,267	83,288
Rents and royalties net income.....	3,863,618	4,061,630	3,865,368	3,835,640	3,727,762	3,606,363	3,174,410	3,163,086	3,106,963	3,125,481
Other sources <sup>4</sup> .....	5,014,718	1,361,244	1,888,483	2,353,842	2,278,576	2,288,711	2,012,844	2,079,488	1,038,630	1,953,076
Losses:										
Business loss.....	1,464,726	1,281,349	1,080,870	1,047,713	988,465	896,247	820,474	774,444	641,151	570,572
Partnership loss.....	228,264	241,505	368,700	214,834	250,928	278,292	173,721	183,111	115,186	108,247
Net loss from sales of capital assets.....	666,084	784,370	697,727	582,413	668,338	697,010	526,143	410,349	502,457	314,561
Net loss from sales of other property.....	207,456	151,152	124,402	180,335	182,540	160,209	103,112	8,030	85,473	79,707
Rents and royalties net loss.....	1,143,837	1,192,880	1,054,992	977,480	894,337	873,636	811,073	852,354	770,224	642,692
Net operating loss deduction <sup>5</sup> .....	34,781	38,205	24,487	30,570	-	-	-	-	-	-
Loss from estates and trusts.....	1,298	-	-	-	-	-	-	-	-	-
	<i>(Thousand dollars)</i>									
Amount of adjusted gross income, total.....	230,235,855	229,263,409	216,087,444	203,097,033	179,874,478	161,373,205	164,173,861	150,246,275	134,330,006	120,301,131
Taxable returns.....	209,668,830	211,421,184	198,531,784	185,171,964	158,545,122	138,566,406	142,056,885	135,301,876	118,050,027	111,561,661
Nontaxable returns.....	20,567,025	17,842,225	17,555,660	17,925,069	21,329,356	22,806,799	22,116,976	14,944,399	16,279,979	1,739,470
Amount of adjusted gross deficit, total.....	1,014,480	1,155,153	765,541	760,548	726,202	749,280	657,847	599,193	347,206	242,472
Returns with only self-employment tax.....	35,900	46,003	23,425	23,412	-	-	-	-	-	-
Nontaxable returns.....	978,580	1,109,150	774,116	736,636	726,202	749,280	657,847	599,193	347,206	242,472
Amount of taxable income.....	114,331,301	-	-	-	-	-	-	-	-	-
Amount of tax liability, total.....	6,967,251	29,657,273	28,020,288	24,439,073	18,374,922	14,538,141	15,441,524	18,076,281	16,075,913	17,050,378
Income tax (after credits).....	6,665,753	24,430,659	27,802,831	24,227,780	18,374,922	14,538,141	15,441,524	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 18.—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.....	1,546,988	1,361,444	1,420,312	1,610,092	1,570,113	1,538,868	-	-	-	-
\$1,000 under \$1,500.....	3,546,670	4,634,034	2,760,133	4,754,588	2,663,366	3,742,856	2,619,795	4,178,487	4,744,514	7,041,008
\$1,500 under \$2,000.....	2,431,232	2,787,231	2,963,805	3,115,581	3,333,412	3,381,746	3,628,233	5,660,010	1,928,686	7,175,731
\$2,000 under \$2,500.....	3,075,559	3,335,410	3,565,839	3,814,784	4,132,168	4,418,528	4,583,599	6,439,111	6,071,182	6,348,181
\$2,500 under \$3,000.....	3,450,024	3,687,624	3,883,813	4,178,241	4,585,745	4,750,944	4,914,111	6,171,703	5,310,256	5,252,169
\$3,000 under \$4,000.....	7,424,537	8,202,537	8,552,203	8,848,530	8,668,606	8,076,430	8,280,683	8,645,846	6,877,207	6,737,442
\$4,000 under \$5,000.....	7,545,254	7,666,402	7,273,244	6,943,135	5,740,400	4,727,473	4,880,174	3,818,891	2,757,501	2,612,825
\$5,000 under \$10,000.....	1,311,239	12,490,578	10,609,222	8,649,138	6,114,699	4,837,794	4,666,206	2,837,585	2,331,853	1,885,471
\$10,000 under \$15,000.....	1,415,482	1,158,199	983,014	831,819	679,111	581,572	599,545	484,961	452,271	353,346
\$15,000 under \$20,000.....	3,142	26,000	32,000	295,914	256,019	220,420	236,438	201,700	192,540	155,308
\$20,000 under \$30,000.....	241,668	264,008	252,333	248,459	223,482	181,889	132,771	160,010	156,674	129,195
\$30,000 under \$40,000.....	161,997	150,931	152,900	149,837	136,462	105,718	114,526	84,158	88,918	74,254
\$40,000 under \$100,000.....	70,331	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	-	-	12,045	11,964	8,028	9,619	6,353	6,373	5,530
\$150,000 under \$200,000.....	3,142	12,461	14,114	4,008	3,948	2,723	3,122	2,057	1,994	1,726
\$200,000 under \$500,000.....	3,234	3,642	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	1,141,711	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.....	4,237,813	4,865,679	5,176,783	5,446,167	5,818,935	5,325,589	6,347,058	9,974,180	10,435,174	12,537,887
\$2,000 under \$2,500.....	6,426,746	7,434,336	8,030,291	8,578,144	9,290,893	9,926,073	10,528,583	14,507,256	13,659,829	14,236,038
\$2,500 under \$3,000.....	4,508,225	10,186,359	10,717,097	11,530,006	12,652,390	13,084,896	13,535,912	16,951,476	14,545,694	14,394,603
\$3,000 under \$4,000.....	27,812,489	28,746,397	29,930,504	30,946,234	30,154,986	28,027,897	28,714,750	29,914,610	22,924,649	23,142,517
\$4,000 under \$5,000.....	33,528,835	34,370,599	32,575,069	31,016,829	25,557,691	21,023,891	21,709,139	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.....	16,340,558	13,718,699	11,677,403	9,423,727	8,148,940	6,971,830	7,200,668	5,870,665	5,460,356	4,267,146
\$15,000 under \$20,000.....	6,316,300	5,983,194	5,561,110	5,078,155	4,346,990	3,783,153	4,354,251	3,455,452	3,306,371	2,668,955
\$20,000 under \$30,000.....	7,012,463	6,355,250	6,084,077	6,003,939	5,391,864	4,376,718	4,642,976	3,769,322	3,769,322	3,108,042
\$30,000 under \$50,000.....	6,067,727	5,682,111	5,579,127	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.....	4,651,744	3,394,325	4,500,235	4,500,312	4,192,517	3,074,224	3,516,082	2,593,410	2,593,410	2,232,799
\$100,000 under \$150,000.....	1,384,769	1,638,413	1,863,300	1,440,965	1,386,519	961,006	1,153,456	759,938	761,223	661,464
\$150,000 under \$200,000.....	545,251	-	-	687,244	676,791	536,140	534,345	352,644	340,333	295,289
\$200,000 under \$500,000.....	915,760	753,081	891,463	1,100,454	1,141,235	746,126	836,689	574,611	563,822	476,340
\$500,000 under \$1,000,000.....	293,111	252,374	278,810	349,644	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	435,407	255,504	258,072	214,946	184,145	123,384
Total.....	209,668,230	210,483,602	196,590,999	183,543,590	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.....	113,519	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	461,740	413,125	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	1,344,942
\$2,500 under \$3,000.....	817,847	988,259	1,022,504	948,321	890,984	875,700	914,648	1,510,628	1,227,377	1,424,862
\$3,000 under \$4,000.....	2,667,295	2,871,475	2,941,669	2,728,262	4,177,242	4,191,402	4,990,235	2,767,106	2,099,586	2,569,494
\$4,000 under \$5,000.....	3,049,831	3,545,531	3,323,244	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.....	6,210,378	10,443,227	8,449,348	6,607,556	3,883,698	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	1,025,399
\$15,000 under \$20,000.....	1,145,589	1,133,380	978,921	757,996	625,706	534,138	626,138	850,451	824,524	775,181
\$20,000 under \$30,000.....	1,511,883	1,466,556	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.....	1,683,881	1,786,009	1,830,556	1,677,416	1,382,058	1,022,535	1,266,288	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.....	114,555	812,499	934,889	687,725	613,196	407,379	523,298	410,090	410,973	387,962
\$150,000 under \$200,000.....	257,014	-	-	356,130	328,914	216,042	256,026	201,928	192,664	180,328
\$200,000 under \$500,000.....	455,363	414,246	495,864	611,801	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.....	22,373	169,446	180,196	213,653	260,550	146,459	151,715	131,263	110,117	75,900
Total.....	26,667,574	29,430,654	27,802,831	24,227,780	18,374,422	14,538,141	15,441,529	18,076,381	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.....	24	34	33	31	26	25	-	-	-	82
\$1,000 under \$1,500.....	88	97	98	74	70	72	72	93	91	82
\$1,500 under \$2,000.....	142	161	161	148	124	117	120	149	143	149
\$2,000 under \$2,500.....	187	208	210	189	157	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	390	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.....	1,748	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	3,937	3,575	3,308	2,961	2,839	2,894	4,225	4,282	4,991
\$20,000 under \$30,000.....	4,218	5,934	6,026	5,585	5,017	4,774	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	9,922	14,331	14,527	16,198
\$50,000 under \$100,000.....	24,245	27,300	27,697	26,364	24,199	23,030	23,684	31,182	34,522	34,522
\$100,000 under \$150,000.....	4,301	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	163,866	175,369
\$500,000 under \$1,000,000										

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> .....	2,343,915	2,021,869	1,822,337	1,684,015	1,582,898	1,511,555	1,279,044	1,114,358	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	18,039,409	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 <i>other</i> property.....	104,930	60,359	102,826	83,761	101,494	100,890	106,571	47,121	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	645,494	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	934,922	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	274,314	233,156	181,669
Net loss from sales of <i>other</i> 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>1,945,991</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	13,706	16,275	14,406	10,156	2,843	2,843
Annuities and pensions.....	6,777	(6)	1,139	503	2,048	1,439	1,315	502	825	(6)
Income from estates and trusts.....	(6)	4,722	11,096	22,361	10,318	8,066	7,287	3,399	1,529	(6)
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 <i>other</i> property.....	4,881	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	53,643	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>81,419</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	184,353	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	15,725	18,281	11,974	11,856
Net loss from sales of <i>other</i> property.....	70,035	70,354	50,624	78,267	53,140	72,716	66,844	56,080	25,131	57,169
Rents and royalties net loss.....	27,802	73,894	24,892	38,342	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.....	(6)	-	-	-	-	-	-	-	-	-
<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 1949-53 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, 1945-1944

Adjusted gross income classes	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954
(Thousand dollars)											
<b>SALARIES, WAGES, COMMISSIONS<sup>1</sup></b>											
Returns with adjusted gross incomes:											
Under \$500.....	-	-	-	-	-	-	-	-	-	-	-
\$500 under \$1,000.....	-	-	-	-	2,151	1,377	1,164,941	1,345,897	-	-	-
\$1,000 under \$5,000.....	1,197,682	1,218,770	1,197,511	1,146,900	1,093,115	1,114,198	1,060,194	1,078,375	1,089,859	1,114,941	1,345,897
\$5,000 under \$10,000.....	1,448,683	1,494,738	1,494,031	1,454,334	1,427,728	1,428,944	1,428,944	1,428,944	1,428,944	1,428,944	1,428,944
\$10,000 under \$15,000.....	4,438,881	4,879,025	4,752,672	4,765,236	4,803,451	4,977,115	5,111,542	5,131,166	5,131,166	5,131,166	5,131,166
\$15,000 under \$20,000.....	7,379,394	8,267,590	8,761,372	7,562,581	7,866,408	8,253,366	8,253,366	8,253,366	8,253,366	8,253,366	8,253,366
\$20,000 under \$25,000.....	8,114,186	8,447,137	8,447,824	8,758,218	8,881,068	11,747,607	12,311,923	12,311,923	12,311,923	12,311,923	12,311,923
\$25,000 under \$30,000.....	10,641,552	10,956,687	11,757,228	12,474,141	13,996,827	14,578,344	14,466,727	14,466,727	14,466,727	14,466,727	14,466,727
\$30,000 under \$40,000.....	28,799,162	29,243,923	30,556,912	31,275,695	30,717,139	28,443,721	29,124,813	29,124,813	29,124,813	29,124,813	29,124,813
\$40,000 under \$50,000.....	32,468,575	32,721,871	33,342,771	33,561,694	33,861,823	34,176,123	34,869,154	34,869,154	34,869,154	34,869,154	34,869,154
\$50,000 under \$100,000.....	72,559,811	73,196,797	69,361,693	67,621,929	61,515,133	53,496,197	42,430,729	41,454,941	41,454,941	41,454,941	41,454,941
\$100,000 under \$150,000.....	9,319,191	9,626,659	7,172,156	6,626,778	4,175,515	3,933,394	3,468,517	3,468,517	3,468,517	3,468,517	3,468,517
\$150,000 under \$200,000.....	5,123,117	4,976,564	3,591,932	3,308,530	1,855,369	1,665,462	1,665,462	1,665,462	1,665,462	1,665,462	1,665,462
\$200,000 under \$300,000.....	4,458,567	4,714,136	2,431,160	2,431,160	2,553,317	1,744,463	1,744,463	1,744,463	1,744,463	1,744,463	1,744,463
\$300,000 under \$500,000.....	4,271,115	4,272,454	2,416,864	2,320,394	1,768,317	1,436,138	1,436,138	1,436,138	1,436,138	1,436,138	1,436,138
\$500,000 under \$1,000,000.....	1,553,470	1,383,787	1,415,144	1,421,556	1,156,946	864,736	713,658	695,177	630,801	490,434	490,434
\$1,000,000 under \$150,000.....	375,495	436,495	462,227	372,495	330,615	263,033	231,642	231,642	231,642	231,642	231,642
\$150,000 under \$200,000.....	121,348	121,348	121,348	121,348	121,348	121,348	121,348	121,348	121,348	121,348	121,348
\$200,000 under \$500,000.....	144,322	144,322	144,322	144,322	144,322	144,322	144,322	144,322	144,322	144,322	144,322
\$500,000 under \$1,000,000.....	77,452	77,452	77,452	77,452	77,452	77,452	77,452	77,452	77,452	77,452	77,452
\$1,000,000 or more.....	6,122	6,122	6,122	6,122	6,122	6,122	6,122	6,122	6,122	6,122	6,122
Total.....	185,994,424	187,607,862	174,193,394	166,336,699	138,956,127	124,792,953	120,914,824	114,736,671	99,144,074	91,658,219	91,658,219
Returns with no adjusted gross income.....	157,497	160,438	145,638	144,998	116,998	84,195	66,576	67,076	29,585	41,580	41,580
Grand total.....	186,571,921	187,768,300	174,339,032	166,481,697	139,073,125	124,877,148	121,081,400	114,803,747	99,173,659	91,699,799	91,699,799
<b>DIVIDENDS<sup>4</sup></b>											
Returns with adjusted gross incomes:											
Under \$500.....	-	-	-	-	-	-	9,967	13,837	8,535	18,105	18,105
\$500 under \$1,000.....	-	-	-	-	-	-	52,192	61,798	59,667	104,805	104,805
Under \$5,000.....	1,172	1,172	1,172	1,172	1,172	1,172	1,172	1,172	1,172	1,172	1,172
\$5,000 under \$10,000.....	36,411	45,276	42,267	39,969	44,003	55,742	55,742	55,742	55,742	55,742	55,742
\$10,000 under \$15,000.....	62,516	41,647	68,215	71,728	83,102	90,554	77,767	92,367	81,931	140,581	140,581
\$15,000 under \$20,000.....	95,443	104,626	89,248	88,011	98,256	108,446	95,121	96,006	89,860	141,074	141,074
\$20,000 under \$25,000.....	93,972	103,441	90,694	93,956	93,956	128,090	90,802	105,857	95,006	147,936	147,936
\$25,000 under \$30,000.....	9,469	104,970	101,725	101,454	101,454	119,276	86,675	105,762	103,472	138,186	138,186
\$30,000 under \$40,000.....	201,461	174,121	174,131	194,411	207,767	261,941	183,711	207,762	178,881	249,705	249,705
\$40,000 under \$50,000.....	143,493	162,411	144,571	229,346	227,541	226,652	187,515	175,112	174,753	178,271	178,271
\$50,000 under \$100,000.....	944,728	743,115	845,570	853,181	780,146	731,138	643,704	615,424	545,811	545,912	545,912
\$100,000 under \$150,000.....	721,459	603,683	592,189	551,141	525,768	444,740	428,719	403,488	352,637	365,025	365,025
\$150,000 under \$200,000.....	202,773	429,523	417,070	404,446	398,190	334,989	322,447	307,659	282,073	263,073	263,073
\$200,000 under \$300,000.....	780,562	615,494	597,181	604,674	602,621	485,816	427,908	421,074	356,406	347,160	347,160
\$300,000 under \$500,000.....	262,411	729,658	719,443	735,111	758,936	591,314	601,495	474,275	398,093	365,757	365,757
\$500,000 under \$1,000,000.....	200,998	73,113	802,213	841,279	866,375	671,926	697,785	510,342	420,466	372,534	372,534
\$1,000,000 under \$150,000.....	22,213	44,507	50,344	359,342	386,392	281,804	315,007	202,748	148,684	141,410	141,410
\$150,000 under \$200,000.....	10,114	10,114	10,114	10,114	10,114	10,114	10,114	10,114	10,114	10,114	10,114
\$200,000 under \$500,000.....	376,622	219,377	312,377	344,894	369,692	156,844	169,879	117,895	84,603	68,736	68,736
\$500,000 under \$1,000,000.....	143,601	48,413	100,281	130,611	158,322	110,883	102,760	77,499	72,273	58,476	58,476
\$1,000,000 or more.....	200,998	118,711	132,149	149,700	179,203	108,943	112,999	84,071	59,255	53,336	53,336
Total.....	7,031,906	7,304,993	5,834,216	6,136,895	6,136,906	5,218,206	4,939,627	4,278,371	3,670,587	3,906,025	3,906,025
Returns with no adjusted gross income.....	16,966	24,481	25,409	25,426	26,793	28,021	31,273	16,814	3,270	18,625	18,625
Grand total.....	7,048,872	7,329,474	5,859,625	6,162,321	6,163,699	5,246,227	4,970,900	4,295,185	3,673,857	3,924,650	3,924,650
<b>INTEREST RECEIVED<sup>5</sup></b>											
Returns with adjusted gross incomes:											
Under \$500.....	-	-	-	-	-	-	-	-	-	-	-
\$500 under \$1,000.....	-	-	-	-	-	-	49,095	53,587	44,087	44,087	44,087
Under \$5,000.....	21,955	21,911	19,615	17,963	19,571	16,964	-	-	-	-	-
\$5,000 under \$10,000.....	53,966	48,011	48,018	45,531	44,154	53,510	-	-	-	-	-
\$10,000 under \$15,000.....	76,734	84,031	81,132	71,477	74,529	83,989	65,681	63,533	55,947	55,947	55,947
\$15,000 under \$20,000.....	107,502	84,303	84,774	76,550	77,866	91,703	59,229	64,019	59,111	59,111	59,111
\$20,000 under \$25,000.....	116,119	85,395	82,537	74,709	68,066	79,073	60,162	62,898	59,121	59,121	59,121
\$25,000 under \$30,000.....	92,588	83,290	75,486	71,390	66,922	71,703	58,935	60,552	57,108	57,108	57,108
\$30,000 under \$40,000.....	176,114	167,843	128,429	131,611	119,396	135,397	112,523	99,829	97,259	97,259	97,259
\$40,000 under \$50,000.....	186,123	153,417	128,733	128,594	126,364	127,540	95,717	72,382	66,734	66,734	66,734
\$50,000 under \$100,000.....	766,000	663,411	397,137	358,724	318,921	303,637	244,735	201,061	188,060	188,060	188,060
\$100,000 under \$150,000.....	254,114	210,473	184,467	165,038	145,219	123,606	113,620	100,902	96,714	96,714	96,714
\$150,000 under \$200,000.....	149,775	127,417	111,168	102,492	92,444	81,961	76,060	66,414	64,469	64,469	64,469
\$200,000 under \$300,000.....	176,463	150,275	147,084	127,947	122,404	100,495	93,092	76,771	79,482	79,482	79,482
\$300,000 under \$500,000.....	173,144	143,019	137,066	124,189	126,715	99,397	94,149	73,091	73,277	73,277	73,277
\$500,000 under \$1,000,000.....	128,428	103,112	101,898	105,539	98,683	78,621	78,294	58,062	60,868	60,868	60,868
\$1,000,000 under \$150,000.....	38,203	42,148	44,883	31,971	31,302	25,386	25,220	17,709	19,906	19,906	19,906
\$150,000 under \$200,000.....	13,416	13,416	13,416	13,416	13,416	13,416	13,416	13,416	13,416	13,416	13,416
\$200,000 under \$500,000.....	21,094	21,094	21,114	21,114	21,114	21,114	21,114	21,114	21,114	21,114	21,114
\$500,000 under \$1,000,000.....	5,441	4,964	5,494	5,164	7,035	5,106	5,493	4,107	6,420	6,420	6,420
\$1,000,000 or more.....	5,441	4,964	4,967	5,168	6,148	5,415	6,215	6,161	6,041	6,041	6,041
Total.....	2,349,915	2,021,869	1,822,337	1,684,015	1,582,898	1,511,555	1,279,644	1,115,258	1,064,219	1,064,219	1,064,219
Returns with no adjusted gross income.....	21,315	26,780	24,962	18,200							

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

Adjusted gross income classes	1945	1953	1952	1951	1950	1949	1948	1947	1946	1945
BUSINESS PROFIT										
(Thousand dollars)										
Returns with adjusted gross income:										
Under \$500.....	-	-	-	-	-	-	76,949	95,749	93,708	104,131
\$500 under \$1,000.....	-	-	-	-	-	-	431,734	469,456	522,234	537,936
Under \$500.....	140,390	122,992	105,506	116,282	116,250	142,904	-	-	-	-
\$600 under \$1,000.....	351,725	314,418	300,727	495,738	324,004	385,642	-	-	-	-
\$1,000 under \$1,500.....	127,315	89,833	674,577	728,171	760,470	875,216	883,773	927,023	962,166	891,498
\$1,500 under \$2,000.....	24,895	89,369	44,206	463,195	1,028,688	1,112,437	1,191,803	1,156,495	1,198,703	969,473
\$2,000 under \$2,500.....	982,91	990,469	999,599	1,143,914	1,112,835	1,177,748	1,242,922	1,297,021	1,270,771	959,734
\$2,500 under \$3,000.....	1,068,887	1,117,768	1,137,327	1,199,742	1,148,998	1,185,369	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.....	1,659,320	1,738,647	1,608,172	1,643,200	1,512,663	1,467,423	1,076,985	1,561,828	1,426,547	1,090,881
\$5,000 under \$10,000.....	4,587,487	4,437,881	4,087,451	3,845,706	3,433,953	3,208,082	3,824,838	3,553,866	3,292,959	2,454,694
\$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	1,244,281	1,207,256	1,111,531	980,217	803,714	993,677	790,126	786,973	662,021
\$20,000 under \$30,000.....	1,447,476	1,290,636	1,338,182	1,252,849	1,124,333	873,342	1,065,369	789,329	812,440	659,595
\$30,000 under \$50,000.....	1,103,834	965,332	1,105,699	1,030,518	915,664	666,875	809,288	914,355	592,011	483,745
\$50,000 under \$100,000.....	566,950	474,823	503,419	592,968	518,650	336,894	471,907	294,896	331,981	296,036
\$100,000 under \$150,000.....	97,073	109,996	138,078	120,883	108,429	62,852	97,849	55,669	66,553	68,579
\$150,000 under \$200,000.....	25,205	45,980	45,980	45,980	24,904	39,342	18,237	21,588	30,043	30,043
\$200,000 under \$500,000.....	25,587	28,707	37,901	49,092	42,470	27,131	43,201	25,461	25,239	32,631
\$500,000 under \$1,000,000.....	4,815	3,950	8,703	10,149	11,005	6,919	7,665	6,767	6,327	6,327
\$1,000,000 or more.....	3,893	3,621	4,537	4,943	4,724	7,351	4,802	4,684	4,569	4,700
Total.....	19,218,571	18,646,959	18,120,679	18,131,463	16,846,649	15,613,095	18,069,469	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	14,360	10,078	7,005	11,462
Grand total.....	19,234,611	18,677,699	18,134,993	18,162,541	16,863,434	15,629,546	18,083,829	16,380,569	16,011,327	12,583,484
PARTNERSHIP PROFIT										
Returns with adjusted gross income:										
Under \$500.....	-	-	-	-	-	-	8,618	14,828	9,883	9,765
\$500 under \$1,000.....	-	-	-	-	-	-	61,416	75,437	57,436	67,731
Under \$600.....	15,458	28,178	19,096	16,706	11,497	49,511	-	-	-	-
\$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	160,235	194,078	147,548	178,756	246,242	185,085	162,895
\$2,000 under \$2,500.....	139,111	171,775	167,412	200,335	258,331	289,089	177,559	325,528	234,725	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	544,004	631,215	502,040	701,011	566,468	416,415
\$4,000 under \$5,000.....	524,379	543,540	523,664	519,093	533,728	562,877	511,716	526,409	457,915	369,608
\$5,000 under \$10,000.....	1,918,499	1,907,844	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	1,111,341	1,118,743	1,051,772	979,066	908,351	970,618	1,004,696	1,022,357	864,155
\$15,000 under \$20,000.....	795,926	795,303	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	984,999	928,450	778,384	855,453	834,632	916,083	827,912
\$30,000 under \$50,000.....	1,085,314	1,019,660	1,078,931	1,075,101	945,430	772,636	871,434	788,330	919,140	851,198
\$50,000 under \$100,000.....	845,897	754,121	824,082	860,375	796,584	596,852	768,871	590,699	736,462	716,221
\$100,000 under \$150,000.....	226,847	287,404	324,103	263,131	232,832	158,466	112,467	145,297	175,976	197,847
\$150,000 under \$200,000.....	76,264	104,821	120,821	104,599	66,021	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	92,558
\$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	5,745	5,782	4,555	8,605	8,148
Total.....	8,973,893	8,784,424	8,799,142	8,852,180	8,544,469	7,894,590	8,043,862	8,231,785	8,033,097	7,195,884
Returns with no adjusted gross income.....	30,150	18,476	34,656	18,865	11,038	17,638	20,163	16,797	2,558	12,862
Grand total.....	9,004,043	8,802,900	8,833,798	8,871,045	8,555,507	7,912,228	8,064,025	8,248,582	8,035,655	7,208,746
RENTS AND ROYALTIES NET INCOME										
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	10,527	17,607	-	-	-	-
\$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	188,413	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.....	257,457	326,812	298,717	286,648	298,103	321,801	264,848	258,636	220,856	208,136
\$4,000 under \$5,000.....	225,665	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	141,643	155,127	100,992	87,128	75,518
\$20,000 under \$30,000.....	443,355	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	75,448	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	24,002	24,002	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	3,434,513	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	8,568	13,321
Grand total.....	3,536,292	3,659,266	3,491,096	3,353,363	3,224,452	3,059,632	2,599,422	2,227,669	1,912,294	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

85

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
<b>NUMBER OF RETURNS</b>										
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	3,948,611	4,060,087	4,536,857	4,382,029	4,083,251
Colorado.....	522,393	509,876	501,563	471,209	459,267	440,969	440,969	491,025	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.....	884,181	920,035	884,181	844,144	770,782	725,427	741,220	762,366	758,773	751,585
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	938,112	938,112	956,663	938,112	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	746,188	706,734	674,174	637,844	623,020	619,475	633,422	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	960,602	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.....	2,631,029	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.....	1,099,036	1,136,124	1,114,900	1,082,642	1,076,359	1,064,193	1,066,112	1,113,143	1,080,195	992,960
Mississippi.....	336,270	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	1,298,035
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	61,605	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	2,061,556	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.....	1,102,309	1,099,125	1,067,239	1,034,528	958,858	906,710	901,457	910,445	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.....	3,218,621	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	553,767	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	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
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	192,116
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	248,910	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	1,335,781	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
<b>Total.....</b>	<b>56,305,881</b>	<b>57,422,765</b>	<b>56,316,869</b>	<b>55,041,685</b>	<b>52,664,631</b>	<b>51,499,609</b>	<b>51,788,146</b>	<b>54,809,740</b>	<b>52,579,956</b>	<b>49,769,196</b>
<b>ADJUSTED GROSS INCOME</b>										
	(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.....	599,777	691,070	652,433	603,774	545,893	448,332	485,791	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	676,761	685,693	669,047	580,309	529,931	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	2,785,890	2,625,929	2,389,652	2,116,690	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	924,022	847,446	781,219	781,219	825,415	746,701	670,226	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	9,204,319	7,760,425	8,175,360	7,380,259	6,332,542	5,748,698
Minnesota.....	4,077,055	4,010,779	3,911,846	3,608,219	3,429,054	2,993,559	3,071,555	2,936,788	2,448,952	2,146,778
Mississippi.....	1,076,518	1,058,530	1,012,679	954,577	820,156	743,415	743,415	673,561	602,284	570,868
Missouri.....	5,494,885	5,639,955	5,181,397	4,889,219	4,					

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)									
<b>ADJUSTED GROSS INCOME—Continued</b>										
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	13,420,511	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	1,123,827	1,143,436	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	557,862	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	3,694,714	3,254,714	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	4,706,434	4,116,767	3,764,843	3,302,274	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
<b>Total.....</b>	<b>230,401,432</b>	<b>229,952,507</b>	<b>216,939,912</b>	<b>203,338,874</b>	<b>180,064,994</b>	<b>162,209,696</b>	<b>164,272,520</b>	<b>150,326,429</b>	<b>134,232,475</b>	<b>120,183,733</b>
<b>INCOME TAX LIABILITY (AFTER CREDITS)</b>										
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.....	4,712,536	2,836,356	2,761,782	2,320,749	1,739,734	1,422,823	1,483,005	1,744,077	1,668,781	1,764,266
Colorado.....	242,683	257,037	250,542	209,402	160,012	128,524	124,155	150,660	124,269	131,725
Connecticut.....	579,527	621,055	593,247	449,452	379,930	267,465	309,595	358,789	317,098	341,245
Delaware.....	122,882	124,124	113,465	113,465	110,057	77,209	72,469	73,909	66,868	62,637
District of Columbia.....	198,439	219,126	249,113	205,066	170,054	141,467	124,884	167,712	153,100	158,284
Florida <sup>1</sup> .....	441,261	408,481	408,481	347,360	354,167	188,163	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	82,124	80,683	72,761	54,964	47,120	57,618	69,937	53,168	84,330
Idaho.....	68,057	68,342	68,198	44,927	39,354	38,408	38,408	49,056	41,454	41,488
Illinois.....	4,131,725	2,343,043	2,215,431	2,000,619	1,511,346	1,226,823	1,344,871	1,578,607	1,342,554	1,359,845
Indiana.....	684,031	792,854	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.....	385,953	307,052	306,250	248,899	191,037	155,623	173,594	204,776	196,244	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	231,701	316,305	254,285	201,705	167,711	170,322	179,684	159,774	171,090
Maine.....	94,161	110,076	86,176	65,225	56,381	59,554	59,554	71,680	64,681	72,621
Maryland <sup>2</sup> .....	511,638	595,562	596,218	512,850	367,626	290,284	279,058	314,292	280,951	301,693
Massachusetts.....	961,447	1,114,511	980,446	830,396	650,438	518,417	543,751	639,492	599,115	665,426
Michigan.....	1,523,497	1,772,474	1,470,651	1,287,949	968,137	710,399	732,115	837,662	712,855	804,959
Minnesota.....	408,619	472,187	457,051	378,824	294,549	238,292	267,983	321,326	257,035	273,639
Mississippi.....	93,956	97,173	97,146	80,585	66,758	53,677	56,054	66,656	58,709	63,495
Missouri.....	636,197	734,844	681,645	581,951	438,202	351,445	347,794	426,254	371,454	378,768
Montana.....	34,707	44,791	41,544	44,505	63,894	51,468	56,464	66,661	52,176	48,520
Nebraska.....	176,126	144,196	183,133	177,406	135,422	109,437	121,768	154,795	124,482	123,919
Nevada.....	55,585	49,767	52,654	39,455	31,262	21,506	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	1,175,118	1,166,757	948,108	742,887	590,326	615,446	720,213	651,721	737,972
New Mexico.....	82,691	91,501	94,464	77,542	57,740	45,404	40,599	42,088	35,234	34,844
New York <sup>3</sup> .....	3,643,441	3,851,980	3,652,252	2,315,250	2,626,329	2,137,940	2,265,751	2,701,269	2,613,096	2,743,072
North Carolina.....	304,673	330,254	327,134	288,634	218,691	165,890	177,614	201,703	190,630	181,173
North Dakota.....	47,446	53,685	53,426	56,034	41,173	37,486	47,331	57,856	39,588	36,705
Ohio.....	1,671,981	1,624,994	1,794,080	1,550,625	1,087,976	879,644	949,747	1,079,062	925,026	1,015,220
Oklahoma.....	257,266	276,144	267,793	230,307	180,553	136,048	153,119	154,120	125,451	137,486
Oregon.....	270,500	290,694	304,143	273,303	205,952	161,948	174,862	202,580	181,582	193,654
Pennsylvania.....	1,971,755	2,185,944	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.....	134,240	154,679	152,007	139,096	109,931	78,973	101,231	112,729	100,905	108,643
South Carolina.....	146,929	161,444	177,746	151,665	101,903	75,146	72,509	90,511	80,812	78,998
South Dakota.....	55,144	57,377	56,670	54,347	40,509	36,833	45,329	59,443	40,141	34,801
Tennessee.....	297,279	332,333	300,640	271,546	210,346	158,519	156,520	194,432	181,932	173,584
Texas.....	1,208,671	1,223,160	1,222,734	1,102,785	884,514	673,388	684,526	721,707	619,742	609,637
Utah.....	23,989	99,119	92,647	75,732	53,033	42,750	43,484	54,193	47,016	51,680
Vermont.....	33,474	37,008	37,008	34,380	26,871	21,774	23,562	28,439	22,593	24,229
Virginia.....	415,744	443,112	427,054	346,541	251,349	203,112	205,416	240,012	203,099	210,710
Washington <sup>5</sup> .....	500,075	541,742	530,356	472,971	335,349	271,847	290,582	338,268	294,913	328,913
West Virginia.....	184,474	209,841	219,544	168,267	132,030	109,570	128,794	150,888	112,489	113,312
Wisconsin.....	531,894	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	29,808	32,328	23,996	25,603
<b>Total.....</b>	<b>26,703,201</b>	<b>29,447,156</b>	<b>27,889,716</b>	<b>24,268,092</b>	<b>18,389,534</b>	<b>14,580,808</b>	<b>15,459,210</b>	<b>18,084,485</b>	<b>16,062,353</b>	<b>17,005,431</b>

<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 1942 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

Income tax:	Page
A. Requirement for filing return and exemptions.....	89
B. Income tax rates.....	90
Self-employment tax:	
C. Requirement for filing return and tax rate.....	91

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.....	Dollars 600	Dollars 1,200	Dollars 600	Dollars 600	Dollars 600	Dollars 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*

	<b>Page</b>
Form 1040: Individual Income Tax Return.....	95
Schedule C, Business or Profession.....	115
Schedule D, Sales of Property.....	119
1040F, Farm Income and Expense.....	121
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)

ATTACH TAX RETURN COPIES OF FORMS W-2 HERE

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. Name: \_\_\_\_\_

B. Name: \_\_\_\_\_ (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 if at the end of your taxable year you 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) Enter totals here \$ \_\_\_\_\_ \$ \_\_\_\_\_

4. Balance (item 2 less item 3) . . . . . \$ \_\_\_\_\_ \$ \_\_\_\_\_

5. If you received dividends, interest, or any other income (or loss), give details on page 2. . . . . Enter total here \$ \_\_\_\_\_ \$ \_\_\_\_\_

6. Adjusted Gross Income (sum of items 4 and 5) . . . . . Enter total here \$ \_\_\_\_\_ \$ \_\_\_\_\_

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. Enter such balance here . . . . . \$ \_\_\_\_\_ \$ \_\_\_\_\_

14. If your payments (item 12) are larger than your tax (item 11) Enter the overpayment here . . . . . \$ \_\_\_\_\_ \$ \_\_\_\_\_

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.

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..... \$.....
- 2. Expected return..... \$.....
- 3. Percentage of income to be excluded (line 1 divided by line 2)..... %
- 4. Amount received this year..... \$.....
- 5. Amount excludable (line 4 multiplied by line 3)..... \$.....
- 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)..... \$.....
- 2. Cost received tax-free in past years.....
- 3. Remainder of cost (line 1 less line 2)..... \$.....
- 4. Amount received this year..... \$.....
- 5. Taxable income (excess of line 4 over line 3).....

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

1. 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 (%) or life (years)	7. Depreciation for this year
		\$.....	\$.....			\$.....

Sch. I.—EXEMPTIONS FOR INDIVIDUALS WITH GROSS INCOME OF LESS THAN \$500, 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> . . . . .		\$	

**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 . . . . .	\$	
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)

	A		B	
	Amount received before 8/1/54		Amount received after 7/31/54	
1. Name of corporation declaring dividend:	\$		\$	
2. Total	\$		\$	
3. Less: Exclusion of \$50. Apply exclusion first to Col. A and excess, if any, to Col. B				
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 (total of Column B, lines 4 and 5)			\$	
<b>CREDIT COMPUTATION</b>				
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; or, if Tax Table is used, the tax in item 7, page 1			\$	
(c) 2% of taxable income—line 5, page 3; if alternative tax is applicable, line 20, Schedule D (twice line 20 in the case of a joint return)			\$	
(Taxable income, for those using the Tax Table to compute tax, is the amount shown in item 6, page 1, less 10% thereof and less the deduction for exemptions (item 1E, page 1, multiplied by \$600))				
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?

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

	A		B	
	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No
1. Retirement income for taxable year:				
(a) For taxpayers under 65 years of age: Enter only income received from pensions and annuities under public retirement systems. (Do not enter pensions, annuities, and retirement pay from Armed Forces)	\$		\$	
(b) For taxpayers 65 years of age and older: Enter total of pensions and annuities, retirement pay from Armed Forces, interest, rents, and dividends included in gross income in this return	\$		\$	
<b>Limitation on Retirement Income</b>				
2. Enter here amount shown in line 1 or \$1,200, whichever is lesser	\$		\$	
3. Deduct:				
(a) Amounts received in taxable year as pensions or annuities under the Social Security Act, the Railroad Retirement Acts, and certain other exclusions from gross income. (See instructions)				
(b) Compensation for personal services received in the taxable year 1954 in excess of \$900. (Line 3 (b) does not apply to persons 75 years of age or over.)				
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 (total of columns A and B, line 6)	\$		\$	
<b>Limitation on Retirement Credit</b>				
8. Amount of tax shown as item 7, page 1	\$		\$	
Less: Credit for dividends from line 8, Schedule J, above				
9. Balance of line 8	\$		\$	
10. Retirement income credit. Enter here and as item 8B, page 1, the amount on line 7 or line 9, whichever is smaller	\$		\$	

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.

*T. Coleman 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
• <b>How To File Your Return:</b>		<input type="checkbox"/> Unmarried persons—Head of household...	4	<input type="checkbox"/> Trade and business deductions of employees.	6
<input type="checkbox"/> Who must file.....	3	<input type="checkbox"/> Surviving widow or widower.....	5	<input type="checkbox"/> Dividends.....	7
<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"/> When to file.....	3	<input type="checkbox"/> Exemptions for you and wife.....	5	<input type="checkbox"/> Business or profession.	7
<input type="checkbox"/> How to pay.....	3	<input type="checkbox"/> Exemptions for your children.....	5	<input type="checkbox"/> Farming.....	8
<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"/> 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"/> Where to get help....	3	• <b>How To Report Your Income:</b>		<input type="checkbox"/> Self-employment tax..	9
<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
• <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
<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"/> Income less than \$5,000	4			<input type="checkbox"/> Rents and royalties....	11
<input type="checkbox"/> Income of \$5,000 or more.....	4			<input type="checkbox"/> Estates and trusts.....	11
<input type="checkbox"/> Married persons—joint or separate returns...	4			<input type="checkbox"/> Other income.....	11
				<input type="checkbox"/> Depreciation.....	11
				<input type="checkbox"/> Accounting methods and records.....	11
				• <b>How To Claim Non-business Deductions:</b>	
				<input type="checkbox"/> Contributions.....	12
				<input type="checkbox"/> Interest.....	12
				<input type="checkbox"/> Taxes.....	12
				<input type="checkbox"/> Casualty losses and thefts.....	12
				<input type="checkbox"/> Medical and dental expenses.....	13
				<input type="checkbox"/> Expenses for the care of children and certain other dependents....	13
				<input type="checkbox"/> Miscellaneous.....	13
				<input type="checkbox"/> Declaration of estimated tax.....	14
				• <b>How To Figure Your Tax:</b>	
				<input type="checkbox"/> Using the tax table....	14
				<input type="checkbox"/> Making a long-form computation.....	14
				<input type="checkbox"/> 1954 tax rate schedule.	14
				<input type="checkbox"/> Credits against tax....	14
				<input type="checkbox"/> Tax table.....	16

## 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...Las 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, Lyon, Macon, Madison, Maries, Marion, Mississippi, Monroe, Montgomery, New Madrid, Oregon, Osage, Pemiscot, Perry, Phelps, Pike, Platte, 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, Tumbull, 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

SOUTHWESTERN: 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...Stranton 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...Sancti Spiritus Bldg., San Juan, 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.

	<i>Page</i>		<i>Page</i>
Reduced rates for certain surviving widows or widowers.....	5	Expenditures for soil and water conservation.....	8
Exemption for children and other dependents.....	5	New methods of computing income from annuities and pensions.....	10
Exemption for individuals supported by more than one taxpayer.....	5	Additional methods for computing depreciation.....	11
Exclusion of sick pay.....	6	Additional deduction for contributions to churches, schools, hospitals.....	12
Deduction for trade and business expenses of employees.....	6	Deduction for interest on installment obligations....	12
New dividend provisions.....	7 and 15	Additional deduction for medical expenses.....	13
		Deduction for child care.....	13
		Retirement income credit.....	15

**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 includible 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
Grandfather	Stepfather	related by blood:
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.

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.

*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

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	\$37,480, 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
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 a household	Single or a married person filing separately	An un-married head of a household	A * married couple filing jointly	Single or a married person filing separately	An un-married head of a 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	311	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	15																	

**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

..... (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?  Yes  No.

**E.** Enter your employer identification number, if any .....

**F.** Business address: ..... (Street and number or rural route) ..... (City, town, post office) ..... (County) ..... (State)

**G.** How many months in the year did you own this business? .....  
 Did you own this business on December 31, 1954?  Yes  No.  
 Was this a seasonal business which was closed for more than two months during the year?  Yes  No.

Line (see instructions—page 2)

<b>1.</b> Total receipts \$....., less allowances, rebates, and returns \$.....	\$.....	
<b>2.</b> Inventory at beginning of year .....	\$.....	
<b>3.</b> Merchandise purchased \$....., less any items withdrawn from business for personal use \$.....	\$.....	
<b>4.</b> Cost of labor (do not include salary paid to yourself) .....		
<b>5.</b> Material and supplies .....		
<b>6.</b> Other costs (explain in Schedule C-2) .....		
<b>7.</b> Cost of goods manufactured or purchased (total of lines 3, 4, 5, and 6) .....		
<b>8.</b> Total of line 2 plus line 7 .....	\$.....	
<b>9.</b> Enter inventory at end of year .....		
<b>10.</b> Cost of goods sold (line 8 less line 9) .....		
<b>11.</b> Gross profit (line 1 less line 10) .....	\$.....	
<b>OTHER BUSINESS DEDUCTIONS</b>		
<b>12.</b> Salaries and wages not included in line 4 (except any paid to yourself) .....	\$.....	
<b>13.</b> Rent on business property .....		
<b>14.</b> Interest on business indebtedness .....		
<b>15.</b> Taxes on business and business property .....		
<b>16.</b> Losses of business property (attach statement) .....		
<b>17.</b> Bad debts arising from sales or services .....		
<b>18.</b> Depreciation and obsolescence (explain in Schedule C-1) .....		
<b>19.</b> Repairs (explain in Schedule C-2) .....		
<b>20.</b> Depletion of mines, oil and gas wells, timber, etc. (attach schedule) .....		
<b>21.</b> Amortization of emergency and grain storage facilities (attach statement) .....		
<b>22.</b> Other business expenses (explain in Schedule C-2) .....		
<b>23.</b> Total of lines 12 to 22 .....		
<b>24.</b> Enter net profit (or loss) (line 11 less line 23). Also enter on line 25, page 3 of this schedule, and on line 1, Schedule C Summary, Form 1040 .....	\$.....	

**Schedule C-1. EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED ON LINE 18**

1. 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 (%) or life (years)	7. Depreciation for this year
.....	.....	\$.....	\$.....	.....	.....	\$.....
.....	.....					
.....	.....					

**Schedule C-2. EXPLANATION OF LINES 6, 19, AND 22**

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
-----	----	------

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 salesman 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

Table with 8 columns: a. Kind of property, b. Date acquired, c. Date sold, d. Gross sales price, e. Depreciation allowed, f. Cost or other basis, g. Expense of sale, h. Gain or loss.

(II) CAPITAL ASSETS

Short-Term Capital Gains and Losses—Assets Held Not More Than 6 Months

Table for Short-Term Capital Gains and Losses with 8 columns (a-h) and rows 3-6.

Long-Term Capital Gains and Losses—Assets Held More Than 6 Months

Table for Long-Term Capital Gains and Losses with 8 columns (a-h) and rows 7-9.

LINES 10 THROUGH 25 NOT APPLICABLE TO FIDUCIARIES AND PARTNERSHIPS

Gain or Loss To Be Taken Into Account

Table for Gain or Loss To Be Taken Into Account with columns a. Gain and b. Loss, and rows 10-17.

COMPUTATION OF ALTERNATIVE TAX FOR INDIVIDUALS (Form 1040)

(See instructions on other side as to when the alternative tax applies)

Table for Computation of Alternative Tax for Individuals with 25 rows.

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 1040-F.

**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.

U. S. TREASURY DEPARTMENT  
INTERNAL REVENUE SERVICE  
FORM 1040A  
6-9-54

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)

- (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 \_\_\_\_\_ →

EXEMPTIONS

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. \_\_\_\_\_ →

651975-0



# 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	
		Your tax is—						Your tax is—								
		\$0	\$0	\$0	\$0	\$2.325	\$2.350	\$301	\$181	\$181	\$61	\$61	\$0	\$0	\$0	\$0
\$0	\$675	\$0	\$0	\$0	\$0	\$2.325	\$2.350	\$301	\$181	\$181	\$61	\$61	\$0	\$0	\$0	\$0
675	700	4	0	0	0	2.350	2.375	305	185	185	65	65	0	0	0	0
700	725	8	0	0	0	2.375	2.400	310	190	190	70	70	0	0	0	0
725	750	13	0	0	0	2.400	2.425	314	194	194	74	74	0	0	0	0
750	775	17	0	0	0	2.425	2.450	319	199	199	79	79	0	0	0	0
775	800	22	0	0	0	2.450	2.475	323	203	203	83	83	0	0	0	0
800	825	26	0	0	0	2.475	2.500	328	208	208	88	88	0	0	0	0
825	850	31	0	0	0	2.500	2.525	332	212	212	92	92	0	0	0	0
850	875	35	0	0	0	2.525	2.550	337	217	217	97	97	0	0	0	0
875	900	40	0	0	0	2.550	2.575	341	221	221	101	101	0	0	0	0
900	925	44	0	0	0	2.575	2.600	346	226	226	106	106	0	0	0	0
925	950	49	0	0	0	2.600	2.625	350	230	230	110	110	0	0	0	0
950	975	53	0	0	0	2.625	2.650	355	235	235	115	115	0	0	0	0
975	1,000	58	0	0	0	2.650	2.675	359	239	239	119	119	0	0	0	0
1,000	1,025	62	0	0	0	2.675	2,700	364	244	244	124	124	4	0	0	0
1,025	1,050	67	0	0	0	2,700	2,725	368	248	248	128	128	8	0	0	0
1,050	1,075	71	0	0	0	2,725	2,750	373	253	253	133	133	13	0	0	0
1,075	1,100	75	0	0	0	2,750	2,775	377	257	257	137	137	17	0	0	0
1,100	1,125	80	0	0	0	2,775	2,800	382	262	262	142	142	22	0	0	0
1,125	1,150	85	0	0	0	2,800	2,825	386	266	266	146	146	26	0	0	0
1,150	1,175	89	0	0	0	2,825	2,850	391	271	271	151	151	31	0	0	0
1,175	1,200	94	0	0	0	2,850	2,875	395	275	275	155	155	35	0	0	0
1,200	1,225	98	0	0	0	2,875	2,900	400	280	280	160	160	40	0	0	0
1,225	1,250	103	0	0	0	2,900	2,925	405	284	284	164	164	44	0	0	0
1,250	1,275	107	0	0	0	2,925	2,950	410	289	289	169	169	49	0	0	0
1,275	1,300	112	0	0	0	2,950	2,975	415	293	293	173	173	53	0	0	0
1,300	1,325	116	0	0	0	2,975	3,000	420	298	298	178	178	58	0	0	0
1,325	1,350	121	0	0	0	3,000	3,050	427	305	305	185	185	65	0	0	0
1,350	1,375	125	0	0	0	3,050	3,100	437	314	314	194	194	74	0	0	0
1,375	1,400	130	0	0	0	3,100	3,150	447	323	323	203	203	83	0	0	0
1,400	1,425	134	0	0	0	3,150	3,200	457	332	332	212	212	92	0	0	0
1,425	1,450	139	0	0	0	3,200	3,250	467	341	341	221	221	101	0	0	0
1,450	1,475	143	0	0	0	3,250	3,300	476	350	350	230	230	110	0	0	0
1,475	1,500	148	0	0	0	3,300	3,350	486	359	359	239	239	119	0	0	0
1,500	1,525	152	0	0	0	3,350	3,400	496	368	368	248	248	128	0	0	0
1,525	1,550	157	0	0	0	3,400	3,450	506	377	377	257	257	137	0	0	0
1,550	1,575	161	0	0	0	3,450	3,500	516	386	386	266	266	146	0	0	0
1,575	1,600	166	0	0	0	3,500	3,550	526	395	395	275	275	155	0	0	0
1,600	1,625	170	0	0	0	3,550	3,600	536	404	404	284	284	164	0	0	0
1,625	1,650	175	0	0	0	3,600	3,650	546	414	413	293	293	173	0	0	0
1,650	1,675	179	0	0	0	3,650	3,700	556	423	423	302	302	182	0	0	0
1,675	1,700	184	0	0	0	3,700	3,750	566	434	431	311	311	191	0	0	0
1,700	1,725	188	0	0	0	3,750	3,800	575	443	440	320	320	200	0	0	0
1,725	1,750	193	0	0	0	3,800	3,850	585	453	449	329	329	209	0	0	0
1,750	1,775	197	0	0	0	3,850	3,900	595	463	458	338	338	218	0	0	0
1,775	1,800	202	0	0	0	3,900	3,950	605	473	467	347	347	227	0	0	0
1,800	1,825	206	0	0	0	3,950	4,000	615	483	476	356	356	236	0	0	0
1,825	1,850	211	0	0	0	4,000	4,050	625	493	485	365	365	245	0	0	0
1,850	1,875	215	0	0	0	4,050	4,100	635	503	494	374	374	254	0	0	0
1,875	1,900	220	0	0	0	4,100	4,150	645	513	503	383	383	263	0	0	0
1,900	1,925	224	0	0	0	4,150	4,200	655	523	512	392	392	272	0	0	0
1,925	1,950	229	0	0	0	4,200	4,250	665	533	521	401	401	281	0	0	0
1,950	1,975	233	0	0	0	4,250	4,300	674	542	530	410	410	290	0	0	0
1,975	2,000	238	0	0	0	4,300	4,350	684	552	539	420	419	299	0	0	0
2,000	2,025	242	0	0	0	4,350	4,400	694	562	548	430	429	308	0	0	0
2,025	2,050	247	0	0	0	4,400	4,450	704	572	557	440	437	317	0	0	0
2,050	2,075	251	0	0	0	4,450	4,500	714	582	566	450	446	326	0	0	0
2,075	2,100	256	0	0	0	4,500	4,550	723	592	575	460	455	335	0	0	0
2,100	2,125	260	0	0	0	4,550	4,600	734	602	584	470	464	344	0	0	0
2,125	2,150	265	0	0	0	4,600	4,650	744	612	593	480	473	353	0	0	0
2,150	2,175	269	0	0	0	4,650	4,700	754	622	602	490	482	362	0	0	0
2,175	2,200	274	0	0	0	4,700	4,750	764	632	611	500	491	371	0	0	0
2,200	2,225	278	0	0	0	4,750	4,800	773	641	620	509	500	380	0	0	0
2,225	2,250	283	0	0	0	4,800	4,850	783	651	629	519	509	389	0	0	0
2,250	2,275	287	0	0	0	4,850	4,900	793	661	638	529	518	398	0	0	0
2,275	2,300	292	0	0	0	4,900	4,950	803	671	647	539	527	407	0	0	0
2,300	2,325	296	0	0	0	4,950	5,000	813	681	656	549	536	416	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. Enter 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 is 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: 45%; padding: 5px;"> <b>1. Name</b> </td> <td style="width: 5%;"></td> <td style="width: 15%; padding: 5px;"> <b>7. Social Security No.</b> </td> <td style="width: 10%; padding: 5px;">                 (a)             </td> <td style="width: 15%; padding: 5px;"> <b>Taxpayer's</b> </td> <td style="width: 10%; padding: 5px;"> <b>Your Wife's (Husband's)</b> </td> </tr> <tr> <td style="padding: 5px;"> <b>2. Wife's (Husband's) Name</b> </td> <td></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;">                 (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></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;">                 (b)             </td> </tr> <tr> <td style="padding: 5px;"> <b>4. (Check) <input type="checkbox"/> Single    <input type="checkbox"/> Married</b> </td> <td></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;">                 (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></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;">                 (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></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;">                 (b)             </td> </tr> </table>	<b>1. Name</b>		<b>7. Social Security No.</b>	(a)	<b>Taxpayer's</b>	<b>Your Wife's (Husband's)</b>	<b>2. Wife's (Husband's) Name</b>		<b>8. Wages</b>	(a)	(b)	(b)	<b>3. Home Address (Number and Street or Rural Route)</b>  (City, Town, or Post Office)      (Zone)      (State)		<b>9. Tax Withheld</b>	(a)	(b)	(b)	<b>4. (Check) <input type="checkbox"/> Single    <input type="checkbox"/> Married</b>		<b>10. Other Income</b>	(a)	(b)	(b)	<b>5. Is this a joint return?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</b>		<b>11. Special Credit</b>	(a)	(b)	(b)	<b>6. Is wife (husband) filing separately?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</b>		<b>12. Exclusion</b>	(a)	(b)	(b)	Do not bend, pin, or mutilate. ENCLOSE FORMS W-2
<b>1. Name</b>		<b>7. Social Security No.</b>	(a)	<b>Taxpayer's</b>	<b>Your Wife's (Husband's)</b>																																	
<b>2. Wife's (Husband's) Name</b>		<b>8. Wages</b>	(a)	(b)	(b)																																	
<b>3. Home Address (Number and Street or Rural Route)</b>  (City, Town, or Post Office)      (Zone)      (State)		<b>9. Tax Withheld</b>	(a)	(b)	(b)																																	
<b>4. (Check) <input type="checkbox"/> Single    <input type="checkbox"/> Married</b>		<b>10. Other Income</b>	(a)	(b)	(b)																																	
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<b>6. Is wife (husband) filing separately?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</b>		<b>12. Exclusion</b>	(a)	(b)	(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>				<b>EXEMPTIONS</b>
(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)	Relationship	Answer ONLY for dependents other than children		
• Enter Figure 1 in the last column to right for each name listed.		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>				_____



## INDEX

<b>A</b>		
Accounting period.....	10,	90-91
Adjusted gross deficit.....	5, 28, 33-35, 38, 75, 79,	81
Adjusted gross income:		
Amount.....	5-6, 11, 24-28, 33-35, 38, 42, 46,	48, 58-64, 71-86
By marital status.....	5, 8, 9-11, 23, 27,	59-68
By States and Territories.....	24,	71-74, 76
Classes.....	12-19, 21-23, 33, 35-54,	58-70, 72-75, 80, 82-83
Composition.....		8
Definition of.....	6, 9, 28	
For returns with alternative tax.....	5, 24, 26, 29,	56-58, 70
For returns with itemized deductions.....	5-6, 8,	10-11, 23, 25-28, 33-34,
For returns with self-employment tax..	5-6, 9,	23-24
Groups.....		7-8, 10
Percentage distribution.....		7-8, 33
Sources.....	23-26, 33-47, 79,	81-83
Aggregated and simple distributions of number of returns, adjusted gross income, and tax liability.....		33
Aliens.....		9, 28
Alimony and separate maintenance payments.....		9, 26
Alternative tax.....		5, 24-26, 29, 56-58, 70
Amended returns.....		10
Annuities and pensions.....	6, 8-9, 17, 19, 26, 34-35,	37, 41, 45, 53, 79, 81
Average tax.....		58, 80
<b>B</b>		
Business or profession:		
Deductible expenses.....		25-28
Income.....		6, 8-9, 27
Net profit or net loss.....	25, 34-36, 40, 44, 51,	71, 79, 81, 83
<b>C</b>		
Capital assets:		
Long-term.....		26, 69
Net gain and/or net loss from sales....	6, 8, 25-26,	28, 34-35, 37, 41, 45, 52, 69-71
Short-term.....		26, 69
Capital gains and losses:		
Capital loss carryover.....	25-26,	69-70
Description.....		25-26
Excess of net long-term capital gain over net short-term capital loss.....	5, 25-26,	28-29, 70
Fiduciary income inclusion of.....		25-26
Long-term, definition of.....		26
Net gain or loss from sales of capital assets.....	6, 8, 25-26, 28, 34-35, 37, 41,	45, 52, 69-71
Net long-term capital gain or loss....	5, 25-26, 28,	69-70
<b>D</b>		
Declaration of estimated tax.....		5, 30
Deductions:		
Child care.....		7, 9, 27, 34-35, 48, 84
Contributions....	6, 9, 15, 26-27, 34-35, 48, 55,	84
Expenses as outside salesman.....		9-10, 25, 28
Gifts.....		6, 9, 15
Interest paid.....	6, 26-27, 34, 48, 55,	84
Itemized.....	5-6, 8, 10-11, 23, 25-27, 33-34,	48, 55, 63, 79, 84
Losses from fire, storm, other casualty, theft.....		7, 27, 29, 34-35, 48
Medical and dental expenses (including drug costs).....	6-7, 9, 16-17, 27, 34-35, 48, 55,	84
Net operating loss.....	6, 8, 25-26, 29, 34-35, 37,	41, 45, 79, 81
Nonbusiness.....		5, 8, 10, 26-27, 34-35, 55
Other.....		9, 27, 34, 48, 84
Sick-pay exclusions.....		6, 9-10, 12, 24-25
Standard.....		6, 10-11, 23, 28, 34, 61, 79
Taxes.....		6, 27
Total.....		11, 34, 48, 79, 84
Transportation expenses not reimbursed.....		9, 10, 25, 28
Deficit, adjusted gross....	5, 28, 33-35, 38, 75, 79,	81
Dependents:		
Defined.....		8-9, 24, 27-28, 89
Students.....		9, 28
Test for determining.....		9, 28



	Page		Page
Net gain and/or loss from sales of capital assets.....	6, 8, 25-26, 28, 34-35, 37, 41, 45, 52, 69-71, 79, 81	Receipts, total, from business or profession....	6, 25, 34-36, 71, 81, 83
Net gain and/or loss from sales of property <i>other</i> than capital assets.....	26, 79, 81	Receipts, total, from partnership... 6,	34-36, 71, 81, 83
Net income. (See Taxable income.)		Recovery of bad debts.....	26
Net operating loss deduction.....	6-8, 25-26, 29, 34-35, 37, 41, 45, 79, 81	Refunds.....	5-6, 28, 30, 39, 43, 47
Net profit or loss from business or profession..	25, 34-36, 40, 44, 51, 71, 79, 81, 83	Rents and royalties:	
Net profit or loss from partnerships.....	6, 25, 34-36, 40, 44, 51, 71, 79, 81, 83	Deductions for.....	28-29
Net profit or loss from rents and royalties.....	6, 8, 26, 34-35, 37, 41, 45, 53, 71, 79, 81, 83	Definition of.....	26
No adjusted gross income (deficit), returns with	5, 23, 33, 36-55, 59-69, 75, 77, 81-84	Interest relating to.....	27
Nonbusiness deductions.....	5, 8, 10, 26-27, 34-35, 55	Net profit or net loss from....	6, 8, 26, 34-35, 37, 41, 45, 53, 71, 79, 81, 83
Nontaxable and taxable returns combined.....	5, 11-15, 18-19, 33-57, 59-69, 71-74, 79	Requirements for filing.....	89, 91
Nontaxable returns.....	5, 10-12, 23, 33-57, 59-69, 71-74, 79	Resident aliens.....	9, 28
Normal tax.....	8, 90	Retirement income and credit.....	5, 7-8, 10, 17-19, 29, 38, 42, 46, 49, 56
Normal tax and surtax.....	8, 24, 28-29, 56-58, 90	Returns from which data were tabulated.....	1, 9-10
Normal tax net income. (See Taxable income.)		Returns, method of taxpayment used.....	5-6
Number of exemptions.....	11-12, 27-29, 65-68, 89	Revenue Acts amending Code.....	89-91
Number of exemptions classes.....	24, 65-68, 89	Rewards. (See Prizes and awards.)	
Number of returns. (See the specific classifications of interest.)		Royalties, rents and.....	6, 8, 26-29, 34-35, 37, 41, 45, 53, 71, 79, 81, 83
Number of returns filed.....	5-7, 11, 21, 33-36		
		<b>S</b>	
<b>O</b>		Salaries and wages.....	6, 8, 10, 12, 24-25, 29-30, 34-36, 40, 44, 50, 71, 79
Operating loss deduction, net....	6-8, 25-26, 29, 34-35, 37, 41, 45, 79, 81	Sales of capital assets, net gain or net loss...	6, 8, 25-26, 28, 34-35, 37, 41, 45, 52, 69-71, 79, 81
Optional return, Form 1040A.....	1, 10-11, 21-26, 28, 125-127	Sales of property <i>other</i> than capital assets, net gain or net loss.....	6, 8, 28, 34-35, 37, 41, 45, 52, 79, 81
Optional standard deduction. (See also Standard deduction.).....	10, 23-24, 28	Sample, description of.....	21-22
Optional tax.....	5, 10, 24, 28-29	Scholarship and fellowship grants.....	9
Other deductions.....	9, 27, 34, 48, 84	Self-employment tax.....	5-6, 9, 23-24, 29, 75-76, 79, 91
Other sources of income.....	8, 14, 26, 34-35, 38, 42, 46, 79, 81	Separate returns of husbands and wives.....	9-12, 16, 23-24, 27, 56, 59, 61, 63, 66, 89-90
Other "Statistics of Income" Publications for 1954.....	IV	Short-form returns. (See Forms.)	
Overpayment (refund, or credit on 1954 estimated tax).....	5-6, 30, 39, 43, 47	Short-term capital assets.....	26, 69
		Short-term capital gain or loss, net.....	5-6, 24-26, 28-29, 69-70
<b>P</b>		Sick pay exclusions.....	6, 9-10, 12, 24-25
Partially tax-exempt interest credit... 5,	8, 25-26, 29, 39, 43, 47, 49	Simple and aggregated distributions of number of returns, adjusted gross income, and tax liability.....	33
Part year returns.....	10, 29	Single persons, returns of....	9, 11-12, 27, 56, 60, 62, 64, 68, 89-90
Partnerships:		Size of deduction.....	23, 55
Deductible expenses.....	25	Size of source.....	23, 50-54
Dividends received.....	6, 25	Sole proprietors. (See also Business or profession.).....	9, 25
Net profit or net loss.....	6, 25, 34-36, 40, 44, 51, 79, 81, 83	Sources of income or loss comprising adjusted gross income.....	23-24, 34-47, 79, 81-83
Payments on 1954 declaration of tax.....	30, 39, 43, 79	Split-income rate.....	5, 9, 11, 28
Pensions. (See Annuities and pensions.)		Standard deduction.....	6, 10-11, 23, 28, 34, 61, 75
Percentage distribution of number of returns, adjusted gross income, and tax liability.....	33	State and local taxes.....	6
Percentage increase or decrease in number of returns, income, deficit, and taxes: 1954 and 1953.....	5	State and municipal bonds.....	6
Personal exemptions.....	9-11	States and Territories.....	24, 71-74, 76, 85-86
Prior years, compensation for.....	25-26, 69-70	Summary, general. (See Major characteristics.)	
Prizes and awards.....	8-9, 26	Surtax:	
Property <i>other</i> than capital assets, sales of..	6, 8, 28, 34-35, 37, 41, 45, 52, 79, 81	Amount of.....	56-57
		Defined.....	29
		Percent limitation of taxable income.....	90
		Rates.....	8, 24, 28-29, 58
		Returns with.....	56-58
		Surtax net income. (See Taxable income.)	
		Surviving spouse.....	9-12, 23-24, 27-28, 56, 60, 62, 64, 67-68, 89-90
		Sweepstake winnings.....	26
		Synopsis of tax laws for individual income.....	87-92

T	Page	Page
Tabulated data. (See also Basic tables, Individual Returns, 1954, pp. 33-76.)	5, 11-15, 17-24, 28	
Tax. (See Alternative, Average, Computation of, Effective rate, Estimated, Foreign, Federal tax laws, Normal, Optional, Method of payment, Self-employment, State and local, Surtax.)		
Tax base. (See Taxable income.)		
Tax computation.	6, 10, 15-16, 23-24, 28-30, 89-91	
Tax credits:		
Dividends received.	5-6, 8-10, 12-15, 29, 38, 42, 46, 49, 56-57	
Foreign tax.	5, 8, 29, 39, 43, 47, 49	
Partially tax-exempt interest.	5, 8, 25-26, 29, 39, 43, 47, 49	
Retirement income.	5, 7-8, 10, 17-19, 29, 38, 42, 46, 49, 56	
Tax paid at source.	5, 29, 39, 43, 47, 49	
Tax due at time of filing.	30, 39, 43, 47	
Tax-free covenant bonds, interest on. (See also Tax paid at source.)	29	
Tax items.	28-30	
Tax liability:		
Amount.	5, 33, 39, 43, 47, 49, 56-64, 71-74, 79-80, 86	
Income tax.	5, 7, 9-10, 29, 33, 39, 43, 47, 49, 56-64, 71-74, 79-80, 86	
Returns.	5, 9, 56-57	
Self-employment tax.	5, 23, 79	
Tax limitation.	28-29, 90	
Tax overpayment. (See also Refunds.)	5-6	
Tax payments.	5-6, 29-30, 39, 43, 47	
Tax paid at source credit.	5, 29, 39, 43, 47, 49	
Tax rates.	5, 8, 10-11, 28-29, 56-58, 90-91	
Tax rates, effective.	58	
Tax refund.	5-6, 28, 30, 39, 43, 47	
Tax withheld.	5, 29-30, 39, 43, 47	
Taxable income:		
Amount of.	5, 11, 33, 38, 42, 46, 49, 56-64, 77	
Classes.	23, 26, 56-57	
Computation of.	8, 10, 15, 25-28	
Definition of.	8, 28	
Returns with itemized deductions.	6, 10, 26-27, 33-34, 48, 54, 63	
Taxable and nontaxable returns:		
Classification of.	5	
Combined.	5, 11-15, 17-19, 33-57, 59-69, 71-74, 79	
Taxable returns.	5, 10-19, 23, 33-74, 79-80	
Taxes paid.	6, 26-27	
Tax paid to a foreign country or possession of the United States.	5, 8, 13, 29, 43, 47, 49	
Tentative returns.	10	
Total deductions.	11, 34, 48, 79, 84	
Travel expenses not reimbursed.	9-10, 25, 28	
Trusts, income and/or loss from estates and.	6, 8, 25, 34-35, 38, 42, 46, 54, 79, 81	
Types of tax. (See also Normal tax, Surtax, Alternative tax, Optional tax, and Self-employment tax.)	24	

## W

Wage continuation plan.	9
Wages, salaries and.	6, 8, 10, 12, 24-25, 29, 34-36, 40, 44, 50, 71, 79
Wives, returns of. (See also Married persons and Marital status.)	9-12, 27, 59, 61, 63, 65-66, 89
Withheld tax.	5, 29-30, 39, 43, 47







