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STATISTICS OF INCOME . . . 1964

Individual
INCOME TAX
RETURNS



U. S. TREASURY DEPARTMENT • INTERNAL REVENUE SERVICE

Statistics of Income

1964

Individual
INCOME TAX
RETURNS



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

U. S. TREASURY DEPARTMENT

Internal Revenue Service • Publication No. 79 (1-67)

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This report on individual income tax returns was prepared under the direction of Jack Blacksin, Supervisory Statistician in the Income, Finance, and Wealth Branch, assisted by Raymond D. Plowden and other members of the staff.

Other branches of the Statistics Division assisted in development of the sample design and the computer systems design, the preparation of processing procedures, and the post-tabulation review of the data. Statistical and computer processing of the data were conducted by the service centers at Chamblee, Georgia; Kansas City, Missouri; Lawrence, Massachusetts; Philadelphia, Pennsylvania; and Ogden, Utah.

Letter of Transmittal

Treasury Department,
Office of Commissioner of Internal Revenue,
Washington, D. C., January 23, 1967.

Dear Mr. Secretary:

I am transmitting *Statistics of Income - 1964, Individual Income Tax Returns*. This report was prepared in partial fulfillment of the requirements of section 6108 of the Internal Revenue Code of 1954, which prescribes that statistics be published annually with respect to the operation of the income tax laws. The data presented in this report were based on the 65 million individual income tax returns filed on Forms 1040 and 1040A during calendar year 1965.

Effects of the changes prescribed by the Revenue Act of 1964 are measured in this report. The new tax rates, new dividends received exclusion, moving expense deduction, income averaging, and excludable sick pay receive special attention.

Statistics are presented for sources of income, exemptions, taxable income, income tax, self-employment tax, tax credits, tax payments, and overpayments, all classified by size of adjusted gross income. Included are data for returns with itemized deductions, Form 1040A returns, and Form 1040 returns with dividends eligible and ineligible for exclusion. A series of marginal tax rate tables for the various marital status classifications have been developed. Selected sources of income and some tax items are reported for each State.



Commissioner of Internal Revenue.

Hon. Henry H. Fowler,
Secretary of the Treasury.

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Income and tax data presented in this report were estimated from a sample of all returns filed during calendar year 1965 and represent complete coverage of all returns for the income year 1964. Over 65 million returns were filed of which more than 99 percent covered tax years ending December 31, 1964. The Revenue Act of 1964 (P. L. 88-272) introduced major changes affecting the comparability of income, deductions, and tax items with corresponding data for prior years. These changes are explained wherever they affect items in the report. A general discussion of the sources and limitations of the data is given in section 8.

RETURNS AND INCOME INCREASE, TAXES DECLINE

Chart 1 shows the ten-year trend of returns in three broad income size classes. A record number, 65,375, 601 returns, were filed for 1964, representing a 2.2 percent increase over 1963. The number of returns with income over \$10,000 again showed the greatest growth, increasing 16.7 percent from 1963. These returns represented 14.5 percent of the total filed, compared with 4.4 percent ten years ago. Those returns with incomes between \$5,000 and \$10,000 showed a moderate increase of 3.9 percent. Returns with income below \$5,000 continued to decline and now comprise 50.5 percent of total returns. In 1955 this figure was 70.8 percent.

Chart 1 - NUMBER OF RETURNS BY SIZE OF ADJUSTED GROSS INCOME, 1955-1964

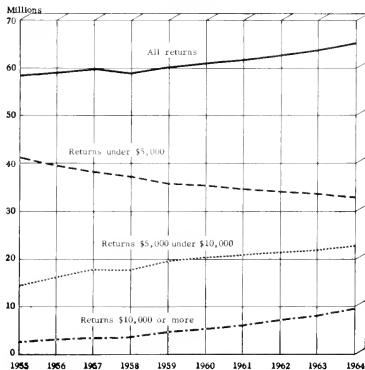


Table A.—NUMBER OF RETURNS, INCOME, AND TAXES: 1963 AND 1964

Item	1963	1964	Change, 1963 to 1964
	(1)	(2)	(3)
Number of returns, total.....	63,943,236	65,375,601	1,432,365
Finalists.....	51,321,221	51,806,330	+485,109
Nonfinalists.....	12,622,015	13,569,271	+947,256
Adjusted gross income (incl. deferrals) ¹	368,778	396,614	27,836
Source of income:			
Salaries and wages (gross) ²	364,321	323,206	-41,115
Dividends (after exclusion) ³	13,652	11,917	-1,735
Interest.....	9,212	10,127	+915
Business and professional net profit and net loss.....	21,116	22,962	+1,846
Farm net profit and net loss.....	2,776	2,638	-138
Partnership net profit and net loss.....	9,313	9,731	+418
Sale of capital assets net gain and net loss.....	6,449	7,034	+585
Rents net income and net loss.....	2,713	2,425	-288
Royalties net income and loss.....	593	486	-107
All other sources, income and loss.....	5,766	7,033	+1,267
Adjustments ⁴	897	2,879	+1,982
Taxable income.....	269,190	229,879	-39,311
Income tax after credits.....	46,266	47,153	+887
Self-employment tax.....	3,650	3,036	-614

¹Not comparable between 1963 and 1964 because of change in the law on the tax return form. These changes are explained in full in the text.

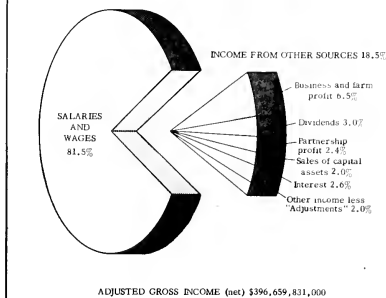
²For 1964 includes sick pay exclusion, moving expense deduction, employer business expense deduction, and self-employment pension deduction. For 1963 includes sick pay exclusion and self-employment pension deduction.

³NOTE: Detail may not add to total because of rounding.

Table A presents a summary of the major sources of income, taxable income, and income taxes for 1963 and 1964. Salaries and wages, the largest single source of income, increased to over the \$323 billion mark for 1964. This item is not directly comparable with salaries and wages in earlier years because a gross rather than a net figure is shown. Prior to 1964 the income tax return forms had no specific line for deductible employee business expenses. Hence, this item was often deducted by the taxpayer from salaries and wages before making the entry on the tax return. Furthermore, a line was provided on the pre-1964 returns for the subtraction of excludable sick pay from the amount of salaries and wages shown on the return and the net amount was tabulated for *Statistics of Income* purposes. The design of the 1964 individual income tax return provided for the entry of gross salaries and wages. Employee business expenses, excludable sick pay, and a new item, moving expenses, were subtracted from total income under the heading "adjustments." These three items together amounted to \$2.9 billion and if subtracted from gross salaries and wages, that item still increased 7.0 percent over 1963.

Other major increases were noted for sales of capital assets, up 23.1 percent, interest received which rose 9.9 percent, and business and professional income which increased 8.9 percent. The gain in sales of capital assets was the largest in several years. This gain was slightly affected by the new law excluding from gross income all or part of the gain on sale or exchange of a residence from sales by individuals who have attained age 65. Another important change was the treatment of a portion of gains from sales of real property, under Section 1250 of the Internal Revenue Code, as ordinary income. Most of the other sources increased with the exception of farm net profit which dropped 4.4 percent and rental income which declined 3.3 percent. Chart 2 shows the proportion of adjusted gross income for 1964 attributable to each major source of income.

Chart 2.—COMPONENTS OF ADJUSTED GROSS INCOME, 1964



Income tax after credits dropped 2.2 percent to \$47 billion. The 1963 figure was more than \$48 billion. This decrease was expected as the result of (1) lower tax rates effective in 1964, and (2) the new income averaging provision. For 1963 the minimum tax rate was 20 percent and the maximum was 91 percent. These rates dropped to 16 percent and 77 percent for 1964. The withholding rates also dropped from 18 percent to 14 percent. Taxpayers saved \$133 million as a result of using the income averaging provisions in the Revenue Act of 1964. The self-employment tax increased \$13.5 million over 1963. There was no change in the tax rate on self-employment income for 1964.

NEW "ADJUSTMENTS" AFFECT COMPUTATION OF ADJUSTED GROSS INCOME

Prior to the Revenue Act of 1964 there were certain items that were excluded from either gross income or salaries and wages. Excludable sick pay and employee business expenses were offset against salaries and wages on the Form 1040 and payments by self-employed persons to retirement plans were used as a deduction when computing adjusted gross income. As explained above, employee business expenses were not always measurable because no specific place was provided for their entry on the return.

As a result of the new law and changed form design, for 1964 there were no direct offsets to salaries and wages on the return. Instead, these three items plus a new one, employee moving expenses, each had a separate line in a section of the return called "Adjustments." The total of these adjustments was then used as a deduction when computing adjusted gross income.

The new adjustment, the definite place for reporting employee business expenses, and the new limitations on excludable sick pay caused adjusted gross income to be not strictly comparable with data for prior years. The four adjustments are explained in detail below.

Table B.—RETURNS WITH EXCLUDABLE SICK PAY. NUMBER OF RETURNS AND AMOUNT, BY ADJUSTED GROSS INCOME CLASSES, 1963 AND 1964

ADJUSTED GROSS INCOME CLASS	1963		1964	
	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)
	(1)	(2)	(3)	(4)
Total	1,273,794	1,244,749	1,074,218	1,044,237
Under \$100	1,179,494	1,176,494	1,024,118	1,014,237
\$100 under \$200	29,002	3,700	24,100	2,900
\$200 under \$300	2,000	200	1,100	100
\$300 under \$400	2,000	200	1,100	100
\$400 under \$500	2,000	200	1,100	100
\$500 under \$750	2,000	200	1,100	100
\$750 under \$1,000	2,000	200	1,100	100
\$1,000 under \$1,250	2,000	200	1,100	100
\$1,250 under \$1,500	2,000	200	1,100	100
\$1,500 under \$2,000	2,000	200	1,100	100
\$2,000 under \$3,000	2,000	200	1,100	100
\$3,000 under \$4,000	2,000	200	1,100	100
\$4,000 under \$5,000	2,000	200	1,100	100
\$5,000 under \$10,000	2,000	200	1,100	100
\$10,000 or more	2,000	200	1,100	100

NOTE: Detail may not total due to rounding.

Excludable Sick Pay

The Revenue Act of 1964 effected a major change in the law governing the exclusion of sick pay from gross income. Prior to this law an employee could exclude sick pay amounting to \$100 a week from his gross income if he were absent from work because of injury or illness. This exclusion did not apply to the first seven days of absence for illness unless the employee was hospitalized for at least one day during his absence. There was no waiting period in the case of an injury.

Under the new law, there is no differentiation between sickness or injury and the limit on the exclusion for the first thirty days is at the rate of \$75 a week. If the sick pay is more than 75 percent of the regular salary, the exclusion does not apply for the first thirty days. In any case, the exclusion does not apply for the first seven days of absence unless the employee is hospitalized at least one day during his absence. The limit on the exclusion is \$100 per week after the first thirty days of absence.

These new limitations caused a 60 percent decline in the number of individual income tax returns filed with excludable sick pay. Table B shows that there were 758,000 returns with this exclusion, compared with 1,871,000 for 1963. The amount dropped 40 percent from \$877 million in 1963 to \$522 million in 1964.

Employee Moving Expenses

As a result of the Revenue Act of 1964 employees are allowed a deduction for unreimbursed expenses incurred in moving household goods and personal effects, including traveling expenses of the employee and his household members, from his old home to a new job location. The deduction, as defined in the Act, is allowable only if the new location would have required at least an additional 20 miles of commuting if the employee had not changed his residence. Furthermore, the employee must have full-time employment in the new vicinity for 39 weeks during the twelve months following the move.

Table C indicates that taxpayers claimed \$93 million of unreimbursed moving expenses on more than 290,000 individual income tax returns filed for tax year 1964. Although the overall average deduction per return was \$319, the average within various income size classes differed considerably. The low was \$227 for taxable returns with adjusted gross income between \$2,000 and \$5,000 and the high was \$618 for returns with income over \$15,000.

Table C.—RETURNS WITH MOVING EXPENSE DEDUCTION. NUMBER OF RETURNS, ADJUSTED GROSS INCOME, AMOUNT OF DEDUCTION, SALARIES AND WAGES, AND INCOME TAX AFTER CREDITS, BY ADJUSTED GROSS INCOME CLASSES

ADJUSTED GROSS INCOME CLASS	RETURNS WITH MOVING EXPENSE DEDUCTION				
	Number of returns	Adjusted gross income (Thousand dollars)	Salaries and wages (Thousand dollars)	Amount of deduction (Thousand dollars)	Income tax after credits (Thousand dollars)
	(1)	(2)	(3)	(4)	(5)
Total	290,404	2,311,943	2,339,276	92,707	256,933
Under \$100	271,321	2,226,706	2,249,007	7,511	49,444
\$100 under \$200	1,176	147,764	147,339	4,667	710
\$200 under \$300	2,000	200	200	100	100
\$300 under \$400	2,000	200	200	100	100
\$400 under \$500	2,000	200	200	100	100
\$500 under \$750	2,000	200	200	100	100
\$750 under \$1,000	2,000	200	200	100	100
\$1,000 under \$1,250	2,000	200	200	100	100
\$1,250 under \$1,500	2,000	200	200	100	100
\$1,500 under \$2,000	2,000	200	200	100	100
\$2,000 under \$3,000	2,000	200	200	100	100
\$3,000 under \$4,000	2,000	200	200	100	100
\$4,000 under \$5,000	2,000	200	200	100	100
\$5,000 under \$10,000	2,000	200	200	100	100
\$10,000 or more	2,000	200	200	100	100
Total	290,404	2,311,943	2,339,276	92,707	256,933
Under \$100	271,321	2,226,706	2,249,007	7,511	49,444
\$100 under \$200	1,176	147,764	147,339	4,667	710
\$200 under \$300	2,000	200	200	100	100
\$300 under \$400	2,000	200	200	100	100
\$400 under \$500	2,000	200	200	100	100
\$500 under \$750	2,000	200	200	100	100
\$750 under \$1,000	2,000	200	200	100	100
\$1,000 under \$1,250	2,000	200	200	100	100
\$1,250 under \$1,500	2,000	200	200	100	100
\$1,500 under \$2,000	2,000	200	200	100	100
\$2,000 under \$3,000	2,000	200	200	100	100
\$3,000 under \$4,000	2,000	200	200	100	100
\$4,000 under \$5,000	2,000	200	200	100	100
\$5,000 under \$10,000	2,000	200	200	100	100
\$10,000 or more	2,000	200	200	100	100

NOTE: Detail may not total due to rounding. Income tax after credits is based on the amount of income tax liability less the amount of refundable credits. The amount of refundable credits is based on the amount of income tax liability less the amount of non-refundable credits. The amount of non-refundable credits is based on the amount of income tax liability less the amount of refundable credits. The amount of refundable credits is based on the amount of income tax liability less the amount of non-refundable credits.

Table D.—RETURNS WITH EMPLOYEE BUSINESS EXPENSE DEDUCTION. NUMBER OF RETURNS, ADJUSTED GROSS INCOME, AMOUNT OF DEDUCTION, SALARIES AND WAGES, AND INCOME TAX AFTER CREDITS, BY ADJUSTED GROSS INCOME CLASSES

ADJUSTED GROSS INCOME CLASS	RETURNS WITH EMPLOYEE BUSINESS EXPENSE DEDUCTION				
	Number of returns	Adjusted gross income (Thousand dollars)	Salaries and wages (Thousand dollars)	Amount of deduction (Thousand dollars)	Income tax after credits (Thousand dollars)
	(1)	(2)	(3)	(4)	(5)
Total	290,404	2,311,943	2,339,276	6,626,361	2,007,862
Under \$100	271,321	2,226,706	2,249,007	3,322	45
\$100 under \$200	1,176	147,764	147,339	774.1	1,075
\$200 under \$300	2,000	200	200	1,000	1,000
\$300 under \$400	2,000	200	200	1,000	1,000
\$400 under \$500	2,000	200	200	1,000	1,000
\$500 under \$750	2,000	200	200	1,000	1,000
\$750 under \$1,000	2,000	200	200	1,000	1,000
\$1,000 under \$1,250	2,000	200	200	1,000	1,000
\$1,250 under \$1,500	2,000	200	200	1,000	1,000
\$1,500 under \$2,000	2,000	200	200	1,000	1,000
\$2,000 under \$3,000	2,000	200	200	1,000	1,000
\$3,000 under \$4,000	2,000	200	200	1,000	1,000
\$4,000 under \$5,000	2,000	200	200	1,000	1,000
\$5,000 under \$10,000	2,000	200	200	1,000	1,000
\$10,000 or more	2,000	200	200	1,000	1,000
Total	290,404	2,311,943	2,339,276	6,626,361	2,007,862
Under \$100	271,321	2,226,706	2,249,007	3,322	45
\$100 under \$200	1,176	147,764	147,339	774.1	1,075
\$200 under \$300	2,000	200	200	1,000	1,000
\$300 under \$400	2,000	200	200	1,000	1,000
\$400 under \$500	2,000	200	200	1,000	1,000
\$500 under \$750	2,000	200	200	1,000	1,000
\$750 under \$1,000	2,000	200	200	1,000	1,000
\$1,000 under \$1,250	2,000	200	200	1,000	1,000
\$1,250 under \$1,500	2,000	200	200	1,000	1,000
\$1,500 under \$2,000	2,000	200	200	1,000	1,000
\$2,000 under \$3,000	2,000	200	200	1,000	1,000
\$3,000 under \$4,000	2,000	200	200	1,000	1,000
\$4,000 under \$5,000	2,000	200	200	1,000	1,000
\$5,000 under \$10,000	2,000	200	200	1,000	1,000
\$10,000 or more	2,000	200	200	1,000	1,000

NOTE: Detail may not total due to rounding. Income tax after credits is based on the amount of income tax liability less the amount of refundable credits. The amount of refundable credits is based on the amount of income tax liability less the amount of non-refundable credits. The amount of non-refundable credits is based on the amount of income tax liability less the amount of refundable credits.

Employee Business Expenses

The magnitude of deductible employee business expenses is indicated in table D. Prior to 1964, employee expenses for travel away from home, for transportation, expenses of outside salesmen, etc., were deductible from gross income, but no specific place was provided for them to be shown on the individual income tax return. For 1964, a separate line on the return was provided for them. The large amount of employee expenses compensated for under reimbursement or other expense allowance arrangements with employers do not appear on the form and cannot be tabulated. Certain other unreimbursed expenses such as cost of work clothes and uniforms, subscriptions to professional journals, union dues, small tools and supplies, employment agency fees, etc., can be taken as itemized deductions on the return.

As shown in table D, employee business expenses, amounting to more than \$2.2 billion, were reported on 2.2 million individual income tax returns. Half of the returns with this item were taxable returns with adjusted gross income between \$7,000 and \$15,000. These returns contained 46 percent of the total excludable employee business expenses.

Self-Employment Pension Deduction

The Self-Employed Individuals Tax Retirement Act of 1962, which first became effective in 1963, treats self-employed individuals as employees of the business which they conduct so that they may be covered under qualified employee retirement plans, such as pension, profit-sharing, annuity, and bond purchase plans, in much the same manner as their employees.

Table E.—RETURNS WITH SELF-EMPLOYMENT PENSION DEDUCTION: NUMBER OF RETURNS, ADJUSTED GROSS INCOME, AND AMOUNT BY ADJUSTED GROSS INCOME CLASSES, 1963 AND 1964

	1963			1964		
	Number of returns	Adjusted gross income (Thousand dollars)	Amount (Thousand dollars)	Number of returns	Adjusted gross income (Thousand dollars)	Amount (Thousand dollars)
	(1)	(2)	(3)	(4)	(5)	(6)
Grants total.....	27,914	114,330	10,451	39,776	162,061	16,692
Double under \$10,000.....	2,572	7,718	1,177	4,747	17,494	2,609
Under \$10,000.....	1,909	10,062	1,139	3,197	12,675	1,710
\$10,000 under \$15,000.....	2,663	16,247	2,444	4,553	21,562	2,779
\$15,000 under \$20,000.....	2,679	19,286	1,116	3,751	27,171	1,840
\$20,000 under \$25,000.....	2,643	20,939	1,044	3,813	28,200	1,900
\$25,000 under \$30,000.....	2,619	24,792	918	3,702	32,434	1,920
\$30,000 under \$40,000.....	1,912	37,573	2,227	3,908	43,273	2,371
\$40,000 or more.....	1,778	49,747	2,607	4,252	64,217	3,563
Partnerships.....	1,778	11,471	1,017	1,411	7,411	25
Partnerships under \$10,000.....	1,778	11,471	1,017	1,411	7,411	25
Partnerships \$10,000 or more.....	1,778	11,471	1,017	1,411	7,411	25

NOTE: Detail may not total because of rounding.

For 1964, some 39,000 individual income tax returns showed deductions for contributions to self-employment retirement plans. This was a 34 percent increase over the 1963 figure of 29,000. The \$26 million deducted for 1964 represented a growth of 35 percent over the \$19 million deducted in the previous year. Table E shows that almost 70 percent of the amount deducted in 1964 was taken on taxable returns with adjusted gross income over \$20,000.

Table F.—RETURNS WITH INCOME AVERAGING: NUMBER OF RETURNS, ADJUSTED GROSS INCOME BEFORE CREDITS, BEFORE AND AFTER INCOME AVERAGING, BY ADJUSTED GROSS INCOME CLASSES, 1964

	Number of returns	Before credits			After credits		
		Number of returns	Income (Thousand dollars)	Percentage	Number of returns	Income (Thousand dollars)	Percentage
Total.....	1,122	1,122	1,272.6	100.0	1,122	1,172.3	100.0
Under \$10,000.....	13	13	13.7	1.1	13	13.7	1.2
\$10,000 under \$15,000.....	114	114	1,111.9	87.0	114	1,111.9	94.8
\$15,000 under \$20,000.....	114	114	1,111.9	87.0	114	1,111.9	94.8
\$20,000 under \$25,000.....	114	114	1,111.9	87.0	114	1,111.9	94.8
\$25,000 under \$30,000.....	114	114	1,111.9	87.0	114	1,111.9	94.8
\$30,000 under \$40,000.....	114	114	1,111.9	87.0	114	1,111.9	94.8
\$40,000 or more.....	114	114	1,111.9	87.0	114	1,111.9	94.8

NOTE: Detail may not total because of rounding.

INCOME AVERAGING

The income averaging computation, available for the first time in 1964, was designed to benefit those individuals who have an unusually large amount of taxable income in any one year. Income averaging has the effect of spreading income over a five-year period. This permits a part of the unusually large amount of taxable income to be taxed in lower brackets, resulting in a reduction of the overall amount of tax due.

As shown in table F, taxpayers on some 246,000 returns made use of income averaging in 1964 and the tax savings from this computation averaged approximately 7 percent. The income tax before credits on these returns, before income averaging, amounted to \$1.8 billion. After income averaging, the amount was \$1.7 billion, reflecting a total tax savings of \$0.1 billion. Nearly 67 percent of the returns with income averaging had adjusted gross income between \$15,000 and \$50,000.

The income averaging method may be applied to many different kinds of income such as salaries, dividends, interest, or ordinary income from a sole proprietorship or partnership. However, it is not applicable to other types of income such as long-term capital gains, wagering, or income from properties acquired by inheritance or gift in certain cases.

Table G shows that approximately one-half of the adjusted gross income on returns with income averaging was derived from a business or profession, a farm, or a partnership. Salaries and wages, the next most important source on returns with income averaging, comprised 38 percent of the adjusted gross income. This income pattern differed markedly from the pattern for all individual income tax returns. For example, salaries and wages comprised 81 percent of the adjusted gross income reported on all individual income tax returns and income from a business or profession, a farm, or a partnership comprised only 9 percent of adjusted gross income. The importance of earned income from a sole proprietorship or partnership to many taxpayers who use income averaging was further demonstrated by the fact that 42 percent of such returns were subject to the self-employment tax. Only 9 percent of the 65.4 million individual income tax returns filed for 1964 were subject to this tax.

A detailed explanation of the income averaging calculation and applicable rules is given in the instructions for schedule G in section 10 of this report.

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table C.—RETURNS WITH INCOME AVERAGING: SOURCES OF INCOME AND LOSS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	Tax credits—Continued				Income tax after credits		Tax from suspended prior year investment credit		Self-employment tax		Tax withheld	
	Foreign taxes paid		Other		Amount (Thousand dollars)		Amount (Thousand dollars)		Amount (Thousand dollars)		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)
Grand total.....	3,719	2,153	65,176	5,324	1,061,763	5,476	976	102,687	25,958	151,664	455,108	
Taxable returns, total.....	3,718	2,063	65,154	5,322	1,061,763	5,476	976	102,473	25,947	151,023	455,204	
Under \$10,000.....	.....	.....	5,607	55	11,213	.....	33	4,867	1,123	4,215	6,277
\$10,000 under \$15,000.....	.....	.....	7,062	65	12,423	.....	33	16,267	4,121	49,954	32,955
\$15,000 under \$20,000.....	2,161	686	7,062	169	128,273	762	35	23,059	5,201	36,664	51,425	
\$20,000 under \$25,000.....	.....	.....	35,759	3,421	720,857	2,947	268	44,930	12,799	.....	214,950
\$25,000 under \$30,000.....	1,134	313	13,842	1,689	472,235	555	254	8,413	4,157	13,294	113,033	
\$30,000 under \$35,000.....	389	775	2,963	1,343	242,256	416	101	1,946	373	2,427	36,414	
\$35,000 under \$40,000.....	12	212	31	101	13,242	5	25	1	4	41	132	
\$40,000 or more.....	2	14	10	35	10,525	1	1	1	4	5	522	
Nontaxable returns.....	1	90	(1)	(1)	.....	(1)	(1)	414	107	421	362
Adjusted gross income classes	Payments on 1964 declarations				Tax due at time of filing		Overpayment		Refund cash or bonds requested		Credit on 1965 tax	
	Number of returns		Amount (Thousand dollars)		Number of returns		Amount (Thousand dollars)		Number of returns		Amount (Thousand dollars)	
	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(73)	(74)	(75)	
Grand total.....	143,214	677,132	205,311	608,114	40,170	30,730	24,971	13,367	16,460	17,362		
Taxable returns, total.....	143,091	656,904	204,965	608,024	39,744	30,158	24,760	13,138	16,244	17,017		
Under \$10,000.....	3,272	1,736	10,787	5,092	3,265	2,203	2,303	.....	.....	410	
\$10,000 under \$15,000.....	17,962	11,226	30,939	46,226	1,732	7,098	7,098	1,391	1,779	808		
\$15,000 under \$20,000.....	23,235	30,215	60,647	49,418	6,339	3,151	4,808	2,243	2,025	909		
\$20,000 under \$25,000.....	79,461	286,362	85,502	244,153	18,594	15,841	19,052	9,791	9,064	9,000		
\$25,000 under \$30,000.....	19,561	207,640	20,253	166,659	3,224	6,059	6,059	.....	.....	888	
\$30,000 under \$35,000.....	3,256	112,630	3,923	99,006	369	4,131	69	1,705	298	1,567		
\$35,000 under \$40,000.....	54	1,383	54	12,000	3	115	.....	.....	3	115	
\$40,000 or more.....	10	262	10	10,431	.....	.....	.....	.....	.....	.....
Nontaxable returns.....	(1)	(2)	346	90	626	772	211	229	216	343		

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

* Estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.

Table H.—TOTAL FOREIGN AND DOMESTIC DIVIDENDS RECEIVED: FORM 1040 RETURNS WITH DIVIDENDS ELIGIBLE AND INELIGIBLE FOR EXCLUSION, AMOUNT OF EXCLUSION, AND DIVIDENDS IN ADJUSTED GROSS INCOME, BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Domestic and foreign dividends received						Dividends excluded from gross income	Dividends in adjusted gross income		
	Total		Not eligible for exclusion		Eligible for exclusion					
	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)				
Total.....	9,769,169	12,238,144	1,123,490	310,931	9,466,952	12,277,204	9,341,394	910,815	5,666,760	11,917,365
Under \$5,000.....	2,625,063	1,366,662	345,379	46,808	6,481,436	2,433,776	219,268	1,705,034	1,166,413	
\$5,000 under \$10,000.....	3,218,993	1,600,330	326,273	36,159	3,116,425	1,606,172	3,080,731	259,029	1,594,906	1,381,324
\$10,000 or more.....	3,925,113	8,823,152	451,840	267,964	3,566,091	9,555,189	3,827,090	433,302	2,365,820	9,389,628

NOTE: Detail may not add to total because of rounding.

Table I.—RETURNS WITH DIVIDEND EXCLUSION: NUMBER OF RETURNS AND AMOUNT, BY ADJUSTED GROSS INCOME CLASSES, 1963 AND 1964

Adjusted gross income classes	1963		1964	
	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)
	(1)	(2)	(3)	(4)
Grand total.....	8,680,922	516,879	9,341,596	601,815
Taxable returns, total.....	7,560,608	453,246	8,120,337	702,594
Under \$2,000.....	235,189	9,542	181,157	14,087
\$2,000 under \$5,000.....	1,147,692	88,298	1,107,921	84,405
\$5,000 under \$7,000.....	766,524	29,603	711,176	69,466
\$7,000 under \$10,000.....	796,386	21,317	848,978	51,636
\$10,000 under \$15,000.....	1,037,991	97,794	1,046,203	153,348
\$15,000 under \$20,000.....	2,040,313	126,978	1,973,824	190,474
\$20,000 or more.....	4,196,618	117,993	4,061,163	241,361
Nontaxable returns.....	1,120,314	63,633	1,221,257	119,221

NOTE: Detail may not add to total because of rounding.

payer. The Revenue Act of 1964 changed the amount to \$100 so that, if both husband and wife have dividends of \$100 or more on a joint return, the exclusion became \$200. For 1964, taxpayers on 9.3 million returns claimed exclusions for dividends. This was a 7.6 percent increase over 1963. The amount of the exclusion, however, jumped more than 76 percent from \$517 million in 1963 to \$911 million in 1964. Nearly half of the \$911 million (47 percent) was concentrated on taxable returns with adjusted gross income of \$10,000 or more. More detailed information on dividends received is contained in table 11.

The dividends received credit was cut in half by the Revenue Act of 1964 and will be eliminated for 1965.

The amount of the credit was not tabulated separately but is included in "Other tax credits" in table 4.

NEW INFORMATION SHOWN FOR SALES OF DEPRECIABLE PROPERTY

Under Section 1245 of the Internal Revenue Code of 1954, the gain from sale or other disposition of certain depreciable property, which prior to 1963 was treated wholly as a capital gain, is taxable as ordinary income to the extent of depreciation deducted after 1961. These provisions apply to dispositions of such property after 1962. The portion of gain not treated as ordinary income was combined with gain and losses from section 1231 property (business assets and livestock, for the most part). If the combined amount was a net gain, the gain was treated as capital gain. If the combined amount was a loss, the loss was treated as an ordinary loss and reported as "Net loss from sales of property other than capital assets."

The property covered under section 1245 is depreciable property (other than livestock) used in trade or business or held for the production of income. Included is personal property or other tangible property used as an integral part of (a) manufacturing, (b) production, (c) extraction, or (d) the furnishing of transportation, communications, electrical energy, gas, water, or sewage disposal services. Also included are research or storage facilities used in connection with the activities in (a) - (d) above. For 1964, elevators and escalators were added to this list of property.

Similarly, under section 1250 of the Code, effective after 1963, ordinary income treatment was given to a portion of the lower of either (1) gain from the disposition of real property used in a trade or business or (2) depreciation deductions on such property claimed after 1963 in excess of depreciation calculated under the straight line method. The portion of the gain not treated as ordinary income was combined with gains and losses from section 1231 property, and treated as described above.

Table J.—RETURNS WITH GAIN FROM SALES OF DEPRECIABLE PROPERTY: NUMBER OF RETURNS AND AMOUNT, BY ADJUSTED GROSS INCOME CLASSES, 1964

Adjusted gross income class	Ordinary gain from sales of depreciable property		Other gain from sales of depreciable property	
	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)
	(1)	(2)	(3)	(4)
Grand total.....	187,952	130,058	148,026	*29,962
Taxable returns, total.....	147,227	99,279	118,641	46,919
Under \$5,000.....	27,073	9,876	19,129	17,888
\$5,000 under \$15,000.....	55,305	26,110	43,997	46,877
\$15,000 under \$25,000.....	27,176	15,338	22,976	79,714
\$25,000 under \$50,000.....	12,121	19,248	19,793	69,417
\$50,000 under \$75,000.....	29,621	29,190	17,132	122,693
\$75,000 under \$100,000.....	3,456	6,237	3,679	74,395
\$100,000 or more.....	1,356	1,891	1,267	41,537
Non-taxable returns.....	40,725	30,779	29,385	63,043

About 188,000 returns showed \$130 million of ordinary gain from sales of section 1245 and section 1250 property, as shown in table J. Other gain from sales of such property was reported on 148,000 returns in the amount of \$530 million.

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

CLASSIFICATION	ALL TAXPayers			Married			Single			Total		
	Number of returns	Adjusted gross income (Thousands of dollars)	Income tax after credits (Thousands of dollars)	Number of returns	Adjusted gross income (Thousands of dollars)	Income tax after credits (Thousands of dollars)	Number of returns	Adjusted gross income (Thousands of dollars)	Income tax after credits (Thousands of dollars)	Number of returns	Adjusted gross income (Thousands of dollars)	Income tax after credits (Thousands of dollars)
Under \$5,000	557,742	3,899,292.8	11,836.39	271,072	1,959,212.2	59,276.12	286,670	1,940,080.6	15,560.27	844,412	5,859,375.4	27,396.66
\$5,000 to under \$7,500	326,317	7,589,282	31,727.61	157,502	4,507,766.3	14,361.61	168,815	3,081,515.7	17,366.00	495,327	12,097,063.7	51,728.27
\$7,500 to under \$10,000	179,483	3,277,605	10,103.58	87,247	1,427,602.9	3,354.68	92,236	1,849,994.8	6,748.90	271,720	5,105,207.6	16,464.58
\$10,000 to under \$12,500	114,474	3,879,486	12,537.35	57,477	2,276,434.3	7,854.84	56,997	2,602,868.6	4,682.51	171,471	6,483,307.9	22,337.35
\$12,500 to under \$15,000	72,321	3,233,413	10,549.75	37,216	1,852,211.5	6,116.58	35,105	2,384,423.0	4,433.17	107,426	5,536,646.5	20,666.30
\$15,000 to under \$20,000	94,111	3,707,631	14,576.15	47,379	1,975,981.4	10,261.85	46,732	2,741,962.8	14,317.30	140,843	7,425,215.7	24,878.65
\$20,000 to under \$25,000	70,784	3,588,273	15,267.81	34,179	1,871,273.1	11,317.52	36,605	2,712,546.2	13,953.30	107,389	6,264,122.4	25,271.12
\$25,000 to under \$30,000	54,775	3,475,323	14,327.19	26,242	1,741,127.3	10,733.37	28,533	2,482,254.6	13,466.74	83,308	6,223,509.2	24,200.21
\$30,000 to under \$35,000	41,391	3,402,821	14,127.41	19,875	1,620,143.7	10,348.18	21,516	2,240,290.4	12,496.35	62,907	5,482,577.8	22,852.74
\$35,000 to under \$40,000	29,209	3,311,731	13,857.18	13,807	1,504,148.1	9,848.37	15,402	2,008,296.2	11,666.73	44,611	5,512,472.4	21,515.51
\$40,000 to under \$45,000	20,311	3,211,251	13,597.20	9,702	1,375,722.6	9,417.13	10,604	1,838,535.2	11,184.96	30,915	5,590,000.4	20,207.00
\$45,000 to under \$50,000	14,773	3,115,248	13,347.43	7,124	1,276,228.7	9,162.00	7,648	1,592,457.4	10,924.39	22,421	5,144,914.8	19,088.39
\$50,000 and over	1,421	31,232,432	117,622.97	711	15,272,796	587,796.76	710	15,965,636	587,828.21	1,421	47,195,128	1,175,625.17
Total	2,417,637	100,000,000	3,846,267.76	1,217,007	50,000,000	1,923,131.76	1,199,630	50,000,000	1,923,131.76	2,417,637	100,000,000	3,846,267.76
Under \$5,000	452	3,135,288	9,736.38	221	1,625,947	4,361.72	231	1,510,341	5,374.66	683	4,656,288	14,102.04
\$5,000 to under \$7,500	278	7,589,282	31,727.61	139	4,254,891	14,361.61	139	3,329,391	17,366.00	417	11,843,564	51,728.27
\$7,500 to under \$10,000	149	3,277,605	10,103.58	75	1,427,603	3,354.68	74	1,849,995	6,748.90	149	5,105,208	16,464.58
\$10,000 to under \$12,500	96	3,879,486	12,537.35	50	2,276,435	7,854.84	46	2,602,869	4,682.51	142	6,483,310	22,337.35
\$12,500 to under \$15,000	62	3,233,413	10,549.75	32	1,852,212	6,116.58	30	2,384,424	4,433.17	92	5,536,648	20,666.30
\$15,000 to under \$20,000	81	3,707,631	14,576.15	41	1,975,982	10,261.85	40	2,741,963	14,317.30	121	7,425,216	24,878.65
\$20,000 to under \$25,000	61	3,475,323	14,327.19	31	1,741,128	10,733.37	32	2,482,255	13,466.74	93	6,264,123	25,271.12
\$25,000 to under \$30,000	46	3,402,821	14,127.41	23	1,620,144	10,348.18	23	2,240,291	12,496.35	69	5,482,578	22,852.74
\$30,000 to under \$35,000	33	3,311,731	13,857.18	16	1,504,149	9,848.37	17	2,008,297	11,666.73	50	5,512,473	21,515.51
\$35,000 to under \$40,000	24	3,211,251	13,597.20	12	1,375,723	9,417.13	13	1,838,536	11,184.96	37	5,144,915	20,207.00
\$40,000 to under \$45,000	17	3,115,248	13,347.43	9	1,276,229	9,162.00	9	1,592,458	10,924.39	26	5,144,916	20,207.00
\$45,000 to under \$50,000	12	3,015,248	13,097.20	6	1,176,229	8,912.00	6	1,492,457	10,674.39	18	4,668,706	19,576.39
\$50,000 and over	421	31,232,432	117,622.97	211	15,272,796	587,796.76	210	15,965,636	587,828.21	421	47,195,128	1,175,625.17
Total	2,417,637	100,000,000	3,846,267.76	1,217,007	50,000,000	1,923,131.76	1,199,630	50,000,000	1,923,131.76	2,417,637	100,000,000	3,846,267.76

Source: U.S. Department of the Treasury, Bureau of Economic Analysis, "Individual Income Tax Returns for 1964,"

Table 1, "Number of Returns, Adjusted Gross Income, Taxable Income, and Income Tax After Credits, by Adjusted Gross Income Classes and Classes Cumulated."

Notes: Figures are rounded to the nearest whole number.

1. Taxpayers who are married and who file a joint return are counted as one return.

2. Taxpayers who are married and who file separate returns are counted as two returns.

3. Taxpayers who are single and who file a separate return are counted as one return.

4. Taxpayers who are single and who file a joint return with a spouse are counted as one return.

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 1.—SOURCES OF INCOME AND 1964 ADJUSTED GROSS INCOME, STANDARD DEDUCTION, AND TOTAL ITEMIZED DEDUCTION, BY ADJUSTED GROSS INCOME (IN THOUSAND DOLLARS)

	1964 ADJUSTED GROSS INCOME		STANDARD DEDUCTION		TOTAL ITEMIZED DEDUCTION		ADJUSTED GROSS INCOME	STANDARD DEDUCTION	TOTAL ITEMIZED DEDUCTION
	(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(Thousand dollars)			
Retired and deferred pay	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Dividend and interest income	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Capital gains	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Wages and salaries	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Business income	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Other income	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000

FOOTNOTES AT END OF TABLE. SEE FOOTNOTES TO TABLE 1 OF THIS COMPANION PUBLICATION, "INDIVIDUAL INCOME TAX RETURNS FOR 1964"

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 2.—SOURCES OF INCOME AND LOSS, ADJUSTED GROSS INCOME, STANDARD DEDUCTION, AND TOTAL ITEMIZED DEDUCTIONS, BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	Total (all returns and losses)										
	Other income		Other income		Dividends and interest		Rents		Total		
	Net income	Net loss	Other income	Net loss	Other income	Adjusted gross income	Total standard deduction	Number of returns	Adjusted gross income	Total itemized deduction	
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)
Total	463,093	485,217	31,463	71,703	4,427,764	35,033,193	12,411,153	20,157,723	2,401,961	246,070,130	19,192,056
No adjusted gross income	12,30	32,21	—	—	—	—	—	—	—	—	—
Under \$500	11,663	3,176	—	—	13,791	3,781,036	1,200,000	1,200,000	31,334	11,317	25,247
\$500 under \$1,000	13,136	1,364	2,068	2,036	54,112	2,084,411	4,131,792	1,620,000	103,312	57,411	11,123
\$1,000 under \$2,000	8,105	26,277	—	—	211,141	1,013,076	4,250,000	2,000,000	2,278,000	1,270,278	237,265
\$2,000 under \$3,000	22,410	27,036	—	—	310,131	1,163,058	2,000,000	1,400,000	2,200,000	1,411,000	1,411,000
\$3,000 under \$4,000	35,812	17,721	2,009	1,271	305,755	1,013,022	1,400,000	2,000,000	1,000,000	772,701	1,887,323
\$4,000 under \$5,000	32,914	17,915	—	—	292,006	3,011,150	1,000,000	2,000,000	2,000,000	1,000,000	2,000,000
\$5,000 under \$6,000	29,175	21,223	—	—	212,320	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
\$6,000 under \$7,000	29,255	21,733	1,201	1,201	222,352	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
\$7,000 under \$8,000	26,267	27,111	—	—	254,570	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
\$8,000 under \$9,000	20,941	29,336	—	—	228,994	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
\$9,000 under \$10,000	19,781	17,431	3,199	1,927	233,210	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
\$10,000 under \$15,000	6,749	73,262	—	—	95,723	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
\$15,000 under \$20,000	32,130	6,315	2,006	2,380	398,413	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
\$20,000 under \$25,000	12,707	113,003	—	—	147,710	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
\$25,000 under \$30,000	11,716	10,120	1,702	7,091	261,151	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
\$30,000 under \$40,000	6,426	702,21	—	13,220	103,493	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
\$40,000 under \$50,000	361	6,825	—	1,321	1,321	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
\$50,000 or more	78	6,401	37	4,661	1,321	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Return under \$5,000	142,813	132,000	1,000	5,999	86,545	21,000,000	10,000,000	10,000,000	22,142,000	10,000,000	10,000,000
Return \$5,000 under \$10,000	129,707	113,003	1,176	16,146	1,277,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Return \$10,000 or more	19,573	43,321	1,383	5,558	2,404,719	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000

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

* Adjusted gross income less deductions.

† Net loss.

‡ Negative if "other sources."

NOTE: Detail may not add to total because of rounding.

Table 3.—SOURCES OF INCOME AND LOSS ALL RETURNS, RETURNS WITH STANDARD DEDUCTION, RETURNS WITH ITEMIZED DEDUCTIONS, AND RETURNS WITH NO ADJUSTED GROSS INCOME, BY MARITAL STATUS OF TAXPAYER

(Table 3 continued on next page)

All other income sources (continued)	All returns		2 of 3 returns of husband and wife		Separate returns of husband and wife		Returns of single persons		Returns of surviving spouses		Returns of persons filing as head of household	
	Number	Amount (Thousands of dollars)	Number	Amount (Thousands of dollars)	Number	Amount (Thousands of dollars)	Number	Amount (Thousands of dollars)	Number	Amount (Thousands of dollars)	Number	Amount (Thousands of dollars)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All other income												
Adjusted gross income	89,789,643	1,087,562,000	78,432,829	1,044,017,000	11,356,814	83,567,000	38,742,221	469,512,000	22,284,397	269,541,000	26,209,998	367,528,000
Capital gain or loss	1,773,914	18,000,000	1,687,914	17,000,000	86,000	1,000,000	907,997	9,000,000	1,000,000	10,000,000	1,000,000	10,000,000
Dividends	10,579,919	100,000,000	10,579,919	100,000,000	0	0	0	0	0	0	0	0
Net profit	10,579,919	100,000,000	10,579,919	100,000,000	0	0	0	0	0	0	0	0
Net loss	0	0	0	0	0	0	0	0	0	0	0	0
Partnership	10,579,919	100,000,000	10,579,919	100,000,000	0	0	0	0	0	0	0	0
Net profit	10,579,919	100,000,000	10,579,919	100,000,000	0	0	0	0	0	0	0	0
Net loss	0	0	0	0	0	0	0	0	0	0	0	0
Sales of capital assets	10,579,919	100,000,000	10,579,919	100,000,000	0	0	0	0	0	0	0	0
Net gain	10,579,919	100,000,000	10,579,919	100,000,000	0	0	0	0	0	0	0	0
Net loss	0	0	0	0	0	0	0	0	0	0	0	0
Primary gain from sales of realizable property	10,579,919	100,000,000	10,579,919	100,000,000	0	0	0	0	0	0	0	0
Sales of property other than capital assets	0	0	0	0	0	0	0	0	0	0	0	0
Net gain	0	0	0	0	0	0	0	0	0	0	0	0
Net loss	0	0	0	0	0	0	0	0	0	0	0	0
Interest received	10,579,919	100,000,000	10,579,919	100,000,000	0	0	0	0	0	0	0	0
Dividends and annuities (taxable portion)	10,579,919	100,000,000	10,579,919	100,000,000	0	0	0	0	0	0	0	0
Net income	10,579,919	100,000,000	10,579,919	100,000,000	0	0	0	0	0	0	0	0
Net loss	0	0	0	0	0	0	0	0	0	0	0	0
Other income	0	0	0	0	0	0	0	0	0	0	0	0
Returns with Standard Deduction												
Adjusted gross income	5,000,000	100,000,000	4,500,000	90,000,000	500,000	10,000,000	1,000,000	20,000,000	100,000	2,000,000	1,000,000	20,000,000
Capital gain or loss	100,000	1,000,000	100,000	1,000,000	0	0	0	0	0	0	0	0
Dividends	100,000	1,000,000	100,000	1,000,000	0	0	0	0	0	0	0	0
Net profit	100,000	1,000,000	100,000	1,000,000	0	0	0	0	0	0	0	0
Net loss	0	0	0	0	0	0	0	0	0	0	0	0
Partnership	100,000	1,000,000	100,000	1,000,000	0	0	0	0	0	0	0	0
Net profit	100,000	1,000,000	100,000	1,000,000	0	0	0	0	0	0	0	0
Net loss	0	0	0	0	0	0	0	0	0	0	0	0
Sales of capital assets	100,000	1,000,000	100,000	1,000,000	0	0	0	0	0	0	0	0
Net gain	100,000	1,000,000	100,000	1,000,000	0	0	0	0	0	0	0	0
Net loss	0	0	0	0	0	0	0	0	0	0	0	0
Primary gain from sales of realizable property	100,000	1,000,000	100,000	1,000,000	0	0	0	0	0	0	0	0
Sales of property other than capital assets	0	0	0	0	0	0	0	0	0	0	0	0
Net gain	0	0	0	0	0	0	0	0	0	0	0	0
Net loss	0	0	0	0	0	0	0	0	0	0	0	0
Interest received	100,000	1,000,000	100,000	1,000,000	0	0	0	0	0	0	0	0
Dividends and annuities (taxable portion)	100,000	1,000,000	100,000	1,000,000	0	0	0	0	0	0	0	0
Net income	100,000	1,000,000	100,000	1,000,000	0	0	0	0	0	0	0	0
Net loss	0	0	0	0	0	0	0	0	0	0	0	0
Other income	0	0	0	0	0	0	0	0	0	0	0	0

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

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 3.—SOURCES OF INCOME AND LOSSES: ALL RETURNS, RETURNS WITH STANDARD DEDUCTION, RETURNS WITH ITEMIZED DEDUCTIONS, AND RETURNS WITH NO ADJUSTED GROSS INCOME, BY MARITAL STATUS OF TAXPAYER—Continued

Source of income and loss	All returns		Returns with standard deduction		Returns with itemized deductions		Returns with no adjusted gross income		Total	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Number	(Dollars)	Number	(Dollars)	Number	(Dollars)	Number	(Dollars)	Number	(Dollars)
Wages and salaries										
Wages and salaries (for 1964)	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Dividends in subjects of prior income	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Interest received	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Capital gains (losses)	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Other income	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Losses	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Net income	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Net loss	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Wages and salaries										
Wages and salaries (for 1964)	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Dividends in subjects of prior income	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Interest received	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Capital gains (losses)	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Other income	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Losses	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Net income	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Net loss	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Wages and salaries										
Wages and salaries (for 1964)	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Dividends in subjects of prior income	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Interest received	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Capital gains (losses)	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Other income	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Losses	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Net income	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Net loss	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Wages and salaries										
Wages and salaries (for 1964)	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Dividends in subjects of prior income	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Interest received	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Capital gains (losses)	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Other income	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Losses	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Net income	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024
Net loss	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024	1,097,024

See Section 6013, regarding the Sample and limitations of the "Data" and "Explanation of Characteristics and Items."

1. All figures are in thousands of dollars.

2. Returns with no adjusted gross income are excluded because of high sampling variance. However, the data are included in the appropriate totals.

3. Blank cells are zero.

4. Other income.

NOTE: Detail figures do not equal totals because of rounding.

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 4 -- ALL RETURNS -- SOURCE OF INCOME AND LOSS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES

Source of income and loss	Total		Under \$10,000		\$10,000 to \$25,000		\$25,000 to \$50,000		\$50,000 to \$75,000		\$75,000 to \$100,000		\$100,000 to \$250,000		\$250,000 to \$500,000		\$500,000 to \$1,000,000		\$1,000,000 and over					
	(Thousands of dollars)	(Percentage)	(Thousands of dollars)	(Percentage)	(Thousands of dollars)	(Percentage)	(Thousands of dollars)	(Percentage)	(Thousands of dollars)	(Percentage)	(Thousands of dollars)	(Percentage)	(Thousands of dollars)	(Percentage)	(Thousands of dollars)	(Percentage)	(Thousands of dollars)	(Percentage)	(Thousands of dollars)	(Percentage)				
Total	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0		
Source of income and loss																								
Wages, salaries, and commissions	450,000	45.0	450,000	45.0	450,000	45.0	450,000	45.0	450,000	45.0	450,000	45.0	450,000	45.0	450,000	45.0	450,000	45.0	450,000	45.0	450,000	45.0	450,000	45.0
Dividends	150,000	15.0	150,000	15.0	150,000	15.0	150,000	15.0	150,000	15.0	150,000	15.0	150,000	15.0	150,000	15.0	150,000	15.0	150,000	15.0	150,000	15.0	150,000	15.0
Interest	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0
Capital gains	200,000	20.0	200,000	20.0	200,000	20.0	200,000	20.0	200,000	20.0	200,000	20.0	200,000	20.0	200,000	20.0	200,000	20.0	200,000	20.0	200,000	20.0	200,000	20.0
Retirement income	50,000	5.0	50,000	5.0	50,000	5.0	50,000	5.0	50,000	5.0	50,000	5.0	50,000	5.0	50,000	5.0	50,000	5.0	50,000	5.0	50,000	5.0	50,000	5.0
Other income	150,000	15.0	150,000	15.0	150,000	15.0	150,000	15.0	150,000	15.0	150,000	15.0	150,000	15.0	150,000	15.0	150,000	15.0	150,000	15.0	150,000	15.0	150,000	15.0
Exemptions																								
Married couples	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0
Single individuals	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0
Taxable income																								
Total	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0
Exempt income	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0
Tax items																								
Total	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0	1,000,000	100.0
Charitable contributions	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0
State and local taxes	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0
Interest on national debt	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0
Other tax items	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0	100,000	10.0

Source: U.S. Department of the Treasury, Bureau of Economic Analysis, "Individual Income Tax Returns for 1964," Table 4, p. 13.

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 4—ALL RETURNS—SOURCE OF INCOME AND LOSS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	Interest received		Dividend and annuity (benefit payments)		Rents		Royalties								
	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)							
Grand total.....	2,417,325	11,715,737	6,650,292	1,167,538	1,777,952	3,137,234	9,973,718	3,439,263	2,177,643	1,331,793	651,943	57,708	32,493	7,791	
Taxable returns, total.....	2,376,270	11,142,375	6,436,200	1,160,557	1,766,112	3,076,234	9,813,718	3,402,007	2,155,712	1,319,303	651,943	57,708	32,493	7,791	
Under \$10,000.....	111,492	211,644	347,790	131,976	36,228	37,543	7,263	3,978	1,174	51	—	—	—	—	—
\$10,000 under \$25,000.....	177,971	976,179	485,730	167,138	36,228	22,911	27,923	14,333	4,822	2,317	—	—	—	—	—
\$25,000 under \$50,000.....	205,488	1,616,657	631,666	332,709	107,342	137,133	102,133	52,355	14,870	18,021	—	—	—	—	1,896
\$50,000 under \$75,000.....	226,474	1,797,731	741,037	407,711	126,387	223,203	214,857	104,850	32,686	26,526	—	—	—	—	—
\$75,000 under \$100,000.....	278,804	2,916,121	1,379,690	735,381	141,137	268,918	268,918	127,863	48,831	38,779	—	—	—	—	—
\$100,000 under \$250,000.....	321,898	2,667,377	1,097,431	559,548	116,317	210,507	291,123	194,741	121,804	80,466	26,897	11,497	—	—	14,831
\$250,000 under \$500,000.....	133,644	2,112,242	1,086,566	728,466	31,396	184,384	291,207	183,771	109,212	97,994	24,979	29	—	—	1,637
\$500,000 under \$750,000.....	131,589	2,249,232	1,087,920	745,233	75,606	139,831	162,600	211,126	102,118	20,738	20,738	—	—	—	—
\$750,000 under \$1,000,000.....	487,674	6,776,813	3,770,320	2,287,700	69,419	303,762	407,861	249,334	79,341	27,538	24,233	—	—	—	2,114
\$1,000,000 or more.....	272,172	2,689,391	1,286,790	809,407	11,007	119,777	179,778	137,396	9,643	12,666	—	—	—	—	1,927
\$10,000 under \$25,000.....	91,981	1,110,834	4,179,167	1,841,223	12,313	277,426	70,310	94,720	34,273	20,116	1,643	—	—	—	3,821
\$25,000 under \$50,000.....	299,771	3,907,887	1,189,612	772,000	113,422	204,671	270,711	159,373	83,337	51,873	2,467	—	—	—	2,348
\$50,000 under \$75,000.....	351,641	2,313,959	1,050,122	3,366,256	96,821	167,463	413,281	470,716	187,406	113,623	1,856	—	—	—	19,832
\$75,000 under \$100,000.....	135,229	1,712,244	1,287,979	426,222	11,413	117,976	31,715	202,402	17,796	12,688	1,168	—	—	—	1,761
\$100,000 under \$250,000.....	311,464	1,763,622	802,217	470,411	1,628	427,207	3,337	73,976	30,039	24,290	—	—	—	—	14,672
\$250,000 under \$500,000.....	1,013	14,973	68,142	49,142	114	392	4	2,853	17	14,220	—	—	—	—	2,312
\$500,000 or more.....	24	269,775	434,749	257,902	73	799	121	1,686	109	17,433	—	—	—	—	2,661
Non-taxable returns, total.....	910,503	730,712	3,267,299	1,706,960	76,703	1,061,361	1,094,666	884,851	328,156	856,485	116,750	111,249	43,706	0,798	—
Not adjusted gross incomes.....	62,266	12,711	1,625,281	57,468	9,798	6,222	38,331	61,333	79,006	127,948	12,346	3,941	41	—	7,791
Under \$50,000.....	61,013	16,470	2,068,896	1,989	16,396	5,706	60,209	32,360	31,799	17,771	11,663	2,941	—	—	—
\$50,000 under \$100,000.....	118,247	31,766	2,777,717	36,302	3,768	28,451	135,278	81,071	37,133	17,926	12,302	3,500	—	—	—
\$100,000 under \$250,000.....	39,978	72,623	1,956,661	31,272	271,693	279,675	37,738	191,436	31,325	37,006	2,782	—	—	—	2,878
\$250,000 under \$500,000.....	236,847	139,026	863,473	452,647	222,441	335,427	428,998	191,329	39,334	24,007	—	—	—	—	—
\$500,000 under \$1,000,000.....	179,285	178,826	489,459	319,836	297,208	112,745	464,776	31,842	28,818	17,741	6,434	6,276	—	—	—
\$1,000,000 or more.....	39,262	229,877	1,226,669	698,238	87,879	67,627	63,675	209,810	63,017	27,963	1,203	1,203	—	—	3,847
Returns under \$50,000.....	1,706,034	1,126,413	6,797,231	3,636,115	1,123,243	1,837,236	1,770,872	1,294,171	598,797	611,378	192,263	139,266	8,053	—	2,999
Returns \$50,000 under \$100,000.....	1,178,958	1,211,326	6,793,381	2,779,301	2,802,679	8,247,081	809,207	803,217	426,271	425,771	125,707	133,902	1,111	—	14,401
Returns \$100,000 or more.....	2,365,887	3,378,426	17,077,127	6,773,113	261,166	137,098	397,348	1,842,621	579,770	568,117	169,228	167,842	16,736	—	13,758

NOTE.—See instructions to Form 1041 for definitions of the categories of income and losses and for instructions on how to report them.

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 4 - ALL RETURNS - SOURCES OF INCOME AND LOSS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES - Continued

Source of income and loss	All returns - All income				Total number of returns	Returns with income		Returns with loss		Total number of returns	Returns with income		Returns with loss	
	Number of returns		Amount			Number of returns		Amount			Number of returns		Amount	
	(Thousands)	(Millions of dollars)	(Thousands)	(Millions of dollars)		(Thousands)	(Millions of dollars)	(Thousands)	(Millions of dollars)		(Thousands)	(Millions of dollars)	(Thousands)	(Millions of dollars)
Wages, salaries, and commissions	10,577.7	179,743.3	10,577.7	179,743.3	10,577.7	179,743.3	10,577.7	179,743.3	10,577.7	179,743.3	10,577.7	179,743.3	10,577.7	179,743.3
Dividends	1,234.5	12,345.6	1,234.5	12,345.6	1,234.5	12,345.6	1,234.5	12,345.6	1,234.5	12,345.6	1,234.5	12,345.6	1,234.5	12,345.6
Interest	567.8	5,678.9	567.8	5,678.9	567.8	5,678.9	567.8	5,678.9	567.8	5,678.9	567.8	5,678.9	567.8	5,678.9
Capital gains	234.5	2,345.6	234.5	2,345.6	234.5	2,345.6	234.5	2,345.6	234.5	2,345.6	234.5	2,345.6	234.5	2,345.6
Retirement income	123.4	1,234.5	123.4	1,234.5	123.4	1,234.5	123.4	1,234.5	123.4	1,234.5	123.4	1,234.5	123.4	1,234.5
Other income	87.6	876.5	87.6	876.5	87.6	876.5	87.6	876.5	87.6	876.5	87.6	876.5	87.6	876.5
Total	12,763.9	207,688.4	12,763.9	207,688.4	12,763.9	207,688.4	12,763.9	207,688.4	12,763.9	207,688.4	12,763.9	207,688.4	12,763.9	207,688.4
Exemptions	1,234.5	12,345.6	1,234.5	12,345.6	1,234.5	12,345.6	1,234.5	12,345.6	1,234.5	12,345.6	1,234.5	12,345.6	1,234.5	12,345.6
Taxable income	11,529.4	195,342.8	11,529.4	195,342.8	11,529.4	195,342.8	11,529.4	195,342.8	11,529.4	195,342.8	11,529.4	195,342.8	11,529.4	195,342.8
Tax items	1,234.5	12,345.6	1,234.5	12,345.6	1,234.5	12,345.6	1,234.5	12,345.6	1,234.5	12,345.6	1,234.5	12,345.6	1,234.5	12,345.6
Total	12,763.9	207,688.4	12,763.9	207,688.4	12,763.9	207,688.4	12,763.9	207,688.4	12,763.9	207,688.4	12,763.9	207,688.4	12,763.9	207,688.4

1. This table shows the sources of income and loss, exemptions, taxable income, and tax items for all individual income tax returns for 1964. The data are presented by adjusted gross income classes. The total number of returns is 12,763,900. The total amount of income is \$207,688.4 million. The total amount of exemptions is \$12,345.6 million. The total amount of taxable income is \$195,342.8 million. The total amount of tax items is \$12,345.6 million.

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 5.—JOINT RETURNS OF HUSBANDS AND WIVES AND RETURNS OF SURVIVING SPOUSE: SOURCES OF INCOME AND LOSS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES

Main data table with 16 columns and multiple rows for income classes and source categories (Taxable returns, Nontaxable returns, Returns, etc.).

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

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 6.—SEPARATE RETURNS OF HUSBANDS AND WIVES AND RETURNS OF SINGLE PERSONS—SOURCES OF INCOME AND LOSS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Number of returns	Number of exemptions	All other income		Salaries and wages (gross)		Business or profession				Farms			
			Net profit		Net loss		Net profit		Net loss		Net profit		Net loss	
			Number of returns	Amount (thousand dollars)	Number of returns	Amount (thousand dollars)	Number of returns	Amount (thousand dollars)	Number of returns	Amount (thousand dollars)	Number of returns	Amount (thousand dollars)	Number of returns	Amount (thousand dollars)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)		
Grand total.....	264,394,211	264,394,211	776,712,016	211,979,322	60,739,321	711,409	14,474,000	177,476	280,562	366,473	518,733	141,561	12,711	
Taxable returns, total.....	16,870,292	11,676,375	62,236,276	18,755,726	36,000,222	679,999	11,177,354	101,111	177,476	172,284	266,871	97,387	21,411	
Under \$1,000.....	521,121	521,121	3,875,420	870,320	40,700,000	13,154	1,254,754	1,111	10,311	10,311	4,661	1,111	11,311	
\$1,000 under \$2,000.....	2,437,997	2,437,997	19,575,420	4,375,320	19,575,320	91,327	1,075,320	10,311	10,311	10,311	4,661	1,111	11,311	
\$2,000 under \$3,000.....	3,217,398	3,217,398	25,425,320	5,425,320	25,425,320	101,111	1,111,111	10,311	10,311	10,311	4,661	1,111	11,311	
\$3,000 under \$4,000.....	2,127,598	2,127,598	16,525,320	3,525,320	16,525,320	101,111	1,111,111	10,311	10,311	10,311	4,661	1,111	11,311	
\$4,000 under \$5,000.....	1,427,798	1,427,798	11,025,320	2,525,320	11,025,320	101,111	1,111,111	10,311	10,311	10,311	4,661	1,111	11,311	
\$5,000 under \$6,000.....	1,003,316	1,003,316	7,525,320	1,725,320	7,525,320	101,111	1,111,111	10,311	10,311	10,311	4,661	1,111	11,311	
\$6,000 under \$7,000.....	669,316	669,316	5,025,320	1,125,320	5,025,320	101,111	1,111,111	10,311	10,311	10,311	4,661	1,111	11,311	
\$7,000 under \$8,000.....	469,316	469,316	3,525,320	725,320	3,525,320	101,111	1,111,111	10,311	10,311	10,311	4,661	1,111	11,311	
\$8,000 under \$9,000.....	319,316	319,316	2,525,320	525,320	2,525,320	101,111	1,111,111	10,311	10,311	10,311	4,661	1,111	11,311	
\$9,000 under \$10,000.....	219,316	219,316	1,725,320	375,320	1,725,320	101,111	1,111,111	10,311	10,311	10,311	4,661	1,111	11,311	
\$10,000 under \$15,000.....	1,031,316	1,031,316	8,225,320	1,925,320	8,225,320	101,111	1,111,111	10,311	10,311	10,311	4,661	1,111	11,311	
\$15,000 under \$20,000.....	681,316	681,316	5,425,320	1,225,320	5,425,320	101,111	1,111,111	10,311	10,311	10,311	4,661	1,111	11,311	
\$20,000 under \$25,000.....	461,316	461,316	3,725,320	825,320	3,725,320	101,111	1,111,111	10,311	10,311	10,311	4,661	1,111	11,311	
\$25,000 under \$30,000.....	311,316	311,316	2,525,320	525,320	2,525,320	101,111	1,111,111	10,311	10,311	10,311	4,661	1,111	11,311	
\$30,000 under \$35,000.....	211,316	211,316	1,725,320	375,320	1,725,320	101,111	1,111,111	10,311	10,311	10,311	4,661	1,111	11,311	
\$35,000 under \$40,000.....	141,316	141,316	1,125,320	225,320	1,125,320	101,111	1,111,111	10,311	10,311	10,311	4,661	1,111	11,311	
\$40,000 under \$45,000.....	91,316	91,316	725,320	125,320	725,320	101,111	1,111,111	10,311	10,311	10,311	4,661	1,111	11,311	
\$45,000 under \$50,000.....	61,316	61,316	525,320	85,320	525,320	101,111	1,111,111	10,311	10,311	10,311	4,661	1,111	11,311	
\$50,000 or more.....	18	18	125,320	25,320	125,320	101,111	1,111,111	10,311	10,311	10,311	4,661	1,111	11,311	
Not taxable returns, total.....	247,523,919	252,717,836	54,005,840	193,223,600	24,739,100	1,409,300	13,222,646	76,365	102,886	194,189	251,352	44,174	1,300	
No adjusted gross income.....	1,547	222,609	12,546	2,352	35,520	793	1,546	10,311	1,021	1,021	4,661	1,111	5,311	
Under \$600.....	3,411,261	3,411,261	1,111,111	3,225,320	1,111,111	6,625	6,625	11,111	6,726	6,726	11,111	1,111	14,222	
\$600 under \$1,000.....	2,437,997	2,437,997	1,525,320	1,715,320	1,525,320	10,311	10,311	10,311	10,311	10,311	4,661	1,111	11,311	
\$1,000 under \$2,000.....	1,027,898	1,027,898	1,725,320	325,320	1,725,320	10,311	10,311	10,311	10,311	10,311	4,661	1,111	11,311	
\$2,000 under \$3,000.....	717,898	717,898	1,125,320	235,320	1,125,320	10,311	10,311	10,311	10,311	10,311	4,661	1,111	11,311	
\$3,000 under \$4,000.....	517,898	517,898	725,320	135,320	725,320	10,311	10,311	10,311	10,311	10,311	4,661	1,111	11,311	
\$4,000 under \$5,000.....	317,898	317,898	525,320	85,320	525,320	10,311	10,311	10,311	10,311	10,311	4,661	1,111	11,311	
\$5,000 or more.....	217,898	217,898	325,320	55,320	325,320	10,311	10,311	10,311	10,311	10,311	4,661	1,111	11,311	
Returns under \$5,000.....	23,332,985	23,332,985	176,725,320	38,725,320	176,725,320	55,426	55,426	55,426	55,426	55,426	55,426	55,426	55,426	
Returns \$5,000 under \$10,000.....	37,819,821	37,819,821	24,725,320	5,725,320	24,725,320	103,327	1,033,327	103,327	1,033,327	103,327	1,033,327	103,327	1,033,327	
Returns \$10,000 or more.....	82,741,405	82,741,405	30,485,640	13,725,320	30,485,640	45,376	45,376	45,376	45,376	45,376	45,376	45,376	45,376	

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

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 6.—SEPARATE RETURNS OF HUSBANDS AND WIVES AND RETURNS OF SINGLE PERSONS: SOURCES OF INCOME AND LOSS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES—Continued

Table with 17 columns: Adjusted gross income classes, Dividends in adjusted gross income, Interest received, Pensions and annuities (taxable portions), Rents, Royalties, Net income, and Net loss. Rows include Grand total, Taxable returns, and various income brackets from \$1,000 to \$100,000 or more.

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

Table 7.—SELECTED SOURCES OF INCOME AND LOSS BY SIZE OF SOURCE, NUMBER OF RETURNS AND AMOUNT OF SOURCE BY ADJUSTED GROSS INCOME CLASSES

Source of income	Returns of \$1,000 or more		Returns of \$500 to \$999		Returns of \$250 to \$499		Returns of \$100 to \$249		Returns of \$50 to \$99		Returns of \$25 to \$49		Returns of \$10 to \$24		Returns of \$5 to \$9		Returns of \$1 to \$4		Returns of \$0 to \$4	
	Number of returns	Number of returns	Number of returns	Number of returns	Number of returns	Number of returns	Number of returns	Number of returns	Number of returns	Number of returns	Number of returns	Number of returns	Number of returns	Number of returns	Number of returns	Number of returns	Number of returns	Number of returns	Number of returns	Number of returns
Wages and salaries	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Dividends	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Interest	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Capital gains	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Retirement	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Other	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Source: Internal Revenue Service, "Individual Income Tax Returns for 1964," Table 7.1, Table 7.2, Table 7.3, Table 7.4, Table 7.5, Table 7.6, Table 7.7, Table 7.8, Table 7.9, Table 7.10, Table 7.11, Table 7.12, Table 7.13, Table 7.14, Table 7.15, Table 7.16, Table 7.17, Table 7.18, Table 7.19, Table 7.20, Table 7.21, Table 7.22, Table 7.23, Table 7.24, Table 7.25, Table 7.26, Table 7.27, Table 7.28, Table 7.29, Table 7.30, Table 7.31, Table 7.32, Table 7.33, Table 7.34, Table 7.35, Table 7.36, Table 7.37, Table 7.38, Table 7.39, Table 7.40, Table 7.41, Table 7.42, Table 7.43, Table 7.44, Table 7.45, Table 7.46, Table 7.47, Table 7.48, Table 7.49, Table 7.50, Table 7.51, Table 7.52, Table 7.53, Table 7.54, Table 7.55, Table 7.56, Table 7.57, Table 7.58, Table 7.59, Table 7.60, Table 7.61, Table 7.62, Table 7.63, Table 7.64, Table 7.65, Table 7.66, Table 7.67, Table 7.68, Table 7.69, Table 7.70, Table 7.71, Table 7.72, Table 7.73, Table 7.74, Table 7.75, Table 7.76, Table 7.77, Table 7.78, Table 7.79, Table 7.80, Table 7.81, Table 7.82, Table 7.83, Table 7.84, Table 7.85, Table 7.86, Table 7.87, Table 7.88, Table 7.89, Table 7.90, Table 7.91, Table 7.92, Table 7.93, Table 7.94, Table 7.95, Table 7.96, Table 7.97, Table 7.98, Table 7.99, Table 8.00.

Table 7.—SELECTED SOURCES OF INCOME AND LOSSES BY SIZE OF SOURCE: NUMBER OF RETURNS AND AMOUNT OF SOURCE BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income class	\$1,000 under \$1,000		\$1,000 and \$1,000		\$1,000 to \$1,999		\$2,000 to \$2,999		\$3,000 to \$3,999		\$4,000 to \$4,999		\$5,000 to \$5,999		\$6,000 to \$6,999		\$7,000 to \$7,999		\$8,000 to \$8,999		\$9,000 to \$9,999		\$10,000 and over	
	Number of returns	Number of returns (thousands)	Number of returns	Number of returns (thousands)	Number of returns	Number of returns (thousands)	Number of returns	Number of returns (thousands)	Number of returns	Number of returns (thousands)	Number of returns	Number of returns (thousands)	Number of returns	Number of returns (thousands)	Number of returns	Number of returns (thousands)	Number of returns	Number of returns (thousands)	Number of returns	Number of returns (thousands)	Number of returns	Number of returns (thousands)	Number of returns	Number of returns (thousands)
RETURNS WITH AGGREGATE ADJUSTED GROSS INCOME	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
IN ADJUSTED GROSS INCOME:																								
Interest	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Dividends	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Capital gains	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Other income	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Losses	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
AGGREGATE ADJUSTED GROSS INCOME	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
RETURNS WITH AGGREGATE ADJUSTED GROSS INCOME	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
AGGREGATE ADJUSTED GROSS INCOME	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

1. The number of returns in each income class is based on the number of returns reported to the Dept. of Commerce.

Table 7.—SELECTED SOURCES OF INCOME AND LOSS BY SIZE OF SOURCE: NUMBER OF RETURNS AND AMOUNT OF SOURCE BY ADJUSTED GROSS INCOME CLASSES—Continued

Number of returns	Size of specific income or loss																			
	Under \$100		\$100 under \$200		\$200 under \$300		\$300 under \$400		\$400 under \$500		\$500 under \$1,000		\$1,000 under \$2,500		\$2,500 under \$5,000		\$5,000 under \$10,000			
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount		
14,879,425	9,725,113	36,912	14,764,864	459,202	1,969,568	681,977	1,133,138	425,991	1,025,996	454,977	1,079,151	1,759,643	1,463,371	1,771,771	1,771,771	3,125,819	3,125,819	59,121	59,121	
No adjusted gross income																				
Under \$600	376,784	1,524,659	6,327	56,429	7,932	35,442	10,431	5,640	13,132	13,132	9,581	19,649	14,012	17,794	2,796	2,796	2,796	2,796	2,796	
\$600 under \$1,000	1,620,311	4,791,822	7,640	32,113	10,130	35,472	13,670	31,981	15,471	24,981	18,414	24,981	17,146	24,981	2,796	2,796	2,796	2,796	2,796	
\$1,000 under \$5,000	1,402,311	4,791,822	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113
\$5,000 under \$10,000	1,402,311	4,791,822	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113
\$10,000 under \$50,000	1,402,311	4,791,822	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113
\$50,000 under \$100,000	1,402,311	4,791,822	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113
\$100,000 under \$500,000	1,402,311	4,791,822	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113
\$500,000 under \$1,000,000	1,402,311	4,791,822	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113
\$1,000,000 or more	1,402,311	4,791,822	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113
Total	14,879,425	9,725,113	36,912	14,764,864	459,202	1,969,568	681,977	1,133,138	425,991	1,025,996	454,977	1,079,151	1,759,643	1,463,371	1,771,771	3,125,819	3,125,819	59,121	59,121	
RETURNS WITH INTEREST INCOME																				
Under \$600	376,784	1,524,659	6,327	56,429	7,932	35,442	10,431	5,640	13,132	13,132	9,581	19,649	14,012	17,794	2,796	2,796	2,796	2,796	2,796	2,796
\$600 under \$1,000	1,620,311	4,791,822	7,640	32,113	10,130	35,472	13,670	31,981	15,471	24,981	18,414	24,981	17,146	24,981	2,796	2,796	2,796	2,796	2,796	2,796
\$1,000 under \$5,000	1,402,311	4,791,822	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113
\$5,000 under \$10,000	1,402,311	4,791,822	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113
\$10,000 under \$50,000	1,402,311	4,791,822	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113
\$50,000 under \$100,000	1,402,311	4,791,822	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113
\$100,000 under \$500,000	1,402,311	4,791,822	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113
\$500,000 under \$1,000,000	1,402,311	4,791,822	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113
\$1,000,000 or more	1,402,311	4,791,822	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113
Total	14,879,425	9,725,113	36,912	14,764,864	459,202	1,969,568	681,977	1,133,138	425,991	1,025,996	454,977	1,079,151	1,759,643	1,463,371	1,771,771	3,125,819	3,125,819	59,121	59,121	
RETURNS WITH DIVIDEND OR PROFIT INCOME																				
Under \$600	376,784	1,524,659	6,327	56,429	7,932	35,442	10,431	5,640	13,132	13,132	9,581	19,649	14,012	17,794	2,796	2,796	2,796	2,796	2,796	2,796
\$600 under \$1,000	1,620,311	4,791,822	7,640	32,113	10,130	35,472	13,670	31,981	15,471	24,981	18,414	24,981	17,146	24,981	2,796	2,796	2,796	2,796	2,796	2,796
\$1,000 under \$5,000	1,402,311	4,791,822	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113
\$5,000 under \$10,000	1,402,311	4,791,822	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113
\$10,000 under \$50,000	1,402,311	4,791,822	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113
\$50,000 under \$100,000	1,402,311	4,791,822	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113
\$100,000 under \$500,000	1,402,311	4,791,822	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113
\$500,000 under \$1,000,000	1,402,311	4,791,822	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113
\$1,000,000 or more	1,402,311	4,791,822	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113	3,000	12,113
Total	14,879,425	9,725,113	36,912	14,764,864	459,202	1,969,568	681,977	1,133,138	425,991	1,025,996	454,977	1,079,151	1,759,643	1,463,371	1,771,771	3,125,819	3,125,819	59,121	59,121	

Footnotes at end of table. See text for "Description of the Data" and "Explanation of Classifications and Items."

Table 7.—SELECTED SOURCES OF INCOME AND LOSS BY SIZE OF SOURCE, NUMBER OF RETURNS AND AMOUNT OF SOURCE BY ADJUSTED GROSS INCOME CLASSES—Continued

Source	Size of source										Adjusted gross income											
	\$1,000 or more	500 to 999.99	250 to 499.99	100 to 249.99	50 to 99.99	25 to 49.99	10 to 24.99	5 to 9.99	Under \$5	Not reported	Under \$5,000	\$5,000 to \$9,999.99	\$10,000 to \$14,999.99	\$15,000 to \$19,999.99	\$20,000 to \$24,999.99	\$25,000 to \$29,999.99	\$30,000 to \$34,999.99	\$35,000 to \$39,999.99	\$40,000 to \$44,999.99	\$45,000 to \$49,999.99	\$50,000 or more	
Adjusted gross income	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
INCOME WITH INTEREST RECEIVED																						
Total	59,283	67,879	277,411	642,253	1,097,912	2,042,373	3,199,912	4,272,312	5,212,312	6,123,312	7,012,312	7,812,312	8,512,312	9,112,312	9,612,312	10,012,312	10,312,312	10,512,312	10,612,312	10,612,312	10,612,312	10,612,312
INCOME WITH INTEREST IN PROGRESS																						
Total	5,123	6,123	7,123	8,123	9,123	10,123	11,123	12,123	13,123	14,123	15,123	16,123	17,123	18,123	19,123	20,123	21,123	22,123	23,123	24,123	25,123	26,123

Footnotes at end of table. See page 1 for description of the Single and Married and Separate and Joint returns.

Table 7.—SELECTED SOURCES OF INCOME AND LOSS BY SIZE OF SOURCE: NUMBER OF RETURNS AND AMOUNT OF SOURCE BY ADJUSTED GROSS INCOME CLASSES—Continued

	\$0-\$200 under \$2,500			\$200-\$499.99			\$500-\$999.99			\$1,000-\$4,999.99			\$5,000-\$9,999.99			\$10,000-\$14,999.99			\$15,000 or more		
	Number of returns	Number (Thousand)	Amount (Thousand)	Number (Thousand)	Amount (Thousand)	Av. amt. (Dollar)	Number (Thousand)	Amount (Thousand)	Av. amt. (Dollar)	Number (Thousand)	Amount (Thousand)	Av. amt. (Dollar)	Number (Thousand)	Amount (Thousand)	Av. amt. (Dollar)	Number (Thousand)	Amount (Thousand)	Av. amt. (Dollar)	Number (Thousand)	Amount (Thousand)	Av. amt. (Dollar)
RETURNS WITH FAIR INCOME																					
MARRIAGE																					
TOTAL.....	13,773	871.0	27,929	129,809	561,227	4,326	79,826	611,292	7,648	1,476,872	2,061	979,111	5,933	2,390,007	4,000	5,826,601	1,456	2,329,111	1,912	6,891,000	3,599
No adjusted gross income.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
Under \$100.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
\$100 under \$200.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
\$200 under \$499.99.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
\$500 under \$999.99.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
\$1,000 under \$4,999.99.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
\$5,000 or more.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
MARRIAGE																					
TOTAL.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
No adjusted gross income.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
Under \$100.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
\$100 under \$200.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
\$200 under \$499.99.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
\$500 under \$999.99.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
\$1,000 under \$4,999.99.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
\$5,000 or more.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
MARRIAGE																					
TOTAL.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
No adjusted gross income.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
Under \$100.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
\$100 under \$200.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
\$200 under \$499.99.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
\$500 under \$999.99.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
\$1,000 under \$4,999.99.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
\$5,000 or more.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
MARRIAGE																					
TOTAL.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
No adjusted gross income.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
Under \$100.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
\$100 under \$200.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
\$200 under \$499.99.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
\$500 under \$999.99.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
\$1,000 under \$4,999.99.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
\$5,000 or more.....	1,431	1,431	1,431	1,431	1,431	1,000	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431

The last column, "Description of the Source and Explanation of Classification and Items," contains information that is not shown separately because of high sampling variability. However, the data are included in the appropriate total. *NOTE: Detail may not add to total because of rounding.

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 6 -311. RETURNS, ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND INCOME TAX AFTER CREDITS, BY ADJUSTED GROSS INCOME CLASSES AND BY MARITAL STATUS OF THE TAXPAYER—Continued

Adjusted gross income classes	Returns of surviving spouse					Returns of single persons not head of household or surviving spouse				
	Number of returns	Average adjusted gross income (Thousand dollars)	Exemptions (Thousand dollars)	Taxable income (Thousand dollars)	Income tax after credits (Thousand dollars)	Number of returns	Average adjusted gross income (Thousand dollars)	Exemptions (Thousand dollars)	Taxable income (Thousand dollars)	Income tax after credits (Thousand dollars)
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Grand total.....	229,419	130,738	38,458	436,452	85,337	21,726,661	66,932,097	16,262,697	46,227,565	8,252,666
Taxable returns, total.....	136,112	79,624	215,995	433,378	85,337	14,989,318	59,666,682	10,710,734	46,075,895	8,252,666
Under \$1,000.....	-	-	-	-	-	466,960	426,555	268,176	22,470	3,748
\$1,000 under \$2,000.....	4,436	9,203	5,421	1,228	268	3,801,668	5,231,872	2,341,826	1,932,236	311,907
\$2,000 under \$3,000.....	22,225	36,400	30,090	13,283	2,119	2,817,203	7,905,683	2,039,721	3,877,480	636,777
\$3,000 under \$4,000.....	25,901	50,669	40,621	31,877	5,771	2,303,598	8,216,226	1,772,131	5,336,899	914,917
\$4,000 under \$5,000.....	23,586	105,361	36,048	66,671	7,234	1,782,373	8,360,640	1,391,698	5,862,833	1,063,361
\$5,000 under \$6,000.....	18,407	100,821	31,612	49,775	8,669	1,311,441	7,119,405	961,363	5,212,760	966,833
\$6,000 under \$7,000.....	10,503	67,617	14,986	36,252	5,749	866,161	5,532,913	647,938	4,212,228	810,206
\$7,000 under \$8,000.....	6,885	36,892	16,236	45,911	5,775	562,687	4,191,194	411,337	3,206,877	636,069
\$8,000 under \$9,000.....	4,803	37,376	9,786	38,417	5,782	326,492	2,751,659	283,169	2,130,630	437,686
\$9,000 under \$10,000.....	2,154	26,122	4,957	15,515	2,796	199,191	1,796,115	166,928	1,396,337	295,539
\$10,000 under \$15,000.....	6,185	75,887	11,273	51,235	9,621	295,277	3,472,656	265,999	2,765,640	623,346
\$15,000 under \$20,000.....	1,526	26,279	3,233	19,323	3,819	75,112	1,289,677	68,171	1,036,598	271,725
\$20,000 under \$25,000.....	4,932	36,276	5,715	43,742	15,738	75,311	2,428,518	75,853	1,763,867	662,978
\$25,000 under \$30,000.....	265	1,269	499	16,403	5,365	11,836	796,020	12,160	629,170	290,925
\$30,000 under \$50,000.....	52	766	93	7,159	2,936	3,689	639,231	3,956	491,960	273,926
\$50,000 under \$100,000.....	-	-	-	-	-	166	37,009	356	76,827	43,732
\$100,000 or more.....	-	2,822	-	2,660	1,262	-	187,421	79	166,969	89,543
Non-taxable returns, total.....	93,307	51,114	16,463	1,074	-	6,737,343	7,265,415	5,491,928	151,670	-
No adjusted gross income.....	3,260	-	5,173	-	-	1,127,797	1,861,782	100,155	-	-
Under \$600.....	7,865	2,394	12,365	-	-	1,317,418	1,056,388	2,130,619	-	-
\$600 under \$1,000.....	16,156	11,731	20,571	-	-	4,908,055	1,670,537	1,388,023	183	-
\$1,000 under \$1,500.....	69,563	42,226	80,680	6	-	965,605	1,319,663	1,197,796	13,216	-
\$1,500 under \$2,000.....	15,534	18,989	31,057	173	-	300,361	725,236	479,401	79,726	-
\$2,000 under \$3,000.....	6,937	25,409	17,357	650	-	69,130	236,765	128,356	36,932	-
\$3,000 under \$5,000.....	-	-	-	-	-	22,631	98,210	40,129	5,076	-
\$5,000 or more.....	1,152	7,059	1,500	236	-	14,184	187,287	27,253	7,739	-
Returns under \$5,000.....	169,361	338,577	279,265	93,897	14,983	17,997,761	56,196,279	13,128,127	17,151,931	2,911,930
Returns \$5,000 under \$10,000.....	47,252	331,117	86,236	183,897	31,521	3,261,168	21,568,776	2,666,702	16,189,698	3,165,961
Returns \$10,000 or more.....	11,207	211,363	26,877	16,668	35,832	465,711	8,777,101	409,658	6,887,935	2,195,256

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

¹Adjusted gross income less deficit.

²Deficit.

NOTE: Detail may not add to total because of rounding.

Table 9.—FORM 1040A RETURNS: INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Number of returns				Salaries and wages (gross)				Other income				Tax withheld				Tax due at time of filing				Prepayment refund										
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	
Grand total.....	17,465,195	50,336,436	10,136,450	12,421,540	157,251	32,741,969	43,473,052	4,232,424	13,128,441	4,293,042	3,450,362	433,062	13,720,182	13,654,926	1,416,304	47,143	6,467														
TAXABLE RETURNS, TOTAL.....	11,771,111	42,148,427	4,731,103	2,221,277	137,283	13,679,211	18,779,055	2,422,223	11,279,136	4,257,975	2,457,252	233,286	2,966,243	2,911,127	272,338	22,013	1,326														
Under \$1,000.....	339,124	3,102,218	1,392,947	17,720	17,720	1,279,603	1,279,603	31,269	2,654,732	380,765	124,134	9,159	2,366,296	2,256,242	189,677	13,221	48														
\$1,000 under \$2,000.....	1,976,710	4,476,359	4,776,359	26,622	26,622	4,234,603	4,234,603	42,333	1,977,841	241,352	427,433	14,645	1,933,454	1,867,811	65,643	5,037	182														
\$2,000 under \$3,000.....	1,707,134	7,764,103	6,776,126	26,627	26,627	5,231,131	4,280,072	764,236	1,700,133	484,450	698,274	43,464	1,038,761	971,125	67,636	1,512	52														
\$3,000 under \$4,000.....	997,034	5,582,333	5,439,338	233,139	13,415	3,693,400	3,168,428	562,636	982,025	940,942	476,231	33,482	539,474	417,244	122,230	1,446	14														
\$4,000 under \$5,000.....	796,147	4,282,215	4,812,154	289,322	13,150	3,649,729	2,713,940	935,829	766,945	536,144	369,229	31,272	400,412	389,014	111,398	1,446	17														
\$5,000 under \$6,000.....	339,003	2,166,202	2,166,202	128,625	6,112	1,631,601	1,139,787	491,824	206,005	210,073	159,424	23,962	193,200	181,714	11,486	127															
\$6,000 under \$10,000.....	219,236	2,093,652	2,097,477	67,137	6,458	1,649,276	1,417,987	231,284	243,236	254,486	179,676	17,021	219,848	215,562	4,286	52															
\$10,000 or more.....	6,102,254	5,767,363	1,139,652	133,452	59,232	5,246,758	2,411,111	1,611,111	2,552,035	366,034	2,428,211	2,428,211	2,428,211	2,428,211	2,428,211	2,428,211	2,428,211	2,428,211	2,428,211	2,428,211	2,428,211	2,428,211	2,428,211	2,428,211	2,428,211	2,428,211	2,428,211	2,428,211	2,428,211	2,428,211	
Under \$10,000.....	1,217,253	5,667,698	5,366,976	334,454	124,282	4,130,850	3,168,428	1,611,111	4,671,257	567,935	4,104,322	4,104,322	4,104,322	4,104,322	4,104,322	4,104,322	4,104,322	4,104,322	4,104,322	4,104,322	4,104,322	4,104,322	4,104,322	4,104,322	4,104,322	4,104,322	4,104,322	4,104,322	4,104,322	4,104,322	
\$10,000 under \$20,000.....	719,269	3,109,261	3,109,261	27,623	11,763	2,493,650	1,611,111	1,111,111	1,611,111	210,705	1,400,406	1,400,406	1,400,406	1,400,406	1,400,406	1,400,406	1,400,406	1,400,406	1,400,406	1,400,406	1,400,406	1,400,406	1,400,406	1,400,406	1,400,406	1,400,406	1,400,406	1,400,406	1,400,406	1,400,406	
\$20,000 under \$30,000.....	796,414	3,443,780	3,476,667	45,270	9,313	3,664,636	2,500,000	1,161,111	558,432	516,675	316,675	31,675	558,432	516,675	41,757	1,007															
\$30,000 under \$40,000.....	139,240	877,219	877,219	14,242	2,842	853,043	600,000	253,043	175,270	22,613	175,270	22,613	175,270	22,613	175,270	22,613	175,270	22,613	175,270	22,613	175,270	22,613	175,270	22,613	175,270	22,613	175,270	22,613	175,270	22,613	
\$40,000 under \$50,000.....	77,119	601,312	601,312	60,513	652	486,656	486,656	486,656	99,166	107,825	107,825	107,825	107,825	107,825	107,825	107,825	107,825	107,825	107,825	107,825	107,825	107,825	107,825	107,825	107,825	107,825	107,825	107,825	107,825	107,825	
Returns under \$10,000.....	14,724,302	33,524,200	33,669,277	1,669,267	132,756	16,246,021	12,071,567	2,066,021	14,216,467	2,793,334	2,066,212	2,066,212	2,066,212	2,066,212	2,066,212	2,066,212	2,066,212	2,066,212	2,066,212	2,066,212	2,066,212	2,066,212	2,066,212	2,066,212	2,066,212	2,066,212	2,066,212	2,066,212	2,066,212	2,066,212	
Returns \$10,000 under \$10,000.....	2,463,748	11,920,773	11,920,773	124,311	5,498	5,622,033	11,230,121	1,642,361	4,909,959	2,175,738	1,931,129	1,931,129	1,931,129	1,931,129	1,931,129	1,931,129	1,931,129	1,931,129	1,931,129	1,931,129	1,931,129	1,931,129	1,931,129	1,931,129	1,931,129	1,931,129	1,931,129	1,931,129	1,931,129	1,931,129	
Returns \$10,000 or more.....	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	2,638,943	

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

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 10 — CAPITAL GAINS AND LOSSES, SHORT- AND LONG-TERM, AND CAPITAL LOSS CARRYOVER, BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income class	Returns with net long-term capital gain														Returns with net short-term capital loss			
	Short-term capital gain		Long-term capital gain		Net short-term capital gain		Net long-term capital gain		Net long-term capital gain		Net long-term capital loss		Net short-term capital 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)	Number of returns	Amount (Thousands dollars)				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)					
Total	13,491,427	13,491,427	1,920,434	4,979,268	1,162,802	2,038,834	2,801,036	7,018,434	1,638,234	3,979,634	1,320,434	1,658,434	1,320,434	1,658,434				
Under \$1,000	11,212,345	11,212,345	1,420,434	3,420,434	780,434	1,420,434	1,420,434	3,420,434	1,420,434	1,420,434	1,420,434	1,420,434	1,420,434	1,420,434				
\$1,000 under \$1,000	1,279,082	1,279,082	1,279,082	1,279,082	1,279,082	1,279,082	1,279,082	1,279,082	1,279,082	1,279,082	1,279,082	1,279,082	1,279,082	1,279,082				
\$1,000 under \$2,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000				
\$2,000 under \$3,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000				
\$3,000 under \$4,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000				
\$4,000 under \$5,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000				
\$5,000 under \$6,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000				
\$6,000 under \$7,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000				
\$7,000 under \$8,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000				
\$8,000 under \$9,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000				
\$9,000 under \$10,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000				
\$10,000 or more	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000				
Unadjusted returns, total	13,491,427	13,491,427	1,920,434	4,979,268	1,162,802	2,038,834	2,801,036	7,018,434	1,638,234	3,979,634	1,320,434	1,658,434	1,320,434	1,658,434				
Not adjusted gross income	8,650	100,000	3,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000				
Under \$1,000	8,650	100,000	3,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000				
\$1,000 under \$1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
\$1,000 under \$2,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
\$2,000 under \$3,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
\$3,000 under \$4,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
\$4,000 under \$5,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
\$5,000 under \$6,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
\$6,000 under \$7,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
\$7,000 under \$8,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
\$8,000 under \$9,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
\$9,000 under \$10,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
\$10,000 or more	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
Unadjusted returns, total	13,491,427	13,491,427	1,920,434	4,979,268	1,162,802	2,038,834	2,801,036	7,018,434	1,638,234	3,979,634	1,320,434	1,658,434	1,320,434	1,658,434				
Not adjusted gross income	8,650	100,000	3,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000				
Under \$1,000	8,650	100,000	3,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000				
\$1,000 under \$1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
\$1,000 under \$2,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
\$2,000 under \$3,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
\$3,000 under \$4,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
\$4,000 under \$5,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
\$5,000 under \$6,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
\$6,000 under \$7,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
\$7,000 under \$8,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
\$8,000 under \$9,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
\$9,000 under \$10,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
\$10,000 or more	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				

Footnote at end of table. See text for "Description of the Basis and Limitations of the Data" and "Explanation of Classifications and Terms."

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 10—CAPITAL GAINS AND LOSSES, SHORT- AND LONG-TERM, AND CAPITAL LOSS CARRYOVER, BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	Returns with net short-term capital gain or net long-term capital loss													
	Returns with normal net gain or normal net loss													
	Number of returns	Net gain from sales of capital assets in adjusted gross income (Thousand dollars)	Short-term (After carryover)				Long-term				Capital loss carryover from 1953-54		Net long-term capital gain in excess of net short-term capital loss	
			Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)
(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	
Grand total.....	4,429,240	5,231,256	406,186	207,792	188,996	249,766	4,267,773	19,679,268	29,082	21,299	69,765	142,999	6,747,733	15,429,421
Taxable returns, total.....	4,145,852	5,211,946	399,812	203,913	182,638	241,168	4,207,913	19,233,884	29,577	20,725	69,737	139,576	6,687,856	15,146,256
Under \$1,000.....	8,763	1,287	9,229	1,739	2,878	4,211	59,769	67,54	-	-	-	-	9,169	9,568
\$1,000 under \$5,000.....	97,458	33,430	33,430	69,309	2,236	1,421	173,676	67,822	-	-	3,592	1,278	173,676	63,676
\$5,000 under \$10,000.....	179,801	39,938	24,632	134,34	4,309	4,914	2,937	237,382	369,913	2,974	3,451	2,631	337,382	261,636
\$10,000 under \$25,000.....	275,533	166,972	109,436	113,559	7,934	2,403	263,971	310,878	-	-	1,641	1,468	263,971	318,706
\$25,000 under \$50,000.....	269,551	231,740	179,006	4,248	6,435	2,903	321,371	376,611	1,459	132	4,137	4,411	317,871	392,530
\$50,000 under \$75,000.....	511,861	197,547	79,786	123,811	6,271	2,964	313,533	376,611	-	-	-	-	313,533	368,550
\$75,000 under \$100,000.....	328,486	219,875	159,077	8,856	5,419	3,255	331,455	439,337	4,668	669	2,209	2,474	314,455	425,468
\$100,000 under \$250,000.....	899,187	211,293	121,250	13,679	8,073	5,665	479,210	478,848	1,624	139	2,421	1,419	277,210	399,156
\$250,000 under \$500,000.....	285,659	209,776	39,668	12,832	6,608	5,963	369,328	374,255	19,024	4,882	2,384	1,660	269,828	308,210
\$500,000 under \$1,000,000.....	937,481	866,607	103,342	61,719	35,613	30,809	881,141	1,049,765	-	-	1,384	1,660	881,141	1,039,130
\$1,000,000 under \$250,000.....	394,457	589,609	20,443	36,535	28,476	33,025	361,274	1,243,133	7,070	1,776	10,388	23,242	381,274	1,210,796
\$250,000 under \$500,000.....	524,219	1,721,797	79,020	111,507	55,683	93,737	410,210	1,379,774	69,367	19,081	29,833	38,699	410,210	1,287,742
\$500,000 under \$1,000,000.....	41,073	386,478	6,411	22,627	9,093	3,667	27,046	1,139,713	363	17,755	3,679	15,411	27,046	1,217,046
\$1,000,000 under \$500,000.....	2,676	142,737	661	6,521	668	8,546	1,692	283,463	101	307	248	763	2,492	273,386
\$500,000 or more.....	29	9,197	10	469	3	223	27	17,491	1	9	4	214	27	17,468
\$1,000,000 or more.....	10	3	1	(1)	1	358	10	2,668	-	-	1	354	10	2,929
Non-taxable returns, total.....	163,987	190,204	8,352	7,448	6,058	8,736	169,144	299,264	855	542	1,328	2,414	169,144	286,626
Under \$600.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$600 under \$1,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$1,000 under \$5,000.....	17,075	5,836	3,694	769	1,830	3,022	16,194	9,899	-	-	-	-	16,194	9,891
\$5,000 under \$10,000.....	38,156	14,888	9,411	12,627	5,463	3,626	36,563	34,780	(1)	(1)	-	-	36,563	38,765
\$10,000 under \$25,000.....	4,620	20,162	3,497	618	4,645	45,775	4,645	45,775	-	-	-	-	4,645	43,887
\$25,000 under \$50,000.....	28,112	23,556	4,341	5,840	2,228	5,711	27,421	46,260	-	-	1,308	1,414	27,421	46,236
\$50,000 or more.....	37,686	79,988	-	-	-	-	36,311	159,393	-	-	-	-	36,311	160,637
Returns under \$5,000.....	259,594	488,091	69,544	29,504	20,890	14,623	899,936	841,388	3,474	3,861	5,726	9,448	899,936	926,771
Returns \$5,000 under \$10,000.....	1,283,976	1,704,376	109,763	55,667	38,660	31,708	2,573,120	2,970,671	9,369	1,411	11,972	13,443	2,573,120	2,939,865
Returns \$10,000 or more.....	1,895,312	3,997,617	237,827	242,990	129,144	203,437	1,612,727	7,666,387	21,234	16,466	49,663	119,449	1,612,727	7,646,749

Adjusted gross income classes	Returns with alternative tax computation											
	Number of returns	Net gain from sales of capital assets in adjusted gross income (Thousand dollars)	Short-term (After carryover)				Net long-term capital gain (Thousand dollars)	Capital loss carryover from 1953-54	Net long-term capital gain in excess of net short-term capital loss (Thousand dollars)			
			Net short-term capital gain		Net short-term capital 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)				
(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)			
Grand total.....	99,679	2,733,537	14,762	48,210	20,448	79,889	5,645,943	8,300	40,691	5,370,504		
Taxable returns, total.....	99,679	2,733,537	14,762	48,208	20,443	79,888	5,645,860	8,300	40,692	5,369,958		
Under \$10,000.....	-	-	-	-	-	-	-	-	-	-		
\$10,000 under \$50,000.....	10,430	65,006	2,342	2,822	4,210	4,763	127,111	787	1,228	124,368		
\$50,000 under \$100,000.....	26,677	457,779	82,08	12,621	11,113	27,118	959,434	4,723	17,343	942,116		
\$100,000 under \$250,000.....	49,421	1,313,411	9,034	29,337	37,772	1,636,968	2,443	18,881	2,599,196			
\$250,000 under \$500,000.....	939	350,361	194	4,547	330	4,778	696,468	100	1,807	694,668		
\$500,000 or more.....	414	529,431	93	3,736	163	6,672	1,077,913	69	1,130	1,076,783		
Non-taxable returns.....	8	50	1	-	5	-	-	103	-	96		

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

Less than \$500.

Estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.

NOTE: Detail may not add to total because of rounding.

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 11 — TOTAL FOREIGN AND DOMESTIC DIVIDENDS RECEIVED FROM 1940 RETURNS WITH DIVIDENDS ELIGIBLE AND INELIGIBLE FOR EXCLUSION, AMOUNT OF EXCLUSION, AND DIVIDENDS IN ADJUSTED GROSS INCOME, BY ADJUSTED GROSS INCOME CLASSES FOR ALL RETURNS AND FOR JOINT RETURNS

	Dividends eligible for exclusion		Dividends ineligible for exclusion		Amount of exclusion		Dividends in adjusted gross income	
	Number of returns	(Thousands of dollars)	Number of returns	(Thousands of dollars)	Number of returns	(Thousands of dollars)	Number of returns	(Thousands of dollars)
All returns								
Taxable returns								
Under \$600	1,072,127	11,473,464	1,072,127	11,473,464	0	0	1,072,127	11,473,464
\$600 under \$1,000	1,134,000	10,230,000	1,134,000	10,230,000	0	0	1,134,000	10,230,000
\$1,000 under \$2,000	1,218,000	12,180,000	1,218,000	12,180,000	0	0	1,218,000	12,180,000
\$2,000 under \$4,000	1,218,000	24,360,000	1,218,000	24,360,000	0	0	1,218,000	24,360,000
\$4,000 under \$6,000	1,218,000	48,720,000	1,218,000	48,720,000	0	0	1,218,000	48,720,000
\$6,000 under \$8,000	1,218,000	97,440,000	1,218,000	97,440,000	0	0	1,218,000	97,440,000
\$8,000 under \$10,000	1,218,000	194,880,000	1,218,000	194,880,000	0	0	1,218,000	194,880,000
\$10,000 under \$15,000	1,218,000	454,260,000	1,218,000	454,260,000	0	0	1,218,000	454,260,000
\$15,000 under \$20,000	1,218,000	908,520,000	1,218,000	908,520,000	0	0	1,218,000	908,520,000
\$20,000 under \$25,000	1,218,000	1,148,100,000	1,218,000	1,148,100,000	0	0	1,218,000	1,148,100,000
\$25,000 under \$30,000	1,218,000	1,377,600,000	1,218,000	1,377,600,000	0	0	1,218,000	1,377,600,000
\$30,000 under \$40,000	1,218,000	2,755,200,000	1,218,000	2,755,200,000	0	0	1,218,000	2,755,200,000
\$40,000 under \$50,000	1,218,000	4,509,000,000	1,218,000	4,509,000,000	0	0	1,218,000	4,509,000,000
\$50,000 or more	1,218,000	11,473,464,000	1,218,000	11,473,464,000	0	0	1,218,000	11,473,464,000
Non-taxable returns	1,218,000	0	1,218,000	0	1,218,000	0	1,218,000	0
Grand total	2,290,127	11,473,464	2,290,127	11,473,464	0	0	2,290,127	11,473,464
Joint returns								
Taxable returns								
Under \$600	1,072,127	11,473,464	1,072,127	11,473,464	0	0	1,072,127	11,473,464
\$600 under \$1,000	1,134,000	10,230,000	1,134,000	10,230,000	0	0	1,134,000	10,230,000
\$1,000 under \$2,000	1,218,000	12,180,000	1,218,000	12,180,000	0	0	1,218,000	12,180,000
\$2,000 under \$4,000	1,218,000	24,360,000	1,218,000	24,360,000	0	0	1,218,000	24,360,000
\$4,000 under \$6,000	1,218,000	48,720,000	1,218,000	48,720,000	0	0	1,218,000	48,720,000
\$6,000 under \$8,000	1,218,000	97,440,000	1,218,000	97,440,000	0	0	1,218,000	97,440,000
\$8,000 under \$10,000	1,218,000	194,880,000	1,218,000	194,880,000	0	0	1,218,000	194,880,000
\$10,000 under \$15,000	1,218,000	454,260,000	1,218,000	454,260,000	0	0	1,218,000	454,260,000
\$15,000 under \$20,000	1,218,000	908,520,000	1,218,000	908,520,000	0	0	1,218,000	908,520,000
\$20,000 under \$25,000	1,218,000	1,148,100,000	1,218,000	1,148,100,000	0	0	1,218,000	1,148,100,000
\$25,000 under \$30,000	1,218,000	1,377,600,000	1,218,000	1,377,600,000	0	0	1,218,000	1,377,600,000
\$30,000 under \$40,000	1,218,000	2,755,200,000	1,218,000	2,755,200,000	0	0	1,218,000	2,755,200,000
\$40,000 under \$50,000	1,218,000	4,509,000,000	1,218,000	4,509,000,000	0	0	1,218,000	4,509,000,000
\$50,000 or more	1,218,000	11,473,464,000	1,218,000	11,473,464,000	0	0	1,218,000	11,473,464,000
Non-taxable returns	1,218,000	0	1,218,000	0	1,218,000	0	1,218,000	0
Grand total	2,290,127	11,473,464	2,290,127	11,473,464	0	0	2,290,127	11,473,464

See text for description of the sample and limitations. "Net Div" and "Exclusion" are percentages of total income.
NOTE: Detail may not add to total because of rounding.

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 12.—OVERPAYMENT, REFUND, CREDIT ON 1965 TAX, AND TAX DUE, BY ADJUSTED GROSS INCOME CLASSES AND BY TYPE OF TAXPAYMENT—Continued

Adjusted gross income classes	Returns with tax overpayment—Continued				Total	Returns with tax due at time of filing					
	Returns by type of tax payment—Continued					Returns by type of payment					
	Only payment on 1964 declaration—No refund	Credit on 1965 tax	Number of returns	Amount (Thousand dollars)		The tax at time of filing	No. tax withheld	Tax withheld and payments on 1964 declaration	Number of returns	Amount (Thousand dollars)	
(121)	(124)	(123)	(125)	(127)	(128)	(129)	(130)	(131)	(132)	(133)	(134)
Grand total.....	376,977	177,267	427,466	4,087,061	7,000,425	1,210,796	1,210,796	1,400,013	2,167,103	2,000,947	1,975,704
Taxable returns, total.....	468,119	227,077	595,231	21,068,057	15,120,465	13,121,463	13,121,463	1,976,040	21,600,914	2,050,914	1,777,506
Under \$1,000.....	16,174	1,007	2,510	2,704	11,074	7,771	7,771	0	444	0	14
\$1,000 under \$2,000.....	27,784	1,621	37,009	47,151	116,745	58,613	58,613	36,731	11,601	700	1,471
\$2,000 under \$3,000.....	38,266	2,274	50,661	63,961	164,921	82,461	82,461	43,650	23,601	3,774	2,032
\$3,000 under \$4,000.....	35,110	2,107	50,773	64,977	147,411	73,707	73,707	39,300	24,307	3,470	3,064
\$4,000 under \$5,000.....	24,181	1,477	33,134	20,233	1,167,013	2,467,511	2,467,511	127,117	46,221	16,171	11,237
\$5,000 under \$7,000.....	17,171	1,012	27,252	14,706	1,042,244	2,317,474	2,317,474	112,801	23,818	17,511	10,498
\$7,000 under \$10,000.....	17,330	1,032	40,383	12,701	1,122,317	2,391,667	2,391,667	121,774	39,738	26,171	15,087
\$10,000 under \$15,000.....	14,594	874	33,566	12,922	1,243,977	2,642,627	2,642,627	131,813	64,821	36,725	17,053
\$15,000 under \$20,000.....	7,140	3,374	34,983	13,241	1,389,061	2,679,461	2,679,461	161,027	84,405	65,207	21,487
\$20,000 under \$25,000.....	27,374	1,579	101,977	37,471	1,638,273	3,247,573	3,247,573	173,002	106,770	205,470	111,297
\$25,000 under \$50,000.....	9,062	1,125	25,507	12,571	1,991,917	3,511,917	3,511,917	242,919	219,039	187,706	112,402
\$50,000 under \$75,000.....	12,242	1,507	37,561	17,566	2,156,269	3,893,269	3,893,269	325,194	266,292	253,000	418,427
\$75,000 under \$100,000.....	1,048	766	13,926	4,932	115,044	199,044	199,044	17,492	14,592	14,592	300,000
\$100,000 under \$500,000.....	307	247	47,403	23,774	47,403	47,403	47,403	15,145	153,479	153,707	367,344
\$500,000 under \$1,000,000.....	11	7	1,373	2,732	1,373	1,373	1,373	1,373	1,373	1,373	1,373
\$1,000,000 or more.....	11	23	37	3,774	369	419,349	419,349	367	4,011	4,011	10,436
Non taxable returns, total.....	124,177	54,200	171,427	1,234,071	1,433,954	149,766	149,766	4,021	11,934	2,429	228
No adjusted gross income.....	13,754	11,344	25,114	16,074	38,844	5,932	5,932	0	0	0	0
Under \$1,000.....	2,474	2,372	10,279	2,774	22,772	1,460	1,460	1	1,501	-	-
\$1,000 under \$2,000.....	1,232	1,130	4,217	2,642	12,772	1,764	1,764	1	1,805	-	-
\$2,000 under \$3,000.....	2,050	2,000	11,037	2,642	47,111	3,174	3,174	0	1,860	-	-
\$3,000 under \$4,000.....	1,433	1,342	3,707	7,769	30,312	3,336	3,336	1,139	2,197	16	18
\$4,000 under \$5,000.....	13,036	11,473	14,470	3,767	1,177,499	1,177,499	1,177,499	1,177	1,177	0	0
\$5,000 or more.....	14,960	13,787	26,761	1,234	12,243	11,434	11,434	0	1,077	-	-
Returns under \$2,000.....	224,741	12,743	334,643	56,713	1,713,077	3,431,317	3,431,317	79,003	11,063	12,956	7,065
Returns \$2,000 under \$10,000.....	47,740	2,824	67,746	76,707	1,132,674	2,333,526	2,333,526	371,246	146,330	122,854	71,557
Returns \$10,000 or more.....	1,006	60,523	47,127	20,727	1,101,411	4,002,746	4,002,746	1,224,591	1,262,710	2,793,024	3,467,182

Adjusted gross income classes	Returns with tax due at time of filing—Continued				Total	Returns with neither overpayment nor tax due at time of filing			
	Returns by type of payment—Continued					Returns by type of payment			
	No. payments on 1964 declaration	Neither tax withheld nor payments on 1964 declaration	Number of returns	Tax due at time of filing (Thousand dollars)		No. tax withheld	No. tax withheld and payments on 1964 declaration	Only payments on 1964 declaration	Returns with neither
(135)	(136)	(137)	(138)	(139)	(140)	(141)	(142)	(143)	
Grand total.....	1,676,207	3,467,464	1,974,974	3,274,574	1,212,123	1,412,123	1,412,123	1,412,123	3,274,574
Taxable returns, total.....	1,157,312	2,967,474	1,171,427	2,846,447	1,139,171	1,339,171	1,339,171	1,339,171	2,846,447
Under \$1,000.....	17,228	1,793	31	1,212	2,629	4,636	4,636	4,636	-
\$1,000 under \$2,000.....	31,227	3,076	3,969	4,244	21,392	22,361	22,361	22,361	-
\$2,000 under \$3,000.....	132,376	2,777	13,417	10,175	101,623	101,623	101,623	101,623	-
\$3,000 under \$4,000.....	117,110	4,460	27,102	2,619	111,724	111,724	111,724	111,724	-
\$4,000 under \$5,000.....	142,550	6,467	26,547	2,054	103,311	17,771	17,771	17,771	-
\$5,000 under \$7,000.....	113,319	3,311	27,311	1,711	101,211	11,324	11,324	11,324	-
\$7,000 under \$10,000.....	77,711	12,083	37,343	1,110	77,711	12,083	12,083	12,083	-
\$10,000 under \$15,000.....	20,213	24,231	33,566	1,251	20,213	24,231	24,231	24,231	-
\$15,000 under \$25,000.....	292,724	334,538	164,730	4,614	164,727	164,727	164,727	164,727	-
\$25,000 under \$50,000.....	153,011	245,438	147,511	24,411	80,011	2,226	1,272	1,272	-
\$50,000 under \$75,000.....	225,427	1,117,767	526,439	28,227	153,044	1,137	1,137	1,137	-
\$75,000 under \$100,000.....	40,125	405,142	229,336	1,792	32,744	1,107	59	59	-
\$100,000 under \$500,000.....	20,213	288,233	137,566	1,251	20,213	288,233	288,233	288,233	-
\$500,000 under \$1,000,000.....	114	56,100	42,607	0	1,224	0	0	0	-
\$1,000,000 or more.....	143	14,061	47,543	1	669	0	0	0	-
Non taxable returns, total.....	460,795	494,220	2,700	1,247,227	124,752	3,771,752	3,771,752	3,771,752	-
No adjusted gross income.....	(1)	(1)	(1)	54,889	5,000	497,419	-	-	-
Under \$1,000.....	1,100	31	3	121,524	9,236	613,279	-	-	-
\$1,000 under \$2,000.....	1,113	37	47	47,000	31,771	131,771	-	-	-
\$2,000 under \$3,000.....	5,878	32	174	467,300	2,282	1,976,011	-	-	-
\$3,000 under \$4,000.....	9,467	40	467	110,000	1,711	1,711	-	-	-
\$4,000 under \$5,000.....	8,774	948	131	131,800	21,440	21,440	-	-	-
\$5,000 under \$7,000.....	7,869	1,124	730	70,128	14,227	14,227	-	-	-
\$7,000 under \$10,000.....	1,434	2,018	107	14,277	1,174	1,174	-	-	-
Returns under \$2,000.....	251,368	36,409	47,707	20,788	44,800	3,924,252	16,431	16,431	1,230
Returns \$2,000 under \$10,000.....	297,974	38,466	174,327	110,028	391,124	1,621,124	60,012	60,012	1,270
Returns \$10,000 or more.....	747,470	7,021,771	1,444,122	138,830	426,150	23,076	2,266	2,266	3,766

See text for "Description of the Sample and Limitations of the Data" and "Explanation of Abbreviations and Terms."
 * Estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate column.
 NOTE: Detail may not add to total because of rounding.

Personal Deductions

(Exemptions, Standard Deduction, Itemized Deductions)

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For 1964, individuals deducted from adjusted gross income exemption allowances of \$112.4 billion, itemized deduction allowances of \$46.8 billion and standard deduction allowances totalling \$20.2 billion. These amounts represented increases of 2.0 percent, 1.7 percent, and 53.6 percent, respectively, over 1963.

EXEMPTIONS FOR TAXPAYERS' DEPENDENTS NUMBERED 74.7 MILLION

Table K shows that a total of 187.3 million exemptions were reported on the 65.4 million returns for 1964. Total exemptions included 104.8 million for the taxpayers, 74.7 million for their dependents, 7.6 million for taxpayers who were age 65 or over, and almost 107,000 for taxpayers who were blind.

Exemptions for taxpayer and spouse increased by 2.1 million over 1963. Exemptions for dependents increased by 1.2 million, and exemption for age and blindness increased by 406,000 over 1963.

No detailed data on exemptions are included in this volume; however, many recent reports in this *Statistics of Income* series contain detailed exemption information by size of adjusted gross income. See, for example, table 22 in *Statistics of Income—1963, Individual Income Tax Returns*.

Table K.—NUMBER OF EXEMPTIONS BY TYPE
(Taxable and nontaxable returns)

Type of exemption	Number of returns	Number of exemptions
Total.....	1,237,000	187,300,000
Taxpayer's exempt, incl. spouse.....	65,370,000	112,717,000
Taxpayer and spouse.....	63,370,000	108,714,000
Blind.....	74,110	74,360,000
Blind over 65.....	103,000	10,550,000
Dependent's exempt, incl. spouse.....	31,220,000	74,057,000

See "Tax Table Exemptions" in the Sample and Instructions of the Data and Explanation of "Identifications and Terms."
 *As an included or jointly filed return and on one separate return if husband or wife where one spouse elected to claim the other's exemption.

STANDARD DEDUCTION TOTAL INCREASES 54 PERCENT WITH INTRODUCTION OF MINIMUM STANDARD DEDUCTION

The standard deduction was reported on 38 million returns in 1964 and the amount claimed totaled \$20.2 billion. These figures represented increases of 7.7 percent and 53.6 percent, respectively, over the 1963 levels. Returns claiming a standard deduction in 1964 constituted 58.2 percent of all individual returns compared with 55.3 percent in 1963. The upward movement in this proportion in 1964 reversed a long term trend and was the result of the introduction of the minimum standard deduction provision.

The Revenue Act of 1964 provided for a minimum standard deduction as an alternative to the 10 percent method of calculating the deduction already in effect. The minimum standard deduction was \$200 (\$100 for married persons filing separately) plus \$100 for each allowable exemption. This deduction, like the regular 10 percent standard deduction, could not exceed \$1,000 (\$500 for married persons filing separately). The taxpayer had the option to elect whichever method afforded him the most benefit. However, indications are that some taxpayers elected the more familiar 10 percent deduction when the minimum standard deduction would have been greater.

Table L shows that taxpayers on 23.5 million returns elected the minimum standard deduction totaling \$10.6 billion. The remaining 14.5 million returns showed taxpayers using the regular 10 percent method which amounted to \$9.6 billion. As was expected, the majority

Table L.—NUMBER OF RETURNS AND AMOUNT OF DEDUCTION BY FORM OF DEDUCTION AND BY ADJUSTED GROSS INCOME CLASSES

(Taxable and nontaxable returns)

Adjusted gross income classes	All returns		Returns with itemized deductions	
	Number of returns	Total deductions (itemized plus standard)	Number of returns	Total itemized deduction
		(Thousand dollars)		(Thousand dollars)
(1)	(2)	(3)	(4)	
Total.....	165,975,601	66,079,708	104,079,291	69,230,084
Under \$3,000.....	180,893,892	9,655,638	1,079,420	1,894,084
\$3,000 under \$5,000.....	1,110,460	8,677,111	4,612,618	4,635,899
\$5,000 under \$10,000.....	2,704,054	6,643,136	13,064,645	13,350,527
\$10,000 or more.....	9,477,044	23,885,900	7,239,638	21,151,276
Adjusted gross income classes	Returns with 10 percent standard deduction		Returns with minimum standard deduction	
	Number of returns	Total 10 percent standard deduction	Number of returns	Total minimum standard deduction
		(Thousand dollars)		(Thousand dollars)
(5)	(6)	(7)	(8)	
Total.....	16,501,063	9,279,404	23,520,648	10,571,839
Under \$3,000.....	350,962	70,438	17,709,904	6,689,877
\$3,000 under \$5,000.....	3,863,074	1,333,739	4,021,450	1,627,594
\$5,000 under \$10,000.....	8,068,139	5,961,931	1,793,274	1,400,618
\$10,000 or more.....	4,192,778	1,922,296	-	-

See text for "Description of the Sample and Limitations of the Data" and "Explanation of Classifications and Terms."
 *Include 432,317 returns with no adjusted gross income which were considered to have no deductions.

NOTE: Detail may not add to total because of rounding.

(75 percent) of returns with the minimum standard deduction had income under \$3,000.

Table 13 presents some other characteristics of taxpayers who used the minimum standard deduction. For example, 85.2 percent of their adjusted gross income was salaries and wages and 6.7 percent was business and farm income. Forty percent of the minimum standard deduction returns were filed jointly, a much lower proportion than that for all returns. About 10.6 percent of the minimum standard deduction returns had an additional exemption for age.

Detailed income and tax data classified by size of adjusted gross income are presented for standard deduction returns, using either method, in table 14.

ITEMIZED DEDUCTION RETURNS DECLINE

Table M shows that itemized deduction returns declined by 1.2 million from 1963 to 26.9 million for 1964. This decrease was due to the introduction of the new

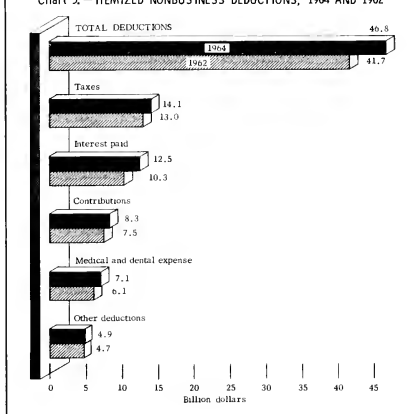
Table M.—TOTAL ITEMIZED DEDUCTIONS: 1961-1964

(Taxable and nontaxable returns)

Income year	Total number of returns	Returns with itemized deductions			
		Number of returns	Percent of all returns	Total deductions	
				Adjusted gross income	Amount
(Thousands)	(Thousands)	(%)	(Million dollars)	(Million dollars)	
(1)	(2)	(3)	(4)	(5)	
1961.....	69,699	1,030	1.5	196,764	38,393
1962.....	62,712	1,061	1.7	214,796	41,861
1963.....	63,441	2,315	3.6	233,115	66,073
1964.....	67,706	2,011	3.0	204,870	64,532

minimum standard deduction which gave certain low-income taxpayers who had itemized in previous years a bigger deduction for 1964. A rough estimate of the magnitude of the shift from itemized to standard deduction would be 2.5 million returns. This figure was derived by adding the 1.2 million decrease in itemized returns from 1963 to 1964, to the average year to year increase of 1.3 million itemized returns during the period 1959-1963.

Total itemized deductions of \$46.8 billion for 1964 increased by only \$779 million over 1963. Chart 3 compares the major types of deductions for 1964 and 1962. Detailed itemized deductions were not tabulated for 1963.

Chart 3.—ITEMIZED NONBUSINESS DEDUCTIONS, 1964 AND 1962

Detailed income and tax data classified by size of adjusted gross income are presented for itemized deduction returns in table 15. Table 18 presents a distribution of itemized deduction returns classified by the ratio of deductions to adjusted gross income (computed for each return). The table is divided into five parts: one each for total deductions, medical and dental expense, taxes paid, interest paid, and contributions.

MEDICAL DEDUCTION EXCEEDED \$7.1 BILLION

Table N shows that individuals who itemized their deductions claimed \$7.1 billion of deductions for medical and dental expenses on 16.7 million Form 1040 returns for 1964. This deduction resulted after certain limitations were applied to the expenditures (see explanation below).

A deduction for unreimbursed medical and dental expense was allowed, with limitations, to taxpayers who itemized these expenses on Form 1040. A supplementary schedule, Form 2948 "Medical and Dental Expense Statement," was available for taxpayers to record expenses and compute the deduction. The column headings

Table N.—RETURNS WITH DEDUCTION FOR MEDICAL EXPENSE BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income class	Total number of returns		Number of returns with deduction		Total amount of deduction		Average amount of deduction		Percentage of returns with deduction		Percentage of total deduction	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All returns	10,720,000	1,072,000	1,072,000	1,072,000	\$1,072,000	\$1,072,000	\$1,000	9.5%	100%	100%	100%	100%
Under \$1,000	1,200,000	120,000	120,000	120,000	\$120,000	\$120,000	\$1,000	10.0%	11.2%	11.2%	11.2%	11.2%
\$1,000 under \$2,000	2,000,000	200,000	200,000	200,000	\$200,000	\$200,000	\$1,000	10.0%	18.8%	18.8%	18.8%	18.8%
\$2,000 under \$3,000	2,000,000	200,000	200,000	200,000	\$200,000	\$200,000	\$1,000	10.0%	20.0%	20.0%	20.0%	20.0%
\$3,000 under \$4,000	2,000,000	200,000	200,000	200,000	\$200,000	\$200,000	\$1,000	10.0%	22.2%	22.2%	22.2%	22.2%
\$4,000 under \$5,000	2,000,000	200,000	200,000	200,000	\$200,000	\$200,000	\$1,000	10.0%	25.0%	25.0%	25.0%	25.0%
\$5,000 under \$6,000	2,000,000	200,000	200,000	200,000	\$200,000	\$200,000	\$1,000	10.0%	28.6%	28.6%	28.6%	28.6%
\$6,000 under \$7,000	2,000,000	200,000	200,000	200,000	\$200,000	\$200,000	\$1,000	10.0%	33.3%	33.3%	33.3%	33.3%
\$7,000 under \$8,000	2,000,000	200,000	200,000	200,000	\$200,000	\$200,000	\$1,000	10.0%	38.1%	38.1%	38.1%	38.1%
\$8,000 under \$9,000	2,000,000	200,000	200,000	200,000	\$200,000	\$200,000	\$1,000	10.0%	43.8%	43.8%	43.8%	43.8%
\$9,000 under \$10,000	2,000,000	200,000	200,000	200,000	\$200,000	\$200,000	\$1,000	10.0%	50.0%	50.0%	50.0%	50.0%
\$10,000 under \$15,000	2,000,000	200,000	200,000	200,000	\$200,000	\$200,000	\$1,000	10.0%	66.7%	66.7%	66.7%	66.7%
\$15,000 under \$20,000	2,000,000	200,000	200,000	200,000	\$200,000	\$200,000	\$1,000	10.0%	83.3%	83.3%	83.3%	83.3%
\$20,000 under \$25,000	2,000,000	200,000	200,000	200,000	\$200,000	\$200,000	\$1,000	10.0%	100.0%	100.0%	100.0%	100.0%
\$25,000 under \$30,000	2,000,000	200,000	200,000	200,000	\$200,000	\$200,000	\$1,000	10.0%	100.0%	100.0%	100.0%	100.0%
\$30,000 under \$35,000	2,000,000	200,000	200,000	200,000	\$200,000	\$200,000	\$1,000	10.0%	100.0%	100.0%	100.0%	100.0%
\$35,000 under \$40,000	2,000,000	200,000	200,000	200,000	\$200,000	\$200,000	\$1,000	10.0%	100.0%	100.0%	100.0%	100.0%
\$40,000 under \$45,000	2,000,000	200,000	200,000	200,000	\$200,000	\$200,000	\$1,000	10.0%	100.0%	100.0%	100.0%	100.0%
\$45,000 under \$50,000	2,000,000	200,000	200,000	200,000	\$200,000	\$200,000	\$1,000	10.0%	100.0%	100.0%	100.0%	100.0%
\$50,000 and over	2,000,000	200,000	200,000	200,000	\$200,000	\$200,000	\$1,000	10.0%	100.0%	100.0%	100.0%	100.0%

in table N conform generally to the language of Form 2948 (a facsimile appears in the back of this report).

Persons in Group I included (1) taxpayer and wife if either was age 65 or over, and (2) each dependent parent of the taxpayer who was age 65 or over. Persons in Group II included (1) taxpayer and wife if both were under age 65, (2) dependent parents under age 65, and (3) all other dependents regardless of age. A return was classified in both Group I and Group II if the taxpayer had deduction for expenses related to persons in both categories.

Returns with deduction of expenses for Group I individuals numbered 2.6 million and showed a deduction totaling almost \$2.1 billion. Prior to 1964, the deduction for Group I included expenses for drugs (and medicine) only to the extent that they exceeded 1 percent of adjusted gross income. All other medical and dental expense was allowed in full as a deduction for Group I. The Revenue Act of 1964 removed the 1 percent floor on medicine and drugs and allowed a full deduction for all such expenses.

Returns with deduction of expenses for Group II individuals numbered 14.2 million and showed a deduction totaling \$5.0 billion. The 1 percent floor on drug expense still applied to Group II. In computing the deduction for Group II, a taxpayer added the drug expense in excess of the 1 percent floor to the other medical and dental expense and reduced the sum by 3 percent of adjusted gross income. The remainder was the deduction for Group II.

The computed medical expense deduction was subject to maximum dollar allowances based on the total number of exemptions other than those for age and blindness. The maximum was \$5,000 per exemption but not more than

\$10,000 for individuals taxed as single taxpayers and \$20,000 for other taxpayers. However, disabled taxpayers over 65 were each eligible for a maximum deduction of \$20,000.

TAXES PAID MOST FREQUENTLY REPORTED DEDUCTION

Over \$14 billion of State and local taxes paid were deducted on 26.6 million Forms 1040, which represented 98.7 percent of the itemized deduction returns for 1964. Although the Revenue Act of 1964 disallowed a personal deduction for State cigarette and tobacco taxes, automobile and driving license fees, alcoholic beverage taxes,

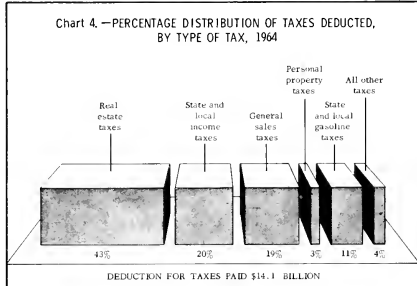


Table O.—DEDUCTION FOR TAXES BY TYPES OF TAX AND ADJUSTED GROSS INCOME CLASSES

Adjusted gross income class	Table O.—(Cont.)						
	Total			State and local taxes		Federal income taxes	
	Number of returns	Amount (Thousand dollars)	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Grand total.....	10,288,709	15,770,726	10,572,213	1,260,211	4,920,211	1,008,287	10,641,701
Taxable returns, total.....	10,288,709	15,770,726	10,572,213	1,260,211	4,920,211	1,008,287	10,641,701
\$600 under \$1,000.....	10,133	1,134	954	11,740	1,558	51	131
\$1,000 under \$2,000.....	256,470	5,134	4,734	27,240	574	1,071	487
\$2,000 under \$3,000.....	324,330	10,230	10,131	37,130	1,071	1,549	1,549
\$3,000 under \$4,000.....	1,037,089	23,340	23,181	70,700	1,341	2,420	2,526
\$4,000 under \$5,000.....	1,069,271	37,400	37,241	121,755	2,141	3,120	3,120
\$5,000 under \$6,000.....	1,247,871	50,700	50,541	141,755	2,641	3,620	3,620
\$6,000 under \$7,000.....	1,247,871	50,700	50,541	141,755	2,641	3,620	3,620
\$7,000 under \$8,000.....	1,247,871	50,700	50,541	141,755	2,641	3,620	3,620
\$8,000 under \$9,000.....	1,247,871	50,700	50,541	141,755	2,641	3,620	3,620
\$9,000 under \$10,000.....	1,247,871	50,700	50,541	141,755	2,641	3,620	3,620
\$10,000 under \$15,000.....	1,247,871	50,700	50,541	141,755	2,641	3,620	3,620
\$15,000 under \$20,000.....	1,247,871	50,700	50,541	141,755	2,641	3,620	3,620
\$20,000 under \$25,000.....	1,247,871	50,700	50,541	141,755	2,641	3,620	3,620
\$25,000 under \$30,000.....	1,247,871	50,700	50,541	141,755	2,641	3,620	3,620
\$30,000 under \$40,000.....	1,247,871	50,700	50,541	141,755	2,641	3,620	3,620
\$40,000 under \$50,000.....	1,247,871	50,700	50,541	141,755	2,641	3,620	3,620
\$50,000 or more.....	1,247,871	50,700	50,541	141,755	2,641	3,620	3,620
Monte Carlo returns, total.....	1,170,156	5,330,093	5,330,130	1,170,156	5,330,130	0	5,330,130
Under \$600.....	25,337	8,131	6,630	17,900	4,904	0	562
\$600 under \$1,000.....	79,421	84,609	19,763	79,936	19,474	0	2,522
\$1,000 under \$2,000.....	398,287	614,625	159,763	398,287	255,826	0	117,798
\$2,000 under \$3,000.....	428,259	1,006,646	131,698	398,287	494,911	0	116,623
\$3,000 under \$4,000.....	357,975	1,209,992	127,877	357,975	1,209,992	0	116,346
\$4,000 under \$5,000.....	312,523	879,433	87,933	312,523	879,433	0	118,229
\$5,000 or more.....	566,891	1,367,410	141,755	566,891	1,367,410	0	114,134
Returns under \$5,000.....	6,330,747	13,470,410	13,536,557	6,330,747	13,536,557	0	13,536,557
Returns \$5,000 under \$10,000.....	13,000,716	95,336,667	97,273,641	13,000,716	97,273,641	0	118,936
Returns \$10,000 or more.....	9,204,306	13,274,606	9,605,815	9,204,306	13,274,606	0	111,321
These deductions include:							
Adjusted gross income classes	State and local income taxes		Personal property taxes		State and local machine taxes		All other taxes
	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	
(8)	(9)	(10)	(11)	(12)	(13)	(14)	
Grand total.....	15,874,924	2,863,191	7,130,565	2,675,685	21,559,746	1,774,110	2,675,685
Taxable returns, total.....	15,874,924	2,863,191	7,130,565	2,675,685	21,559,746	1,774,110	2,675,685
\$600 under \$1,000.....	733	44	48,799	1,974	176,448	7,820	14
\$1,000 under \$2,000.....	129,589	2,971	2,971	5,263	273,436	7,417	1,363
\$2,000 under \$3,000.....	284,500	10,200	10,200	10,200	2,000,000	10,200	10,200
\$3,000 under \$4,000.....	776,678	28,172	28,172	10,830	1,388,889	6,454	14,772
\$4,000 under \$5,000.....	1,044,671	38,166	38,166	16,163	1,669,415	6,454	14,772
\$5,000 under \$6,000.....	1,044,671	38,166	38,166	16,163	1,669,415	6,454	14,772
\$6,000 under \$7,000.....	1,044,671	38,166	38,166	16,163	1,669,415	6,454	14,772
\$7,000 under \$8,000.....	1,044,671	38,166	38,166	16,163	1,669,415	6,454	14,772
\$8,000 under \$9,000.....	1,044,671	38,166	38,166	16,163	1,669,415	6,454	14,772
\$9,000 under \$10,000.....	1,044,671	38,166	38,166	16,163	1,669,415	6,454	14,772
\$10,000 under \$15,000.....	1,044,671	38,166	38,166	16,163	1,669,415	6,454	14,772
\$15,000 under \$20,000.....	1,044,671	38,166	38,166	16,163	1,669,415	6,454	14,772
\$20,000 under \$25,000.....	1,044,671	38,166	38,166	16,163	1,669,415	6,454	14,772
\$25,000 under \$30,000.....	1,044,671	38,166	38,166	16,163	1,669,415	6,454	14,772
\$30,000 under \$40,000.....	1,044,671	38,166	38,166	16,163	1,669,415	6,454	14,772
\$40,000 under \$50,000.....	1,044,671	38,166	38,166	16,163	1,669,415	6,454	14,772
\$50,000 or more.....	1,044,671	38,166	38,166	16,163	1,669,415	6,454	14,772
Monte Carlo returns, total.....	1,170,156	5,330,130	5,330,130	1,170,156	5,330,130	0	5,330,130
Under \$600.....	733	44	48,799	1,974	176,448	7,820	14
\$600 under \$1,000.....	1,791	521	521	421	1,791	1,791	1,791
\$1,000 under \$2,000.....	21,647	23,609	9,104	2,260	179,072	7,417	7,417
\$2,000 under \$3,000.....	13,000	4,687	10,000	4,485	279,728	1,324	5,611
\$3,000 under \$4,000.....	6,977	4,400	10,000	9,410	279,728	1,324	5,611
\$4,000 under \$5,000.....	6,977	4,400	10,000	9,410	279,728	1,324	5,611
\$5,000 or more.....	4,424	3,072	79,100	6,030	181,020	1,620	11,800
Returns under \$600.....	1,791,729	119,421	1,520,799	49,366	4,331,336	24,719	69,350
Returns \$600 under \$10,000.....	9,012,222	71,110	39,420	136,121	11,659,228	21,121	21,121
Returns \$10,000 or more.....	6,060,973	2,132,660	1,610,331	389,798	6,919,182	1,730	779,214

* DTF: Detail may not add to total because of rounding.

and certain miscellaneous excise taxes, the taxes paid deduction for 1964 increased 7.9 percent over 1962.

Chart 4 presents a percent distribution of taxes paid by type of tax. Table O shows the number of returns with, and amount of taxes paid by type of tax and by income classes. The types of tax are described below.

Real estate

The largest portion of the deduction for taxes, 43.0 percent, was taxes imposed upon real estate, amounting to almost \$6.1 billion. This deduction was reported on 72.9 percent of the returns with taxes deducted.

General sales

Over 84 percent of the returns with taxes deducted showed an amount of State and local retail sales taxes. The deduction, amounting to \$2.6 billion, was 18.6 percent of total taxes paid.

State and local income

The deduction for income taxes imposed by States, and by political subdivisions thereof, amounted to about \$2.9 billion, or 20.3 percent of total taxes. Almost 71 percent of this deduction was reported on returns with income \$10,000 or more.

Personal property

Only 2.8 percent, \$397 million, of taxes deducted represented State and local ad valorem taxes on personal property imposed on an annual basis.

State and local gasoline

Almost \$1.6 billion of non-Federal gasoline taxes were reported on 22.5 million returns. This was the most fre-

quently deducted tax, being claimed on 84.6 percent of all returns with taxes deducted.

All other

The remaining 4.0 percent of taxes deducted, \$569 million, included State transfer taxes (incurred in the production of income), foreign taxes paid (if not claimed as a tax credit), and any amounts of taxes not specifically identified. All taxes related to a taxpayer's trade or business were deducted on schedule C or F.

Table P.—RETURNS WITH HOME MORTGAGE INTEREST DEDUCTION NUMBER OF RETURNS AND AMOUNT OF DEDUCTION BY SIZE OF DEDUCTION AND BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income class	Number of returns	Amount		Number of returns		Amount		Number of returns		Amount		Number of returns		Amount	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total returns, total	122,494,000	\$51,445,721	\$21,857,853	9,340	9,340	37,273	37,273	1,224,247	1,224,247	257,113	257,113	1,163,000	1,163,000	56,708	56,708
Under \$1,000	119,291,983	47,314,853	21,399,685	8,476	8,476	35,276	35,276	1,153,745	1,153,745	251,123	251,123	1,143,500	1,143,500	56,324	56,324
\$1,000 under \$2,000	1,999,281	1,392,207	1,014,375	1,014	1,014	1,014	1,014	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
\$2,000 under \$3,000	10,519,336	5,157,205	4,091,577	6,178	6,178	6,178	6,178	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
\$3,000 under \$4,000	15,519,414	7,144,191	5,781,833	9,482	9,482	9,482	9,482	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
\$4,000 under \$5,000	14,540,539	7,398,580	5,932,329	10,000	10,000	10,000	10,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
\$5,000 under \$6,000	10,854,907	5,993,617	4,794,249	8,000	8,000	8,000	8,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
\$6,000 under \$7,000	8,110,570	4,670,819	3,736,301	6,000	6,000	6,000	6,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
\$7,000 under \$8,000	6,179,567	3,579,665	2,863,587	4,000	4,000	4,000	4,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
\$8,000 under \$9,000	4,585,893	2,709,652	2,167,720	3,000	3,000	3,000	3,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
\$9,000 under \$10,000	3,588,263	2,150,871	1,720,696	2,000	2,000	2,000	2,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
\$10,000 or more	2,722,426	1,607,941	1,286,252	1,466	1,466	1,466	1,466	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
Returned under \$1,000	118,857,481	46,611,291	21,265,340	8,143	8,143	33,489	33,489	1,130,000	1,130,000	247,500	247,500	1,125,000	1,125,000	55,800	55,800
Returned \$1,000 under \$2,000	1,020,415	726,431	542,902	1,020	1,020	1,020	1,020	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
\$2,000 under \$3,000	5,170,524	2,674,010	2,097,851	5,170	5,170	5,170	5,170	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
\$3,000 under \$4,000	7,752,397	3,997,109	3,212,240	7,752	7,752	7,752	7,752	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
\$4,000 under \$5,000	10,598,842	5,564,792	4,494,927	10,598	10,598	10,598	10,598	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
\$5,000 under \$6,000	7,865,175	4,354,325	3,521,507	7,865	7,865	7,865	7,865	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
\$6,000 under \$7,000	5,988,281	3,421,872	2,739,533	5,988	5,988	5,988	5,988	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
\$7,000 under \$8,000	4,515,152	2,664,052	2,112,498	4,515	4,515	4,515	4,515	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
\$8,000 under \$9,000	3,374,439	2,016,227	1,613,545	3,374	3,374	3,374	3,374	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
\$9,000 under \$10,000	2,612,249	1,595,757	1,276,478	2,612	2,612	2,612	2,612	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
\$10,000 or more	1,972,451	1,226,268	980,141	1,972	1,972	1,972	1,972	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
Returned under \$1,000	115,852,411	45,611,291	21,265,340	8,143	8,143	33,489	33,489	1,130,000	1,130,000	247,500	247,500	1,125,000	1,125,000	55,800	55,800
Returned \$1,000 under \$2,000	1,020,415	726,431	542,902	1,020	1,020	1,020	1,020	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
\$2,000 under \$3,000	5,170,524	2,674,010	2,097,851	5,170	5,170	5,170	5,170	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
\$3,000 under \$4,000	7,752,397	3,997,109	3,212,240	7,752	7,752	7,752	7,752	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
\$4,000 under \$5,000	10,598,842	5,564,792	4,494,927	10,598	10,598	10,598	10,598	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
\$5,000 under \$6,000	7,865,175	4,354,325	3,521,507	7,865	7,865	7,865	7,865	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
\$6,000 under \$7,000	5,988,281	3,421,872	2,739,533	5,988	5,988	5,988	5,988	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
\$7,000 under \$8,000	4,515,152	2,664,052	2,112,498	4,515	4,515	4,515	4,515	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
\$8,000 under \$9,000	3,374,439	2,016,227	1,613,545	3,374	3,374	3,374	3,374	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
\$9,000 under \$10,000	2,612,249	1,595,757	1,276,478	2,612	2,612	2,612	2,612	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
\$10,000 or more	1,972,451	1,226,268	980,141	1,972	1,972	1,972	1,972	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000

* Estimate in italics shown separately because of much smaller variation. However, the data are included in the appropriate totals.

NOTE: Not shown in total because of rounding.

**DEDUCTION FOR HOME MORTGAGE INTEREST
ALMOST \$6.4 BILLION**

Of the \$12.5 billion interest paid deducted for 1964, over 50 percent was for home mortgage interest. Sixty percent (12.9 million) of the returns with any interest deducted showed home mortgage interest.

Table P presents a size distribution of the home mortgage interest deduction by income classes. The average (mean) deduction was \$494. Returns with income

under \$5,000 showed an average deduction of \$343, while those in the class \$5,000 under \$10,000 had an average deduction of \$447. In the income class \$10,000 or more, the average rose to \$625.

Home mortgage interest deducted included such items as (1) interest paid by a tenant-stockholder on his portion of indebtedness of a cooperative apartment, (2) interest paid by a condominium apartment owner allocable to his share of the property, and (3) redeemable ground rents paid or accrued.

Table 13 - CHARACTERISTICS OF RETURNS WITH MINIMUM STANDARD DEDUCTION, ADMDED GROSS INCOME, SELECTED SOURCES OF INCOME, EXEMPTIONS, DEDUCTIONS, AND TAX, BY ADJUSTED GROSS INCOME CLASSES

Main table with 18 columns: Return type, Adjusted Gross Income, Total Exempt Income, Total Exempt Income, Total Exempt Income, Total Exempt Income, Total Exempt Income, Total Exempt Income, Total Exempt Income, Total Exempt Income, Total Exempt Income, Total Exempt Income, Total Exempt Income, Total Exempt Income, Total Exempt Income, Total Exempt Income, Total Exempt Income, Total Exempt Income. Includes sub-sections for 'Returns with minimum standard deduction', 'Returns with adjusted gross income', and 'Returns with percentage of adjusted gross income'. Includes a 'Total' row at the bottom of each section.

Source: Internal Revenue Service, Statistics of Income for 1964. All data are based on returns that have been processed and certified by the Internal Revenue Service.

TABLE 13.—CHARACTERISTICS OF RETURNS WITH MINIMUM STANDARD DEDUCTION: ADJUSTED GROSS INCOME, EXEMPTIONS, DEDUCTIONS, AND TAX, BY ADJUSTED GROSS INCOME CLASS—Con

All returns with minimum standard deduction	Returns with all itemized deductions				Returns with minimum standard deduction				Returns with all itemized deductions				Returns with minimum standard deduction			
	Number of returns	Adjusted gross income (thousands)	Number of exemptions	Adjusted gross income after standard deduction (thousands)	Number of returns	Adjusted gross income (thousands)	Number of exemptions	Adjusted gross income after standard deduction (thousands)	Number of returns	Adjusted gross income (thousands)	Number of exemptions	Adjusted gross income after standard deduction (thousands)	Number of returns	Adjusted gross income (thousands)	Number of exemptions	Adjusted gross income after standard deduction (thousands)
Under \$1,000	111	1,279.119	21,678.662	1,007,017	61	1,093,682	21,627,220	1,007,017	61	1,093,682	21,627,220	1,007,017	61	1,093,682	21,627,220	1,007,017
\$1,000 to under \$2,000	78,262	1,779,113	21,678.662	1,007,017	20,826	976,879	1,007,017	1,007,017	20,826	976,879	1,007,017	1,007,017	20,826	976,879	1,007,017	1,007,017
\$2,000 to under \$3,000	151,071	303,483	278.843	6,817	43,112	129,237	21,627.220	6,817	43,112	129,237	21,627.220	6,817	43,112	129,237	21,627.220	6,817
\$3,000 to under \$4,000	113,267	2,717,700	3,746.662	17,877	99,701	356,333	367,477	17,877	99,701	356,333	367,477	17,877	99,701	356,333	367,477	17,877
\$4,000 to under \$5,000	128,213	2,708,271	5,828.8	20,739	191,547	319,494	49,143	20,739	191,547	319,494	49,143	20,739	191,547	319,494	49,143	20,739
\$5,000 to under \$6,000	104,086	2,298,039	8,093,482	40,040	27,207	115,036	146,894	40,040	27,207	115,036	146,894	40,040	27,207	115,036	146,894	40,040
\$6,000 to under \$7,000	81,000	2,896,667	3,138,007	38,034	103,119	189,870	131,570	38,034	103,119	189,870	131,570	38,034	103,119	189,870	131,570	38,034
\$7,000 to under \$8,000	66,049	2,933,333	1,714,923	27,733	79,433	168,269	131,570	27,733	79,433	168,269	131,570	27,733	79,433	168,269	131,570	27,733
\$8,000 to under \$9,000	51,000	1,900,000	1,112,123	7,763	26,091	60,282	60,282	7,763	26,091	60,282	60,282	7,763	26,091	60,282	60,282	7,763
\$9,000 to under \$10,000	39,000	2,700,000	1,138,227	2,462,339	11,318	2,460,143	1,869,969	1,869,969	11,318	2,460,143	1,869,969	1,869,969	11,318	2,460,143	1,869,969	1,869,969
\$10,000 to under \$15,000	376,000	1,263,766	133,796	261,792	147,482	569,233	494,762	261,792	147,482	569,233	494,762	261,792	147,482	569,233	494,762	261,792
\$15,000 to under \$20,000	446,000	1,467,719	306,229	234,036	306,715	774,273	131,133	234,036	306,715	774,273	131,133	234,036	306,715	774,273	131,133	234,036
\$20,000 to under \$25,000	241,000	1,107,338	1,199,333	591,000	249,715	1,041,000	720,000	591,000	249,715	1,041,000	720,000	591,000	249,715	1,041,000	720,000	591,000
\$25,000 to under \$30,000	117,000	719,000	2,828,225	27,292	44,780	127,342	159,125	27,292	44,780	127,342	159,125	27,292	44,780	127,342	159,125	27,292
\$30,000 to under \$35,000	83,000	2,466,000	1,622,000	10,280	14,133	6,228	6,231	10,280	14,133	6,228	6,231	10,280	14,133	6,228	6,231	10,280
\$35,000 to under \$40,000	108,000	64,288	370,667	10,000	21,510	11,003	11,022	10,000	21,510	11,003	11,022	10,000	21,510	11,003	11,022	10,000
\$40,000 to under \$45,000	74,000	64,288	370,667	10,000	21,510	11,003	11,022	10,000	21,510	11,003	11,022	10,000	21,510	11,003	11,022	10,000
\$45,000 to under \$50,000	61,000	150,000	1,170	1,123	7,763	1,123	1,123	7,763	1,123	1,123	1,123	7,763	1,123	1,123	1,123	7,763
\$50,000 to under \$60,000	4,100	2,000	15,000	4,100	4,100	15,000	4,100	4,100	4,100	15,000	4,100	4,100	4,100	15,000	4,100	4,100

Source: Internal Revenue Service, "Statistics of Income for 1964," Part 1, Table 13.16. Figures are rounded to the nearest thousand.

Table 13.—CHARACTERISTICS OF RETURNS WITH MINIMUM STANDARD DEDUCTION: ADJUSTED GROSS INCOME, SELECTED SOURCES OF INCOME, EXEMPTIONS, DEDUCTIONS, AND TAX, BY ADJUSTED GROSS INCOME CLASSES—CON.

Adjusted gross income—Classes	Returns with minimum standard deduction										Returns with adjusted gross income less than \$20,000												
	Number of taxpayers	Adjusted gross income (thousand dollars)	Number of dependents	Number of exemptions	Number of deductions	Number of deductions	Number of deductions	Number of deductions	Number of deductions	Number of deductions	Number of deductions	Number of deductions	Number of deductions	Number of deductions	Number of deductions	Number of deductions	Number of deductions	Number of deductions	Number of deductions	Number of deductions	Number of deductions		
Under \$1,000	1,137	1,095	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317
\$1,000 under \$2,000	1,137	1,095	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317
\$2,000 under \$3,000	1,137	1,095	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317
\$3,000 under \$4,000	1,137	1,095	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317
\$4,000 under \$5,000	1,137	1,095	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317
\$5,000 under \$6,000	1,137	1,095	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317
\$6,000 under \$7,000	1,137	1,095	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317
\$7,000 under \$8,000	1,137	1,095	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317
\$8,000 under \$9,000	1,137	1,095	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317
\$9,000 under \$10,000	1,137	1,095	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317
\$10,000 under \$11,000	1,137	1,095	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317
\$11,000 under \$12,000	1,137	1,095	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317
\$12,000 under \$13,000	1,137	1,095	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317
\$13,000 under \$14,000	1,137	1,095	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317
\$14,000 under \$15,000	1,137	1,095	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317
\$15,000 under \$16,000	1,137	1,095	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317
\$16,000 under \$17,000	1,137	1,095	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317
\$17,000 under \$18,000	1,137	1,095	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317
\$18,000 under \$19,000	1,137	1,095	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317
\$19,000 under \$20,000	1,137	1,095	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317
Total	1,137	1,095	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317	1,141	1,317

For a full and complete explanation of the symbols and abbreviations of the report and "Explanation of Classification and Terms."

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 15.—RETURNS WITH ITEMIZED DEDUCTIONS—SOURCES OF INCOME AND LOSS, DEDUCTIONS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income	Dividends at adj. gross (gross income)		Interest on U.S. Gov. securities		Pensions and annuities (taxable portion)		Rents				Royalties			
	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Not at adj. gross		At adj. gross		Not at adj. gross		At adj. gross	
							Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)
Grand total.....	3,682,227	11,080,927	11,769,227	24,143,908	1,415,736	2,117,575	2,349,227	2,349,227	2,349,227	2,349,227	27,133	27,133	27,133	27,133
taxable net inc. total.....	1,427,227	7,773,911	1,427,227	12,123,656	728,837	1,149,174	1,149,174	1,149,174	1,149,174	1,149,174	27,133	27,133	27,133	27,133
Under \$15,000.....	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111
\$15,000 under \$20,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988
\$20,000 under \$25,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988
\$25,000 under \$30,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988
\$30,000 under \$35,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988
\$35,000 under \$40,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988
\$40,000 under \$45,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988
\$45,000 under \$50,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988
\$50,000 or more.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988
Nonreturning returns, total.....	2,255,000	3,307,016	2,255,000	3,307,016	2,255,000	3,307,016	2,255,000	3,307,016	2,255,000	3,307,016	2,255,000	3,307,016	2,255,000	3,307,016
Under \$60,000.....	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111
\$60,000 under \$100,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988
\$100,000 under \$150,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988
\$150,000 under \$200,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988
\$200,000 under \$250,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988
\$250,000 under \$300,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988
\$300,000 or more.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988
Other source	Number of returns	Amount (Thousand dollars)	Total (Thousand dollars)	Medical expense	Amount (Thousand dollars)	Taxes	Amount (Thousand dollars)	Interest paid	Amount (Thousand dollars)	Contributions	Amount (Thousand dollars)	Other deductions	Amount (Thousand dollars)	
Grand total.....	3,682,227	2,696,654	2,136,025	2,925,521	2,072,429	2,257,526	2,257,526	2,257,526	2,257,526	2,257,526	2,257,526	2,257,526	2,257,526	
taxable net inc. total.....	1,427,227	1,427,227	1,427,227	1,427,227	1,427,227	1,427,227	1,427,227	1,427,227	1,427,227	1,427,227	1,427,227	1,427,227	1,427,227	
Under \$10,000.....	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	
\$10,000 under \$15,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	
\$15,000 under \$20,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	
\$20,000 under \$25,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	
\$25,000 under \$30,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	
\$30,000 under \$35,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	
\$35,000 under \$40,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	
\$40,000 under \$45,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	
\$45,000 under \$50,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	
\$50,000 or more.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	
Nonreturning returns, total.....	2,255,000	1,269,427	1,366,807	1,478,098	1,478,098	1,478,098	1,478,098	1,478,098	1,478,098	1,478,098	1,478,098	1,478,098	1,478,098	
Under \$60,000.....	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	1,031,111	
\$60,000 under \$100,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	
\$100,000 under \$150,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	
\$150,000 under \$200,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	
\$200,000 under \$250,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	
\$250,000 under \$300,000.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	
\$300,000 or more.....	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	104,988	

Footnote at end of page. See text for "Description of the Shading and Limitations of the Data" and "Explanation of Classifications and Terms."

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 15—RETURNS WITH ITEMIZED DEDUCTIONS SOURCES OF INCOME AND LOSS, DEDUCTIONS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	TABLE 15—Income				Tax 1964 ¹								
	Number of returns with tax liability	Number of returns	Amount	Deductions	Retirement income		Investment		Dividend		Other		
					Bank or savings	Amount	Number of returns	Amount	Number of returns	Amount		Number of returns	Amount
(Thousand dollars)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)		
Grand total	56,667,115	1,841,851	28,307,765	16,734,642	31,516,371	94,981	124,776	107,381	176,228	177,959	45,237	2,005,955	176,597
taxable returns, total	56,667,115	1,841,851	28,307,765	16,734,642	31,516,371	94,981	124,776	107,381	176,228	177,959	45,237	2,005,955	176,597
Under \$1,000	3,262	12,279	986	156	—	—	(1)	—	—	—	—	775	(5)
\$1,000 under \$2,000	10,791	36,852	156,722	26,772	5,222	14	4,112	14	4,112	—	—	21,897	146
\$2,000 under \$3,000	14,385	47,838	266,579	43,679	5,289	3,353	3,327	—	3,327	—	—	24,977	24
\$3,000 under \$4,000	17,893	56,821	2,233,706	365,177	7,192	2,208	1,221	—	1,221	—	—	16,287	348
\$4,000 under \$5,000	22,623	73,939	4,473,851	679,955	11,768	11,284	4,947	—	4,947	—	—	22,281	2,228
\$5,000 under \$6,000	29,747	97,145	6,028,684	932,024	13,222	12,720	5,720	—	5,720	—	—	29,221	3,111
\$6,000 under \$7,000	38,440	124,812	7,977,255	1,243,311	17,388	16,680	6,816	—	6,816	—	—	38,223	4,017
\$7,000 under \$8,000	49,356	162,356	10,856,688	1,746,774	23,753	22,971	9,596	—	9,596	—	—	49,225	5,166
\$8,000 under \$9,000	63,025	207,884	14,607,664	2,407,664	31,162	30,279	12,283	—	12,283	—	—	62,823	6,629
\$9,000 under \$10,000	80,491	265,499	18,456,468	3,048,839	40,228	39,242	16,331	—	16,331	—	—	80,023	8,424
\$10,000 under \$15,000	136,911	439,219	35,856,762	6,036,762	63,341	13,112	17,648	23,726	33,346	3,759	513,625	134,901	14,300
\$15,000 under \$20,000	239,777	779,777	54,776,738	9,996,738	101,121	22,461	30,681	17,768	25,276	2,349	133,011	234,300	24,783
\$20,000 under \$25,000	376,840	1,218,812	82,434,586	14,974,586	163,511	38,680	49,816	31,316	43,213	4,213	249,591	376,840	39,817
\$25,000 under \$30,000	539,665	1,748,285	116,826,135	21,226,135	239,883	54,826	71,826	46,326	62,326	6,326	389,526	539,665	56,817
\$30,000 under \$35,000	729,376	2,398,066	161,746,738	29,746,738	329,883	75,826	99,826	64,326	86,326	8,626	529,526	729,376	76,817
\$35,000 under \$40,000	956,841	3,078,066	214,826,135	39,826,135	439,883	100,826	133,826	86,326	116,326	11,626	709,526	956,841	100,817
\$40,000 under \$45,000	1,249,376	4,078,066	284,826,135	52,826,135	589,883	133,826	176,826	116,326	156,326	15,626	959,526	1,249,376	130,817
\$45,000 under \$50,000	1,629,376	5,278,066	374,826,135	70,826,135	789,883	183,826	243,826	156,326	211,326	21,126	1,269,526	1,629,376	170,817
\$50,000 or more	900	—	75,865	432,661	—	—	—	—	—	—	—	436	3,661
Non-taxable returns, total	1,622,868	1,641,855	2,406,341	—	56,300	24,936	22,554	17,234	23,101	1,507	4,497	93,906	1,655
Under \$600	—	31,394	—	—	—	—	—	—	—	—	—	—	—
\$600 under \$1,000	—	6,512	—	—	—	—	—	—	—	—	—	—	—
\$1,000 under \$2,000	—	24,882	—	—	—	—	—	—	—	—	—	—	—
\$2,000 under \$3,000	—	82,958	—	—	—	—	—	—	—	—	—	—	—
\$3,000 under \$4,000	—	216,244	—	—	—	—	—	—	—	—	—	—	—
\$4,000 under \$5,000	—	379,367	—	—	—	—	—	—	—	—	—	—	—
\$5,000 or more	—	873,292	—	—	—	—	—	—	—	—	—	—	—
Returns under \$5,000	6,299,169	1,965,643	5,199,166	7,838,568	1,263,303	446,883	41,254	127,727	19,262	6,685	71	416,564	5,926
Returns \$5,000 under \$10,000	26,448,400	83,268,247	126,826,247	21,226,247	262,161,821	203,995	44,551	58,818	42,669	7,918	79,483	134,246	14,300
Returns \$10,000 or more	23,919,546	77,977,467	126,826,247	21,226,247	262,161,821	203,995	44,551	58,818	42,669	7,918	79,483	134,246	14,300

Footnote at end of table. See text for the "Explanation of the Symbols and Abbreviations in this Data" and "Explanation of Classifications and Terms."

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 15.—RETURNS WITH ITEMIZED DEDUCTIONS SOURCES OF INCOME AND LOSS, DEDUCTIONS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY SOURCE* GROSS INCOME CLASSES—Continued

Source of income and loss	Total		By source								Total	
	Returns		Number of returns	Gross income (Thousands of dollars)	Deductions (Thousands of dollars)	Exemptions (Thousands of dollars)		Taxable income (Thousands of dollars)		Returns	Total (Thousands of dollars)	
	Number of returns	Amount (Thousands of dollars)				Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)			Number of returns	Amount (Thousands of dollars)
Dividend income	1,983,121	49,979,121	16,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Taxable interest	1,234,567	23,456,789	12,345,678	1,234,567	1,234,567	1,234,567	1,234,567	1,234,567	1,234,567	1,234,567	1,234,567	
Real estate income	876,543	17,654,321	8,765,432	876,543	876,543	876,543	876,543	876,543	876,543	876,543	876,543	
Business income	543,210	10,987,654	5,432,109	543,210	543,210	543,210	543,210	543,210	543,210	543,210	543,210	
Capital gains	321,098	6,421,976	3,210,987	321,098	321,098	321,098	321,098	321,098	321,098	321,098	321,098	
Other income	123,456	2,469,123	1,234,567	123,456	123,456	123,456	123,456	123,456	123,456	123,456	123,456	
Losses	76,543	1,530,866	765,432	76,543	76,543	76,543	76,543	76,543	76,543	76,543	76,543	
Non-taxable returns	1,000,000	20,000,000	10,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Retiree	1,000,000	20,000,000	10,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Spouse	1,000,000	20,000,000	10,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Child	1,000,000	20,000,000	10,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Other	1,000,000	20,000,000	10,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	

* See text for details regarding the classification of returns. Excludes returns with zero gross income. Excludes returns with gross income less than \$100. Excludes returns with gross income less than \$100. Excludes returns with gross income less than \$100. Excludes returns with gross income less than \$100.

INDIVIDUAL INCOME TAX RETURNS FOR 1964

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Table 16 — RETURNS WITH STANDARD DEDUCTION: ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND INCOME TAX AFTER CREDITS, BY ADJUSTED GROSS INCOME CLASSES AND BY MARITAL STATUS OF TAXPAYER—Continued

Adjusted gross income classes	Returns of surviving spouse				Returns of single persons not head of household or surviving spouse					
	Number of returns	Adjusted gross income (Thousands of dollars)	Exemptions	Taxable income (Thousands of dollars)	Income tax 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 after credits (Thousands of dollars)
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Grand total.....	139,733	30,4372	13,1488	119,925	11,374	17,138,842	6,077,797	11,284,221	27,107,774	1,129,720
Taxable returns, total.....	65,894	226,3171	77,770	119,932	11,374	11,991,015	6,077,797	11,284,221	1,091,111	1,129,720
Under \$1,000.....	-	-	-	-	-	62,677	63,000	63,000	21,47	3,24
\$1,000 under \$2,000.....	2,393	5,302	3,121	48	14	1,707,707	1,633,341	1,414,74	1,866,542	291,401
\$2,000 under \$3,000.....	9,462	26,836	11,503	1,277	44,426	1,177,878	1,047,521	1,111,97	1,213,902	234,711
\$3,000 under \$4,000.....	1,166	37,636	17,169	1,362	11,111	1,779,687	1,646,338	1,711,628	1,171,704	716,376
\$4,000 under \$5,000.....	4,957	112,277	5,627	1,121	11,777	1,111,127	1,011,127	1,011,127	1,301,105	771,789
\$5,000 under \$6,000.....	7,711	37,646	13,651	77,411	17,172	1,701,988	1,611,988	1,611,988	1,611,987	1,011,987
\$6,000 under \$7,000.....	3,452	22,084	5,446	13,473	1,342	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
\$7,000 under \$8,000.....	1,111	34,119	7,561	17,562	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
\$8,000 under \$9,000.....	-	-	-	-	-	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
\$9,000 under \$10,000.....	1,111	37,117	8,111	24,711	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
\$10,000 under \$15,000.....	-	-	-	-	-	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
\$15,000 under \$20,000.....	126	3,111	111	3,111	771	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
\$20,000 under \$30,000.....	32	711	111	1,111	111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
\$30,000 under \$50,000.....	-	-	-	-	-	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
\$50,000 or more.....	-	-	-	-	-	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Non-taxable returns, total.....	73,839	82,331	11,111	1,111	-	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Under \$500.....	7,321	1,111	1,111	-	-	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
\$500 under \$1,000.....	11,111	1,111	1,111	-	-	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
\$1,000 under \$2,000.....	3,111	1,111	1,111	-	-	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
\$2,000 under \$3,000.....	-	-	-	-	-	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
\$3,000 under \$4,000.....	-	-	-	-	-	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
\$4,000 under \$5,000.....	-	-	-	-	-	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
\$5,000 or more.....	-	-	-	-	-	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Returns under \$5,000.....	6,811	1,8,505	1,1,730	3,1,665	1,988	1,2,246,266	1,1,871,411	1,1,118,291	1,1,891,979	1,3,3,1,284
Returns \$5,000 under \$10,000.....	11,111	11,111,111	11,111	11,111	11,111	11,111,111	11,111,111	11,111,111	11,111,111	11,111,111
Returns \$10,000 or more.....	4,972	11,111	1,111	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111

See text for "Description of the Sample and Limitations of the Data" and "Explanation of Classifications and Terms."
NOTE: Detail may not add to total because of rounding.

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 17.—RETURNS WITH ITEMIZED DEDUCTIONS: ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND INCOME TAX AFTER CREDITS, BY ADJUSTED GROSS INCOME CLASSES AND BY MARITAL STATUS OF TAXPAYER—Continued

Adjusted gross income classes	Returns of surviving spouse					Returns of single persons not head of household or surviving spouse				
	Number of returns	Adjusted gross income	Exemptions	Taxable income	Income tax after credits	Number of returns	Adjusted gross income	Exemptions	Taxable income	Income tax after credits
	(21)	(Thousand dollars) (22)	(Thousand dollars) (23)	(Thousand dollars) (24)	(Thousand dollars) (25)	(26)	(Thousand dollars) (27)	(Thousand dollars) (28)	(Thousand dollars) (29)	(Thousand dollars) (30)
Grand total.....	117,950	641,259	185,037	315,527	66,253	3,962,902	21,095,090	3,254,061	13,182,788	3,123,965
Taxable returns, total.....	90,455	576,266	160,198	315,066	66,253	3,397,618	19,891,786	2,649,186	13,109,785	3,123,965
Under \$1,000.....	-	-	-	-	-	8,351	7,364	4,891	651	100
\$1,000 under \$7,000.....	14,422	35,396	18,687	6,726	1,360	293,896	468,630	199,183	127,773	20,167
\$7,000 under \$15,000.....	15,500	35,039	23,437	13,535	2,934	557,807	1,409,762	427,742	613,577	97,056
\$15,000 under \$25,000.....	18,939	83,854	26,622	37,490	6,119	617,512	2,370,189	470,607	1,213,435	200,289
\$25,000 under \$50,000.....	11,906	65,205	17,951	31,865	5,097	611,769	2,358,517	336,054	1,575,333	283,849
\$50,000 under \$75,000.....	7,051	45,533	14,062	20,349	3,408	287,935	1,862,869	221,001	1,292,394	242,708
\$75,000 under \$100,000.....	7,786	58,510	12,775	36,836	6,110	196,193	1,479,118	156,643	1,041,182	271,835
\$100,000 under \$250,000.....	4,103	36,136	5,883	21,891	1,685	115,407	976,568	97,814	688,492	136,091
\$250,000 under \$500,000.....	1,353	12,511	2,676	7,366	1,277	60,787	661,591	57,814	466,326	93,277
\$500,000 under \$1,000,000.....	5,163	60,708	9,297	39,330	7,263	138,760	1,650,993	126,091	1,200,999	263,538
\$1,000,000 under \$250,000.....	1,221	20,762	2,686	16,865	2,954	49,790	838,416	47,956	663,103	165,823
\$250,000 under \$500,000.....	2,706	70,185	5,566	59,377	16,862	63,822	1,877,408	65,198	1,637,599	487,519
\$500,000 under \$1,000,000.....	252	16,538	84	13,719	5,186	11,093	76,740	11,550	583,263	268,806
\$1,000,000 under \$500,000.....	52	7,467	93	6,189	2,954	3,567	620,420	3,852	475,863	266,377
\$500,000 under \$1,000,000.....	-	-	-	-	-	-	146	97,209	156	7,827
\$1,000,000 or more.....	1	2,820	1	2,860	1,280	73	187,621	79	166,969	84,563
Nontaxable returns, total.....	27,495	64,995	44,839	81	-	565,287	1,203,306	604,875	73,003	-
Under \$600.....	-	-	-	-	-	14,950	5,987	14,146	-	-
\$600 under \$1,000.....	12,023	15,766	16,111	-	-	59,200	49,752	45,948	-	-
\$1,000 under \$2,000.....	8,802	21,988	14,102	400	-	275,766	411,619	285,653	3,362	-
\$2,000 under \$3,000.....	5,619	20,723	13,366	81	-	135,805	327,957	160,983	33,027	-
\$3,000 under \$4,000.....	1,051	6,520	1,262	-	-	44,585	153,260	55,321	26,805	-
\$4,000 under \$5,000.....	-	-	-	-	-	17,906	79,429	22,505	5,187	-
\$5,000 or more.....	-	-	-	-	-	17,077	175,300	20,371	3,222	-
Returns under \$5,000.....	76,303	232,964	132,342	61,232	10,995	2,577,682	7,363,650	2,139,681	3,571,956	585,066
Returns \$5,000 under \$10,000.....	33,197	221,867	36,527	115,755	19,578	1,115,483	6,131,120	886,803	5,966,037	955,760
Returns \$10,000 or more.....	9,444	136,666	16,169	136,566	37,680	269,738	6,118,319	258,077	4,566,790	1,583,138

See text for "Description of the Sample and Limitations of the Data" and "Explanation of Classification of Married Persons."
NOTE: Detail may not add to total because of rounding.

Table 18.—ITEMIZED DEDUCTIONS AS A PERCENT OF ADJUSTED GROSS INCOME NUMBER OF RETURNS AND AMOUNT OF DEDUCTION BY ADJUSTED GROSS INCOME CLASSES—Continued
 PART I.—FEDERAL RETURNS FILED IN 1964
 (Dollars in thousands, unless otherwise indicated)

Adjusted gross income classes	No. returns in the sample		% of returns in the sample		% of total returns in the sample		% of total returns in the sample		% of total returns in the sample		% of total returns in the sample		% of total returns in the sample		% of total returns in the sample		% of total returns in the sample	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
TOTAL.....	1,000,000	1,000,000	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Under \$600.....	38,000	1,000,000	3.80	100.00	0.38	100.00	0.38	100.00	0.38	100.00	0.38	100.00	0.38	100.00	0.38	100.00	0.38	100.00
\$600 under \$1,000.....	114,000	1,000,000	11.40	100.00	1.14	100.00	1.14	100.00	1.14	100.00	1.14	100.00	1.14	100.00	1.14	100.00	1.14	100.00
\$1,000 under \$2,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$2,000 under \$3,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$3,000 under \$4,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$4,000 under \$5,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$5,000 under \$6,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$6,000 under \$7,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$7,000 under \$8,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$8,000 under \$9,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$9,000 under \$10,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$10,000 under \$15,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$15,000 under \$20,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$20,000 under \$25,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$25,000 under \$30,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$30,000 under \$35,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$35,000 under \$40,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$40,000 under \$45,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$45,000 under \$50,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$50,000 under \$75,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$75,000 under \$100,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$100,000 under \$150,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$150,000 under \$200,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$200,000 under \$300,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$300,000 under \$500,000.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00
\$500,000 and over.....	1,140,000	1,000,000	114.00	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00	11.40	100.00

Source: Federal Reserve Board, Bureau of Economic Analysis, Statistical Research Department, Survey of Consumer Finances, 1964.

Table 18.—ITHEZED DEDUCTIONS AS A PERCENT OF ADJUSTED GROSS INCOME: NUMBER OF RETURNS AND AMOUNT OF DEDUCTION BY ADJUSTED GROSS INCOME CLASSES—Continued

PART II.—MEDICAL EXPENSES

(Excludes any deductible—retiree)

Table with 24 columns: Adjusted gross income classes (rows), Number of returns with deduction (col 1), Amount of deduction (col 2), and Number of returns (col 3) for percentages 0-100 (cols 4-24).

See footnotes on page 50 for explanation of "No. of Returns" and "Amount of Deduction" columns.

Table 18.—ITEMIZED DEDUCTIONS AS A PERCENT OF ADJUSTED GROSS INCOME: NUMBER OF RETURNS AND AMOUNT OF DEDUCTION BY ADJUSTED GROSS INCOME CLASSES—Continued

PART III.—BASES BROAD (Excludes and summarizes returns)

Table with multiple columns: Adjusted gross income classes, Amount of deduction for taxes paid as a percent of adjusted gross income (0-16%), Number of returns (Number of returns, Amount of deduction), 7 percent under, 8 percent under, 9 percent under, 10 percent under, 11 percent under, 12 percent under, 13 percent under, 14 percent under, 15 percent under, 16 percent under, 17 percent under, 18 percent under, 19 percent under, 20 percent under, 21 percent under, 22 percent under, 23 percent under, 24 percent under, 25 percent under, 26 percent under, 27 percent under, 28 percent under, 29 percent under, 30 percent under, 31 percent under, 32 percent under, 33 percent under, 34 percent under, 35 percent under, 36 percent under, 37 percent under, 38 percent under, 39 percent under, 40 percent under, 41 percent under, 42 percent under, 43 percent under, 44 percent under, 45 percent under, 46 percent under, 47 percent under, 48 percent under, 49 percent under, 50 percent under.

See text for "Description of the Base" and "Explanation of Classification and Items."

Table 18.—ITEMIZED DEDUCTIONS AS A PERCENT OF ADJUSTED GROSS INCOME, NUMBER OF RETURNS AND AMOUNT OF DEDUCTION BY ADJUSTED GROSS INCOME CLASSES—Continued

PART IV.—INTEREST PAID

Deductions and non-taxable investments

Adjusted gross income class	Number of returns		Amount of deduction		As a percent of adjusted gross income		Number of returns		Amount of deduction		As a percent of adjusted gross income		Number of returns		Amount of deduction		As a percent of adjusted gross income	
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
\$0-\$500	3,277,236	1,459,988	15,414,133	17,672,818	339,491	676,423	4.8	5.0	30,477	34,341	1.9	1.9	31.0	31.1	1.0	1.0	31.0	31.1
\$500-\$1,000	13,926	6,527	17,738	20,326	30,477	34,341	1.2	1.3	17,470	19,470	1.3	1.4	12.5	12.6	0.6	0.6	12.5	12.6
\$1,000-\$1,500	30,785	14,736	40,231	45,923	75,437	84,231	2.4	2.5	42,374	47,374	1.4	1.4	13.8	13.8	0.5	0.5	13.8	13.8
\$1,500-\$2,000	13,213	6,423	17,738	20,326	30,477	34,341	1.0	1.0	17,470	19,470	1.3	1.4	12.5	12.6	0.6	0.6	12.5	12.6
\$2,000-\$2,500	7,293	3,527	9,820	11,347	17,470	19,470	2.4	2.5	42,374	47,374	1.4	1.4	13.8	13.8	0.5	0.5	13.8	13.8
\$2,500-\$3,000	4,027	1,927	5,954	6,881	10,713	12,230	2.7	2.8	15,546	17,470	3.8	4.0	21.2	21.2	0.8	0.8	21.2	21.2
\$3,000-\$3,500	2,027	927	2,954	3,381	5,137	5,927	2.5	2.6	6,381	7,230	3.2	3.4	16.2	16.2	1.0	1.0	16.2	16.2
\$3,500-\$4,000	1,027	427	1,454	1,627	2,470	2,813	3.1	3.2	3,813	4,313	3.6	3.8	18.6	18.6	1.4	1.4	18.6	18.6
\$4,000-\$4,500	527	227	754	827	1,227	1,370	3.6	3.7	5,370	6,027	4.3	4.5	24.5	24.5	1.8	1.8	24.5	24.5
\$4,500-\$5,000	227	92	319	354	527	593	4.3	4.4	6,593	7,470	5.1	5.3	28.5	28.5	2.2	2.2	28.5	28.5
\$5,000-\$5,500	127	52	179	201	301	343	4.8	4.9	3,433	3,927	5.8	6.1	31.5	31.5	2.4	2.4	31.5	31.5
\$5,500-\$6,000	52	21	73	81	122	137	5.0	5.1	1,370	1,547	6.4	6.7	33.5	33.5	2.6	2.6	33.5	33.5
\$6,000-\$6,500	27	11	38	43	63	71	5.2	5.3	713	801	7.1	7.6	36.5	36.5	2.8	2.8	36.5	36.5
\$6,500-\$7,000	17	7	24	27	40	45	5.3	5.4	454	513	7.6	8.1	39.5	39.5	3.0	3.0	39.5	39.5
\$7,000-\$7,500	10	4	14	16	23	26	5.4	5.5	276	313	8.1	8.6	42.5	42.5	3.2	3.2	42.5	42.5
\$7,500-\$8,000	6	3	9	10	14	16	5.5	5.6	163	181	8.6	9.1	45.5	45.5	3.4	3.4	45.5	45.5
\$8,000-\$8,500	4	2	5	6	9	10	5.6	5.7	92	104	9.1	9.6	48.5	48.5	3.6	3.6	48.5	48.5
\$8,500-\$9,000	3	1	4	5	7	8	5.7	5.8	51	58	9.6	10.1	51.5	51.5	3.8	3.8	51.5	51.5
\$9,000-\$9,500	2	1	3	4	6	7	5.8	5.9	28	32	10.1	10.6	54.5	54.5	4.0	4.0	54.5	54.5
\$9,500-\$10,000	1	0	1	1	2	2	5.9	6.0	15	17	10.6	11.1	57.5	57.5	4.2	4.2	57.5	57.5
\$10,000 or more	1,000,000	480,000	1,480,000	1,680,000	2,520,000	2,813,000	16.0	16.2	1,313,000	1,470,000	9.0	9.2	60.0	60.0	45.0	45.0	60.0	60.0
Total	3,927,236	1,859,988	20,114,133	23,672,818	370,491	766,423	4.8	5.0	30,477	34,341	1.9	1.9	31.0	31.1	1.0	1.0	31.0	31.1

Adjusted gross income class	Number of returns		Amount of deduction		As a percent of adjusted gross income		Number of returns		Amount of deduction		As a percent of adjusted gross income		Number of returns		Amount of deduction		As a percent of adjusted gross income	
	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)
\$0-\$500	3,277,236	1,459,988	15,414,133	17,672,818	339,491	676,423	4.8	5.0	30,477	34,341	1.9	1.9	31.0	31.1	1.0	1.0	31.0	31.1
\$500-\$1,000	13,926	6,527	17,738	20,326	30,477	34,341	1.2	1.3	17,470	19,470	1.3	1.4	12.5	12.6	0.6	0.6	12.5	12.6
\$1,000-\$1,500	30,785	14,736	40,231	45,923	75,437	84,231	2.4	2.5	42,374	47,374	1.4	1.4	13.8	13.8	0.5	0.5	13.8	13.8
\$1,500-\$2,000	13,213	6,423	17,738	20,326	30,477	34,341	1.0	1.0	17,470	19,470	1.3	1.4	12.5	12.6	0.6	0.6	12.5	12.6
\$2,000-\$2,500	7,293	3,527	9,820	11,347	17,470	19,470	2.4	2.5	42,374	47,374	1.4	1.4	13.8	13.8	0.5	0.5	13.8	13.8
\$2,500-\$3,000	4,027	1,927	5,954	6,881	10,713	12,230	2.7	2.8	15,546	17,470	3.8	4.0	21.2	21.2	0.8	0.8	21.2	21.2
\$3,000-\$3,500	2,027	927	2,954	3,381	5,137	5,927	2.5	2.6	6,381	7,230	3.2	3.4	16.2	16.2	1.0	1.0	16.2	16.2
\$3,500-\$4,000	1,027	427	1,454	1,627	2,470	2,813	3.1	3.2	3,813	4,313	3.6	3.8	18.6	18.6	1.4	1.4	18.6	18.6
\$4,000-\$4,500	527	227	754	827	1,227	1,370	3.6	3.7	5,370	6,027	4.3	4.5	24.5	24.5	1.8	1.8	24.5	24.5
\$4,500-\$5,000	227	92	319	354	527	593	4.3	4.4	6,593	7,470	5.1	5.3	28.5	28.5	2.2	2.2	28.5	28.5
\$5,000-\$5,500	127	52	179	201	301	343	4.8	4.9	3,433	3,927	5.8	6.1	31.5	31.5	2.4	2.4	31.5	31.5
\$5,500-\$6,000	52	21	73	81	122	137	5.0	5.1	1,370	1,547	6.4	6.7	33.5	33.5	2.6	2.6	33.5	33.5
\$6,000-\$6,500	27	11	38	43	63	71	5.2	5.3	713	801	7.1	7.6	39.5	39.5	3.0	3.0	39.5	39.5
\$6,500-\$7,000	17	7	24	27	40	45	5.3	5.4	454	513	7.6	8.1	42.5	42.5	3.2	3.2	42.5	42.5
\$7,000-\$7,500	10	4	14	16	23	26	5.4	5.5	276	313	8.1	8.6	45.5	45.5	3.4	3.4	45.5	45.5
\$7,500-\$8,000	6	3	9	10	14	16	5.5	5.6	163	181	8.6	9.1	48.5	48.5	3.6	3.6	48.5	48.5
\$8,000-\$8,500	4	2	5	6	9	10	5.6	5.7	92	104	9.1	9.6	51.5	51.5	3.8	3.8	51.5	51.5
\$8,500-\$9,000	3	1	4	5	7	8	5.7	5.8	51	58	9.6	10.1	54.5	54.5	4.0	4.0	54.5	54.5
\$9,000-\$9,500	2	1	3	4	6	7	5.8	5.9	28	32	10.1	10.6	57.5	57.5	4.2	4.2	57.5	57.5
\$9,500-\$10,000	1	0	1	1	2	2	5.9	6.0	15	17	10.6	11.1	60.5	60.5	4.4	4.4	60.5	60.5
\$10,000 or more	1,000,000	480,000	1,480,000	1,680,000	2,520,000	2,813,000	16.0	16.2	1,313,000	1,470,000	9.0	9.2	60.0	60.0	45.0	45.0	60.0	60.0
Total	3,927,236	1,859,988	20,114,133	23,672,818	370,491	766,423	4.8	5.0	30,477	34,341	1.9	1.9	31.0	31.1	1.0	1.0	31.0	31.1

Source: Statistics of Income for 1964, Part IV, Interest Paid. The total for the first column is the total number of returns.

TABLE 16 -- ITEMIZED DEDUCTIONS AS A PERCENT OF ADJUSTED GROSS INCOME, NUMBER OF RETURNS AND AMOUNT OF DEDUCTION BY ADJUSTED GROSS INCOME CLASSES--Continued

BASE YEAR 1964 (1963)

(Dollar and percentage figures)

Adjusted gross income	1964		1963		1962		1961		1960		1959		1958		1957	
	Number of returns	Amount (Dollars)	Number of returns	Amount (Dollars)	Number of returns	Amount (Dollars)	Number of returns	Amount (Dollars)	Number of returns	Amount (Dollars)	Number of returns	Amount (Dollars)	Number of returns	Amount (Dollars)	Number of returns	Amount (Dollars)
All returns on which itemized deductions were claimed	13,121	1,279,476	11,171	1,049,414	9,375	874,711	7,711	724,711	6,311	594,711	5,111	474,711	4,111	374,711	3,111	274,711
Under \$10,000	1,121	127,476	971	109,414	821	94,711	671	76,711	521	59,711	371	42,711	221	25,711	71	8,711
\$10,000 to under \$20,000	2,121	227,476	1,871	209,414	1,621	184,711	1,371	156,711	1,121	129,711	871	102,711	621	71,711	371	42,711
\$20,000 to under \$30,000	3,121	327,476	2,871	309,414	2,621	284,711	2,371	266,711	2,121	239,711	1,871	212,711	1,621	181,711	1,371	156,711
\$30,000 to under \$40,000	4,121	427,476	3,871	409,414	3,621	384,711	3,371	366,711	3,121	339,711	2,871	312,711	2,621	291,711	2,371	266,711
\$40,000 to under \$50,000	5,121	527,476	4,871	509,414	4,621	484,711	4,371	466,711	4,121	439,711	3,871	412,711	3,621	391,711	3,371	366,711
\$50,000 to under \$60,000	6,121	627,476	5,871	609,414	5,621	584,711	5,371	566,711	5,121	539,711	4,871	512,711	4,621	491,711	4,371	466,711
\$60,000 to under \$70,000	7,121	727,476	6,871	709,414	6,621	684,711	6,371	666,711	6,121	639,711	5,871	612,711	5,621	591,711	5,371	566,711
\$70,000 to under \$80,000	8,121	827,476	7,871	809,414	7,621	784,711	7,371	766,711	7,121	739,711	6,871	712,711	6,621	691,711	6,371	666,711
\$80,000 to under \$90,000	9,121	927,476	8,871	909,414	8,621	884,711	8,371	866,711	8,121	839,711	7,871	812,711	7,621	791,711	7,371	766,711
\$90,000 to under \$100,000	10,121	1,027,476	9,871	1,009,414	9,621	984,711	9,371	966,711	9,121	939,711	8,871	912,711	8,621	891,711	8,371	866,711
\$100,000 to under \$150,000	11,121	1,127,476	10,871	1,109,414	10,621	1,084,711	10,371	1,066,711	10,121	1,039,711	9,871	1,012,711	9,621	991,711	9,371	966,711
\$150,000 to under \$200,000	12,121	1,227,476	11,871	1,209,414	11,621	1,184,711	11,371	1,166,711	11,121	1,139,711	10,871	1,112,711	10,621	1,091,711	10,371	1,066,711
\$200,000 to under \$300,000	13,121	1,327,476	12,871	1,309,414	12,621	1,284,711	12,371	1,266,711	12,121	1,239,711	11,871	1,212,711	11,621	1,191,711	11,371	1,166,711
\$300,000 to under \$400,000	14,121	1,427,476	13,871	1,409,414	13,621	1,384,711	13,371	1,366,711	13,121	1,339,711	12,871	1,312,711	12,621	1,291,711	12,371	1,266,711
\$400,000 to under \$500,000	15,121	1,527,476	14,871	1,509,414	14,621	1,484,711	14,371	1,466,711	14,121	1,439,711	13,871	1,412,711	13,621	1,391,711	13,371	1,366,711
\$500,000 to under \$1,000,000	16,121	1,627,476	15,871	1,609,414	15,621	1,584,711	15,371	1,566,711	15,121	1,539,711	14,871	1,512,711	14,621	1,491,711	14,371	1,466,711
\$1,000,000 or more	17,121	1,727,476	16,871	1,709,414	16,621	1,684,711	16,371	1,666,711	16,121	1,639,711	15,871	1,612,711	15,621	1,591,711	15,371	1,566,711

Adjusted gross income	1964		1963		1962		1961		1960		1959		1958		1957	
	Number of returns	Amount (Dollars)	Number of returns	Amount (Dollars)	Number of returns	Amount (Dollars)	Number of returns	Amount (Dollars)	Number of returns	Amount (Dollars)	Number of returns	Amount (Dollars)	Number of returns	Amount (Dollars)	Number of returns	Amount (Dollars)
All returns on which itemized deductions were claimed	13,121	1,279,476	11,171	1,049,414	9,375	874,711	7,711	724,711	6,311	594,711	5,111	474,711	4,111	374,711	3,111	274,711
Under \$10,000	1,121	127,476	971	109,414	821	94,711	671	76,711	521	59,711	371	42,711	221	25,711	71	8,711
\$10,000 to under \$20,000	2,121	227,476	1,871	209,414	1,621	184,711	1,371	156,711	1,121	129,711	871	102,711	621	71,711	371	42,711
\$20,000 to under \$30,000	3,121	327,476	2,871	309,414	2,621	284,711	2,371	266,711	2,121	239,711	1,871	212,711	1,621	181,711	1,371	156,711
\$30,000 to under \$40,000	4,121	427,476	3,871	409,414	3,621	384,711	3,371	366,711	3,121	339,711	2,871	312,711	2,621	291,711	2,371	266,711
\$40,000 to under \$50,000	5,121	527,476	4,871	509,414	4,621	484,711	4,371	466,711	4,121	439,711	3,871	412,711	3,621	391,711	3,371	366,711
\$50,000 to under \$60,000	6,121	627,476	5,871	609,414	5,621	584,711	5,371	566,711	5,121	539,711	4,871	512,711	4,621	491,711	4,371	466,711
\$60,000 to under \$70,000	7,121	727,476	6,871	709,414	6,621	684,711	6,371	666,711	6,121	639,711	5,871	612,711	5,621	591,711	5,371	566,711
\$70,000 to under \$80,000	8,121	827,476	7,871	809,414	7,621	784,711	7,371	766,711	7,121	739,711	6,871	712,711	6,621	691,711	6,371	666,711
\$80,000 to under \$90,000	9,121	927,476	8,871	909,414	8,621	884,711	8,371	866,711	8,121	839,711	7,871	812,711	7,621	791,711	7,371	766,711
\$90,000 to under \$100,000	10,121	1,027,476	9,871	1,009,414	9,621	984,711	9,371	966,711	9,121	939,711	8,871	912,711	8,621	891,711	8,371	866,711
\$100,000 to under \$150,000	11,121	1,127,476	10,871	1,109,414	10,621	1,084,711	10,371	1,066,711	10,121	1,039,711	9,871	1,012,711	9,621	991,711	9,371	966,711
\$150,000 to under \$200,000	12,121	1,227,476	11,871	1,209,414	11,621	1,184,711	11,371	1,166,711	11,121	1,139,711	10,871	1,112,711	10,621	1,091,711	10,371	1,066,711
\$200,000 to under \$300,000	13,121	1,327,476	12,871	1,309,414	12,621	1,284,711	12,371	1,266,711	12,121	1,239,711	11,871	1,212,711	11,621	1,191,711	11,371	1,166,711
\$300,000 to under \$400,000	14,121	1,427,476	13,871	1,409,414	13,621	1,384,711	13,371	1,366,711	13,121	1,339,711	12,871	1,312,711	12,621	1,291,711	12,371	1,266,711
\$400,000 to under \$500,000	15,121	1,527,476	14,871	1,509,414	14,621	1,484,711	14,371	1,466,711	14,121	1,439,711	13,871	1,412,711	13,621	1,391,711	13,371	1,366,711
\$500,000 to under \$1,000,000	16,121	1,627,476	15,871	1,609,414	15,621	1,584,711	15,371	1,566,711	15,121	1,539,711	14,871	1,512,711	14,621	1,491,711	14,371	1,466,711
\$1,000,000 or more	17,121	1,727,476	16,871	1,709,414	16,621	1,684,711	16,371	1,666,711	16,121	1,639,711	15,871	1,612,711	15,621	1,591,711	15,371	1,566,711

Source: Statistics of the sample of 100,000 returns for 1964, 1963, 1962, 1961, 1960, 1959, 1958, and 1957, prepared by the Internal Revenue Service, Department of the Treasury, Bureau of Economic Analysis, Washington, D.C.

Tax Base and Tax Rates

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There was a billion dollar decrease from 1963 in individual income tax liability, reflecting the first of a two step reduction in tax rates provided for in the Revenue Act of 1964. This first step, applicable only to taxable years beginning in calendar year 1964, put into effect rates ranging from 16 percent to 77 percent. These rates represented a significant reduction from those rates in effect for the preceding 10 years which ranged from 20 percent to 91 percent.

PROGRESSIVE RATES APPLIED

The Federal tax system provided a progressive rate structure for the individual income tax. These graduated rates were applied to a tax base (or taxable income) which was computed by reducing a taxpayer's adjusted gross income through the allowance of certain statutory personal deductions. Depending on his marital status for tax purposes, the taxpayer selected one of three rate schedules to compute his tax. Schedule I, the most steeply graduated, was applicable to single persons not qualifying for the other two schedules and to married persons filing separate returns. Schedule II was applicable to married persons filing joint returns and to certain widows and widowers. Schedule III was applicable to unmarried or legally separated taxpayers who qualified as heads of

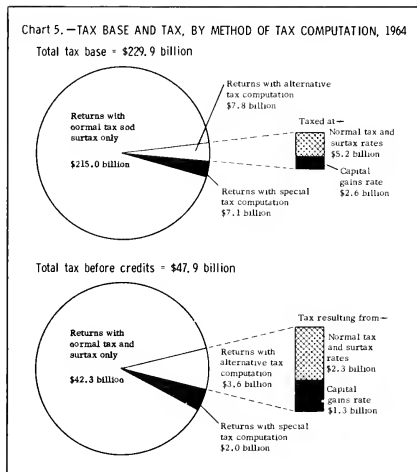
household (see "Marital status of taxpayer", section 7). On an equal amount of tax base the schedule III tax was usually half way between the taxes computed from schedules I and II. Table 21 shows the income tax generated at each tax rate.

Most taxpayers used the regular tax computation (normal tax and surtax) which applies the graduated rates to brackets of tax base.

A small class of taxpayers with relatively high income, some portion of which is capital gains, elected an alternative tax computation to derive a lower tax on the capital gain income. Another group of taxpayers elected a third method of computation, income averaging, when their income has increased substantially over recent years. Where applicable, the averaging computation resulted in a lower tax base and liability in the current year and reduced the severity of the tax increase due to sharp upward fluctuations in income.

TAX BASE INCREASES ALMOST 10 PERCENT

Chart 5 shows that a total tax base of \$229.9 billion was reported by taxpayers in 1964, almost a 10 percent increase over 1963. The major portion of this tax base,



\$214.9 billion, was attributed to taxpayers using the regular computation (normal tax and surtax only). Taxpayers electing the alternative tax computation to derive a lower tax on capital gains accounted for \$7.8 billion of the total tax base. This amount included \$2.6 billion tax base taxed at the capital gains rate. The remaining \$7.1 billion was attributable to non-calendar year returns (which were subject to two sets of tax rates), prior year delinquent returns and returns with income averaging. In the charts and tables these are called returns with special tax computations.

Chart 5 shows further that income tax (before credits) amounted to \$47.9 billion, a 2.5 percent decrease from 1963. The amount of tax reported by taxpayers with the special tax computations (mentioned above) was \$2.0 billion. Taxpayers using the "regular" tax computation showed income tax of \$42.3 billion, and those electing the alternative tax computation showed \$3.6 billion. The capital gains rate produced \$1.3 billion of tax.

The tables that follow in this section deal with information on method of tax computation and tax rates. Tables 19 and 20 present selected income, deduction, and tax data for the 51,823,000 returns of taxpayers using the "regular" method and the almost 100,000 returns of taxpayers electing the alternative method, respectively. The income tax (before credits) for the former group was 19.9 percent of the tax base. The income tax for the latter group was 46.1 percent of the tax base.

MARGINAL TAX RATES

Data in tables 21 through 26 are classified by marginal tax rates. The marginal tax rate was the highest tax rate applied to a portion of a taxpayer's tax base. The first bracket rate of 16 percent was applied to the initial \$500 of tax base for single persons and the initial \$1,000 of tax base for all other taxpayers (including those individuals who were heads of household or surviving spouses for income tax purposes). There were about 6,752,000 returns of taxpayers whose highest rate of tax was this first bracket rate. In contrast, the highest bracket rate, 77 percent, applied to tax base over \$200,000 for single persons, married persons filing separately, and heads of household, and over \$400,000 for joint returns and surviving spouse returns. Only 659 returns showed the 77 percent rate as their marginal rate, but these taxpayers' average tax base amounted to \$682,000 and their average tax was \$454,000. Table 21 shows number of returns, tax base, and tax classified by marginal tax rates for all returns and returns under each of the three tax rate schedules.

Table 22 presents a distribution of sources of income and itemized deductions on returns classified by marginal tax rates. Tables 23-26 show a cross-classification of returns with taxable income by size of adjusted gross income and by marginal tax rates. With these latter tables it is possible to see the dispersion of marginal rates among returns in the same income class.

The explanations which follow use the illustrations appearing on the following page to show how the tax return data presented in tables 21 through 26 are derived from information available in the return.

Tax base for returns with normal tax and surtax only is taxable income. For returns with alternative tax computation, the tax base is either (1) taxable income, where that amount is greater than one-half the excess long-term capital gain, or (2) one-half the excess long-term capital gain, where that amount is equal to or greater than taxable income.

Tax rate is the rate at which all or a portion of an individual's tax base is taxed. Some of the tax rates are described below:

a. Returns with special tax computation--These are returns to which two sets of rates applied because they were returns with income averaging, noncalendar year returns, or prior-year delinquent returns whether or not they had any tax base.

b. 0 percent (returns with no tax base)--This is the rate applicable to returns that show deductions plus exemptions equal to or exceeding adjusted gross income and returns with no adjusted gross income.

c. 50 percent (alternative tax computation returns with capital gains tax only)--This is the rate applicable to returns which show the amount of one-half the excess long-term capital gain equal to or greater than the taxable income. The one-half excess, therefore, is the tax base instead of taxable income.

d. 50 percent (alternative tax computation returns with capital gains tax and normal tax and surtax)--This is the rate applicable to returns where a portion of the tax base is taxed at the capital gains rate (50 percent), and a portion at normal tax and surtax rates.

Marginal rate is the maximum rate applied to any part of the tax base. For example, a joint return with \$11,000 of tax base (for normal tax and surtax rates) has a marginal tax rate of 23.5 percent (see example 1). Returns with a tax base subject to both the capital gains rate and the normal tax and surtax rates were classified in their marginal surtax rate classes.

Total tax base (column 3) is the entire tax base of each return classified by the marginal tax rate of the return.

Total income tax before credits (column 4) is the reported tax before credits of each return classified by the marginal tax rate of the return.

Tax base taxed at marginal rate (column 5) is that portion of the tax base that is taxed only at the marginal tax rate. For example, a joint return with \$11,000 of tax base (for normal tax and surtax rates) would have \$3,000 taxed at a marginal rate of 23.5 percent. The remaining tax base was taxed at lower rates.

Tax generated at marginal rate (column 6) is that portion of the tax liability of each return that is taxed at the maximum rate. It is obtained by applying the tax rate in the stub to the amount in column 5.

Tax base taxed at tax rate (column 11) is the tax base spread among the applicable tax rates. For example, a joint return with \$11,000 tax base (for normal tax and surtax rates) would have \$1,000 taxed at 16 percent, \$1,000 taxed at 16.5 percent, \$1,000 taxed at 17.5 percent, \$1,000 taxed at 18 percent, \$4,000 taxed at 20 percent, and \$3,000 taxed at 23.5 percent.

Tax generated at tax rate (column 12) is the total tax generated at each tax rate and is obtained by applying the tax rate in the stub to the tax base amount in column 11.

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 19.—RETURNS WITH NORMAL TAX AND SURTAX ONLY—ADJUSTED GROSS INCOME, DEDUCTIONS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Taxable and nontaxable returns											
	Adjusted gross income		Itemized deductions		Standard deduction		Exemptions		Taxable income		Income tax before credits	
	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)	As a percent of taxable income
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Total.....	51,823,346	361,129,108	25,206,460	42,661,274	26,611,105	16,493,603	148,794,022	89,376,413	201,674,891	46,560,431	19,9	
\$0 under \$1,000.....	536,898	491,952	12,770	2,658	512,437	162,341	534,888	316,903	31,411	5,220	16.6	
\$1,000 under \$2,000.....	4,365,641	6,463,562	385,440	189,607	3,980,200	1,205,445	4,871,646	3,263,000	2,151,349	348,919	16.2	
\$2,000 under \$3,000.....	6,604,593	11,057,957	1,029,940	701,461	5,675,156	1,159,934	6,835,091	4,116,394	5,085,702	864,097	16.6	
\$3,000 under \$4,000.....	5,246,628	10,667,721	1,425,404	1,393,151	3,852,564	1,489,761	10,550,523	6,870,331	8,413,678	1,542,052	17.1	
\$4,000 under \$5,000.....	5,476,432	14,577,894	2,143,910	2,001,394	3,311,132	1,750,327	14,026,263	8,415,158	12,662,554	4,246,171	17.3	
\$5,000 under \$6,000.....	5,523,102	30,370,631	2,674,974	3,126,524	2,849,447	1,691,127	16,526,962	9,916,341	15,436,862	5,520,391	17.4	
\$6,000 under \$7,000.....	5,335,383	36,532,010	3,924,985	3,876,609	2,405,645	1,426,672	17,951,302	10,770,781	15,339,145	4,568,022	17.6	
\$7,000 under \$8,000.....	6,811,665	36,033,480	2,459,419	4,251,106	1,952,655	1,478,668	17,110,803	10,266,483	20,036,173	9,764,512	17.8	
\$8,000 under \$9,000.....	3,863,653	32,749,561	2,470,188	4,040,825	1,392,864	1,162,364	14,095,700	8,657,662	19,064,351	10,403,629	18.0	
\$9,000 under \$10,000.....	3,603,035	28,654,406	1,948,361	3,481,057	1,076,676	1,016,934	11,139,760	6,713,856	17,439,554	10,722,520	18.2	
\$10,000 under \$15,000.....	6,625,674	78,202,197	4,732,397	9,825,634	1,806,128	1,866,884	26,231,434	14,539,100	51,976,656	31,881,332	19.0	
\$15,000 under \$20,000.....	1,458,566	56,799,233	1,208,875	3,327,131	265,869	268,886	5,336,356	3,236,613	37,086,453	37,601,818	23.9	
\$20,000 under \$30,000.....	1,132,480	33,786,971	1,081,668	4,615,997	110,795	110,489	4,413,656	2,768,134	26,279,325	8,164,038	25.9	
\$30,000 under \$40,000.....	101,404	6,517,105	99,239	1,021,911	3,161	3,158	410,445	246,267	5,245,770	1,944,823	37.3	
\$40,000 under \$50,000.....	10,382	1,513,458	10,200	339,427	162	160	38,987	23,396	1,190,493	595,462	51.3	
\$50,000 under \$100,000.....	121	80,422	121	39,777	-	-	437	262	30,653	36,724	68.6	
\$100,000 under \$1,000,000.....	49	137,398	49	44,075	-	-	123	74	93,249	69,321	74.2	
\$1,000,000 or more.....	19,896,422	60,658,726	5,196,664	4,481,271	14,679,358	5,696,798	37,229,662	22,337,786	55,144,774	4,796,459	17.8	
Returns \$5,000 under \$10,000.....	20,538,143	162,435,438	12,877,727	18,776,121	9,678,235	6,997,244	36,876,539	26,134,723	36,537,368	16,126,779	17.8	
Returns \$10,000 or more.....	5,366,356	345,304,964	7,132,569	19,203,882	2,233,512	2,229,581	34,689,861	20,133,906	102,987,762	23,119,227	22.5	

Adjusted gross income classes	Tax credits								Income tax after credits		
	Retirement income		Investment		Foreign taxes paid		Other		Number of returns	Total amount (Thousands of dollars)	Average (Dollars)
	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)			
(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	
Total.....	1,128,037	181,501	1,765,018	298,882	112,796	31,506	3,698,645	169,475	51,206,667	43,379,124	847
\$600 under \$1,000.....	79,346	2,764	1,714	11	-	-	10,553	37	516,777	5,161	10
\$1,000 under \$2,000.....	283,818	21,459	84,322	5,786	3,489	177	105,209	983	4,074,235	34,498	80
\$2,000 under \$3,000.....	2,813,775	28,236	133,724	10,873	4,771	293	218,740	3,810	4,996,752	1,426,334	286
\$3,000 under \$4,000.....	1,956,596	28,051	145,197	16,561	2,281	201	317,912	4,284	5,365,249	2,079,007	387
\$4,000 under \$5,000.....	1,644,263	22,885	163,574	20,569	4,679	1,224	226,011	4,235	5,674,331	2,676,478	489
\$5,000 under \$6,000.....	86,981	15,673	141,235	19,020	6,015	608	238,769	4,256	5,313,334	1,286,280	554
\$6,000 under \$7,000.....	647,768	10,390	134,132	19,539	2,986	710	234,063	5,273	4,814,415	1,525,946	734
\$7,000 under \$8,000.....	614,617	9,765	112,763	16,029	5,708	364	149,880	4,508	4,895,806	1,404,618	882
\$8,000 under \$9,000.....	37,553	6,798	95,667	15,534	4,227	262	195,410	4,508	3,018,762	3,154,118	1,645
\$9,000 under \$10,000.....	111,356	18,087	275,278	52,999	19,840	5,062	765,253	23,142	6,992,499	1,111	1,488
\$10,000 under \$15,000.....	471,773	7,364	243,144	30,993	14,079	3,051	410,970	16,925	1,856,670	3,709,264	2,846
\$15,000 under \$20,000.....	62,688	10,697	258,236	70,686	34,864	8,212	616,217	40,164	1,190,897	6,636,283	5,604
\$20,000 under \$30,000.....	6,819	1,135	34,105	14,904	3,398	5,711	75,954	16,352	102,290	1,910,707	18,737
\$30,000 under \$50,000.....	1,134	189	3,930	3,997	1,753	438	8,855	7,950	10,345	97,523	55,440
\$50,000 under \$100,000.....	25	6	56	84	35	204	110	755	118	12,863	279,347
\$100,000 or more.....	12	2	19	46	20	164	46	1,247	49	67,781	1,383,286
Returns \$5,000.....	793,476	78,510	405,564	34,872	10,441	1,039	748,607	11,417	19,385,008	4,668,645	241
Returns \$5,000 under \$10,000.....	405,159	65,512	647,693	90,631	23,424	3,173	1,092,133	23,260	22,467,798	15,446,111	710
Returns \$10,000 or more.....	224,982	37,479	714,773	173,117	78,649	27,244	1,897,956	114,598	9,351,861	22,766,739	2,414

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

NOTE: Detail may not add to total because of rounding.

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 20 — RETURNS WITH ALTERNATIVE TAX COMPUTATION — ADJUSTED GROSS INCOME, DEDUCTIONS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS BY ADJUSTED GROSS INCOME CLASS [Taxable and nontaxable returns.]

Adjusted gross income class	Number of returns	Adjusted gross income (Thousands of dollars)	Income tax before credits		Charitable contributions		Exemptions		Income tax			For normal tax and surtax rates (Tables 1 and 2) — per long-term gain	
			Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)	Total (Thousands of dollars)	Average (Thousands of dollars)	Total (Thousands of dollars)		
													(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	9,070	1,416,740	59,42	1,706,120	—	—	—	—	57,212	1,662,0	9,070	181	2,685,027
Under \$4,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—
\$4,000 under \$8,000.....	1,614	67,146	14,85	73,620	—	—	—	—	14,50	67,146	1,614	42	67,146
\$8,000 under \$16,000.....	4,907	279,773	55,27	311,000	—	—	—	—	55,27	279,773	4,907	56	279,773
\$16,000 under \$32,000.....	—	—	23,46	70,311	—	—	—	—	23,46	70,311	—	—	70,311
\$32,000 under \$48,000.....	—	—	—	11,476	—	—	—	—	—	11,476	—	—	11,476
\$48,000 or more.....	—	—	413	150,722	—	—	—	—	413	150,722	—	—	150,722
Adjusted gross income class	Taxpayer alternative exemption	Income tax before credits										Average income tax after credits (Thousands of dollars)	
		Income tax before credits		Deductions		Exemptions		Other		Income tax after credits			
		Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)		
Total.....	9,070	9,386,772	46,1	1,427,7	1,268	1,976	1,276	1,211	1,211	1,211	1,211	1,211	37,362
Under \$4,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—
\$4,000 under \$8,000.....	1,614	1,246,67	7,1	1,246,67	—	—	—	—	—	—	—	—	11,790
\$8,000 under \$16,000.....	4,907	1,279,603	40,4	1,279,603	—	—	—	—	—	—	—	—	11,790
\$16,000 under \$32,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—
\$32,000 under \$48,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—
\$48,000 or more.....	—	—	—	—	—	—	—	—	—	—	—	—	—

Source: Internal Revenue Service, "Individual Income Tax Returns for 1964," Table 20.

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 21.—INCOME TAX GENERATED AT EACH TAX RATE FOR ALL RETURNS AND RETURNS UNDER EACH OF THE THREE TAX RATE SCHEDULES

	Number of returns	Total income	Total tax	Average tax	Average tax rate	Tax rate schedule		Total tax	Average tax	Average tax rate	Total tax	Average tax	Average tax rate
						Number of returns	Total tax						
ALL RETURNS	100,000,000	1,000,000,000	100,000,000	1.00%	10.00%	100,000,000	100,000,000	1.00%	10.00%	100,000,000	1.00%	10.00%	
Under \$10,000	10,000,000	100,000,000	10,000,000	1.00%	10.00%	10,000,000	10,000,000	1.00%	10.00%	10,000,000	1.00%	10.00%	
\$10,000-\$20,000	20,000,000	200,000,000	20,000,000	1.00%	10.00%	20,000,000	20,000,000	1.00%	10.00%	20,000,000	1.00%	10.00%	
\$20,000-\$30,000	30,000,000	300,000,000	30,000,000	1.00%	10.00%	30,000,000	30,000,000	1.00%	10.00%	30,000,000	1.00%	10.00%	
\$30,000-\$40,000	40,000,000	400,000,000	40,000,000	1.00%	10.00%	40,000,000	40,000,000	1.00%	10.00%	40,000,000	1.00%	10.00%	
\$40,000-\$50,000	50,000,000	500,000,000	50,000,000	1.00%	10.00%	50,000,000	50,000,000	1.00%	10.00%	50,000,000	1.00%	10.00%	
\$50,000-\$60,000	60,000,000	600,000,000	60,000,000	1.00%	10.00%	60,000,000	60,000,000	1.00%	10.00%	60,000,000	1.00%	10.00%	
\$60,000-\$70,000	70,000,000	700,000,000	70,000,000	1.00%	10.00%	70,000,000	70,000,000	1.00%	10.00%	70,000,000	1.00%	10.00%	
\$70,000-\$80,000	80,000,000	800,000,000	80,000,000	1.00%	10.00%	80,000,000	80,000,000	1.00%	10.00%	80,000,000	1.00%	10.00%	
\$80,000-\$90,000	90,000,000	900,000,000	90,000,000	1.00%	10.00%	90,000,000	90,000,000	1.00%	10.00%	90,000,000	1.00%	10.00%	
\$90,000-\$100,000	100,000,000	1,000,000,000	100,000,000	1.00%	10.00%	100,000,000	100,000,000	1.00%	10.00%	100,000,000	1.00%	10.00%	
Over \$100,000	100,000,000	1,000,000,000	100,000,000	1.00%	10.00%	100,000,000	100,000,000	1.00%	10.00%	100,000,000	1.00%	10.00%	
Under \$10,000	10,000,000	100,000,000	10,000,000	1.00%	10.00%	10,000,000	10,000,000	1.00%	10.00%	10,000,000	1.00%	10.00%	
\$10,000-\$20,000	20,000,000	200,000,000	20,000,000	1.00%	10.00%	20,000,000	20,000,000	1.00%	10.00%	20,000,000	1.00%	10.00%	
\$20,000-\$30,000	30,000,000	300,000,000	30,000,000	1.00%	10.00%	30,000,000	30,000,000	1.00%	10.00%	30,000,000	1.00%	10.00%	
\$30,000-\$40,000	40,000,000	400,000,000	40,000,000	1.00%	10.00%	40,000,000	40,000,000	1.00%	10.00%	40,000,000	1.00%	10.00%	
\$40,000-\$50,000	50,000,000	500,000,000	50,000,000	1.00%	10.00%	50,000,000	50,000,000	1.00%	10.00%	50,000,000	1.00%	10.00%	
\$50,000-\$60,000	60,000,000	600,000,000	60,000,000	1.00%	10.00%	60,000,000	60,000,000	1.00%	10.00%	60,000,000	1.00%	10.00%	
\$60,000-\$70,000	70,000,000	700,000,000	70,000,000	1.00%	10.00%	70,000,000	70,000,000	1.00%	10.00%	70,000,000	1.00%	10.00%	
\$70,000-\$80,000	80,000,000	800,000,000	80,000,000	1.00%	10.00%	80,000,000	80,000,000	1.00%	10.00%	80,000,000	1.00%	10.00%	
\$80,000-\$90,000	90,000,000	900,000,000	90,000,000	1.00%	10.00%	90,000,000	90,000,000	1.00%	10.00%	90,000,000	1.00%	10.00%	
\$90,000-\$100,000	100,000,000	1,000,000,000	100,000,000	1.00%	10.00%	100,000,000	100,000,000	1.00%	10.00%	100,000,000	1.00%	10.00%	
Over \$100,000	100,000,000	1,000,000,000	100,000,000	1.00%	10.00%	100,000,000	100,000,000	1.00%	10.00%	100,000,000	1.00%	10.00%	

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 21—INCOME TAX GENERATED AT EACH TAX RATE FOR ALL RETURNS AND RETURNS UNDER EACH OF THE THREE TAX RATE SCHEDULES—Continued

Tax rate	Returns with tax rate as marginal rate									Returns with any tax generated at tax rate		
	Number of returns	Adjusted gross income	Total tax base	Total income tax (before credits)	Tax base at marginal rate	Tax generated at marginal rate	Total	As a percentage of—		Number of returns	Tax base at tax rate	Tax generated at tax rate
								Adjusted gross income	Total tax base			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
—SCHEDULE B METHOD OF COMPUTING ADJUSTED GROSS INCOME AND RETURNS OF INDIVIDUAL RESIDING												
Total.....	8,603,817	76,552,986	47,150,529	12,678,794	207,924,417	1,379,958	57,642%	1.4	8.21	4,642,741	-	-
Returns with special tax computation	79,937	1,235,233	777,394	26,489	-	-	-	10.4	1.4	5,439	-	-
0 percent (returns with no tax base).....	7,295,147	5,627,427	-	-	-	-	-	-	-	7,295,147	-	-
Returns with taxable income, total.....	17,606,711	67,776,633	46,373,135	12,652,305	207,924,417	1,379,958	67,07%	1.3	9.61	17,606,711	66,779,195	5,313,278
10 percent.....	3,194,866	9,278,707	7,377,214	11,817	729,274	117,605	11,28%	0.6	11.3	1,906,163	7,951,877	1,233,251
15 percent.....	2,217,450	6,139,389	3,853,397	3,697,738	569,997	6,918	23.3%	0.8	13.2	1,197,601	6,325,592	1,009,112
17.5 percent.....	1,079,109	4,379,568	2,198,492	361,743	71,477	79,896	36.2%	1.7	11.6%	539,444	3,374,444	503,497
18 percent.....	1,964,677	4,883,133	2,399,132	477,384	400,330	75,054	40.4%	9.5	16.3	749,791	4,551,613	819,390
20 percent.....	4,904,075	23,668,364	14,264,255	2,594,597	9,647,667	879,136	57.5%	10.1	17.7	3,366,569	11,407,339	1,649,668
22 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
24 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
26 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
28 percent.....	2,761,134	14,074,463	10,830,796	2,747,969	1,371,766	634,864	47.7%	16.6	17.6	3,679,766	4,111,111	898,625
30 percent.....	6,795,649	6,677,316	4,773,712	1,939,547	561,311	151,252	63.5%	16.5	20.8	1,126,772	1,370,741	405,470
32 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
34 percent.....	1,069,796	4,310,961	1,843,683	413,162	17,234	5,611	41.6%	11.8	12.4	470,364	679,465	213,291
36 percent.....	8,423,155	12,124,168	984,686	266,298	77,567	36,373	33.1%	17.5	16.7	2,644,404	419,799	144,809
37.5 percent.....	48,759	801,410	669,474	173,617	44,887	16,933	16.2%	20.9	16.6	174,366	295,827	110,393
38 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
40 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
41 percent.....	29,344	571,924	439,366	133,144	13,355	1,789	23.7%	14.4	17.8	105,640	21,764	90,995
42.5 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
43.5 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
44.5 percent.....	21,105	449,034	373,797	113,274	17,114	3,686	31.9%	16.5	17.6	96,057	16,341	79,797
45.5 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
46 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
47 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
48.5 percent.....	15,103	369,139	302,877	36,111	14,001	1,779	36.7%	11.7	31.1	74,151	134,136	63,700
49 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
50 percent (alternative tax computation returns with capital gains tax only).....	166	5,713	74,436	67,131	74,436	37,003	39.8%	44.7	4.7	16	74,436	37,003
50 percent (alternative tax computation returns with capital gains tax and normal tax and normal tax only).....	4,127	1,666,384	1,327,131	360,469	34,791	197,375	76.1%	67.6	43.6	43,397	346,751	197,375
51 percent.....	1,411	361,218	280,602	86,773	11,657	7,569	95.5%	27.1	33.2	34,235	106,229	55,646
51.5 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
52 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
53 percent.....	15,774	507,468	409,473	143,564	16,560	14,213	140.9%	17.7	35.1	47,635	151,961	82,369
54 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
56 percent.....	14,106	464,086	369,176	159,730	31,868	17,734	346.6%	31.8	36.6	81,827	150,060	84,034
56.5 percent.....	6,906	296,334	243,439	103,997	17,733	10,374	106.6%	23.7	41.3	19,742	96,345	57,532
57.5 percent.....	4,135	330,849	189,676	79,623	11,410	6,969	83.4%	36.2	44.4	13,427	67,156	40,965
58 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
60.5 percent.....	1,143	152,041	1,139,812	98,411	6,377	4,091	56.7%	45.4	6.4	48,271	30,716	-
65 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
66 percent.....	2,551	1,41,276	188,752	79,461	1,111	8,117	76.3%	31.6	42.1	6,999	56,717	37,486
67 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
68 percent.....	1,158	109,294	89,561	44,832	3,150	3,267	43.4%	31.7	50.2	4,644	38,395	26,067
69 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
71 percent.....	24	69,104	76,191	41,001	3,798	2,668	69.9%	41.0	51.4	3,210	17,711	19,600
73 percent.....	485	61,171	49,264	27,022	1,014	1,773	79.1%	42.7	53.8	1,371	11,713	15,842
74.5 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
75.5 percent.....	358	53,272	42,136	24,177	1,677	1,408	29.4%	44.0	59.6	1,916	17,161	12,856
76.5 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
78.5 percent.....	1,167	115,247	176,708	109,466	38,259	29,464	109.4%	46.0	59.7	1,286	76,075	56,598
79 percent.....	371	21,373	23,846	10,536	119,153	77,033	163.1%	47.3	67.8	371	13,611	67,035

Footnote at end of table. See text for description of "Sample" and "Expanded" of the "Total" and "Expanded" of "Alternative" and "Normal".

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 21.—INCOME TAX GENERATED AT EACH TAX RATE FOR ALL RETURNS AND RETURNS UNDER EACH OF THE THREE TAX RATE SCHEDULES—Continued

TAX RATE	Number of returns	Returns with tax rate as marginal rate							Returns with tax rate preferred at tax rate			
		As a percent of total tax	Total tax	Total tax	Total tax	Total tax	Total tax	Total tax	Number of returns	Tax rate based on tax rate	Tax generated at tax rate	
		(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(10)	(11)	(12)	
RETURNS OF HEAD OF HOUSEHOLD												
Total.....	1,777,443	9,979,427	5,909,382	3,145,937	1,687,181	879,766	143,917	11.6	1.3	1,779,600	-	-
Returns with special tax exemption	4,611	175,451	1,013,451	509,716	-	-	-	17.9	1.7	4,611	1,013,451	-
Not included in total with special tax exemption	1,772,832	9,803,976	4,895,931	3,145,937	1,687,181	879,766	143,917	11.4	1.3	1,774,989	5,409,930	1,108,770
10 percent.....	1,772,832	9,803,976	4,895,931	3,145,937	1,687,181	879,766	143,917	11.4	1.3	1,774,989	1,669,636	3,244,010
15 percent.....	1,772,832	9,803,976	4,895,931	3,145,937	1,687,181	879,766	143,917	11.4	1.3	1,774,989	1,417,043	2,956,717
20 percent.....	1,772,832	9,803,976	4,895,931	3,145,937	1,687,181	879,766	143,917	11.4	1.3	1,774,989	1,207,333	2,754,216
25 percent.....	1,772,832	9,803,976	4,895,931	3,145,937	1,687,181	879,766	143,917	11.4	1.3	1,774,989	1,039,200	2,594,216
30 percent.....	1,772,832	9,803,976	4,895,931	3,145,937	1,687,181	879,766	143,917	11.4	1.3	1,774,989	903,200	2,469,216
35 percent.....	1,772,832	9,803,976	4,895,931	3,145,937	1,687,181	879,766	143,917	11.4	1.3	1,774,989	796,200	2,364,216
40 percent.....	1,772,832	9,803,976	4,895,931	3,145,937	1,687,181	879,766	143,917	11.4	1.3	1,774,989	711,200	2,279,216
45 percent.....	1,772,832	9,803,976	4,895,931	3,145,937	1,687,181	879,766	143,917	11.4	1.3	1,774,989	643,200	2,204,216
50 percent.....	1,772,832	9,803,976	4,895,931	3,145,937	1,687,181	879,766	143,917	11.4	1.3	1,774,989	588,200	2,149,216
55 percent.....	1,772,832	9,803,976	4,895,931	3,145,937	1,687,181	879,766	143,917	11.4	1.3	1,774,989	543,200	2,104,216
60 percent.....	1,772,832	9,803,976	4,895,931	3,145,937	1,687,181	879,766	143,917	11.4	1.3	1,774,989	503,200	2,064,216
65 percent.....	1,772,832	9,803,976	4,895,931	3,145,937	1,687,181	879,766	143,917	11.4	1.3	1,774,989	468,200	2,029,216
70 percent.....	1,772,832	9,803,976	4,895,931	3,145,937	1,687,181	879,766	143,917	11.4	1.3	1,774,989	437,200	1,998,216
75 percent.....	1,772,832	9,803,976	4,895,931	3,145,937	1,687,181	879,766	143,917	11.4	1.3	1,774,989	409,200	1,970,216
80 percent.....	1,772,832	9,803,976	4,895,931	3,145,937	1,687,181	879,766	143,917	11.4	1.3	1,774,989	383,200	1,944,216
85 percent.....	1,772,832	9,803,976	4,895,931	3,145,937	1,687,181	879,766	143,917	11.4	1.3	1,774,989	358,200	1,919,216
90 percent.....	1,772,832	9,803,976	4,895,931	3,145,937	1,687,181	879,766	143,917	11.4	1.3	1,774,989	334,200	1,895,216
95 percent.....	1,772,832	9,803,976	4,895,931	3,145,937	1,687,181	879,766	143,917	11.4	1.3	1,774,989	311,200	1,872,216
100 percent.....	1,772,832	9,803,976	4,895,931	3,145,937	1,687,181	879,766	143,917	11.4	1.3	1,774,989	289,200	1,850,216
10 percent (alternative tax on joint returns with special credit tax and normal tax and 50 percent.....	4,611	175,451	1,013,451	509,716	-	-	-	17.9	1.7	4,611	1,013,451	-
15 percent.....	4,611	175,451	1,013,451	509,716	-	-	-	17.9	1.7	4,611	1,013,451	-
20 percent.....	4,611	175,451	1,013,451	509,716	-	-	-	17.9	1.7	4,611	1,013,451	-
25 percent.....	4,611	175,451	1,013,451	509,716	-	-	-	17.9	1.7	4,611	1,013,451	-
30 percent.....	4,611	175,451	1,013,451	509,716	-	-	-	17.9	1.7	4,611	1,013,451	-
35 percent.....	4,611	175,451	1,013,451	509,716	-	-	-	17.9	1.7	4,611	1,013,451	-
40 percent.....	4,611	175,451	1,013,451	509,716	-	-	-	17.9	1.7	4,611	1,013,451	-
45 percent.....	4,611	175,451	1,013,451	509,716	-	-	-	17.9	1.7	4,611	1,013,451	-
50 percent.....	4,611	175,451	1,013,451	509,716	-	-	-	17.9	1.7	4,611	1,013,451	-
55 percent.....	4,611	175,451	1,013,451	509,716	-	-	-	17.9	1.7	4,611	1,013,451	-
60 percent.....	4,611	175,451	1,013,451	509,716	-	-	-	17.9	1.7	4,611	1,013,451	-
65 percent.....	4,611	175,451	1,013,451	509,716	-	-	-	17.9	1.7	4,611	1,013,451	-
70 percent.....	4,611	175,451	1,013,451	509,716	-	-	-	17.9	1.7	4,611	1,013,451	-
75 percent.....	4,611	175,451	1,013,451	509,716	-	-	-	17.9	1.7	4,611	1,013,451	-
80 percent.....	4,611	175,451	1,013,451	509,716	-	-	-	17.9	1.7	4,611	1,013,451	-
85 percent.....	4,611	175,451	1,013,451	509,716	-	-	-	17.9	1.7	4,611	1,013,451	-
90 percent.....	4,611	175,451	1,013,451	509,716	-	-	-	17.9	1.7	4,611	1,013,451	-
95 percent.....	4,611	175,451	1,013,451	509,716	-	-	-	17.9	1.7	4,611	1,013,451	-
100 percent.....	4,611	175,451	1,013,451	509,716	-	-	-	17.9	1.7	4,611	1,013,451	-

See text for "Returns with special tax exemption" and "Returns with tax rate preferred at tax rate."
 *Includes returns with special tax exemption, joint returns with special credit tax and normal tax and 50 percent, and prior-year delinquents.
 †Includes any calendar year and part-year returns.
 ‡This total is not the sum of the total income tax rate classes because many returns (with 100 percent rates) are more than one rate.
 §These returns are not included in the total because they already appear in the column showing their marginal normal tax and surtax rate.
 ¶This amount is not included in the total as the rate stated at foot-note 5.
 NOTE: Detail may not add to total because of rounding. A dash (-) in this table means "Not applicable."

TABLE 22—ALL RETURNS AND RETURNS WITH TAXABLE INCOME. SELECTED SOURCES OF INCOME AND LOSS, DEDUCTIONS, EXEMPTIONS, EXEMPTIBLES, TAXABLE INCOME, AND TAX, BY STATISTICAL TAX RATE CLASSES—Continued

Returns by type (thousands of returns)	1964		1963		1962		1961		1960		1959		1958		1957		1956		1955		1954		1953		1952		1951		1950													
	Number	(Thousand dollars)	Number	(Thousand dollars)	Number	(Thousand dollars)	Number	(Thousand dollars)	Number	(Thousand dollars)	Number	(Thousand dollars)	Number	(Thousand dollars)	Number	(Thousand dollars)	Number	(Thousand dollars)	Number	(Thousand dollars)	Number	(Thousand dollars)	Number	(Thousand dollars)	Number	(Thousand dollars)	Number	(Thousand dollars)	Number	(Thousand dollars)												
Wages, salaries, commissions, and other income from employment	10,000	100,000	9,000	90,000	8,000	80,000	7,000	70,000	6,000	60,000	5,000	50,000	4,000	40,000	3,000	30,000	2,000	20,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000		
Dividends, interest, and other income from investments	5,000	50,000	4,500	45,000	4,000	40,000	3,500	35,000	3,000	30,000	2,500	25,000	2,000	20,000	1,500	15,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000	10,000		
Capital gains	2,000	20,000	1,800	18,000	1,600	16,000	1,400	14,000	1,200	12,000	1,000	10,000	900	9,000	800	8,000	700	7,000	600	6,000	500	5,000	400	4,000	300	3,000	200	2,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000		
Pensions, annuities, and other income from retirement	1,000	10,000	900	9,000	800	8,000	700	7,000	600	6,000	500	5,000	400	4,000	300	3,000	200	2,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000
Other income	1,000	10,000	900	9,000	800	8,000	700	7,000	600	6,000	500	5,000	400	4,000	300	3,000	200	2,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000
Total	18,000	180,000	16,500	165,000	15,000	150,000	13,500	135,000	12,000	120,000	10,500	105,000	9,000	90,000	7,500	75,000	6,000	60,000	4,500	45,000	4,500	45,000	4,500	45,000	4,500	45,000	4,500	45,000	4,500	45,000	4,500	45,000	4,500	45,000	4,500	45,000	4,500	45,000	4,500	45,000	4,500	45,000
Deductions	1,000	10,000	900	9,000	800	8,000	700	7,000	600	6,000	500	5,000	400	4,000	300	3,000	200	2,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000
Exemptions	1,000	10,000	900	9,000	800	8,000	700	7,000	600	6,000	500	5,000	400	4,000	300	3,000	200	2,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000
Exemptibles	1,000	10,000	900	9,000	800	8,000	700	7,000	600	6,000	500	5,000	400	4,000	300	3,000	200	2,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000
Taxable income	17,000	170,000	15,600	156,000	14,200	142,000	12,800	128,000	11,400	114,000	10,000	100,000	8,600	86,000	7,200	72,000	5,800	58,000	4,400	44,000	4,400	44,000	4,400	44,000	4,400	44,000	4,400	44,000	4,400	44,000	4,400	44,000	4,400	44,000	4,400	44,000	4,400	44,000	4,400	44,000	4,400	44,000
Tax	1,000	10,000	900	9,000	800	8,000	700	7,000	600	6,000	500	5,000	400	4,000	300	3,000	200	2,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000	100	1,000

Source: Bureau of Economic Analysis, Department of Commerce. The data in this table are based on returns filed for the calendar year 1964. They are preliminary figures and are subject to revision. The data for 1950-1954 are based on returns filed for the calendar year 1955. The data for 1955-1963 are based on returns filed for the calendar year 1964. The data for 1964 are preliminary figures and are subject to revision. The data for 1950-1954 are based on returns filed for the calendar year 1955. The data for 1955-1963 are based on returns filed for the calendar year 1964. The data for 1964 are preliminary figures and are subject to revision.

Table 21.—ALL RETURNS WITH TAXABLE INCOME: NUMBER OF RETURNS AND AMOUNT OF TAXABLE INCOME BY ADJUSTED GROSS INCOME CLASSES AND BY MARGINAL TAX RATE CLASSES

Adjusted gross income classes	Marginal tax rate classes																	
	21.5 percent	27 percent	29 percent	30.5 percent	32 percent	34 percent	37.5 percent	39 percent	41 percent	42 percent	43 percent	44 percent						
Number of returns with taxable income	Taxable income (Thousand dollars)	Number of returns	Taxable income (Thousand dollars)	Number of returns	Taxable income (Thousand dollars)	Number of returns	Taxable income (Thousand dollars)	Number of returns	Taxable income (Thousand dollars)	Number of returns	Taxable income (Thousand dollars)	Number of returns	Taxable income (Thousand dollars)	Number of returns	Taxable income (Thousand dollars)	Number of returns	Taxable income (Thousand dollars)	
Overall totals.....	51,246,708	222,726,898	6,792,327	2,596,864	6,399,201	13,311,319	6,166,924	18,766,924	566,475	1,676,778	16,356,952	79,133,613	37,321,286	273,314	1,323,768	102,264	697,486	
Taxable returns, total.....	50,739,116	222,151,951	6,792,266	2,470,897	6,330,698	13,247,732	6,166,056	18,715,044	563,769	1,672,734	16,250,503	79,133,613	373,142	1,323,145	102,264	697,486		
Under \$1,000.....	34,426	30,764	534,426	30,764	1,668,691	1,385,918	276,860	1,313,347	296,353	1,864,622	1,032,731	336	1,864,622	336	1,864,622	336	1,864,622	
\$1,000 under \$5,000.....	2,105,865	2,040,840	6,079,074	6,079,074	1,809,840	1,809,840	1,809,840	1,809,840	1,809,840	1,809,840	1,809,840	1,809,840	1,809,840	1,809,840	1,809,840	1,809,840	1,809,840	
\$5,000 under \$10,000.....	4,849,139	6,443,723	3,107,323	3,923,720	2,926,634	3,200,435	2,926,634	3,200,435	2,926,634	3,200,435	2,926,634	3,200,435	2,926,634	3,200,435	2,926,634	3,200,435	2,926,634	
\$10,000 under \$15,000.....	5,726,145	12,089,520	1,097,121	375,499	1,187,660	1,793,367	1,427,651	1,880,975	1,427,651	1,880,975	1,427,651	1,880,975	1,427,651	1,880,975	1,427,651	1,880,975	1,427,651	
\$15,000 under \$20,000.....	5,243,765	12,529,817	1,024,313	338,320	1,139,020	1,319,020	1,079,886	1,319,020	1,079,886	1,319,020	1,079,886	1,319,020	1,079,886	1,319,020	1,079,886	1,319,020	1,079,886	
\$20,000 under \$25,000.....	4,947,246	13,839,894	66,769	41,963	213,628	340,972	386,642	319,620	340,972	386,642	319,620	340,972	386,642	319,620	340,972	386,642	319,620	
\$25,000 under \$30,000.....	3,756,845	10,851,446	13,027	12,451	214,992	551,213	551,213	1,973,988	551,213	1,973,988	551,213	1,973,988	551,213	1,973,988	551,213	1,973,988	551,213	
\$30,000 under \$35,000.....	3,236,768	13,383,426	4,809	2,468	24,638	34,778	26,659	64,107	79,737	273,733	811	216,698	319,839	213,159,715	44,177	33,139	267,867	
\$35,000 under \$40,000.....	1,402,065	17,264,377	1,021	619	14,377	14,377	14,377	14,377	14,377	14,377	14,377	14,377	14,377	14,377	14,377	14,377	14,377	
\$40,000 under \$45,000.....	1,333,097	7,084,761	370	343	1,345	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	
\$45,000 under \$50,000.....	3,982,806	58,313,357	58	30,357	56	9,867	56	9,867	56	9,867	56	9,867	56	9,867	56	9,867	56	
\$50,000 under \$75,000.....	4,134,175	29,664	5	2,664	3	3,269	3	3,269	3	3,269	3	3,269	3	3,269	3	3,269	3	
\$75,000 or more.....	679,932	779,824	1	2,072	2	3,863	2	3,863	2	3,863	2	3,863	2	3,863	2	3,863	2	
Non-taxable returns.....	679,932	579,947	360,063	120,966	142,033	155,139	68,201	113,932	17,678	46,879	1	15,644	76,831	1	15,644	76,831	1	
Overall totals.....	5,482,876	41,968,396	1,623,964	372,258,669	24,959	174,768	563,450	9,260,342	9,260	121,547	286,843	5,247,659	172,077	1,862,275	2,309	44,134	107,471	2,490,949
\$1,000 under \$5,000.....	5,479,413	41,939,479	1,623,301	372,258,669	24,959	174,768	563,450	9,260,342	9,260	121,547	286,843	5,247,659	172,077	1,862,275	2,309	44,134	107,471	2,490,949
\$5,000 under \$10,000.....	1,000	1,000	1	1,000	1	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
\$10,000 under \$15,000.....	1,000	1,000	1	1,000	1	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
\$15,000 under \$20,000.....	1,000	1,000	1	1,000	1	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
\$20,000 under \$25,000.....	1,000	1,000	1	1,000	1	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
\$25,000 under \$30,000.....	1,000	1,000	1	1,000	1	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
\$30,000 under \$35,000.....	1,000	1,000	1	1,000	1	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
\$35,000 under \$40,000.....	1,000	1,000	1	1,000	1	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
\$40,000 under \$45,000.....	1,000	1,000	1	1,000	1	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
\$45,000 under \$50,000.....	1,000	1,000	1	1,000	1	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
\$50,000 or more.....	1,000	1,000	1	1,000	1	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Non-taxable returns.....	3,626	29,883	643	9,656	13	1,111	343	5,239	90	1,435	37	963	40	1,435	37	963	40	1,435

Footnote at end of table. See text for "Description of the Sample and Limitations of the Data" and "Explanation of Classification and Terms."

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 23.—ALL RETURNS WITH TAXABLE INCOME: NUMBER OF RETURNS AND AMOUNT OF TAXABLE INCOME BY ADJUSTED GROSS INCOME CLASSES AND BY MARGINAL TAX RATE CLASSES—Continued

Adjusted gross income classes	Marginal tax rate classes—Continued																
	42.5 percent		43.5 percent		44.5 percent		45.5 percent		47 percent		47.5 percent		48.5 percent		50 percent (alternative tax with capital gains tax only)		
	Number of returns	Taxable income (Thousand dollars)	Number of returns	Taxable income (Thousand dollars)	Number of returns	Taxable income (Thousand dollars)	Number of returns	Taxable income (Thousand dollars)	Number of returns	Taxable income (Thousand dollars)	Number of returns	Taxable income (Thousand dollars)	Number of returns	Taxable income (Thousand dollars)	Number of returns	Taxable income (Thousand dollars)	
Grand total.....	1,790	42,148	1,105	26,618	76,481	2,264,538	1,377	35,712	1,126	20,866	48,046	2,000,405	888	28,715	528	254,766	
Taxable returns, total.....	1,790	42,148	1,105	26,618	76,481	2,264,538	1,369	35,613	1,114	20,866	48,038	2,000,315	888	28,715	528	254,766	
\$1,000 under \$5,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$5,000 under \$10,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$10,000 under \$15,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$15,000 under \$20,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$20,000 under \$25,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$25,000 under \$30,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$30,000 under \$35,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$35,000 under \$40,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$40,000 under \$45,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$45,000 under \$50,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$50,000 under \$60,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$60,000 under \$70,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$70,000 under \$80,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$80,000 under \$90,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$90,000 under \$100,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$100,000 under \$150,000.....	1,684	36,468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$150,000 under \$200,000.....	100	5,116	1,101	26,091	52,432	1,469,807	1,127	32,962	1,062	27,005	47,908	1,378,279	796	27,735	-	(1)	
\$200,000 under \$300,000.....	5	98	4	527	542	73,421	4	421	8	2,188	6,591	363,311	84	3,776	-	(1)	
\$300,000 under \$400,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$400,000 under \$500,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$500,000 or more.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-taxable returns.....	-	-	-	-	(1)	(1)	(1)	(1)	-	-	(1)	(1)	-	-	-	-	
Number of returns.....	(33)	(35)	(25)	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)
Taxable income (Thousand dollars).....	92,667	5,255,076	2,307,203	479,920	1,886,626	877	32,050	402	15,544	56,450	2,532,272	376	15,469	42,500	2,296,065	21,699	1,454,239
Number of returns.....	92,660	5,255,117	2,307,133	479,911	1,885,716	877	32,050	402	15,544	56,459	2,531,268	376	15,469	42,506	2,296,740	21,698	1,453,732
Under \$1,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$1,000 under \$2,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$2,000 under \$3,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$3,000 under \$4,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$4,000 under \$5,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$5,000 under \$6,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$6,000 under \$7,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$7,000 under \$8,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$8,000 under \$9,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$9,000 under \$10,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$10,000 under \$15,000.....	17,077	430,147	42,459	86,402	89,016	2,409,807	42,459	86,402	37,546	173,847	704	10,921	11,246	330,217	5,132	180,577	
\$15,000 under \$20,000.....	2,263	50,406	63,606	149,800	149,800	4,149,800	63,606	149,800	63,606	149,800	354	795,400	354	795,400	5,132	1,154,577	
\$20,000 under \$30,000.....	25,253	6,650,958	18,540	3,650,958	112	2,026,026	112	2,026,026	112	2,026,026	38,079	1,277,839	103	4,579	29,222	1,701,453	366,541
\$30,000 under \$40,000.....	21,823	1,463,382	1,566,382	432	78,108	15	1,446	5	841	3,420	144,638	5	356	1,864	216,262	2,590	269,548
\$40,000 under \$50,000.....	789	155,186	266,266	17	8,725	-	-	-	-	36	20,607	-	-	38	23,995	10	37,000
\$50,000 under \$1,000,000.....	250	146,280	307,280	7	11,124	-	-	-	-	8	54,671	-	-	14	53,496	14	174,000
\$1,000,000 or more.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-taxable returns.....	7	959	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)

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

Table 23.—ALL RETURNS WITH TAXABLE INCOME. NUMBER OF RETURNS AND AMOUNT OF TAXABLE INCOME BY ADJUSTED GROSS INCOME CLASSES AND BY MARGINAL TAX RATE CLASSES—Continued.

Adjusted gross income classes	Marginal tax rate classes—Continued																	
	57.5 percent		61 percent		62 percent		63.5 percent		65 percent		66 percent		67 percent		68.5 percent		69 percent	
	Number of returns	Taxable income (Thousands of dollars)	Number of returns	Taxable income (Thousands of dollars)	Number of returns	Taxable income (Thousands of dollars)	Number of returns	Taxable income (Thousands of dollars)	Number of returns	Taxable income (Thousands of dollars)	Number of returns	Taxable income (Thousands of dollars)	Number of returns	Taxable income (Thousands of dollars)	Number of returns	Taxable income (Thousands of dollars)	Number of returns	Taxable income (Thousands of dollars)
Grand total.....	115	6,849	12,975	978,486	144	9,599	6,413	273,436	21	6,116	6,413	678,348	25	5,289	3,223	397,721	14	1,843
Under \$1,000.....	115	6,849	12,975	978,486	144	9,599	6,468	278,128	21	6,116	6,468	678,348	25	5,289	3,278	398,256	14	1,852
Under \$1,000 under \$2,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$2,000 under \$3,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$3,000 under \$4,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$4,000 under \$5,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$5,000 under \$6,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$6,000 under \$7,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$7,000 under \$8,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$8,000 under \$9,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$9,000 under \$10,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$10,000 under \$15,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$15,000 under \$20,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$20,000 under \$25,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$25,000 under \$30,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$30,000 under \$40,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$40,000 under \$50,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$50,000 under \$75,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$75,000 or more.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-taxable returns.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand total.....	61	6,634	29,136	293,773	53	7,491	4,127	176,679	30	5,463	842	164,107	11	3,271	3,274	85,202	618	66,867
Under \$1,000.....	61	6,634	29,136	293,773	53	7,491	4,126	176,681	30	5,463	842	164,107	11	3,272	3,275	85,202	618	66,867
Under \$1,000 under \$2,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$2,000 under \$3,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$3,000 under \$4,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$4,000 under \$5,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$5,000 under \$6,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$6,000 under \$7,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$7,000 under \$8,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$8,000 under \$9,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$9,000 under \$10,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$10,000 under \$15,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$15,000 under \$20,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$20,000 under \$25,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$25,000 under \$30,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$30,000 under \$40,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$40,000 under \$50,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$50,000 or more.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-taxable returns.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1. The number of returns in the 69 percent marginal tax rate class is 618, of which 618 are in the 69 percent marginal tax rate class. The number of returns in the 69 percent marginal tax rate class is 618, of which 618 are in the 69 percent marginal tax rate class.

2. The number of returns in the 69 percent marginal tax rate class is 618, of which 618 are in the 69 percent marginal tax rate class.

3. The number of returns in the 69 percent marginal tax rate class is 618, of which 618 are in the 69 percent marginal tax rate class.

4. The number of returns in the 69 percent marginal tax rate class is 618, of which 618 are in the 69 percent marginal tax rate class.

5. The number of returns in the 69 percent marginal tax rate class is 618, of which 618 are in the 69 percent marginal tax rate class.

6. The number of returns in the 69 percent marginal tax rate class is 618, of which 618 are in the 69 percent marginal tax rate class.

7. The number of returns in the 69 percent marginal tax rate class is 618, of which 618 are in the 69 percent marginal tax rate class.

8. The number of returns in the 69 percent marginal tax rate class is 618, of which 618 are in the 69 percent marginal tax rate class.

Table 2. — JOINT RETURNS AND RETURNS OF SURVIVING SPOUSE, NUMBER OF TABLE INCOME, BY ADJUSTED GROSS INCOME CLASSES AND MARGINAL TAX RATE (1964)

Adjusted gross income classes	Marginal tax rate classes											
	15 percent			20 percent			25 percent			30 percent		
	Number of returns	Table income (thousands of dollars)	Number of taxable returns	Number of returns	Table income (thousands of dollars)	Number of taxable returns	Number of returns	Table income (thousands of dollars)	Number of taxable returns	Number of returns	Table income (thousands of dollars)	Number of taxable returns
Grand total.....	3,795,395	174,917,144	3,413,057	1,325,486	4,470,500	1,636,973	1,421,526	1,143,100	1,143,100	1,143,100	1,143,100	1,143,100
Under \$1,000.....	168,532	3,325,000	168,532	168,532	168,532	168,532	168,532	168,532	168,532	168,532	168,532	168,532
\$1,000 under \$1,000.....	85,137	2,658,000	85,137	85,137	85,137	85,137	85,137	85,137	85,137	85,137	85,137	85,137
\$1,000 under \$2,000.....	4,001,067	41,837,000	3,928,920	3,928,920	3,928,920	3,928,920	3,928,920	3,928,920	3,928,920	3,928,920	3,928,920	3,928,920
\$2,000 under \$3,000.....	8,869,091	84,853,000	8,869,091	8,869,091	8,869,091	8,869,091	8,869,091	8,869,091	8,869,091	8,869,091	8,869,091	8,869,091
\$3,000 under \$4,000.....	2,411,311	13,299,000	2,411,311	2,411,311	2,411,311	2,411,311	2,411,311	2,411,311	2,411,311	2,411,311	2,411,311	2,411,311
\$4,000 under \$5,000.....	2,008,129	13,056,000	2,008,129	2,008,129	2,008,129	2,008,129	2,008,129	2,008,129	2,008,129	2,008,129	2,008,129	2,008,129
\$5,000 under \$6,000.....	2,750,000	15,000,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000
\$6,000 under \$7,000.....	2,750,000	15,000,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000
\$7,000 under \$8,000.....	1,427,029	11,750,000	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029
\$8,000 under \$9,000.....	1,427,029	11,750,000	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029
\$9,000 under \$10,000.....	1,427,029	11,750,000	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029
\$10,000 under \$20,000.....	3,329,131	17,625,000	3,329,131	3,329,131	3,329,131	3,329,131	3,329,131	3,329,131	3,329,131	3,329,131	3,329,131	3,329,131
\$20,000 under \$30,000.....	1,143,100	11,431,000	1,143,100	1,143,100	1,143,100	1,143,100	1,143,100	1,143,100	1,143,100	1,143,100	1,143,100	1,143,100
\$30,000 under \$50,000.....	46,071	3,168,377	46,071	46,071	46,071	46,071	46,071	46,071	46,071	46,071	46,071	46,071
\$50,000 under \$100,000.....	231	7,025,000	231	231	231	231	231	231	231	231	231	231
\$100,000 or more.....	330,076	407,400	330,076	330,076	330,076	330,076	330,076	330,076	330,076	330,076	330,076	330,076
Nonreturning returns.....	330,076	407,400	330,076	330,076	330,076	330,076	330,076	330,076	330,076	330,076	330,076	330,076

Adjusted gross income classes	Marginal tax rate classes											
	15 percent			20 percent			25 percent			30 percent		
	Number of returns	Table income (thousands of dollars)	Number of taxable returns	Number of returns	Table income (thousands of dollars)	Number of taxable returns	Number of returns	Table income (thousands of dollars)	Number of taxable returns	Number of returns	Table income (thousands of dollars)	Number of taxable returns
Grand total.....	3,795,395	174,917,144	3,413,057	1,325,486	4,470,500	1,636,973	1,421,526	1,143,100	1,143,100	1,143,100	1,143,100	1,143,100
Under \$1,000.....	168,532	3,325,000	168,532	168,532	168,532	168,532	168,532	168,532	168,532	168,532	168,532	168,532
\$1,000 under \$1,000.....	85,137	2,658,000	85,137	85,137	85,137	85,137	85,137	85,137	85,137	85,137	85,137	85,137
\$1,000 under \$2,000.....	4,001,067	41,837,000	3,928,920	3,928,920	3,928,920	3,928,920	3,928,920	3,928,920	3,928,920	3,928,920	3,928,920	3,928,920
\$2,000 under \$3,000.....	8,869,091	84,853,000	8,869,091	8,869,091	8,869,091	8,869,091	8,869,091	8,869,091	8,869,091	8,869,091	8,869,091	8,869,091
\$3,000 under \$4,000.....	2,411,311	13,299,000	2,411,311	2,411,311	2,411,311	2,411,311	2,411,311	2,411,311	2,411,311	2,411,311	2,411,311	2,411,311
\$4,000 under \$5,000.....	2,008,129	13,056,000	2,008,129	2,008,129	2,008,129	2,008,129	2,008,129	2,008,129	2,008,129	2,008,129	2,008,129	2,008,129
\$5,000 under \$6,000.....	2,750,000	15,000,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000
\$6,000 under \$7,000.....	2,750,000	15,000,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000
\$7,000 under \$8,000.....	1,427,029	11,750,000	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029
\$8,000 under \$9,000.....	1,427,029	11,750,000	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029
\$9,000 under \$10,000.....	1,427,029	11,750,000	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029	1,427,029
\$10,000 under \$20,000.....	3,329,131	17,625,000	3,329,131	3,329,131	3,329,131	3,329,131	3,329,131	3,329,131	3,329,131	3,329,131	3,329,131	3,329,131
\$20,000 under \$30,000.....	1,143,100	11,431,000	1,143,100	1,143,100	1,143,100	1,143,100	1,143,100	1,143,100	1,143,100	1,143,100	1,143,100	1,143,100
\$30,000 under \$50,000.....	46,071	3,168,377	46,071	46,071	46,071	46,071	46,071	46,071	46,071	46,071	46,071	46,071
\$50,000 under \$100,000.....	231	7,025,000	231	231	231	231	231	231	231	231	231	231
\$100,000 or more.....	330,076	407,400	330,076	330,076	330,076	330,076	330,076	330,076	330,076	330,076	330,076	330,076
Nonreturning returns.....	330,076	407,400	330,076	330,076	330,076	330,076	330,076	330,076	330,076	330,076	330,076	330,076

Footnote at end of table. See text for description of the sample and limitations of the table and explanations of "transmittals" and items.

Table 2. — JOINT RETURNS AND RETURNS OF SURVIVING SPOUSE. BY ADJUSTED GROSS INCOME CLASSES AND MARGINAL TAX RATE CLASSES—Continued

Adjusted gross income classes	Marginal tax rate classes—Continued													
	50.5 percent		53.5 percent		56 percent		58.5 percent		61 percent		63.5 percent		66 percent	
	Number of Returns (Thousands)	Taxable Income (Thousands of dollars)	Number of Returns	Taxable Income (Thousands of dollars)	Number of Returns	Taxable Income (Thousands of dollars)	Number of Returns	Taxable Income (Thousands of dollars)	Number of Returns	Taxable Income (Thousands of dollars)	Number of Returns	Taxable Income (Thousands of dollars)	Number of Returns	Taxable Income (Thousands of dollars)
Grand total.....	35,699	1,605,653	36	1,076	29,994	1,864,557	60	1,349,293	8,134	765,312	64	641,946	146	471
Taxable returns, total.....	35,691	1,605,134	41,053	2,130,278	29,989	1,894,181	34,994	1,359,206	8,130	767,979	4,119	441,979	4,001	314,093
Under \$1,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$1,000 under \$2,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$2,000 under \$3,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$3,000 under \$4,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$4,000 under \$5,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$5,000 under \$6,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$6,000 under \$7,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$7,000 under \$8,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$8,000 under \$9,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$9,000 under \$10,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$10,000 under \$15,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$15,000 under \$20,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$20,000 under \$30,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$30,000 under \$50,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$50,000 under \$100,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$100,000 or more.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Non-taxable returns.....	(1)	(1)	(1)	(5)	(1)	(1)	(1)	1	1	87	(1)	(1)	(1)	2
Adjusted gross income classes	Marginal tax rate classes—Continued													
	68.2 percent		71 percent		73.5 percent		75 percent		77.5 percent		79 percent		81 percent	
	Number of Returns	Taxable Income	Number of Returns	Taxable Income	Number of Returns	Taxable Income	Number of Returns	Taxable Income	Number of Returns	Taxable Income	Number of Returns	Taxable Income	Number of Returns	Taxable Income
	(Thousands)	(Thousands of dollars)	(Thousands)	(Thousands of dollars)	(Thousands)	(Thousands of dollars)	(Thousands)	(Thousands of dollars)	(Thousands)	(Thousands of dollars)	(Thousands)	(Thousands of dollars)	(Thousands)	(Thousands of dollars)
Grand total.....	2,063	313,165	1,177	359,197	642	128,115	546	98,732	1,207	370,374	260	213,990	260	213,990
Taxable returns, total.....	2,062	313,034	1,179	359,199	642	127,916	546	98,792	1,205	369,974	260	213,990	260	213,990
Under \$1,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$1,000 under \$2,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$2,000 under \$3,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$3,000 under \$4,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$4,000 under \$5,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$5,000 under \$6,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$6,000 under \$7,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$7,000 under \$8,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$8,000 under \$9,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$9,000 under \$10,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$10,000 under \$15,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$15,000 under \$20,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$20,000 under \$30,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$30,000 under \$50,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$50,000 under \$100,000.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
\$100,000 or more.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Non-taxable returns.....	1	126	1	126	1	136	2	136	2	136	2	136	2	136

See text for description of the sample and limitations of the data and "Explanations of Classifications and Terms."
 *7878. Total may not add to total because of rounding.

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 25.—SEPARATE RETURNS OF HUSBANDS AND WIVES AND OF SINGLE PERSONS NOT USUALLY OF HOUSEHOLD OR SURVIVING SPOUSE. NUMBER OF RETURNS AND AMOUNT OF TAXABLE INCOME BY ADJUSTED GROSS INCOME CLASS, TYPE OF CLASS, AND BY MARGINAL TAX RATE CLASS. (See text for description of the data and "Explanation of Classifications and Terms.")

Adjusted gross income classes	Marginal tax rate classes														
	16 percent			16.5 percent			17.5 percent			20 percent			21.5 percent		
	Number of returns (1)	Number of returns (Thousand dollars) (2)	Number of returns (Thousand dollars) (3)	Number of returns (4)	Number of returns (Thousand dollars) (5)	Number of returns (Thousand dollars) (6)	Number of returns (7)	Number of returns (Thousand dollars) (8)	Number of returns (Thousand dollars) (9)	Number of returns (Thousand dollars) (10)	Number of returns (Thousand dollars) (11)	Number of returns (Thousand dollars) (12)	Number of returns (Thousand dollars) (13)	Number of returns (Thousand dollars) (14)	
Grand total.....	17,623,794	44,770,268	3,136,864	779,513	2,252,425	1,652,239	1,770,129	2,148,192	1,626,227	2,879,132	4,782,075	1,266,256	2,235,139	10,850,796	
Taxable returns, total.....	16,766,702	44,211,474	2,969,147	706,477	2,153,563	1,603,118	1,779,800	2,148,197	1,617,070	2,872,442	4,782,075	1,266,256	2,229,631	10,800,327	
Under \$1,000.....	512,626	30,377	332,824	60,217	1,658,461	1,429,365	373,62	288,377	-	-	-	-	-	-	
\$1,000 under \$1,000.....	3,425,424	4,251,711	3,175,714	631,779	4,079,969	4,234,233	1,566,446	1,412,340	1,617,070	1,881,672	2,872,442	1,266,256	1,181,672	3,425,424	
\$1,000 under \$2,000.....	2,702,219	2,928,641	69,316	18,424	9,797	78,326	111,319	75,811	70,573	650,317	2,002,734	1,000,000	1,000,000	2,702,219	
\$2,000 under \$3,000.....	1,530,229	1,649,746	11,205	1,024	5,626	13,642	16,711	26,550	34,741	34,741	109,426	17,615	17,615	1,530,229	
\$3,000 under \$4,000.....	1,931,557	4,729,477	11,205	1,024	5,626	13,642	16,711	26,550	34,741	34,741	109,426	17,615	17,615	1,931,557	
\$4,000 under \$5,000.....	620,225	1,931,622	3,109	766	1,471	8,665	11,719	11,616	20,795	20,795	4,702	11,616	11,616	620,225	
\$5,000 under \$10,000.....	208,243	1,520,557	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	208,243	
\$10,000 under \$15,000.....	325,700	2,989,126	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	325,700	
\$15,000 under \$20,000.....	3,298	508,334	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	3,298	
\$20,000 under \$50,000.....	820,097	1,820,093	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	820,097	
\$50,000 under \$100,000.....	11,867	621,064	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	11,867	
\$100,000 under \$500,000.....	3,798	508,334	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	3,798	
\$500,000 under \$1,000,000.....	19	181,271	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	19	
Non-taxable returns.....	255,887	158,794	135,697	31,665	66,864	63,889	42,110	53,686	7,115	11,713	1,873	9,867	509	2,476	

Adjusted gross income classes	Marginal tax rate classes—Continued																	
	27 percent			30.5 percent			34 percent			41 percent			46.2 percent			47.5 percent		
	Number of returns (15)	Number of returns (Thousand dollars) (16)	Number of returns (Thousand dollars) (17)	Number of returns (18)	Number of returns (Thousand dollars) (19)	Number of returns (Thousand dollars) (20)	Number of returns (21)	Number of returns (Thousand dollars) (22)	Number of returns (Thousand dollars) (23)	Number of returns (Thousand dollars) (24)	Number of returns (Thousand dollars) (25)	Number of returns (Thousand dollars) (26)	Number of returns (Thousand dollars) (27)	Number of returns (Thousand dollars) (28)	Number of returns (Thousand dollars) (29)	Number of returns (Thousand dollars) (30)		
Grand total.....	699,450	4,771,718	206,778	1,361,683	89,215	98,064	48,758	662,171	29,199	459,468	21,105	371,197	15,100	302,497	15,100	302,497		
Taxable returns, total.....	699,450	4,771,718	206,673	1,360,792	89,165	98,020	48,737	662,158	29,148	459,186	21,105	371,197	15,096	302,497	15,096	302,497		
Under \$1,000.....	1,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
\$1,000 under \$5,000.....	1,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
\$5,000 under \$10,000.....	1,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
\$10,000 under \$15,000.....	1,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
\$15,000 under \$20,000.....	1,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
\$20,000 under \$25,000.....	1,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
\$25,000 under \$30,000.....	1,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
\$30,000 under \$40,000.....	1,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
\$40,000 under \$50,000.....	1,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
\$50,000 under \$100,000.....	1,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
\$100,000 under \$500,000.....	1,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
\$500,000 under \$1,000,000.....	1,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
\$1,000,000 or more.....	1,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

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

INDIVIDUAL INCOME TAX RETURNS FOR 1964

TABLE 25.—SEPARATE RETURNS OF HUSBANDS AND WIVES AND OF SINGLE PERSONS NOT HEAD OF HOUSEHOLD OR SURVIVING SPOUSE; NUMBER OF RETURNS AND AMOUNT OF TAXABLE INCOME BY ADJUSTED GROSS INCOME CLASSES, AND BY MARGINAL TAX RATE CLASSES—Continued

Adjusted gross income classes	Marginal tax rate classes—continued													
	50 percent return rate		50 percent return rate with normal tax and surtax		50 percent return rate with normal tax and surtax		51.5 percent		53.5 percent		56.5 percent		63 percent	
	Number of returns	Amount of taxable income (Thousand dollars)	Number of returns	Amount of taxable income (Thousand dollars)	Number of returns	Amount of taxable income (Thousand dollars)	Number of returns	Amount of taxable income (Thousand dollars)	Number of returns	Amount of taxable income (Thousand dollars)	Number of returns	Amount of taxable income (Thousand dollars)	Number of returns	Amount of taxable income (Thousand dollars)
Grand total.....	24	7,011	131	26	134	134	134	134	134	134	134	134	134	134
Taxable returns.....	166	7,011	1,127	957	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127
Under \$1,000.....	166	7,011	1,127	957	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127
\$1,000 under \$2,000.....														
\$2,000 under \$4,000.....														
\$4,000 under \$6,000.....														
\$6,000 under \$8,000.....														
\$8,000 under \$10,000.....														
\$10,000 under \$15,000.....														
\$15,000 under \$20,000.....														
\$20,000 under \$25,000.....														
\$25,000 under \$50,000.....														
\$50,000 under \$100,000.....														
\$100,000 and over.....														
Under \$1,000.....														
\$1,000 under \$2,000.....														
\$2,000 under \$4,000.....														
\$4,000 under \$6,000.....														
\$6,000 under \$8,000.....														
\$8,000 under \$10,000.....														
\$10,000 under \$15,000.....														
\$15,000 under \$20,000.....														
\$20,000 under \$25,000.....														
\$25,000 under \$50,000.....														
\$50,000 and over.....														
Under \$1,000.....														
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\$2,000 under \$4,000.....														
\$4,000 under \$6,000.....														
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\$10,000 under \$15,000.....														
\$15,000 under \$20,000.....														
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\$25,000 under \$50,000.....														
\$50,000 and over.....														
Under \$1,000.....														
\$1,000 under \$2,000.....														
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\$50,000 and over.....														
Under \$1,000.....														
\$1,000 under \$2,000.....														
\$2,000 under \$4,000.....														
\$4,000 under \$6,000.....														
\$6,000 under \$8,000.....														
\$8,000 under \$10,000.....														
\$10,000 under \$15,000.....														
\$15,000 under \$20,000.....														
\$20,000 under \$25,000.....														
\$25,000 under \$50,000.....														
\$50,000 and over.....														

See text for description of the Single tax Exemption of the Defer and Application of Classifications and Terms.

U.S. Census Bureau, Bureau of Economic Analysis, Washington, D.C. 20540. All figures are rounded to the nearest whole number.

Table 26 - RETURNS OF HEADS OF HOUSEHOLD - NUMBER OF RETURNS AND AMOUNT OF TAXABLE INCOME, BY ADJUSTED GROSS INCOME CLASSES AND BY MARGINAL TAX RATE CLASSES

Adjusted gross income classes	Number of returns with income in the		10 percent		15 percent		20 percent		25 percent		30 percent		35 percent		40 percent		45 percent		50 percent	
	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)
Overall total.....	1,577,112	5,439,472	234,156	124,457	484,623	1,477,729	273,415	1,131,936	414,286	1,074,6	112,742	614,521	112,996	1,121,269	137	1,121,269	112,996	1,121,269	137	1,121,269
Taxable returns: (cont.)																				
\$1,000 under \$2,000.....	1,427,725	5,229,217	224,148	121,417	473,316	1,414,314	314,148	1,144,164	414,148	1,144,148	114,148	1,144,148	114,148	1,144,148	114,148	1,144,148	114,148	1,144,148	114,148	1,144,148
\$2,000 under \$3,000.....	104,899	314,148	104,899	314,148	104,899	314,148	104,899	314,148	104,899	314,148	104,899	314,148	104,899	314,148	104,899	314,148	104,899	314,148	104,899	314,148
\$3,000 under \$4,000.....	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148
\$4,000 under \$5,000.....	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148
\$5,000 under \$6,000.....	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148
\$6,000 under \$7,000.....	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148
\$7,000 under \$8,000.....	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148
\$8,000 under \$9,000.....	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148
\$9,000 under \$10,000.....	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148	286,718	1,144,148
\$10,000 under \$15,000.....	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148
\$15,000 under \$20,000.....	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148
\$20,000 under \$25,000.....	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148
\$25,000 under \$30,000.....	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148
\$30,000 under \$40,000.....	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148
\$40,000 under \$50,000.....	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148
\$50,000 under \$100,000.....	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148
\$100,000 under \$250,000.....	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148
\$250,000 or more.....	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148
Subtotal: taxable returns.....	9,148	31,418	9,148	31,418	9,148	31,418	9,148	31,418	9,148	31,418	9,148	31,418	9,148	31,418	9,148	31,418	9,148	31,418	9,148	31,418
Number of returns with income in the																				
10 percent	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148
15 percent	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148
20 percent	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148
25 percent	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148
30 percent	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148
35 percent	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148
40 percent	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148
45 percent	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148
50 percent	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148	114,148	414,148
Subtotal: all returns.....	1,577,112	5,439,472	234,156	1,244,57	484,623	1,477,729	273,415	1,131,936	414,286	1,074,6	112,742	614,521	112,996	1,121,269	137	1,121,269	112,996	1,121,269	137	1,121,269

Footnote at end of table. See text for description of the sample and limitations of the data and "Bibliography of Sources and Usage."

Table 26.—RETURNS OF HEADS OF HOUSEHOLD—NUMBER OF RETURNS AND AMOUNT OF TAXABLE INCOME, BY ADJUSTED GROSS INCOME CLASSES AND BY MARGINAL TAX RATE CLASSES—Continued

Adjusted gross income classes	Marginal tax rate classes—continued														
	50 percent (alternative tax computation returns only)		50 percent (alternative tax computation returns with capital gains tax and normal tax and surtax)		51.5 percent		53 percent		54 percent		56 percent		58.5 percent		
	Number of returns (Thousand)	Number of returns (Thousand)	Number of returns (Thousand)	Number of returns (Thousand)	Number of returns (Thousand)	Number of returns (Thousand)	Number of returns (Thousand)	Number of returns (Thousand)	Number of returns (Thousand)	Number of returns (Thousand)	Number of returns (Thousand)	Number of returns (Thousand)	Number of returns (Thousand)	Number of returns (Thousand)	
Grand total.....	15	4,276	2,027	100,525	48,864	877	32,050	402	15,544	376	15,469	402	19,482	399	21,448
Taxable returns, total.....	15	4,276	2,027	100,525	48,864	877	32,050	402	15,544	376	15,469	402	19,482	394	21,354
Under \$1,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$1,000 under \$2,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$2,000 under \$3,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$3,000 under \$4,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$4,000 under \$5,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$5,000 under \$6,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$6,000 under \$7,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$7,000 under \$8,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$8,000 under \$9,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$9,000 under \$10,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$10,000 under \$15,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$15,000 under \$20,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$20,000 under \$30,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$30,000 under \$40,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$40,000 under \$50,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$50,000 or more.....	1	2,676	33	31,599	23,064	15	1,484	5	541	5	336	16	1,933	22	2,397
\$1,000,000 or more.....	1	1,318	5	1,697	2,539	-	-	-	-	-	-	-	-	-	-
Non-taxable returns.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-taxable returns, total.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$1,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$1,000 under \$2,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$2,000 under \$3,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$3,000 under \$4,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$4,000 under \$5,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$5,000 under \$6,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$6,000 under \$7,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$7,000 under \$8,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$8,000 under \$9,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$9,000 under \$10,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$10,000 under \$15,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$15,000 under \$20,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$20,000 under \$30,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$30,000 under \$40,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$40,000 under \$50,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$50,000 or more.....	1	1,318	5	1,697	2,539	-	-	-	-	-	-	-	-	-	-
Non-taxable returns, total.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$1,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$1,000 under \$2,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$2,000 under \$3,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$3,000 under \$4,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$4,000 under \$5,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$5,000 under \$6,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$6,000 under \$7,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$7,000 under \$8,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$8,000 under \$9,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$9,000 under \$10,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$10,000 under \$15,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$15,000 under \$20,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$20,000 under \$30,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$30,000 under \$40,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$40,000 under \$50,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$50,000 or more.....	1	1,318	5	1,697	2,539	-	-	-	-	-	-	-	-	-	-
Non-taxable returns, total.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

Table 26. —RETURNS OF HEADS OF HOUSEHOLD: NUMBER OF RETURNS AND AMOUNT OF TAXABLE INCOME, BY ADJUSTED GROSS INCOME CLASSES AND BY MARGINAL TAX RATE CLASSES—Continued

Adjusted gross income classes	Marginal tax rate classes—Continued													
	69.5 percent	71 percent	72.5 percent	74 percent	74 percent	75 percent	75.5 percent	77 percent	77 percent					
	Number of Returns (164)	Taxable Income (Thousand Dollars) (67)	Number of Returns (70)	Taxable Income (Thousand Dollars) (71)	Number of Returns (72)	Taxable Income (Thousand Dollars) (73)	Number of Returns (74)	Taxable Income (Thousand Dollars) (75)	Number of Returns (76)	Taxable Income (Thousand Dollars) (77)	Number of Returns (78)	Taxable Income (Thousand Dollars) (79)		
Grand total.....	61	6,434	65	8,157	53	7,491	30	5,163	18	3,179	15	3,272	40	26,864
Taxable returns, total.....	61	6,434	65	8,157	53	7,491	30	5,163	18	3,179	15	3,272	40	26,864
\$1,000 under \$2,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$2,000 under \$3,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$3,000 under \$4,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$4,000 under \$5,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$5,000 under \$6,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$6,000 under \$7,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$7,000 under \$8,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$8,000 under \$9,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$9,000 under \$10,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$10,000 under \$15,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$15,000 under \$20,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$20,000 under \$50,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$50,000 under \$100,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$100,000 under \$1,000,000.....	(1)	(1)	62	7,840	97	7,491	29	4,790	18	3,179	14	2,866	37	6,881
\$1,000,000 or more.....	(3)	5,669	1	627	-	-	1	413	-	-	1	406	3	6,943
Non-taxable returns.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-

See back for description of the Sample and Explanation of the Classification and Terms.
 Percentages are not necessarily based on 100,000,000 returns. However, the data are rounded to the appropriate total.
 NOTE: Details may not add to total because of rounding.

Returns with Age Exemptions; Retirement Income Credit

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HALF OF RETURNS OF OLDER TAXPAYERS WERE NONTAXABLE—HALF REPORTED NO WAGES OR SALARIES

Table 27 shows that nearly half of the 5.9 million returns of older taxpayers were nontaxable and that more than half showed no income from salaries and wages. This table, along with tables 28 and 29, shows characteristics of returns on which age exemptions were claimed because a taxpayer or his spouse was age 65 or over at the end of the tax year. Comparisons of these tabulations with similar results for all returns show markedly different income patterns and reflect the special provisions of Federal income tax law applicable to persons age 65 and over.

About one-fifth of all returns filed in 1964 were nontaxable. As noted above, nearly one-half of the returns of older taxpayers reported no tax liability. A higher proportion of returns in the lower income brackets partly accounted for the higher proportion of nontaxable returns among older taxpayers, as shown in table Q. Half of all returns with age exemptions were in the "less than \$3,000" adjusted gross income bracket, while somewhat less than a third of all individual returns fell in this income class.

Age exemptions and the new minimum standard deduction enacted in 1964 also contributed to the higher proportion of nontaxable returns. In addition to the \$600 personal exemption allowed for each taxpayer and dependent, taxpayers age 65 or over were each eligible for

Table Q.—ALL RETURNS, RETURNS WITH STANDARD DEDUCTION, AND RETURNS WITH ITEMIZED DEDUCTIONS. PERCENT DISTRIBUTION FOR ALL RETURNS AND RETURNS WITH AT LEAST ONE TAXPAYER AGE 65 OR OVER BY SELECTED ADJUSTED GROSS INCOME CLASSES AND BY TAX STATUS

Adjusted Gross Income	All Returns		Returns with Standard Deduction		Returns with Itemized Deductions	
	Total	At least one taxpayer age 65 or over	Total	At least one taxpayer age 65 or over	Total	At least one taxpayer age 65 or over
	(1)	(2)	(3)	(4)	(5)	(6)
0	1.8%	1.0%	100.0	100.0	100.0	100.0
\$0 to \$1,000	13.5	7.7	40.4	7.7	4.3	7.0
\$1,000 to \$2,000	17.0	9.3	27.2	6.0	3.0	4.0
\$2,000 to \$3,000	11.0	5.3	17.7	3.3	1.5	1.7
\$3,000 to \$4,000	7.0	3.0	11.0	2.0	1.0	1.0
\$4,000 to \$5,000	4.0	1.7	6.0	1.0	0.5	0.5
\$5,000 to \$10,000	2.0	0.7	3.0	0.3	0.2	0.2
\$10,000 or over	1.0	0.3	1.0	0.1	0.1	0.1

an additional \$600 exemption. For instance, a married couple filing a joint return were entitled to four exemptions worth \$2,400 if both were over 65. The minimum standard deduction available to them guaranteed that at least \$600 more was deductible. The minimum standard deduction was more liberal for older taxpayers than for taxpayers generally because age exemptions were used in its computation.

Table 28 shows that a standard deduction was claimed on 3 million returns of older taxpayers. More than three-fifths of these standard deduction returns were nontaxable, and a still larger proportion was in the less than \$3,000 income bracket. These taxpayers deducted the higher of the minimum standard deduction or 10 percent of their adjusted gross income (maximum \$1,000).

Itemized deductions were reported on 46 percent of the returns of older taxpayers, a somewhat higher proportion than that for all returns (41 percent). This higher proportion is, in part, due to higher expenses for medical care among older taxpayers as well as the more liberal rules for deducting such expenses applicable to persons age 65 or over. Deductible medical expenses averaged \$700 per return compared to an average of \$264 for all itemized returns.

Itemized deductions averaged \$2,044 on returns of older taxpayers, compared to \$1,740 for all itemized returns. Older taxpayer averaged markedly higher deductions for contributions and markedly lower deductions for interest paid (table 29).

INVESTMENT INCOME IMPORTANT TO AGED

Nearly two-thirds of the income of older taxpayers was from sources other than salaries and wages and (as noted above) a majority of returns claiming age exemptions reported no salary and wage income.

Table R.—SELECTED SOURCES OF INCOME FOR ALL RETURNS AND RETURNS WITH AT LEAST ONE TAXPAYER AGE 65 OR OVER
(Dollars and nonexempt returns)

	All 1964 returns		Returns with at least one taxpayer age 65 or over		
	Amount (Dollars and cents)	Percent of returns	Amount (Dollars and cents)	Adjusted gross income	Percent of— Income for all returns
	(1)	(2)	(3)	(4)	(5)
Adjusted gross income less debits.....	39,474,431	100.0	32,356,101	100.0	81.8
Salaries and wages (gross).....	423,267,501	11.0	11,541,125	35.7	3.6
Business or profession net profit and net loss.....	22,709,272	5.8	1,205,998	3.6	1.1
Farm net profit and net loss.....	4,437,487	1.1	325,056	1.0	12.1
Partnership net profit and net loss.....	9,736,717	2.4	1,097,330	3.4	11.2
Sales of capital assets net gain and net loss.....	7,435,112	1.9	2,070,330	6.4	33.0
Dividends in adjusted gross income.....	11,017,365	2.8	5,708,000	17.6	47.9
Interest received.....	49,124,523	12.5	4,099,045	12.7	40.9
Rents net income and net loss.....	4,654,773	0.7	1,592,747	4.9	15.9
Royalty net income and net loss.....	406,087	0.1	258,803	0.8	42.7
Pensions and annuities.....	3,117,638	0.8	4,294,241	13.3	42.8
All other sources, income and loss.....	4,269,381	1.1	1,029,819	3.1	21.4
Adjustments.....	2,379,469	0.6	1,367,978	4.2	4.7

*Includes stock pay certificate, moving expense deduction, employee business expense deduction, and self-employed person deduction.

Although this particular group of returns had only 8.2 percent of total adjusted gross income for all returns, they showed large shares of the following kinds of income: pensions and annuities (76.8 percent), net rents (60.9 percent), dividends (47.9 percent), and interest (40.5 percent).

The retirement income credit, a partial offset against taxes derived from these income sources, was claimed on 1.3 million returns with age exemptions in the amount of \$160 million. These returns constituted 90 percent of all returns claiming the credit. Returns with age exemptions also accounted for 42.7 percent of royalty net income and net loss. The retirement income credit was not applicable to income from this source. Table R shows patterns of income for all returns and returns with at least one taxpayer over 65 as well as the proportions of the various sources of income reported on these returns.

NEW INFORMATION FROM RETIREMENT INCOME CREDIT SCHEDULE

For 1964, the retirement income credit was reported on over 1.4 million returns and amounted to a reduction in tax before credits of \$184 million, as shown in table 30. This was \$28 million less than the amount claimed in 1963.

A credit for retirement income (in the current year) was allowed an individual taxpayer if he had earned income of more than \$600 in each of any 10 years prior to the current year. Retirement income for taxpayers age 65 or over could consist of pensions and annuities, dividends, interest, and gross rental income. If the taxpayer was under 65 years of age, only taxable amounts of pensions or annuities received under a public retirement system qualified as retirement income.

The credit was 17 percent (decreased from 20 percent by the Revenue Act of 1964) of the lesser of (1) retirement income received during the year, or (2) \$1,524 reduced by amounts of certain tax-exempt pensions and annuities, notably retirement benefits under the Federal Social Security program. The \$1,524 maximum base for the credit was also reduced by amounts of earned income, the extent of the reduction depending on the size of the earned income and the age of the taxpayer. (See the reproduction of the retirement income credit schedule in section 10 at the end of this report.)

A special rule, effected by the Revenue Act of 1964, states that if husband and wife filed jointly and both were age 65 or over, they could elect an alternative computation which provided a \$2,286 joint maximum base for the credit. These taxpayers could choose whichever method afforded them the larger credit, the separate computations under the general rule or the joint computation under the special rule.

Of the more than 1.4 million returns with this credit, 97 percent had a supporting schedule B outlining the credit computation. These returns were divided between the 1.3 million having the regular computation (labeled as "general rule" in the table) and the 0.1 million having the alternative method computation. The average credit for the latter group (\$131) was slightly greater than that for the former group (\$128).

Almost 225 thousand of the 1.3 million returns with the "general rule" computation were filed by taxpayers also eligible for the alternative method (i.e., husband and wife filed jointly and both were age 65 or over). Presumably most of these taxpayers choose the "general rule" method because it afforded a larger credit (the average for the 225 thousand returns being \$167). This would occur, for instance, where both spouses had retirement income so that the sum of their separate bases for the credit exceeded the maximum base (\$2,286) under the alternative method.

The tentative credit under both methods (excluding returns with no schedule B) totaled \$217 million. Since the retirement income credit could not exceed the income tax reduced by certain other credits, the actual credit taken was \$38.6 million lower than the tentative credit.

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 27.—RETURNS WITH AT LEAST ONE TAXPAYER AGE 65 OR OVER—SOURCES OF INCOME AND LOSS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES—Continued

	Tax credits—Continued				Tax from recomputed prior-year credit	Self-employment tax		Tax withheld			
	Foreign taxes paid		Other			Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)		
	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)							
Grand total.....	33,359	10,379	1,123,761	91,292	6,556	1,299	764,885	96,467	2,285,967	1,412,915	
Taxable returns, total.....	33,236	9,994	992,934	89,000	5,524	896	421,254	74,124	1,653,276	1,341,247	
Under \$1,000.....	-	-	-	-	-	-	8,972	612	32,077	3,411	
\$1,000 under \$5,000.....	-	-	12,564	87	2,602	-	32,442	3,135	159,634	29,665	
\$5,000 under \$10,000.....	-	-	70,734	722	27,934	-	51,279	6,280	209,702	43,780	
\$10,000 under \$25,000.....	-	-	91,778	1,660	66,831	-	52,362	5,128	239,020	56,868	
\$25,000 under \$50,000.....	3,300	119	87,464	1,984	37,729	1,240	81	32,362	1,128	105,460	
\$50,000 under \$75,000.....	-	-	78,322	2,116	37,187	-	44,873	7,969	210,236	105,900	
\$75,000 under \$100,000.....	-	-	76,171	2,179	152,981	-	38,996	7,034	186,239	117,616	
\$100,000 under \$250,000.....	-	-	65,000	2,708	150,883	-	26,492	5,592	133,182	102,500	
\$250,000 under \$500,000.....	5,102	244	59,689	2,477	139,013	1,620	189	8,333	95,034	52,972	
\$500,000 under \$1,000,000.....	-	-	45,569	1,798	119,878	-	19,351	3,807	69,161	67,401	
\$1,000,000 under \$15,000,000.....	-	-	347,546	9,395	445,796	-	51,274	11,053	171,489	208,624	
\$15,000,000 under \$20,000,000.....	-	-	283	79	1,579	817	82	23,599	5,721	93,155	
\$20,000,000 under \$50,000,000.....	-	-	79,176	7,579	101,864	-	37,958	8,805	233,601	209,649	
\$50,000,000 under \$100,000,000.....	-	-	1,601	130,382	23,108	995,645	1,146	178	7,429	108,673	
\$100,000,000 under \$250,000,000.....	-	-	4,922	30,709	13,889	680,870	394	10	2,419	59,313	
\$250,000,000 under \$500,000,000.....	-	-	2,413	3,984	16,235	367,597	288	23	591	54,296	
\$500,000,000 under \$1,000,000,000.....	-	-	142	555	1,881	112,872	28	20	177	2,171	
\$1,000,000,000 or more.....	-	-	75	662	299	186,953	15	14	100	1,161	
Nontaxable returns, total.....	2,122	585	120,827	2,292	1,032	403	343,631	22,643	632,773	61,668	
Not adjusted gross income.....	-	-	-	-	(3)	-	5,555	454	6,330	726	
Under \$600.....	-	-	-	-	-	-	26,293	773	69,217	1,558	
\$600 under \$1,000.....	-	-	-	-	-	-	65,673	2,624	77,887	4,103	
\$1,000 under \$5,000.....	-	-	20,398	31	1	-	144,778	5,076	239,316	25,717	
\$5,000 under \$10,000.....	-	-	42,507	60	-	729	67,008	5,241	142,422	19,593	
\$10,000 under \$25,000.....	2,122	585	34,396	679	-	-	25,438	2,771	55,859	8,712	
\$25,000 under \$50,000.....	-	-	59,689	2,477	-	-	67,374	9,359	318,189	161,889	
\$50,000 or more.....	-	-	13,382	275	-	-	5,420	901	7,865	3,190	
Returns under \$5,000.....	(7)	(3)	389,049	6,668	205,956	1,231	327	483,618	39,296	1,261,490	250,385
Returns \$5,000 under \$10,000.....	7,564	334	335,564	11,729	599,981	1,724	262	159,507	29,253	702,231	427,686
Returns \$10,000 or more.....	28,951	9,200	399,171	7,942	3,501,954	3,614	710	121,942	27,648	321,926	676,363

	Payments on 1964 declarations		Tax due at time of filing		Overpayment		Refund or credit on 1965 tax			
	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)
Grand total.....	1,118,766	2,607,674	1,863,226	1,048,178	2,152,540	553,645	1,783,827	326,230	426,585	229,418
Taxable returns, total.....	998,537	2,556,427	1,557,883	1,029,691	1,424,878	622,891	1,102,084	232,145	364,586	210,749
Under \$1,000.....	-	-	-	-	-	-	-	-	-	-
\$1,000 under \$5,000.....	42,604	7,655	268,568	16,133	158,214	20,352	140,632	18,235	22,715	2,247
\$5,000 under \$10,000.....	72,825	17,201	214,681	27,222	211,725	30,990	182,481	28,739	35,538	4,255
\$10,000 under \$25,000.....	85,213	28,587	176,080	31,857	332,163	40,368	307,664	36,265	40,068	6,146
\$25,000 under \$50,000.....	50,888	37,147	151,338	34,703	186,491	32,550	156,724	26,881	32,725	5,649
\$50,000 under \$75,000.....	78,181	38,715	126,951	30,754	151,748	27,058	128,615	22,073	27,940	6,785
\$75,000 under \$100,000.....	67,694	43,633	103,645	31,652	136,930	21,727	83,897	15,838	23,398	5,790
\$100,000 under \$250,000.....	67,564	53,651	81,777	34,396	69,457	19,449	37,648	11,632	14,689	4,199
\$250,000 under \$500,000.....	50,876	40,348	71,082	27,390	45,352	11,340	34,823	7,261	12,447	3,089
\$500,000 under \$1,000,000.....	163,620	199,223	187,726	91,651	108,961	62,592	59,798	18,662	34,660	23,340
\$1,000,000 under \$25,000,000.....	88,992	178,912	76,128	66,741	41,922	29,508	14,961	9,192	28,796	20,518
\$25,000,000 under \$50,000,000.....	20,030	9,067	104,720	215,473	66,420	89,856	15,438	23,382	57,756	45,923
\$50,000,000 under \$100,000,000.....	31,113	82,640	22,827	1,916	10,806	38,461	1,916	7,435	9,138	31,006
\$100,000 under \$250,000,000.....	16,228	55,273	84,615	182,098	3,008	26,296	378	4,063	2,742	10,233
\$250,000,000 under \$500,000,000.....	281	79,149	296	30,858	60	3,288	12	84	2,580	8,199
\$500,000,000 or more.....	197	116,786	163	70,524	39	3,498	9	457	31	3,040
Nontaxable returns, total.....	120,229	51,247	305,343	18,487	727,662	110,754	681,743	92,085	59,999	18,669
Not adjusted gross income.....	7,791	6,872	4,828	548	11,489	7,457	7,016	3,958	5,023	3,498
Under \$600.....	4,137	23,589	720	72,842	2,309	70,977	2,057	2,057	2,427	253
\$600 under \$1,000.....	7,427	2,155	63,471	2,697	82,903	6,147	81,093	5,946	2,411	2,113
\$1,000 under \$5,000.....	20,030	9,067	104,720	215,473	66,420	29,508	29,809	20,649	31,649	21,115
\$5,000 under \$10,000.....	26,349	5,363	55,571	4,382	161,040	23,838	151,140	21,566	12,568	2,271
\$10,000 under \$25,000.....	19,852	4,283	19,272	1,872	70,977	12,704	65,332	10,969	9,059	1,735
\$25,000 under \$50,000.....	16,434	62,227	6,939	697	28,882	6,498	23,171	5,203	6,246	1,478
\$50,000 or more.....	16,009	23,079	3,644	717	19,424	25,992	13,170	18,707	8,890	7,286
Returns under \$5,000.....	311,781	84,001	926,954	93,015	1,343,484	181,880	1,217,546	157,789	152,056	24,992
Returns \$5,000 under \$10,000.....	366,519	230,376	537,809	152,520	585,631	131,222	472,237	98,553	130,312	32,871
Returns \$10,000 or more.....	638,667	2,292,608	396,962	802,042	2,323,624	240,341	1,663,031	67,886	122,226	172,655

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

1. Adjusted gross income less deficit.

2. Offset.

*Nontaxable tax shown separately because of high sampling variability. However, the data are included in the appropriate totals.

†Negative "Other sources."

NOTE: Detail may not add to total because of rounding.

Table 28.—STANDARD DEDUCTION RETURNS WITH AT LEAST ONE TAXPAYER AGE 65 OR OVER—ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Number of returns with (1)	Adjusted gross income (Thousand dollars) (2)	Amount of standard deduction (Thousand dollars) (3)	Exemptions (Thousand dollars) (4)	Number of returns with no taxable income (5)	Taxable income		Income tax before credits (Thousand dollars) (8)		
						Number of returns (6)	Amount (Thousand dollars) (7)			
									Tax credits		Income tax after credits (Thousand dollars) (17)	Self-employment tax
Adjusted gross income classes	Number of returns (9)	Amount (Thousand dollars) (10)	Investment (Number of returns) (11)	Amount (Thousand dollars) (12)	Foreign taxes (Number of returns) (13)	Amount (Thousand dollars) (14)	Other (Number of returns) (15)	Amount (Thousand dollars) (16)	Number of returns (18)	Amount (Thousand dollars) (19)
Grand total.....	1,066,467	9,346,280	1,654,936	5,476,344	1,788,375	1,277,791	4,088,510	82,129	793,309	
Taxable returns, total.....	1,107,835	6,525,321	672,777	1,876,479	-	1,107,835	3,975,419	793,309		
Under \$2,000.....	62,794	109,458	23,744	76,753	-	62,794	10,899	1,825		
\$2,000 under \$3,000.....	172,972	436,135	73,362	238,196	-	172,972	248,596	20,482		
\$3,000 under \$4,000.....	196,528	688,779	86,168	336,058	-	196,528	298,502	43,253		
\$4,000 under \$5,000.....	156,662	702,216	79,577	275,232	-	156,662	347,438	59,255		
\$5,000 under \$6,000.....	121,869	669,782	69,201	223,269	-	121,869	379,510	65,769		
\$6,000 under \$7,000.....	101,996	659,231	66,303	208,782	-	101,996	406,128	72,459		
\$7,000 under \$8,000.....	70,944	530,889	52,918	152,524	-	70,944	357,447	66,387		
\$8,000 under \$9,000.....	54,093	460,163	45,990	100,330	-	54,093	311,864	58,477		
\$9,000 under \$10,000.....	45,528	429,861	42,979	86,456	-	45,528	200,233	37,399		
\$10,000 under \$15,000.....	88,454	1,041,204	88,326	165,656	-	88,454	787,450	159,741		
\$15,000 under \$20,000.....	21,727	369,583	21,720	40,752	-	21,727	305,633	70,702		
\$20,000 under \$50,000.....	16,107	377,327	16,059	27,621	-	16,107	337,146	95,983		
\$50,000 under \$100,000.....	93	36,353	93	1,054	-	93	34,793	16,900		
\$100,000 under \$1,000,000.....	93	13,480	93	170	-	93	13,218	6,605		
\$1,000,000 or more.....	1	1	1	1	-	1	556	272		
Non-taxable returns, total.....	1,958,132	2,820,959	982,159	3,597,497	1,788,375	169,956	11,891	18,820		
Under \$600.....	267,518	96,200	127,606	486,339	267,518	-	-	-		
\$600 under \$1,000.....	360,287	279,913	158,022	555,469	360,287	-	-	-		
\$1,000 under \$2,000.....	915,462	1,309,933	450,343	1,666,245	868,883	46,579	8,268	1,458		
\$2,000 under \$3,000.....	364,419	874,415	203,345	789,425	299,405	65,034	46,224	7,625		
\$3,000 under \$4,000.....	52,452	277,426	35,824	125,981	64,779	14,276	18,317	4,457		
\$4,000 under \$5,000.....	24,183	62,351	8,850	36,343	23,022	10,031	14,224	2,980		
\$5,000 or more.....	4,261	26,723	2,969	11,399	701	3,560	11,705	2,300		
Returns under \$5,000.....	2,542,563	4,730,822	1,250,020	4,510,312	1,787,673	754,890	841,604	361,336		
Returns \$5,000 under \$10,000.....	398,886	1,885,059	285,059	1,728,006	701	397,485	1,764,755	321,861		
Returns \$10,000 or more.....	125,257	1,862,962	124,864	236,027	-	125,257	1,642,150	348,933		

See text for "Description of the Sample and Limitations of the Data" and "Explanation of Classifications and Terms."
NOTE: Detail may not add to total because of rounding.

* Estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 30.—RETIREMENT INCOME CREDIT—NUMBER OF RETURNS, BASE OF TENTATIVE CREDIT, TENTATIVE CREDIT AND CREDIT: ALL RETURNS, RETURNS OF TAXPAYERS USING THE GENERAL RULE AND RETURNS OF TAXPAYERS USING THE ALTERNATIVE METHOD, BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	All returns with retained income credit											
	Returns with no Schedule P attached						Returns with Schedule P attached					
	Taxpayers using the general rule		Taxpayers using the alternative method		Taxpayers using the general rule		Taxpayers using the alternative method		Taxpayers using the general rule		Taxpayers using the alternative method	
	Number of returns	Base of credit (Thousand dollars)	Number of returns	Base of credit (Thousand dollars)	Number of returns	Base of credit (Thousand dollars)	Number of returns	Base of credit (Thousand dollars)	Number of returns	Base of credit (Thousand dollars)	Number of returns	Base of credit (Thousand dollars)
Under \$1,000	111	11	12	14	17	17	15	19	17	17	15	
\$1,000 under \$2,000	1,696,340	169,634	47,377	1,243	1,246,704	1,257,004	217,761	176,640	1,079,063	209,766	176,640	
\$2,000 under \$4,000	1,960,940	146,262	34,913	4,806	1,917,575	562,245	140,177	137,401	1,778,398	129,741	128,654	
\$4,000 under \$6,000	1,019,177	32	2,127	147	1,017	2,411	408	291	1,015	2,410	408	
\$6,000 under \$8,000	319,430	4,055	1,617	147	315,715	74,427	17,706	2,777	312,712	42,722	6,930	
\$8,000 under \$10,000	173,324	31,377	2,106	455	174,270	97,000	37,764	18,266	165,506	31,576	16,287	
\$10,000 under \$12,000	140,235	12,016	1,216	750	134,121	103,004	19,747	17,277	122,714	110,735	17,277	
\$12,000 under \$14,000	144,111	17,747	4,610	465	126,361	107,079	22,293	18,149	111,964	100,247	17,096	
\$14,000 under \$16,000	109,407	12,888	3,000	354	106,419	92,836	19,665	13,656	92,763	79,182	12,914	
\$16,000 under \$18,000	62,334	10,123	2,406	154	61,221	56,319	9,922	7,599	57,621	51,728	9,423	
\$18,000 under \$20,000	47,033	7,916	1,700	107	46,117	43,134	7,511	4,733	43,604	40,382	5,442	
\$20,000 under \$25,000	1,011	5,916	1,100	233	1,014	10,139	2,011	1,541	1,013	11,644	2,011	
\$25,000 under \$30,000	3,474	1,114	704	233	3,474	3,474	1,424	1,424	3,474	3,474	1,424	
\$30,000 under \$35,000	110,540	17,443	4,610	354	109,426	104,334	17,211	15,211	104,701	102,370	15,211	
\$35,000 under \$40,000	67,373	11,806	1,471	239	65,562	41,999	7,127	7,125	60,427	37,729	6,604	
\$40,000 under \$45,000	101,402	15,402	3,063	363	101,402	101,402	17,961	17,961	101,402	101,402	17,961	
\$45,000 under \$50,000	134,079	4,155	1,600	92	134,079	12,213	2,017	2,017	134,079	10,343	1,708	
\$50,000 under \$60,000	6,925	1,100	1,471	239	6,925	4,477	770	774	3,715	3,683	636	
\$60,000 under \$70,000	179	28	2	1	179	159	29	22	164	143	22	
\$70,000 under \$80,000	84	16	2	1	84	82	17	15	67	67	14	
\$80,000 or more	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Nonreturnable returns, total	461,847	41,247	12,741	1,368	461,847	410,313	76,448	39,395	461,847	412,101	69,243	
Under \$100	-	-	-	-	-	-	-	-	-	-	-	
\$100 under \$1,000	97,171	2,462	2,336	90	96,935	30,177	5,513	4,392	96,635	50,127	7,515	
\$1,000 under \$2,000	-	-	-	-	-	-	-	-	-	-	-	
\$2,000 under \$3,000	142,023	13,371	3,519	293	141,304	147,019	26,761	13,078	139,384	147,019	26,761	
\$3,000 under \$4,000	109,003	11,307	1,000	100	108,213	122,162	19,760	10,762	107,452	122,162	19,760	
\$4,000 under \$5,000	75,704	2,022	1,000	1,000	74,400	83,227	14,427	7,743	45,895	71,705	12,169	
\$5,000 under \$6,000	27,993	1,121	1,000	1,000	26,973	47,277	8,020	5,895	22,625	40,467	6,920	
\$6,000 or more	-	-	-	-	-	-	-	-	-	-	-	
Under \$10,000	1,940	22,440	4,156	2,504	1,940	47,477	111,316	70,007	734,956	624,606	105,897	
\$10,000 under \$100,000	405,179	67,111	12,277	1,549	403,600	31,722	60,420	62,992	276,119	233,131	50,889	
\$100,000 or more	664,101	1,111	1,000	1,000	664,101	227,576	39,430	407,629	664,101	664,101	24,522	
Nonreturnable returns, total	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	

1. The number of returns with retained income credit is the sum of the number of returns with no Schedule P attached and the number of returns with Schedule P attached.

2. The number of returns with retained income credit is the sum of the number of returns with no Schedule P attached and the number of returns with Schedule P attached.

3. The number of returns with retained income credit is the sum of the number of returns with no Schedule P attached and the number of returns with Schedule P attached.

4. The number of returns with retained income credit is the sum of the number of returns with no Schedule P attached and the number of returns with Schedule P attached.

5. The number of returns with retained income credit is the sum of the number of returns with no Schedule P attached and the number of returns with Schedule P attached.

States and Regions

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subdivisions of the Service. The States comprising each region are indicated in the map which represents the field organization of the Service on December 31, 1964. In 1965, the Northeast and New York Regions were merged to form the North Atlantic Region.

Chart 6 shows a percentage distribution of adjusted gross income by Internal Revenue Service region. Distributions of salaries and wages, and of net business income (not included in the chart) show a similar

SALARIES AND WAGES IS DOMINANT SOURCE OF INCOME IN EACH STATE

For each of the States and the District of Columbia salaries and wages is the dominant component of adjusted gross income. Nationally 81.5 percent of adjusted gross income is made up of salaries and wages and most States are close to the national average in this respect. Only for North Dakota and South Dakota does this proportion fall below 70 percent. Shares of other sources of income do vary noticeably among the States and these differences are reflected in the regional analyses presented here.

Most taxpayers file returns with District Offices of the Internal Revenue Service and the State data in tables 31 and 32 are based on the classification of returns by the District in which they were filed. National totals in these tables differ slightly from those presented elsewhere in this report because of differences in sample weights. Regional totals may be created by combinations of the State data.

In table S selected sources of income are tabulated for Internal Revenue Service Regions, administrative

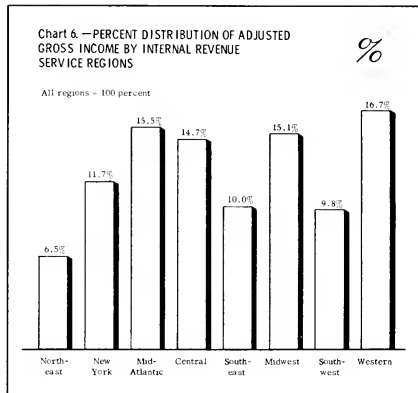


Table S.—SELECTED SOURCES OF INCOME BY INTERNAL REVENUE SERVICE REGIONS

	Adjusted gross income less deficit		Salaries and wages (gross)		Business net profit and loss		Farm net profit and loss		Partnership net profit and loss		Net gain and net loss from sales of capital assets		Dividends or adjusted gross income ¹		Interest (Net)		All other (Income less adjustments) ²	
	Amount of (\$ million dollars)	Percent of total	Amount of (\$ million dollars)	Percent of total	Amount of (\$ million dollars)	Percent of total	Amount of (\$ million dollars)	Percent of total	Amount of (\$ million dollars)	Percent of total	Amount of (\$ million dollars)	Percent of total	Amount of (\$ million dollars)	Percent of total	Amount of (\$ million dollars)	Percent of total	Amount of (\$ million dollars)	Percent of total
United States, total	396,717	100.0	323,272	81.5	22,776	5.7	2,132	0.5	5,734	1.4	7,340	1.9	11,441	2.9	10,235	2.6	2,044	0.5
Internal revenue regions:																		
Total	396,427	100.0	322,979	81.5	22,797	5.7	2,134	0.5	5,733	1.4	7,340	1.9	11,574	2.9	10,209	2.6	2,117	0.5
Northeast	25,981	6.5	20,431	78.7	1,703	6.5	69	0.3	436	1.7	499	1.9	1,074	4.1	721	2.8	517	2.0
New York	66,327	16.7	57,000	85.9	2,676	4.0	10	0.0	1,429	2.2	1,000	1.5	2,142	3.2	1,541	2.3	482	0.7
Mid-Atlantic	61,207	15.4	51,167	83.7	3,420	5.6	36	0.1	1,232	2.0	1,000	1.6	4,113	6.7	1,456	2.4	1,205	1.9
Central	18,211	4.6	14,759	81.1	3,347	18.3	433	2.4	1,111	6.1	732	4.0	1,436	7.9	1,431	7.8	1,034	5.7
South-east	24,951	6.3	20,707	83.0	2,219	8.9	407	1.6	1,041	4.2	831	3.3	966	3.9	886	3.6	818	3.3
Midwest	39,702	10.0	32,723	82.4	3,526	8.9	1,244	3.1	1,476	3.7	1,000	2.5	1,605	4.0	1,421	3.6	1,356	3.4
South-west	38,784	9.8	31,867	82.2	2,677	6.9	132	0.3	1,474	3.8	841	2.1	1,241	3.2	653	1.7	711	1.8
Western	66,236	16.7	57,062	86.1	6,136	9.3	116	0.2	1,476	2.2	1,077	1.6	1,970	2.9	1,470	2.2	1,210	1.8

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

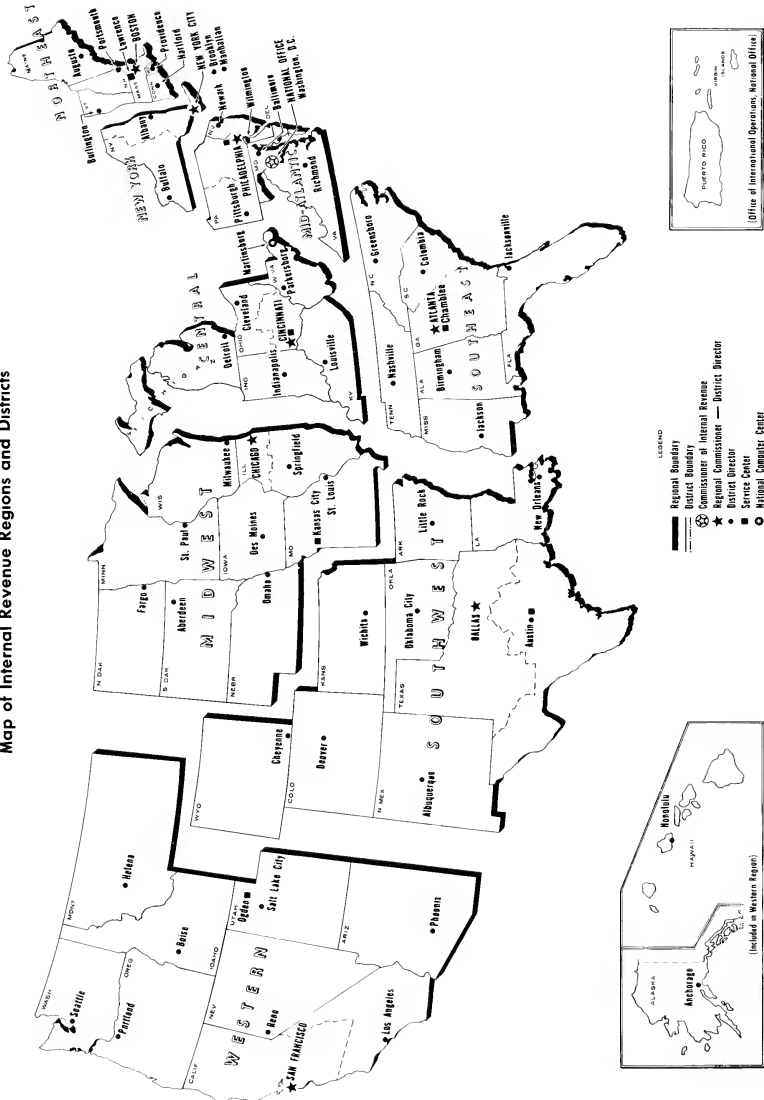
¹ Includes amounts for "Other areas."

² Includes net income and net loss from "Rents and royalties" as well as "Other sources."

³ Persons of bona fide residence of Puerto Rico, United States citizens or aliens, and U.S. citizens residing in Panama Canal Zone, Virgin Islands, or abroad.

NOTE: Detail may not add to total because of rounding.

Map of Internal Revenue Regions and Districts



INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 31.—ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND STATES—Continued

Adjusted gross income classes	NEW YORK										NEW HAMPSHIRE									
	Number of returns	Number of returns claiming exemption	Adjusted gross income (thousands)	Number of returns	Number of returns claiming exemption	Adjusted gross income (thousands)	Number of returns	Number of returns claiming exemption	Adjusted gross income (thousands)	Number of returns	Number of returns claiming exemption	Adjusted gross income (thousands)	Number of returns	Number of returns claiming exemption	Adjusted gross income (thousands)	Number of returns	Number of returns claiming exemption	Adjusted gross income (thousands)		
Total.....	17,054,817	3,023,033	86,927,534	3,627,451	57,627,811	3,485,931	1,485,311	3,485,931	3,485,931	1,485,311	3,485,931	4,369,411	4,369,411	4,369,411	1,475,730	1,475,730	1,475,730	1,475,730		
No adjusted gross income.....	5,917	14,813	52,937	64,827	3,627,451	3,485,931	3,485,931	3,485,931	3,485,931	1,485,311	3,485,931	4,369,411	4,369,411	4,369,411	1,475,730	1,475,730	1,475,730	1,475,730		
Under \$400.....	338,661	20,677	20,677	375,999	43,784	43,784	43,784	43,784	43,784	43,784	43,784	29,260	29,260	29,260	1,023	1,023	1,023	1,023		
\$400 under \$1,000.....	779,770	34,627	379,643	779,646	109,700	109,700	109,700	109,700	109,700	109,700	109,700	109,700	109,700	109,700	109,700	109,700	109,700	109,700		
\$1,000 under \$2,000.....	660,841	11,327	625,311	1,433,366	47,424	47,424	47,424	47,424	47,424	47,424	47,424	47,424	47,424	47,424	47,424	47,424	47,424	47,424		
\$2,000 under \$3,000.....	662,238	27,737	1,279,339	1,784,619	984,284	984,284	984,284	984,284	984,284	984,284	984,284	984,284	984,284	984,284	984,284	984,284	984,284	984,284		
\$3,000 under \$4,000.....	689,339	17,399	3,063,266	3,607,627	631,386	631,386	631,386	631,386	631,386	631,386	631,386	631,386	631,386	631,386	631,386	631,386	631,386	631,386		
\$4,000 under \$5,000.....	371,245	27,130	3,183,552	3,473,853	264,039	264,039	264,039	264,039	264,039	264,039	264,039	264,039	264,039	264,039	264,039	264,039	264,039	264,039		
\$5,000 under \$6,000.....	308,265	27,968	2,796,406	3,043,000	246,019	246,019	246,019	246,019	246,019	246,019	246,019	246,019	246,019	246,019	246,019	246,019	246,019	246,019		
\$6,000 under \$7,000.....	344,393	25,428	3,744,900	3,473,853	337,973	337,973	337,973	337,973	337,973	337,973	337,973	337,973	337,973	337,973	337,973	337,973	337,973	337,973		
\$7,000 under \$8,000.....	313,724	27,441	3,326,413	3,473,853	359,277	359,277	359,277	359,277	359,277	359,277	359,277	359,277	359,277	359,277	359,277	359,277	359,277	359,277		
\$8,000 under \$10,000.....	179,428	23,000	1,879,752	2,029,321	189,688	189,688	189,688	189,688	189,688	189,688	189,688	189,688	189,688	189,688	189,688	189,688	189,688	189,688		
\$10,000 under \$15,000.....	7,642	64,239	64,239	57,253	64,239	64,239	64,239	64,239	64,239	64,239	64,239	64,239	64,239	64,239	64,239	64,239	64,239	64,239		
\$15,000 under \$20,000.....	869,846	23	13,946	136	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846		
\$20,000 under \$25,000.....	13,000	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846		
\$25,000 under \$50,000.....	13,000	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846		
\$50,000 under \$100,000.....	13,000	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846		
\$100,000 under \$200,000.....	13,000	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846		
\$200,000 under \$500,000.....	13,000	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846		
\$500,000 under \$1,000,000.....	13,000	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846		
\$1,000,000 or more.....	13,000	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846	869,846		
Total.....	17,054,817	3,023,033	86,927,534	3,627,451	57,627,811	3,485,931	1,485,311	3,485,931	3,485,931	1,485,311	3,485,931	4,369,411	4,369,411	4,369,411	1,475,730	1,475,730	1,475,730	1,475,730		
Total.....	17,054,817	3,023,033	86,927,534	3,627,451	57,627,811	3,485,931	1,485,311	3,485,931	3,485,931	1,485,311	3,485,931	4,369,411	4,369,411	4,369,411	1,475,730	1,475,730	1,475,730	1,475,730		

Footnotes at end of table. See text for description of the sample and limitations of the data and explanation of classification and items.

INDIVIDUAL INCOME TAX RETURNS FOR 1964

Table 32.—ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND STATES—Continued

Table with columns for Adjusted gross income classes, Number of returns, Number of exemptions, Total exemptions, Taxable income, Income tax after credits, Number of returns, Double income, Total exemptions, Adjusted gross income, Number of returns, Total exemptions, Income tax after credits. Includes sub-sections for 4532 THRU, 4533 THRU, and OTHER STATE.

Table with columns for Adjusted gross income classes, Number of returns, Number of exemptions, Total exemptions, Taxable income, Income tax after credits, Number of returns, Double income, Total exemptions, Adjusted gross income, Number of returns, Total exemptions, Income tax after credits. Includes sub-sections for 4534 THRU, 4535 THRU, and OTHER STATE.

See text for description of the Sample and limitation of the data...
* Return is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.
NOTE: Detail may not add to total because of rounding.

Historical Data, 1955-1964

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These historical data for years 1955 through 1964 are not precisely comparable among all years, for the data span a period of years during which there were changes in law, return forms, and methods of obtaining data.

Table 33.—NUMBER OF RETURNS AND ADJUSTED GROSS INCOME BY ADJUSTED GROSS INCOME CLASSES

(Deficit and nontaxable returns)

Adjusted gross income classes	1955		1956		1957		1958		1959	
	Number of returns	Adjusted gross income or deficit (Million dollars)	Number of returns	Adjusted gross income or deficit (Million dollars)	Number of returns	Adjusted gross income or deficit (Million dollars)	Number of returns	Adjusted gross income or deficit (Million dollars)	Number of returns	Adjusted gross income or deficit (Million dollars)
Grand total.....	59,467,138	1,249,530	59,147,904	1,267,714	59,825,121	1,320,321	59,985,132	1,321,154	60,771,237	1,305,099
Returns with adjusted gross income, total.....	57,918,164	249,423	58,798,843	268,784	59,407,673	281,269	59,700,724	282,116	59,835,142	306,417
Under \$500.....	3,339,333	1,362	3,779,785	1,642	3,833,400	1,356	3,950,533	1,277	3,915,975	1,272
\$500 under \$1,000.....	3,662,711	7,346	3,926,028	14,642	3,989,651	7,335	3,969,247	7,447	3,995,686	12,392
\$1,000 under \$2,000.....	6,609,664	11,435	8,177,493	16,314	8,779,988	11,663	11,269	7,406,334	10,935	10,935
\$2,000 under \$5,000.....	6,620,664	24,134	8,163,762	29,228	7,969,387	19,240	10,312	7,120,221	17,827	17,827
\$5,000 under \$10,000.....	8,008,623	30,327	9,581,023	39,605	7,749,979	27,364	9,670,636	29,361	6,995,971	36,635
\$10,000 under \$25,000.....	9,048,461	39,431	8,966,821	39,242	7,868,427	39,372	7,885,219	33,131	9,370,569	31,802
\$25,000 under \$50,000.....	9,062,612	33,362	8,234,823	24,224	6,717,215	29,898	6,979,555	26,898	6,375,580	35,067
\$50,000 under \$75,000.....	3,871,849	25,021	4,071,337	24,237	4,709,422	30,689	4,076,947	30,138	3,985,362	32,927
\$75,000 under \$100,000.....	2,600,121	17,897	2,786,734	20,372	3,081,996	20,942	3,038,666	20,212	3,099,774	25,667
\$100,000 under \$150,000.....	2,612,757	11,340	3,111,689	15,334	3,933,368	17,738	3,737,918	14,778	4,643,438	20,253
\$150,000 under \$200,000.....	912,395	8,823	1,223,333	15,620	1,336,822	10,623	1,452,764	13,748	1,749,553	14,566
\$200,000 under \$250,000.....	1,974,976	17,924	1,921,999	22,370	2,133,330	22,977	2,068,395	26,314	2,029,869	37,689
\$250,000 under \$500,000.....	425,989	7,307	482,103	9,543	523,746	9,325	585,262	10,055	707,716	11,491
\$500,000 under \$1,000,000.....	15,413	19,116	581,356	129,766	612,259	1,811	584,872	149,259	724,268	15,530
\$1,000,000 under \$10,000,000.....	74,634	3,522	95,170	4,956	94,621	6,133	84,713	10,939	114,832	4,959
\$10,000,000 under \$100,000,000.....	29,928	1,367	22,028	3,468	12,122	3,249	21,897	3,424	26,844	6,230
\$100,000,000 under \$1,000,000,000.....	628	448	597	399	345	348	376	340	712	482
\$1,000,000,000 or more.....	267	568	272	560	213	648	244	499	485	677
Returns with no adjusted gross income.....	432,324	789	398,161	580	417,448	988	384,408	7,012	439,131	7,152
Grand total.....	61,427,711	1,315,266	61,499,627	1,329,861	62,712,366	1,368,701	63,143,236	1,368,778	65,375,603	1,396,666
Returns with adjusted gross income, total.....	60,592,721	316,258	61,367,689	330,356	62,280,595	349,861	63,111,244	370,471	64,943,234	398,121
Under \$500.....	3,393,139	1,306	3,969,165	1,283	4,002,944	1,204	3,951,234	1,288	3,979,382	1,276
\$500 under \$1,000.....	3,965,663	7,481	3,918,996	14,609	3,959,312	7,323	3,900,623	7,481	3,919,718	12,478
\$1,000 under \$2,000.....	7,356,367	10,459	8,664,993	10,694	8,767,013	10,694	9,753,763	10,697	9,706,380	10,287
\$2,000 under \$5,000.....	6,902,121	17,333	8,744,979	16,896	6,558,958	16,896	8,789,673	16,238	6,211,330	15,530
\$5,000 under \$10,000.....	6,677,037	24,033	6,695,282	24,617	6,659,432	23,344	8,366,414	24,556	6,252,320	24,649
\$10,000 under \$25,000.....	6,968,523	30,382	6,582,388	29,620	6,287,454	28,243	6,205,636	27,924	5,976,720	26,875
\$25,000 under \$50,000.....	6,654,932	35,253	6,227,466	26,163	6,137,241	33,834	6,036,749	31,087	5,748,136	31,990
\$50,000 under \$75,000.....	3,201,811	34,281	3,282,009	34,247	3,373,806	34,830	3,573,979	35,517	3,425,250	35,123
\$75,000 under \$100,000.....	3,889,676	29,033	3,242,721	29,956	4,132,337	33,283	4,036,763	34,548	4,337,768	36,213
\$100,000 under \$150,000.....	2,379,534	23,372	2,484,990	29,286	2,424,214	27,507	3,335,122	29,950	3,875,555	32,850
\$150,000 under \$200,000.....	1,905,546	18,665	2,166,657	20,334	2,346,470	22,776	2,630,806	25,120	3,027,314	28,649
\$200,000 under \$250,000.....	3,061,614	42,805	2,155,222	48,553	4,167,130	58,330	6,666,193	66,334	6,609,567	78,291
\$250,000 under \$500,000.....	1,160,000	13,600	889,362	15,151	1,306,766	17,217	1,316,272	21,666	1,466,111	24,643
\$500,000 under \$1,000,000.....	74,634	24,033	813,871	29,956	813,871	33,283	813,871	30,528	813,871	34,055
\$1,000,000 under \$10,000,000.....	110,472	6,661	110,478	7,668	111,552	7,184	130,385	8,679	139,229	10,483
\$10,000,000 under \$100,000,000.....	29,428	3,835	28,347	4,701	28,998	4,211	28,311	4,549	34,566	5,707
\$100,000,000 under \$1,000,000,000.....	735	494	985	643	821	547	816	546	1,073	719
\$1,000,000,000 or more.....	306	611	348	836	355	717	371	809	422	1,139
Returns with no adjusted gross income.....	432,312	719,000	432,838	713,076	431,768	717,000	431,996	714,463	439,111	715,521

Adjusted gross income less deficit.

Deficit.

INDIVIDUAL INCOME TAX RETURNS, 1955-1964

Table 34.—NUMBER OF RETURNS BY MAJOR CHARACTERISTICS, ADJUSTED GROSS INCOME AND DEFICIT, TAXABLE INCOME, AND TAX

Item	(Thousands)											
	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1964	
Number of returns, total.....	58,472	70,139	77,787	83,007	88,271	91,082	93,877	97,114	101,763	107,177	112,177	117,177
Taxable.....	49,777	60,429	67,061	71,734	74,699	77,084	79,773	82,734	85,723	88,723	91,723	94,723
Non-taxable, total.....	13,711	17,917	14,700	13,269	14,776	14,776	14,776	14,776	14,776	14,776	14,776	14,776
With taxable income.....	127	207	417	374	267	267	267	267	267	267	267	267
With unadjusted gross income.....	43	177	417	374	267	267	267	267	267	267	267	267
Returns with standard deduction, total.....	40,727	47,360	51,432	53,777	55,727	57,727	59,727	61,727	63,727	65,727	67,727	69,727
Taxable.....	40,727	47,360	51,432	53,777	55,727	57,727	59,727	61,727	63,727	65,727	67,727	69,727
Non-taxable.....	11,977	11,977	10,977	11,977	11,977	11,977	11,977	11,977	11,977	11,977	11,977	11,977
Returns with itemized deduction, total.....	16,470	19,457	20,117	20,117	20,117	20,117	20,117	20,117	20,117	20,117	20,117	20,117
Taxable.....	15,429	17,973	19,717	19,717	19,717	19,717	19,717	19,717	19,717	19,717	19,717	19,717
Non-taxable.....	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424
Returns with self-employment tax, total.....	6,944	7,750	6,942	7,001	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Taxable.....	4,192	4,210	4,210	4,210	4,210	4,210	4,210	4,210	4,210	4,210	4,210	4,210
Non-taxable.....	2,424	2,424	2,424	2,424	2,424	2,424	2,424	2,424	2,424	2,424	2,424	2,424
Number of returns by source of income or loss:												
Salaries and wages.....	51,427	51,919	54,907	51,907	47,711	50,946	54,011	55,711	57,711	57,711	57,711	57,711
Business or profession:												
Net profit.....	1,726	2,271	6,775	6,775	6,775	6,775	6,775	6,775	6,775	6,775	6,775	6,775
Net loss.....	1,580	1,154	1,475	1,780	1,711	1,711	1,711	1,711	1,711	1,711	1,711	1,711
Partnership:												
Net profit.....	1,622	1,711	1,077	1,414	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366
Net loss.....	267	267	267	267	267	267	267	267	267	267	267	267
Sales of capital assets:												
Net gain.....	4,900	3,167	4,207	3,207	4,207	3,207	3,207	3,207	3,207	3,207	3,207	3,207
Net loss.....	77	1,039	1,039	1,039	1,039	1,039	1,039	1,039	1,039	1,039	1,039	1,039
Ordinary gain from sales of depreciable property.....	-	-	-	-	-	-	-	-	-	-	-	-
Sales of property other than capital assets:												
Net gain.....	110	127	127	127	127	127	127	127	127	127	127	127
Net loss.....	157	207	150	131	150	150	150	150	150	150	150	150
Dividends and interest received.....	3,371	3,427	3,117	4,217	4,217	4,217	4,217	4,217	4,217	4,217	4,217	4,217
Internal receipts.....	6,031	6,717	7,207	7,207	7,207	7,207	7,207	7,207	7,207	7,207	7,207	7,207
Programs and annuities:												
Life expectancy method.....	17	17	17	17	17	17	17	17	17	17	17	17
Rental method.....	152	152	152	152	152	152	152	152	152	152	152	152
Retiree:												
Net income.....	3,407	4,017	4,017	4,017	4,017	4,017	4,017	4,017	4,017	4,017	4,017	4,017
Net loss.....	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424
Retiree:												
Net income.....	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424
Net loss.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Estates and trusts:												
Income.....	30	27	31	31	31	31	31	31	31	31	31	31
Loss.....	21	20	20	20	20	20	20	20	20	20	20	20
Abundant:												
Adjusted gross income, total.....	24,042	29,174	27,307	27,117	27,117	27,117	27,117	27,117	27,117	27,117	27,117	27,117
Taxable income.....	22,177	26,177	26,177	26,177	26,177	26,177	26,177	26,177	26,177	26,177	26,177	26,177
Non-taxable income.....	1,865	1,997	1,130	1,130	1,130	1,130	1,130	1,130	1,130	1,130	1,130	1,130
Deficit.....	889	690	889	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Taxable income, total.....	149,000	161,750	147,863	147,863	147,863	147,863	147,863	147,863	147,863	147,863	147,863	147,863
Taxable returns.....	127,777	161,750	147,863	147,863	147,863	147,863	147,863	147,863	147,863	147,863	147,863	147,863
Non-taxable returns.....	21,223	21,223	21,223	21,223	21,223	21,223	21,223	21,223	21,223	21,223	21,223	21,223
Tax, total.....	31,077	35,407	34,077	34,077	34,077	34,077	34,077	34,077	34,077	34,077	34,077	34,077
Income after credits.....	4,114	42,734	34,777	34,777	34,777	34,777	34,777	34,777	34,777	34,777	34,777	34,777
Self-employment tax.....	43	33	33	33	33	33	33	33	33	33	33	33
Tax from subsequent prior year.....	-	-	-	-	-	-	-	-	-	-	-	-

From 1955 to 1964, returns with standard deduction have been reported by the number of returns with unadjusted gross income in comparability with 1955 years.
 * For 1954-64, exclude returns with small amount of wages but also with withholding reported on other income form 1040-SS.
 † Excludes returns with dividends reported on 1040. For 1951-64, exclude returns with dividends reported with other income on page 1, Form 1040, but not separately identified on separate schedule.
 ‡ Excludes returns with interest reported on Form 1040-SS. For 1951-64, exclude returns with interest reported with other income on page 1, Form 1040, but not separately identified on a separate schedule.
 (*) Tabulated in combination with the source directly preceding it. Combined frequencies are not wholly comparable with those when separated.

INDIVIDUAL INCOME TAX RETURNS 1955-1964

Table 36.—SOURCES OF INCOME BY TYPE

[Excludes net non-taxable returns]

Source of income	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964
	(*In millions)									
Adjusted gross income less deficit.....	248,530	267,704	289,311	311,134	335,090	315,466	319,761	348,704	368,777	376,660
Salaries and wages ¹	200,711	215,618	233,977	251,911	247,370	257,913	256,961	283,373	299,643	323,266
Business or profession:										
Net profit.....	20,909	23,968	24,526	23,841	24,323	23,157	23,711	26,231	23,777	24,802
Net loss.....	-1,167	-3,377	-1,137	-1,316	-1,876	-1,577	-1,790	-1,456	-1,464	-1,809
Farm:										
Net profit.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	4,458	4,703
Net loss.....									1,761	1,967
Partnership:										
Net profit.....	9,523	9,393	9,964	9,310	10,250	9,777	9,711	10,110	10,341	10,862
Net loss.....	373	561	668	571	657	771	770	866	840	1,131
Sale of capital assets:										
Net gain.....	5,116	4,491	4,128	4,274	4,797	5,004	5,211	6,321	7,448	8,309
Net loss.....	373	438	643	541	521	742	670	1,030	1,219	976
Gain or property other than capital assets:										
Net gain.....	-	-	-	-	-	-	-	-	85	130
Net loss.....	99	73	90	75	87	79	129	67	73	73
Interest received ²	-19	-15	161	159	184	153	251	281	313	265
Dividends in adjusted gross income ³	7,831	6,606	9,124	8,741	9,356	9,530	9,811	10,640	11,452	11,717
Interest received ²	-934	-893	3,219	3,654	4,399	4,997	5,683	6,157	6,311	10,125
Pensions and annuities:										
Life expectancy method.....	627	627	756	885	883	962	1,114	1,350	1,702	3,118
3-year method.....	245	264	384	436	578	655	746	873	970	1,118
Rents:										
Net income.....	3,677	3,700	3,745	3,761	4,002	3,544	3,641	3,923	3,924	3,940
Net loss.....	611	576	686	731	773	816	802	1,063	1,111	1,315
Royalties:										
Net income.....	-	-	-	-	-	663	584	584	664	686
Net loss.....	(*)	(*)	(*)	(*)	(*)	76	79	71	61	83
Estate and trust:										
Income.....	566	611	628	613	637	673	687	697	719	719
Loss.....	-1	40	13	-	26	34	40	30	46	4,628
Other sources ⁴	798	1,313	1,686	1,911	1,914	2,143	2,525	2,343	2,533	2,879
Adjustments ⁵	-	-	-	-	-	-	-	-	19	1,879

¹Includes small amounts of wages, salaries, and other income reported on Form 1041. For 1955-1962, includes allowance for self-employment tax paid and 1963-1964, employee business expenses, but for 1965, the amount is a gross figure.

²Includes dividends reported on Form 1041. For 1961, excludes dividends reported with other income on page 1, Form 1041, and for 1962, includes dividends reported on separate statements.

³Includes interest reported on Form 1041. For 1961, excludes interest reported with other income on page 1, Form 1041, and for 1962, includes interest reported on separate statements.

⁴Includes dividends, interest, and wages not subject to withholding reported on Form 1041.

⁵For 1963, includes only self-employed pension deduction, but for 1964 also includes excludable sick pay, employee moving expenses, and 3-year empl. sec. insurance expenses.

(*) Tabulated in combination with the source directly preceding it. Combined amounts are not strictly comparable with those when separated.

Table 37.—ITEMIZED DEDUCTIONS ON RETURNS WITH ADJUSTED GROSS INCOME, BY TYPE

[Taxable and nontaxable returns]

Type of deduction	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964
	(*In millions)									
Total.....	19,397	22,613	26,676	27,488	31,307	35,313	36,291	41,061	46,053	46,816
Medical and dental expenses.....	3,473	3,473	4,284	4,284	4,284	4,284	4,284	4,284	4,284	4,284
Taxes.....	9,238	9,238	9,238	9,238	9,238	9,238	9,238	9,238	9,238	9,238
Interest paid.....	4,819	4,819	4,819	4,819	4,819	4,819	4,819	4,819	4,819	4,819
Charitable contributions.....	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Casualty losses.....	342	342	342	342	342	342	342	342	342	342
Other deductions.....	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166

Not tabulated. For 1961, 1962, and 1963, includes only self-employed pension deduction, but for 1964 also includes excludable sick pay, employee moving expenses, and 3-year empl. sec. insurance expenses.

(*) Tabulated in combination with the source directly preceding it. Combined amounts are not strictly comparable with those when separated.

Table 38.—SELECTED SOURCES OF INCOME BY ADJUSTED GROSS INCOME CLASSES—Continued

(Dollars and cents in thousands)

Adjusted gross income classes	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964
BUSINESS AND FARM PROFIT										
Grand total.....	20,597	23,662	22,556	22,289	24,323	23,561	22,519	26,751	27,415	25,504
Returns with adjusted gross income, total.....	20,566	23,639	22,532	22,256	24,286	23,536	22,471	26,711	27,334	25,431
Under \$500.....	147	166	166	151	167	163	177	152	119	116
\$500 under \$1,000.....	363	368	371	311	311	313	311	311	311	322
\$1,000 under \$2,000.....	1,667	1,635	1,598	1,577	1,500	1,415	1,415	1,394	1,501	877
\$2,000 under \$4,000.....	2,076	2,031	1,971	1,911	1,871	1,801	1,711	1,671	1,801	1,276
\$4,000 under \$8,000.....	2,001	2,013	1,917	1,814	1,711	1,611	1,511	1,411	1,311	1,261
\$8,000 under \$15,000.....	1,801	1,767	1,706	1,645	1,584	1,523	1,462	1,401	1,340	1,279
\$15,000 under \$25,000.....	1,501	1,467	1,406	1,345	1,284	1,223	1,162	1,101	1,040	979
\$25,000 under \$50,000.....	4,217	5,851	4,776	4,701	4,626	4,551	4,476	4,401	4,326	4,251
\$50,000 under \$100,000.....	2,439	2,855	2,234	2,234	2,111	2,011	1,911	1,811	1,711	1,611
\$100,000 under \$250,000.....	1,449	1,737	1,726	1,726	1,611	1,511	1,411	1,311	1,211	1,111
\$250,000 under \$500,000.....	3,263	3,028	3,047	3,047	2,926	2,826	2,726	2,626	2,526	2,426
\$500,000 under \$1,000,000.....	295	295	295	295	295	295	295	295	295	295
\$1,000,000 under \$10,000,000.....	136	136	136	136	136	136	136	136	136	136
\$10,000,000 or more.....	5	5	5	5	5	5	5	5	5	5
Returns with no adjusted gross income.....	31	32	66	4	76	53	64	31	21	32
INTEREST AND DIVIDEND PROFIT										
Grand total.....	9,553	9,333	9,464	9,310	10,220	9,757	9,711	10,111	11,342	10,862
Returns with adjusted gross income, total.....	9,531	9,309	9,439	9,293	10,217	9,736	9,691	10,086	10,317	10,801
Under \$500.....	41	17	34	43	21	18	13	14	10	11
\$500 under \$1,000.....	20	14	20	20	21	21	21	21	21	21
\$1,000 under \$2,000.....	189	158	163	163	154	144	113	113	104	89
\$2,000 under \$4,000.....	426	426	426	426	426	426	426	426	426	426
\$4,000 under \$8,000.....	516	516	516	516	516	516	516	516	516	516
\$8,000 under \$15,000.....	426	426	426	426	426	426	426	426	426	426
\$15,000 under \$25,000.....	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018
\$25,000 under \$50,000.....	1,262	1,262	1,262	1,262	1,262	1,262	1,262	1,262	1,262	1,262
\$50,000 under \$100,000.....	900	900	900	900	900	900	900	900	900	900
\$100,000 under \$250,000.....	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428
\$250,000 under \$500,000.....	865	865	865	865	865	865	865	865	865	865
\$500,000 under \$1,000,000.....	430	430	430	430	430	430	430	430	430	430
\$1,000,000 under \$10,000,000.....	2	15	11	11	15	11	11	11	11	11
\$10,000,000 or more.....	16	16	16	16	16	16	16	16	16	16
Returns with no adjusted gross income.....	2	24	27	17	24	18	18	24	25	60
NET GAIN FROM SALE OF CAPITAL ASSETS⁴										
Grand total.....	5,216	4,991	4,128	4,289	6,977	6,044	5,211	6,511	7,667	6,900
Returns with adjusted gross income, total.....	5,204	4,979	4,068	4,277	6,967	6,034	5,198	6,501	7,655	6,888
Under \$500.....	25	25	25	25	25	25	25	25	25	25
\$500 under \$1,000.....	32	36	31	38	64	35	29	34	37	36
\$1,000 under \$2,000.....	179	142	141	123	176	152	167	157	168	153
\$2,000 under \$4,000.....	166	168	154	154	174	174	174	174	174	174
\$4,000 under \$8,000.....	169	178	154	227	200	199	243	178	205	213
\$8,000 under \$15,000.....	166	159	147	190	211	194	234	166	213	217
\$15,000 under \$25,000.....	166	159	147	190	211	194	234	166	213	217
\$25,000 under \$50,000.....	738	734	109	133	143	143	143	143	143	143
\$50,000 under \$100,000.....	166	159	147	190	211	194	234	166	213	217
\$100,000 under \$250,000.....	509	424	424	424	424	424	424	424	424	424
\$250,000 under \$500,000.....	166	159	147	190	211	194	234	166	213	217
\$500,000 under \$1,000,000.....	284	284	284	284	284	284	284	284	284	284
\$1,000,000 under \$10,000,000.....	787	787	787	787	787	787	787	787	787	787
\$10,000,000 or more.....	173	154	154	154	154	154	154	154	154	154
Returns with no adjusted gross income.....	12	12	60	12	10	10	12	12	12	12

¹For 1964 data, exclude small amount of wages, salaries and tips withholding reported as other income on Form 1040. For 1955-61, salaries and wages, net of excludable sick pay and certain employer's business expenses, but for 1964, the amount is a gross figure.

²Exclude dividends reported on Form 1040. For 1964, exclude dividends reported with other income on page 1, Form 1040, but not specifically identified on a separate schedule.

³Includes interest reported on Form 1040. For 1964, excludes interest reported with other income on page 1, Form 1040, but not specifically identified on a separate schedule.

⁴Net gain from sale of capital assets reported in adjusted gross income.

Explanation of Classifications and Terms

CLASSIFICATIONS

Adjusted gross income classes

The amount of adjusted gross income reported by the taxpayer on his return was the basis for classifying data for the size of income. Deficit and a breakeven in adjusted gross income were considered "No adjusted gross income" and appear as a separate class. Whenever taxable and nontaxable data are combined by size of income, the nontaxable data are distributed in the class denoted by the amount of adjusted gross income reported, although when shown separately, data from nontaxable returns with \$5,000 or more adjusted gross income are grouped in one class.

Marital status of taxpayer

Marital status was determined by the taxpayer as of the last day of his tax year or the date of the death of a spouse. The five marital classifications--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--were based on the marital condition indicated by the taxpayer with regard to name (or names) of taxpayer, joint signatures, exemption for the taxpayer or for himself and spouse, check mark denoting status as head of household or surviving spouse, and any other relevant data.

Joint returns of husbands and wives were those on which a married couple reported their combined income, or were returns of married couples only one of which had income but, nevertheless, exemptions for both could be claimed.

Separate returns of husbands and wives were returns of married persons, each of whom filed a return independent of his spouse and reported only his own income, exemptions, and tax. Returns with community income divided between husband and wife were given this classification. Also included under this classification, were returns of married taxpayers electing not to file a joint return, but to claim the spouse's exemption where the spouse had no income and was not the dependent of another taxpayer.

Returns of heads of household were returns of unmarried persons (or one married to a nonresident alien) who furnished more than half the maintenance of a home which was his residence and which he shared with any related persons for whom he was entitled to the deduction for an exemption (except multiple support), or shared with his unmarried child, grandchild, or stepchild even though not a dependent, or who paid over half the cost of maintaining a household which was the principal abode of his parents, if either of them qualified as a dependent.

Returns of surviving spouse were returns of widows and widowers who indicated this status. A surviving spouse is a taxpayer whose spouse died during either of two preceding tax years and who had not remarried, but who had maintained as his home a household which was also the principal abode of his child or stepchild for whom the taxpayer was entitled to the deduction for exemption.

Returns of single persons not head of household or surviving spouse were those of other unmarried individuals.

Returns with standard deduction or with itemized deductions

Standard deduction returns included (1) Form 1040A returns, (2) Form 1040 returns with adjusted gross income under \$5,000 on which the income tax was determined from the tax table, and (3) Form 1040 returns with adjusted gross income of \$5,000 or more on which the taxpayer elected to use the standard deduction.

Returns with "No adjusted gross income", classified as standard deduction returns in years prior to 1961, have been classified separately since 1961.

Returns with itemized deductions were Form 1040 returns with adjusted gross income against which itemized nonbusiness deductions were claimed by the taxpayer in the computation of his taxable income. A relatively few separate returns of married persons who had neither standard nor itemized deductions were included in this classification because it was assumed that the other spouse itemized.

Size of selected sources of income or loss

For distributions of the number of returns with selected sources of income or loss in adjusted gross income, returns were divided into categories according to the size of a specific income or loss. The size intervals are narrow at the lower end of the scale so that small amounts are adequately classified.

States

Classification by States was based on the district in which the returns were filed, Internal Revenue districts, or groups of districts, are identical with State boundaries, except that the District of Columbia was a part of the Baltimore, Maryland, Internal Revenue District. The Office of International Operations had charge of returns with addresses outside the 50 States. These returns included those from Puerto Rico, Virgin Islands, Panama Canal Zone, and returns with foreign addresses, all of which were classified as "Other areas."

Taxable and nontaxable returns

Taxable returns had an income tax remaining after the allowable tax credits were deducted. If the tax after credits was greater than zero, the return was classified as a taxable return.

Nontaxable returns had no income tax remaining after tax credits. Some nontaxable returns had income tax before credits which was eliminated by the tax credits. Many nontaxable returns showed an amount of self-employment tax; however, the self-employment tax was disregarded for this classification.

Taxpayers age 65 or over

In order to distinguish returns filed by taxpayers age 65 or over, the additional exemption for age was used whenever claimed on a return. In the case of joint returns of husbands and wives, some had only one additional exemption for age 65 or over while others had two additional exemptions for age, indicating that both husband and wife were over 65 years of age. Whether one or two age exemptions was claimed, the return was considered a return of a taxpayer 65 years or more of age.

Tax rate classes

This classification applied to the percentage rates used in computing income tax before credits based on the amount of taxable income. The class intervals coincide with the percentage rates of the three income tax rate schedules mentioned below.

Tax rate schedules

The three tax rate schedules designed for individual income tax apply to (1) joint returns and returns of surviving spouse, (2) separate returns of husbands and wives and returns of single persons not head of household or surviving spouse, and (3) returns of heads of household. These schedules are reproduced at the end of this report.

Type of taxpayer

Taxpayers made prepayments toward their tax liability through tax withheld from wages and payments on 1964 declarations of estimated tax. Any balance due was payable when the return was filed. Some taxpayers made no prepayments of tax (about one of every nine returns). In table 12, returns were separated into four categories according to the following combinations of prepayments of tax: (1) only tax withheld, (2) tax withheld and payments on declarations, (3) only payments on declarations, and (4) neither tax withheld nor payments on declarations. The first three combinations were shown for returns with an overpayment of tax, all combinations were shown for returns with tax due at time of filing, and all combinations were shown for returns with neither overpayment nor tax due.

EXPLANATION OF TERMS

Adjusted gross income

Adjusted gross income was gross income from all sources that are subject to income tax minus (1) ordi-

nary and necessary expenses of operating a trade or business, (2) expense deductions attributable to rents and royalties, (3) expenses of outside salesmen attributable to earning salary or other compensation, (4) expenses of travel, meals, and lodging while away from home overnight paid by an employee with respect to services rendered, (5) transportation cost related to the performance of services as an employee, (6) expenses for education required to maintain salary, status, or present employment, (7) expenses paid or incurred in connection with service as an employee under a reimbursed or other expense allowance arrangement with the employer, (8) exclusion of allowable sick pay if the sick pay was included in gross salary, (9) depreciation and depletion allowed life tenants and income beneficiaries of property held in trust, (10) deductible losses from sales of capital assets, and other property, (11) deduction equal to 50 percent of the excess of net long-term capital gain over net short-term capital loss, (12) net operating loss deduction, (13) contributions to a retirement fund by the self-employed, and (14) reasonable expenses incurred in moving from old residence to new residence at new place of employment.

Alternative computation of tax liability

An alternative computation of the tax was afforded taxpayers on the long-term capital gains portion of their income. This alternative computation limited the tax on net long-term capital gains in excess of any net short-term capital losses to 25 percent. The portion of the income deemed ordinary income was still taxed at the normal tax and surtax rates. Under the alternative computation, half the excess described above was included in taxable income and the tax before credits was half of the included portion of the excess plus an amount calculated by applying the normal tax and surtax rates to the balance of taxable income.

Providing there were some capital gains, the alternative computation of tax was advantageous if taxable income other than capital gains exceeded \$40,000 on joint returns and returns of surviving spouse, \$32,000 on returns of heads of household, or \$20,000 on separate returns of other persons. These were the points at which the marginal combined normal tax and surtax rates on the different rate schedules exceeded 50 percent.

Business or profession net profit or net loss

This source was reported by individuals who were sole proprietors of a business or members of a profession, and who did not elect to be taxed as a corporation. When there were two or more sole proprietorship businesses operated by the taxpayer, the single amount of profit or loss included in adjusted gross income represented the combined profits and losses from all business activities. The sole proprietor was required to exclude dividends from the business receipts and to report them with dividend income for the purpose of dividend exclusions and tax credit.

Business expenses deductible from business receipts included such items as cost of goods sold, salaries and wages paid employees, interest on business indebtedness, taxes on business and business property, bad debts arising from sales or services, depreciation, obsolescence, de-

pletion, casualty losses on business property, rent, repairs, supplies, advertising, selling expense, insurance, and other costs of operating 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 expenses.

Capital gain and loss

Net short-term gain or loss.--Gains and losses from sales or exchanges of capital assets held six months or less were considered to be short-term. Gains and losses from current year transactions were combined with (1) any capital loss carryover from the five preceding years, and (2) any net short-term gain or loss received from partnerships or fiduciaries to obtain the net short-term gain or loss.

Net long-term gain or loss.--Gains and losses from sales or exchanges of capital assets held more than six months were considered to be long-term. Gains and losses from current year transactions were combined with (1) any net long-term gain or loss received from partnerships or fiduciaries, and (2) any capital gain dividends received from regulated investment companies to obtain the net long-term gain or loss.

Capital loss carryover from 1959-1963.--This carryover was that portion of the net capital loss sustained in the 5-year period preceding 1964 which the taxpayer had been unable to offset against either his capital gains or the \$1,000 maximum deduction for net capital loss in computing adjusted gross income for tax years subsequent to the year in which the capital loss arose. The carryover was reported with and treated as a short-term capital loss in the current year. (See definition of "net loss from sales of capital assets" for the new treatment of capital losses carried over from 1964.)

Net loss from sales of capital assets before statutory limitation.--This was the entire loss reported on returns with a net capital loss (in adjusted gross income) resulting from the combination of net gains and losses, both short-term and long-term. The limitations applied to this amount are described in the definition of "net loss from sales of capital assets."

Net long-term capital gain in excess of net-short term capital loss.--This was the entire amount of net long-term gain in excess of any net short-term loss computed for each return having these conditions regardless of what tax computation was used. Only one-half of the excess was included in adjusted gross income. However, since the tax on this portion of the excess cannot exceed 50 percent, the maximum rate on the excess long-term gain is, in effect, 25 percent.

One-half excess net long-term gain.--Although this term represents that portion of the net long-term capital gain included in adjusted gross income, in these statistics it is used only to describe the capital gains portion of tax base on alternatives tax computation returns. In reality, this amount is taxed at 50 percent which results in the overall effective rate on long-term gains of 25 percent. (See examples 2 and 3 on page 67 of section 3.)

Net gain from sales of capital assets.--Such gain included in adjusted gross income was the amount of gain from sales or exchanges of property treated as capital assets. In computing this gain, the net short-term gain or loss was combined with the net long-term gain or loss

and the resultant gain if long-term was reduced 50 percent. The amount of net gain in adjusted gross income conforms to one of several conditions, namely, (a) 50 percent of the excess net long-term gain over net short-term loss occurring on certain returns, (b) on returns with only a net long-term gain, 50 percent thereof, (c) on returns with both net short- and long-term gain, the entire amount of net short-term gain combined with 50 percent of the net long-term gain, (d) on returns with only a net short-term gain, the entire net gain, and (e) the entire excess of net short-term gain over net long-term loss on other returns.

Net loss from sales of capital assets.--This source reported as a component of adjusted gross income was the deductible loss resulting from sales or exchanges of property treated as capital assets. To determine the deductible loss, the net short-term gain or loss was merged with the net long-term gain or loss, and the excess loss was allowed to the extent of the smallest of (1) amount of capital loss, (2) taxable income (adjusted gross income if tax table was used) computed without regard to capital gains and losses and the deduction for personal exemptions, or (3) \$1,000.

Prior to 1964, any part of the capital loss incurred in the taxable year which was not deductible because of the limitation could be carried forward for 5 succeeding years as a short-term capital loss to the extent that it was not absorbed by capital gains in the intervening years. Current year losses were offset against gains before the carryover became available. If the carryover was not eliminated in the 5-year period, the remaining loss could not be used.

The Revenue Act of 1964 provided two major changes in the law on capital losses. A capital loss incurred in tax year 1964 or later years could be carried over indefinitely until absorbed. The loss carryover is now treated as a long-term or short-term loss in the years to which carried, depending upon its nature in the year incurred.

Contributions

Contributions deductible from adjusted gross income were gifts to organizations created in the United States or its possessions, or under its laws, and operated for religious, charitable, scientific, literary, or educational purposes exclusively, or for the prevention of cruelty to children or animals, and gifts to veterans' organizations or to governmental agencies which use the gifts for public purposes. Individuals who were members of a partnership also included their pro rata share of contributions made by their partnerships.

Prior to 1964, the deduction for contributions generally could not exceed 20 percent of adjusted gross income; however an extra 10 percent was deductible if it consisted of contributions to churches, convention or association of churches, Salvation Army, tax-exempt educational institutions, tax-exempt hospitals, and certain organizations engaged in continuous medical research in conjunction with hospitals.

The Revenue Act of 1964 allowed a deduction for all contributions up to 30 percent of adjusted gross income with the general exception of contributions to private foundations which were still subject to the 20 percent limitation. The new law also provided that contributions

exceeding the 30 percent limitation (in the year paid) could be carried over to be deducted in subsequent years.

Credit on 1965 tax

This credit, requested on Forms 1040, was that part of the overpayment of 1964 tax which taxpayers specifically requested be credited to their estimated income tax for 1965.

Deficit (in adjusted gross income)

This deficit occurred when the deductions allowed for the computation of adjusted gross income, as stated above, exceeded the gross income.

Dividends in adjusted gross income

Dividends in adjusted gross income were distributions of cash, property, services, accommodations, etc., by a corporation from its earnings to individual taxpayers, excepting dividends not exceeding \$200 per return in other income on Forms 1040A. As a result of the Revenue Act of 1964, the maximum exclusion of qualifying dividends was increased to \$100 per taxpayer. On joint returns, if both husband and wife received qualifying dividends, each excluded up to \$100 against his respective dividend income. All dividends qualified for the exclusion unless they fell under Section 116(b) of the Internal Revenue Code of 1954.

Dividends did not include the so-called dividends on deposits or withdrawal accounts in mutual savings banks, cooperative banks, domestic building and loan or savings and loan associations, and credit unions. This type of income was considered interest for income tax purposes.

Employee business expenses

An employee was allowed a deduction in the computation of adjusted gross income for business expenses incurred in connection with his employment. Expenses which qualified included:

- (1) cost of travel, meals, and lodging while away from home in the performance of service as an employee,
- (2) any other expenses to the extent covered by a reimbursement or expense allowance arrangement with the employer,
- (3) business transportation costs, other than commuting, and
- (4) outside salesman's expenses of soliciting business for his employer.

If the employee accounted his deductible expenses to his employer, he was not required to report the reimbursement in income, except for any amount of reimbursement in excess of expenses. Likewise, he was not required to show the expenses on the tax return except those expenses in excess of the reimbursement.

Certain employee business expenses (listed in the definition of "Other deductions") were not deductible in the computation of adjusted gross income, but were deductible as an itemized deduction in the computation of taxable income.

Employee moving expenses

A provision of the Revenue Act of 1964 allowed an employee to deduct in the computation of adjusted gross income the reasonable expenses incurred in moving from his old residence to his new residence at his new place of employment. Expenses deductible included those for moving household goods and personal effects, and the cost of transportation, meals, and lodging of the taxpayer and members of his household en route to his new residence.

In order for a taxpayer to qualify for the deduction: (a) his new place of work had to be at least 20 miles further from his former residence than was his old principal place of work; and

(b) he must have been employed on a full-time basis for at least 39 weeks during the 12-month period immediately following his arrival in the general location of his new place of work. If at the time of filing he had not yet met this test, he could claim the deduction, but the amount of the deduction was reportable as income in the next tax year if he subsequently failed to qualify. Otherwise, he could claim the deduction on an amended return after actually meeting the test.

If the employer reimbursed moving expenses, any excess reimbursement must have been included in the taxpayer's gross income. If the reimbursement was less than the expense, the taxpayer deducted the difference. If the reimbursement equaled the expenses, neither item had to be reported.

Exemptions

In the computation of taxable income, exemptions were allowed for the taxpayers and their dependents, and additional exemptions were allowed for taxpayers who were 65 or over and for taxpayers who were blind.

A \$600 exemption was allowed for the taxpayer, the taxpayer's spouse, and for each child (including a step-child or an adopted child) who was under 19 years of age, or who was a student regardless of age, if the taxpayer furnished more than half the support. If the child was 19 or over and not a student, an exemption was allowed only if the child had less than \$600 gross income for the year and the taxpayer furnished more than half the support.

An exemption of \$600 was also allowed for any dependent who had less than \$600 gross income, and who received more than half his support from the taxpayer if the dependent was (1) a close relative as outlined in Section 152 of the Internal Revenue Code, or (2) any person who lived in the taxpayer's home for the entire year and who was a member of his household, whether or not related to the taxpayer.

An exception to the support test for a dependent provided that where the individual was supported by several persons, none of whom contributed more than half the support, 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 declared in writing that he would not claim the exemption for the year.

To qualify as a dependent, an individual must have been either a citizen or resident of the United States; a resident of Canada, Mexico, the Republic of Panama, or the

Canal Zone; or an alien child adopted by and living with a United States citizen abroad.

The birth or death of a dependent during the year did not affect the exemption for him, if the support and other tests were met for the part of the year during which the dependent lived.

Besides the "personal" exemption for the taxpayer and spouse, an additional \$600 exemption was allowed for each taxpayer or spouse who was age 65 or over, and each taxpayer or spouse who was blind. A taxpayer could file a separate return and claim the exemptions for the spouse (including those for age and blindness) only if the spouse had no gross income and was not a dependent of another taxpayer. Exemptions for age and blindness were not allowed for any dependents.

The total number of exemptions shown in this report includes a duplication of exemptions for certain individuals. These individuals were (1) dependents (of another individual) who had less than \$600 gross income, but filed a return to obtain a refund of tax withheld on wages, and (2) child dependents (under 19 or a student) who were required to file a return because their gross incomes were \$600 or more. This particular group of individuals is counted twice, as a dependent on another taxpayer's return, and as a taxpayer on their own return.

Farm net profit or net loss

This source was reported by individuals who were sole proprietors of a farm and who did not elect to be taxed as a corporation. When there were two or more sole proprietorship farms operated by the taxpayer, the single amount of profit or loss included in adjusted gross income represented the combined profits and losses from farm business activities.

Farm business receipts included sales of market livestock and produce raised and held primarily for sale and other farm income including such items as merchandise received for produce, machine work, breeding fees, wood and lumber, other forest products, patronage dividends, rebates or refunds, agricultural program payments and other farm items.

Farm business expenditures deductible from farm business receipts were the ordinary and necessary costs of operating a farm for profit. These included such items as labor hired, feed bought, seeds and plants bought, machine work hired, supplies bought, tying material, containers, insect and disease control, machinery expense, farm building and fence repairs, livestock expenses, fertilizer bought, veterinary, fuel, light, power, taxes, insurance, premiums, interest paid, rent, cash, hauling hired, auto and truck, and other.

Income tax after credits

Tax after credits was the income tax liability excluding the self-employment tax and was the criterion upon which taxable and nontaxable returns were classified. It was after the deduction for income tax credits, but prior to the year-end adjustments for tax withheld from wages and payments on declaration which determined the overpayment or tax due status.

Income tax before credits

In general, tax before credits was based on the taxable income and was computed at the prescribed rates. It was either (1) the regular combined normal tax and surtax including tax from the optional tax tables, (2) the tax computed under the alternative method, (3) the tax computed using the new income averaging provisions, or (4) tax computed by individuals affected by two sets of rates (those in effect prior to 1964, and those for 1964), before such amounts were reduced by tax credits. Tax before credits did not include the self-employment tax.

Interest paid

Interest paid was deductible for interest on personal debts, mortgages, bank loans, and installment purchases of real or personal property, but did not include that paid on money borrowed to buy tax-exempt securities or single premium life insurance and endowment contracts. Interest relating to business, royalties, and rentals was reported in their respective schedules.

Interest received

Interest received was the taxable portion of interest from bonds, debentures, notes, mortgages and personal loans, interest received or credited on bank deposits, savings accounts, and deposits in organizations listed above, as well as partially tax-exempt interest and interest from tax-free covenant bonds received directly or through partnerships and fiduciaries. Excluded were small amounts of interest (not more than \$200 per return) reported in other income on Form 1040A returns.

Medical and dental expense

This deduction was allowed from adjusted gross income with certain limitations. Expenditures considered for this deduction were the actual amounts paid during the tax year for health care of the taxpayer, his spouse, dependents, and any other person who could be claimed as a dependent except for the fact that he or she had \$600 or more of gross income or filed a joint return with his or her spouse. Such expenses included payments to physicians, surgeons, dentists, nurses, oculists, chiropractors, osteopaths, hospitals, premium paid on health and hospital insurance, cost of x-rays, laboratory fees, diagnoses, therapy treatment, psychiatric care, dentures, crutches, hearing aids, and the like. Any insurance received on account of medical expenses incurred reduced the cost which could be considered as medical expenses actually paid by the taxpayer.

With the exception of the special group of individuals mentioned below, amounts paid for drugs and medicines were included in medical expenses only to the extent that they exceeded 1 percent of adjusted gross income. The deduction allowed for medical expenses (including the excess drug expense) was the amount of such expenses in excess of 3 percent of adjusted gross income.

There were special rules for any taxpayer who was 65 years of age or over, for married couples who filed a joint return if either was 65 or over, and dependent

parents 65 or over. Prior to 1964, medical expenses for these individuals were not limited to the excess of 3 percent of adjusted gross income; however, the limitation on medicine and drugs was in effect. The Revenue Act of 1964 removed the 1 percent limitation for these individuals, so that all their expenses were deductible for 1964.

The maximum deduction allowed was \$5,000 multiplied by the number of exemptions other than those for age and blindness, but could not exceed \$20,000 for husband and wife filing a joint return, for head of household, or for surviving spouse, nor could it exceed \$10,000 for other single persons or for married persons filing separate returns.

If the taxpayer was 65 years of age or over and disabled and was head of household, surviving spouse, or other single person, or married but filing a separate return, a maximum deduction not in excess of \$20,000 was allowed. On joint returns, if only one spouse was 65 years or over and disabled, the maximum was still \$20,000. If both were 65 or over and both disabled, the maximum allowed was \$40,000, but not more than \$20,000 medical expense for each could be taken.

Net gain or loss from sales of property other than capital assets

The amount of this source in adjusted gross income resulted from sales or exchanges of property which was either not a capital asset or was not treated as a capital asset. It includes net loss from section 1231 property. Each taxpayer included his share of such gain or loss received through partnerships and fiduciaries. Net gain from these transactions was included in its entirety and the net loss was fully deducted in computing adjusted gross income. Losses on sales or exchanges of small business investment company stock were ordinary losses rather than capital losses. Also, losses on small business stock were ordinary losses to the original holders; however, this ordinary loss is limited to \$25,000 on separate returns and to \$50,000 on joint returns.

Net income or loss from rents

This source, although reported in a schedule that included royalty income, was separated from the latter in order that each source might be shown independently. Rent income (or loss) constituted a part of adjusted gross income to the extent that the gross rents received exceeded the deductions for depreciation, repairs, maintenance, interest, taxes, commissions, advertising, fuel, insurance, janitor service, and other allowable expenses related to the rented property. Income from rents when combined with income from royalties will not be equivalent to the rents and royalties income published prior to 1960 due to the different procedure for arriving at a net figure.

Net income or loss from royalties

This income or loss was separated from the rent income so that the net income from royalties reported in adjusted gross income would be known. Gross royalties included revenues from oil, gas, and other mineral

rights, revenue from patents, copyrights, on literary works, trademarks, formulae, and so on. Deductions against gross royalties were made for depletion, depreciation, office rent, legal fees, clerical help, interest, taxes, and similar items. As stated above, income from royalties when combined with income from rents will not be comparable with income from rents and royalties for years prior to 1960.

Normal tax and surtax

The income tax imposed upon the taxable income of individuals by the Internal Revenue Code of 1954, as amended by the Revenue Act of 1964 is divided into two sections. The first section is a normal tax of 3 percent of taxable income. All taxpayers with taxable income pay the first part of their tax liability at this rate. The second section of the income tax is the surtax which is levied on a scale graduated in relation to size of taxable income. To facilitate computation, the normal tax and surtax rates are combined in the tax tables furnished the public.

Ordinary gain from sales of depreciable property

Included here was that portion of gain not treated as capital gain from sales of depreciable property specified in Sections 1245 and 1250 of the Internal Revenue Code. The first section provides that gain from sales of certain depreciable property (which prior to 1962 was all treated as capital gain) was taxable as ordinary income to the extent of depreciation deducted after 1961. The property covered included depreciable property (other than livestock) which was either personal property or other tangible property (not including a building or its structural components) used as an integral part of (a) manufacturing, (b) production, (c) extraction, or (d) the furnishing of transportation, communications, electrical energy, gas, water, or sewage disposal services. Such other tangible property also included research facilities used in connection with the activities in (a) - (d) above. For 1964, elevators and escalators were added to section 1245 property.

The second section, applicable to taxable years beginning in 1964, covered intangible real property (such as a leasehold of land) and such tangible property as buildings and their structural components. The amount of gain treated as ordinary income was an applicable percentage of the lower of (a) the gain realized, or (b) the excess of depreciation deductions claimed after 1963 over what would have been taken under the straight line method. The applicable percentage was 100 percent minus one percentage point for each full month the property was held over 20 full months. Thus, the applicable percentage, and consequently the amount taxable as ordinary income, decreased the longer the property was held and was nonexistent after ten years. However, if the property was held one year or less, the entire depreciation (not the excess over straight-line) was treated as ordinary income.

Other deductions

Included here were all other nonbusiness deductions allowed against adjusted gross income not elsewhere

reported. These included the limited deduction for cost of child care in the case of employed women and widowers; loss from theft; casualty losses resulting from fire, storm, or other physical forces; and uninsured casualty and theft losses of business property and capital assets held for production of income for more than 6 months. Other items were alimony paid; expenses incurred in the collection of income or for the management, conservative, or maintenance of property held for the production of income subject to tax; taxpayer's share of interest and taxes paid by a cooperative apartment corporation; gambling losses not in excess of winnings reported in income; amortization of bond premium; expenses connected with taxpayer's employment, for example, dues to unions or professional societies, cost of tools and supplies for the job, and fees to employment agencies; allowable expenses of taxpayer in connection with his employer's business; and unreimbursed expense of education undertaken to maintain or improve skills required to perform duties of present employment status.

Other gain from sales of depreciable property

The excess gain, not treated as ordinary gain, from sales of property specified in Section 1245 or 1250 of the Internal Revenue Code. This gain was included with section 1231 gain and loss. If the net result was a gain, all such gains and losses were treated as capital gains and losses. If the net result was a loss, all gains and losses were treated as gains and losses from sales of property other than capital assets. See definition of Ordinary gain from sales of depreciable property.

Other sources of income

Included here were such items as alimony received, prizes, awards, sweepstakes winnings, gambling profits, recovery of bad debts and taxes deducted in a prior year, insurance received as reimbursement for medical expenses taken in a previous year, the taxpayer's share of distributed or undistributed current year taxable income (exclusive of long-term capital gain) received from a small business corporation which elected not to be taxed as a corporation, net operating loss deduction where that item is not shown separately, net income or loss from estates and trusts and any other income subject to tax for which no entry was provided on the return form. Also included is a total of \$188,021,000 consisting of interest, and dividends in adjusted gross income (not exceeding \$200 per return) reported on 2,822,000 returns, Form 1040A.

Other tax credits

Included in "Other tax credits" for this year was the dividends received credit. The Revenue Act of 1964 provided for a decrease in, and the ultimate elimination (1965) of this tax credit. The credit was 2 percent of qualifying dividends in adjusted gross income with certain limitations. Prior to 1964, the credit had been 4 percent.

Two additional tax credits against income tax were those for partially tax-exempt interest and for tax paid at source on interest from tax-free covenant bonds, but allowed only if nonbusiness deductions were itemized. The remaining credit included here was the "throwback

tax credit" allowed the recipient of an accumulation distribution from a complex trust, whether claimed on a standard or itemized deduction return.

The partially tax-exempt interest credit, allowed for interest on certain securities of the United States, was 3 percent of the amount of partially exempt interest included in adjusted gross income, reduced by the itemized deduction for amortization of bond premium on the bonds. However, the credit could not exceed the smaller of (1) 3 percent of the taxable income, or (2) income tax reduced by credits for foreign tax paid and for dividends received.

Tax credit was allowed for tax withheld at source on tax-free covenant bond interest. The issuing corporation withheld as tax 2 percent of the total interest earned. The taxpayer also included his share of this tax credit allotted to him through partnerships and fiduciaries.

The throwback tax credit was the recipient's pro rata share of taxes paid by a complex trust in preceding tax years which would not have been payable by the trust had the trust in fact made distributions of income currently to the beneficiaries. Income tax paid on accumulation distributions deemed distributed in prior years was not refunded to the trust but was allowed as a credit against the income tax liability of the recipients. Credit in excess of the total tax was treated as an overpayment and as such was refundable.

Overpayment

An overpayment of tax occurred when the sum of the tax withheld and payments on declaration exceeded the combined income tax after credits and the self-employment tax. Overpayment on Form 1040A gave rise to a refund. On Forms 1040, overpayment could be elected as a refund, or as a credit on the subsequent year's estimated tax, or could be requested as part refund and part credit on the estimated tax.

Partnership net profit or net loss

Partnership net profit or loss was reported by persons who were members of a partnership, syndicate, joint venture, or association that did not elect to be taxed as a corporation. The taxpayer's profit or loss from such a partnership was his share of the ordinary income or loss of the enterprise together with payments made to him as salary or for the use of capital. If the individual was a member of more than one partnership, the single amount of partnership profit or loss reported in adjusted gross income was the combination of all his shares, whether actually received or not. The ordinary income of the partnership did not include dividends qualifying for the exclusion, net short- and long-term capital gain or loss, interest on tax-free covenant bonds, and partially tax-exempt interest. The partner's share of each of these items was reported by him in its respective source.

Payments on 1964 declaration of estimated income tax

Such payments were reported on returns, Form 1040. The payments, received with the 1964 Declaration of Estimated Income Tax, Form 1040ES, also included any credit which was applied against the estimated tax by reason of an overpayment of the 1963 tax liability.

Pensions and annuities

Pensions and annuities were the taxable portion of amounts received during the year. The full amount of a pension or annuity received by a retired employee who contributed nothing toward the cost was taxable. If the annuitant contributed to the cost, methods were provided for computing the taxable amount to be reported. The method used depended upon the type of pension or annuity but, in general, an exclusion of a portion of the receipts was provided as recovery of cost.

Refund

A refund of tax included the portion of overpayment requested as refund by taxpayers filing Forms 1040, and all overpayments on Form 1040A. The refund could be requested in cash or United States Savings Bonds, Series E (with any excess over the bond price being refunded in cash). When bonds and cash were both checked on the return, the refund was made entirely in cash. The refund had to be at least \$18.75 before the bond election could be made.

Salaries and wages (gross)

Gross salaries and wages were amounts of compensation for personal services reported in adjusted gross income. In addition to actual salaries and wages, this source is comprised of commissions, bonuses, tips, fees, excess reimbursement over employee business expenses, and the value of nonmonetary payments for services, e.g., merchandise, accommodations, property, etc. Excluded from this source were tax exempt portions of salaries earned abroad.

In earlier editions of this report salaries and wages are net of excludable sick pay and certain expenses connected with employment that were deductible from total salaries and wages in computing adjusted gross income. In addition, salaries and wages not in excess of \$200 and not subject to withholding, reported by taxpayers filing a Form 1040A, were included in Other sources of income.

Self-employment pension deduction

Beginning in 1963, self-employed individuals could contribute to a qualified retirement plan in much the same manner as a corporate employee and could deduct such contributions when computing adjusted gross income.

In general, all self-employed individuals currently subject to the self-employment tax were eligible for this deduction. For purpose of the deduction, self-employed individuals were further distinguished by the law as being employees or owner-employees, the latter being a sole proprietor of an unincorporated trade or business, or a partner who owns more than 10 percent of either the capital interest or the profits interest in the partnership.

The amount of the allowable deduction was measured by earned income. An owner-employee might contribute annually to a pension plan 10 percent of his earned income, or \$2,500, whichever was the lesser. The deduction itself was limited to 50 percent of the contribution but could not exceed \$1,250. Self-employed individuals other than owner-employees were not bound by the \$2,500 limit on contributions, but they were subject to the same limitations regarding the amount of the deduction.

One further limitation was imposed on owner-employees. If they wished to participate in a retirement plan, all employees (excluding part-time and seasonal) with 3 or more years of service must also have been included in the plan.

Self-employment tax

This tax was reported by each individual who had self-employment income of at least \$400 derived from solely owned trade or business and from his share of partnership profits even though these enterprises elected to be taxed as corporations. Citizens employed by foreign governments or international organizations were subjected to self-employment tax on salaries for 1960 and subsequent years. Certain types of income and deductions were not allowed in computing self-employment earnings, such as investment income, capital gain or loss, net operating loss deduction, and casualty losses. The maximum amount subject to social security self-employment tax for 1964 was \$4,800 although this maximum amount was reduced by the amount of wages received on which the social security employee tax had been withheld by an employer. The maximum tax payable was \$259.20. No exemption was allowed against the self-employment income subject to tax and no tax credits applied to this tax. The self-employment tax rate for 1964 was 5.4 percent. This tax was paid regardless of the taxpayer's age and even though Social Security benefits were received by the taxpayer.

Sick pay exclusion

An employee was allowed to exclude from income amounts received under an employer provided wage continuation plan for periods of absence due to injury or sickness. Prior to 1964, the exclusion could not exceed \$100 a week, and if the absence was due to sickness, the exclusion was available only after seven consecutive calendar days of absence (unless the employee was hospitalized for one day during that absence). In the case of personal injury, there was no 7-day waiting period.

The Revenue Act of 1964 tightened the limitations on the amount of sick pay excludable. If an employee received over 75 percent of his weekly rate of wages for absence due to injury or sickness, there was a 30-calendar day waiting period before the exclusion was available. The amount to be excluded thereafter was limited to a rate not to exceed \$100. However, if the employee received 75 percent or less of his weekly rate of wages, the waiting period was only 7 calendar days, but the exclusion for the first 30 consecutive calendar days of absence was limited to a rate not to exceed \$75 a week. After 30 days the weekly rate of exclusion was increased to an amount not to exceed \$100 a week. There was no exclusion for the waiting period regardless of whether the employee was sick or injured, unless he was hospitalized for at least one day during the period of absence.

Standard deduction

A taxpayer was allowed a standard deduction in lieu of itemizing his deductible personal expenses. The taxpayer elected the larger of the regular 10 percent standard deduction or the minimum standard deduction (new for

1964). The "regular" method was 10 percent of adjusted gross income, and the minimum standard deduction was \$200 (\$100 for married filing separately) plus \$100 for each allowable exemption. In neither case could the deduction exceed \$1,000 (\$500 for married filing separately).

Taxpayers who selected the so-called "optional tax table" did not report an amount of standard deduction, as the deduction was already built into those tables. For statistical purposes, a standard deduction was computed for those taxpayers using the larger of the two methods explained above.

Taxable income

This measure was adjusted gross income minus deductions, standard or itemized, and personal exemptions; however, the amount shown in this report is only the positive amount upon which the income tax before credits was computed. Whenever taxable income was a negative amount (producing no tax), it was disregarded. This occurred on some, but not all, nontaxable returns.

Taxable income was reported on itemized deductions returns, and on standard deduction returns with \$5,000 or more adjusted gross income, and transcribed if it was a positive amount. Taxable income was mechanically computed for each return which did not show this item, but disregarded if found to be a negative amount. Returns which did not show taxable income were (1) those Form 1040 and 1040A returns with adjusted gross income under \$5,000 on which the tax table was used, and (2) those Form 1040A returns with adjusted gross income of \$5,000 under \$10,000 on which the tax was computed by the taxpayer using the standard deduction and regular tax rates in a tax computation schedule that he retained. The taxable income was not required to be transferred to the card-form itself.

Taxable income for taxpayers who used the tax table was computed by (1) using the midpoint of the income bracket of the tax table into which the taxpayer's adjusted gross income fell as the amount of adjusted gross income, (2) providing a 10 percent standard deduction based on the midpoint, and (3) allowing \$600 for each exemption claimed. This formula produced the amount of taxable income upon which the taxpayer's tax was based by way of the tax table.

Taxable income for taxpayers using Form 1040A with adjusted gross income of \$5,000 under \$10,000 was computed by (1) using the total income reported, (2) deducting 10 percent of the total income as standard deduction but limited to \$1,000 or \$500 in the case of a separate return of husband or wife, and (3) allowing \$600 for each exemption. This formula provided the amount of taxable income used by the taxpayer in his retained tax computation schedule.

Tax credit for foreign tax paid

Tax credit for foreign tax paid was permitted against the income tax only if nonbusiness deductions were itemized and the foreign tax was excluded from those deductions. The credit related to the income and profits taxes paid to foreign countries or possessions of the United States and included the taxpayer's share of such taxes paid through partnerships and fiduciaries. This tax credit was limited to the same proportion of the income tax

before credits as the taxable income from foreign sources bore to the entire taxable income, but could not exceed the amount of foreign tax paid.

Tax credit for investment in certain depreciable property

The investment credit was 7 percent of a taxpayer's qualified investment in new and used tangible personal property and certain other tangible property which had a useful life of over 8 years. The cost or basis was reduced by (1) one third if the useful life was at least 6 years but less than 8 years, or (2) two thirds if the useful life was at least 4 years but less than 6 years. The cost or basis was reduced 4/7 if the investment was in public utility property. If the tax liability exceeded \$25,000 the tax credit was limited to \$25,000 plus 25 percent of the tax liability over that amount. Tax liability, for this purpose was reduced by (1) the foreign tax credit, (2) the credit for partially tax-exempt interest, (3) the retirement income credit before figuring the limitations on the investment credit and (4) the dividends received credit.

Tax credit for retirement income

A credit for retirement income was allowed an individual if he received earned income of more than \$600 in each of any 10 calendar years prior to the tax year for which the credit was computed. Prior to 1964, the credit was 20 percent applied to the lesser of (1) retirement income received during the year, or (2) \$1,524 reduced by amounts of social security, railroad retirement, or other tax-exempt pensions. Amounts of earned income also reduced the \$1,524 limitation on the base of the credit. This latter reduction depended on the amount of earned income and the age of the taxpayer.

The Revenue Act of 1964 introduced changes to the maximum amount of the credit and its computation. The percentage to be used in the computation of the credit was reduced to 17 percent (in line with the overall tax rate reduction). If husband and wife filed a joint return and both were 65 or over, they could elect an alternative credit computation which provided a \$2,286 limitation on the base of the credit.

The credit, however computed, could not exceed the income tax reduced by (1) the credit for tax withheld at source on tax-free covenant bonds, (2) the foreign tax credit, (3) the dividends received tax credit, and (4) the credit for partially tax-exempt interest.

Tax due at time of filing

This amount was reported on returns where the tax withheld and the payments on declaration (together with other items reported with them) plus the income tax credits were insufficient to cover the total of both the income tax before credits and the self-employment tax. The balance of tax due was paid when the return was filed.

Taxes

Taxes allowed as a deduction from adjusted income included personal property taxes, State income taxes, certain State and local retail sales taxes, State gasoline

taxes, taxes paid to foreign countries or possessions 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 schedules for business, rents, and royalties.

For 1964, State and local taxes on motor license plates, driver's licenses, cigarettes, tobacco and alcoholic beverages were not deductible.

Tax from recomputed prior year investment credit

The investment credit provisions of the tax law included a so-called "recapture rule" which required taxpayers to pay back all or a portion of any credit taken on property disposed of before the end of its useful life. The law specified that if property qualifying for the credit was disposed of before the end of its estimated useful life, the tax for the year of disposal was increased by the difference between the credit originally allowed and the credit that would have been allowed if the computation had been based on a shorter useful life.

Tax rates

The reduction in income tax rates for 1964 was one of the important changes made by the Revenue Act of 1964. The new rates ranged from 16 percent on the first \$500 of taxable income to 77 percent on taxable income in excess of \$200,000 for individuals other than heads of household (in which case the 16 percent rate applied to the first \$1,000).

Prior to 1964, the first bracket rate was 20 percent which was applied to (1) the initial \$2,000 taxable income

for single persons and heads of household, and (2) the initial \$4,000 for joint and surviving spouse taxpayers. The 1964 Act divided the old first bracket of \$2,000 taxable income into four rate brackets of \$500 each for single taxpayers, and into two rate brackets of \$1,000 each for heads of household. On joint returns and returns of surviving spouse, the old first bracket of \$4,000 taxable income was split into four rate brackets of \$1,000 each.

Taxpayers with income under \$5,000 and who elected the standard deduction used an optional tax table to determine their tax. The 1964 Act replaced the old single optional tax table with five separate tax tables. The taxpayer selected the table which applied to his marital status (for tax purposes) and which gave him the lowest tax based on either the regular 10 percent or minimum standard deduction.

Tax withheld

The tax withheld included the income tax withheld from salaries and wages by employers, the income tax paid by regulated investment companies on undistributed capital gain, and the excess withholding of social security employee tax. These items were considered to be tax payments. The amount of income tax withheld by employers from wages subject to income tax withholding was withheld as prescribed in withholding tables or by the exact computation method and could have been increased by agreement between employer and employee. The basic withholding rate was 14 percent for most of the tax year 1964. Income tax on capital gain retained by regulated investment companies was paid by the company and the taxpayer allotted his pro rata share of the tax paid.

Sources of Data, Description of the Sample and Limitations of the Data

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SOURCES OF DATA

Individual income tax data were estimated from a sample of unaudited tax returns, Forms 1040 and 1040A, filed by citizens and residents during the calendar year 1965 in the district offices of the Internal Revenue Service, and with the Director of International Operations in the National Office. The sample was designed to represent all returns for the income year 1964 regardless of when filed. Most of the returns were filed by taxpayers with calendar-year accounting periods, but a small number did have noncalendar-year accounting periods.

Table T shows selected income and tax data for non-calendar year returns (Forms 1040 with taxable years beginning on or before December 31, 1963, and ending on or after January 1, 1964). The 43,000 noncalendar

Table T.—NONCALENDAR YEAR RETURNS (FORMS 1040 WITH TAXABLE YEARS BEGINNING ON OR BEFORE DECEMBER 31, 1963 AND ENDING ON OR AFTER JANUARY 1, 1964)—SELECTED SOURCES OF INCOME AND LOSS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Source of income									
	Partnership					Taxable income				
	Net profit		Net loss			Net profit		Net loss		
Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Grand total.....	43,112	161,714	18,332	1,7095	6,960	11,927	64,707	43,581	3,974	15,668
Taxable returns, total.....	47,224	473,654	3,362	117,736	1,412	11,777	39,235	1,262	7,938	
Under \$1,000.....	7,773	6,821	3,364	6,775	1,412	11,777	4,218	1,262	7,938	
\$1,000 under \$15,000.....	9,777	48,271	1,628	15,313	1,412	3,364	31,777	1,262	4,973	
\$15,000 under \$50,000.....	3,890	48,706	1,688	19,747	(3)	(3)	43,333	(3)	(3)	
\$50,000 under \$100,000.....	6,821	49,306	1,364	29,333	(3)	(3)	43,333	1,262	3,411	
\$100,000 under \$500,000.....	1,076	10,381	36	1,111	1	1,412	1,262	1	1,076	
\$500,000 under \$1,000,000.....	186	48,677	66	4,982	3	1,412	11	1,262	1,677	
\$1,000,000 or more.....	11	6,621	1	1	1	1	1	1	1,186	
Non-taxable returns, total.....	15,734	1,81,734	7,964	7,410	168	11,938	6,495	6,128	1,734	
Returns under \$1,000.....	1,412	1,412	1	1,412	1,412	6,551	7,412	1,412	7,412	
Returns \$1,000 under \$15,000.....	8,621	48,271	1,364	15,313	168	3,364	31,777	1,262	7,938	
Returns \$15,000 or more.....	1,412	48,706	1,364	19,747	1	1,412	1,262	1,262	857	

Adjusted gross income classes	Partnership		Taxable income		Income tax before credits		Income tax after credits		Self-employment tax	
	Net profit		Net loss		Number of returns		Number of returns		Amount (Thousands of dollars)	
	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Grand total.....	7,773	11,927	77	1,7095	2,969	37,147	113,581	119,588	0,547	3,413
Taxable returns, total.....	1,412	11,927	77	1,7095	2,969	37,147	113,581	119,588	16,466	3,300
Under \$1,000.....	1,412	11,927	77	1,7095	2,969	37,147	113,581	119,588	1,412	408
\$1,000 under \$15,000.....	1,412	11,927	77	1,7095	2,969	37,147	113,581	119,588	1,412	783
\$15,000 under \$50,000.....	271	6,364	36	1,111	1,412	31,777	59,235	59,235	1,262	573
\$50,000 under \$100,000.....	6,821	48,706	36	1,111	1,412	31,777	59,235	59,235	1,262	487
\$100,000 under \$500,000.....	1,412	10,381	66	770	1,412	61,777	43,333	43,333	1,262	118
\$500,000 under \$1,000,000.....	4	4,982	37	61	11	38,000	18,262	18,262	1	18
\$1,000,000 or more.....	4	1,111	1	1	11	38,000	18,262	18,262	1	18
Non-taxable returns, total.....	1,734	16,984	216	1,554	1,734	1,734	1,734	-	6,978	704
Returns under \$1,000.....	1,111	6,551	216	1,554	6,973	1,412	1,412	1,412	6,909	96
Returns \$1,000 under \$15,000.....	3,413	48,271	66	1,111	1,412	31,777	59,235	59,235	1,262	533
Returns \$15,000 or more.....	6,821	48,706	41	1,111	1,412	38,000	18,262	18,262	6,978	1,412

See text for description of the sample and limitations of the data and "Explanation of Abbreviations and Terms."

¹Adjusted gross income less deficit.

²Includes returns with no adjusted gross income.

³Minute in not shown separately because of high sampling variability. However, the data are included in the appropriate "Total."

⁴Less than \$500.

⁵Note: Detail may not add to total because of rounding.

year returns showed \$517 million of adjusted gross income. Taxable income amounting to \$377 million was reported on 29,000 returns. Over half the returns, 23,000, had sole proprietorship (nonfarm) net profit or loss. About 12,500 returns showed farm net profit or loss, and there were 8,000 returns with partnership net profit or loss.

Since new tax rates were in effect for 1964, a taxpayer having a taxable year beginning in 1963 and ending in 1964 had to prorate his tax to encompass the change in rates. The taxpayer computed his tax under both the old law and the new law. He then prorated the two tax figures on the basis of the number of days for which he was taxable in 1963 and 1964, respectively. The final tax was the sum of the prorated amounts.

Noncalendar year taxpayers reported tax liability of \$117 million, 95 percent of which was attributable to returns with income of \$10,000 or more.

Tentative returns were excluded from the sample. Returns with no information regarding income and tax were included in the sample for purposes of obtaining a count of returns filed, but were excluded from the tables. Amended returns were included in the sample only if the original could be located and excluded.

An individual income tax return was required of (1) every citizen, resident alien, and bona fide resident of Puerto Rico under 65 years of age (including minors) who had \$600 or more of gross income for the year, (2) every citizen or resident 65 years or over who had \$1,200 or more gross income for the year, and (3) every person regardless of age or gross income who had self-employment income of \$400 or more during the tax year. Gross income, for purposes of filing, included income earned from sources outside the United States, even though the income was exempt from tax. However, in the case of individuals who were residents of Puerto Rico, gross income, for purposes of filing, did not include income derived from sources within Puerto Rico except amounts received for services performed as an employee of the United States.

Individuals who had tax withheld from wages, but whose income was less than that required for filing, usually filed to obtain a refund of tax withheld, although they were not otherwise required to file.

Taxpayers had a choice of two return forms for reporting their income for 1964. Form 1040A, the card-form, was available to individuals who had less than \$10,000 adjusted gross income consisting of wages reported on withholding statements (Form W-2) and not more than \$200 of dividends, interest, and wages not subject to income tax withholding.

The Form 1040 was a two-page form with supplementary schedules. If an individual's income was entirely from salaries and wages he needed only to file the principal two-page form. If, in addition to salaries and wages, an individual had only interest income, he could also file the two-page form with an attachment listing the sources of his interest income. Individuals who had income from sources other than salaries and wages and interest were required to report that income on supplementary schedules.

Table U presents a comparison of the number of returns for the current year with those for 1963 by form of return filed, size of adjusted gross income, and type of

Table U. NUMBER OF RETURNS BY FORM OF RETURN: 1963 AND 1964

Form of return, type of deduction and income group	(TAXABLE) AND COMPARABLE RETURNS		
	1963	1964	Change, 1963 to 1964
	(1)	(2)	(3)
Grand total	63,943,236	85,375,601	1,632,365
With standard deduction.....	30,327,422	39,032,991	2,676,221
With itemized deduction.....	28,113,922	26,909,111	-1,244,231
With no deduction (gross income).....	5,501,892	9,432,511	3,930,619
Standard deduction returns on which tax table was used (included above).....	24,913,579	25,956,107	1,042,628
Form 1040A			
Total.....	17,165,201	17,686,199	120,998
With standard deduction, total.....	17,965,621	17,686,199	-120,998
Adjusted gross income under \$5,000.....	14,641,426	14,734,192	146,786
Adjusted gross income \$5,000 - \$9,999.....	2,946,797	2,927,003	-19,794
Form 1040			
Total.....	46,378,035	67,689,402	1,311,371
Adjusted gross income under \$5,000.....	19,159,117	18,234,740	-924,375
Adjusted gross income \$5,000 under \$10,000.....	19,110,018	19,869,020	879,009
Adjusted gross income \$10,000 or more.....	8,111,900	14,679,609	1,357,107
With standard deduction, total.....	17,792,221	20,347,499	2,555,277
Adjusted gross income under \$5,000.....	10,290,133	11,179,311	906,162
Adjusted gross income \$5,000 under \$10,000.....	7,693,685	9,915,412	1,221,727
Adjusted gross income \$10,000 or more.....	1,808,393	2,234,776	431,388
With itemized deduction, total.....	28,153,922	26,909,591	-1,244,231
Adjusted gross income under \$5,000.....	8,436,370	9,605,108	1,167,262
Adjusted gross income \$5,000 under \$10,000.....	13,507,313	13,664,648	157,335
Adjusted gross income \$10,000 or more.....	6,210,239	7,239,838	929,599
With no deduction (gross income).....	5,501,892	9,432,511	3,930,619

See foot note "Description of the Sample and Limitations of the Data" and "Explanation of Classifications and Terms."

*Returns with adjusted gross income under \$5,000 may contain the standard deduction only by using the table.

NOTE: Detail may not add to total because of rounding.

deduction reported. Forms 1040 for 1964 numbered 47.7 million, an increase of 1.3 million returns over 1963. Forms 1040A numbered 17.7 million, an increase of 121 thousand returns over 1963.

The standard deduction was elected on 38.0 million returns, Forms 1040 and 1040A. Individuals who had income under \$5,000 and desired the standard deduction were required to use the optional tax table to obtain the deduction and compute their tax. There were 26 million returns of taxpayers using the optional tax table for 1964, one million more than for 1963.

DESCRIPTIONS OF THE SAMPLE AND LIMITATIONS OF THE DATA

The data presented for individual income tax returns for 1964 are estimates based on a stratified systematic sample of all Forms 1040 and 1040A filed in the succeeding year. The total sample consisted of 473,445 returns, about 0.72 percent of the total number filed for the year.

Sample Selection

Returns were grouped by type of return, presence or absence of business income, size class of adjusted gross income, taxpayment status, and by the 58 district offices and the Office of International Operations in Washington, D. C. The grouping procedures were employed to facilitate the processing of returns for revenue collection and audit purposes.

For sample purposes, the groups were combined in sample strata, primarily on the basis of adjusted gross income which correlates well with the principal income and tax characteristics being estimated.

Table V.—NUMBER OF INDIVIDUAL INCOME TAX RETURNS FILED, NUMBER IN SAMPLE, AND THE PRESCRIBED RATE BY SAMPLING STRATUM, 1964

Sampling stratum	Number of returns		Prescribed rate
	Total	Sample	
	(1)	(2)	(3)
Total all returns	46,729,741	2,722,247	5.83
Form 1040	31,272,378	2,122,277	6.79
Form 1040A, adjusted gross income—			
Under \$10,000	1,900,000	600,000	31.6
\$10,000 under \$20,000	1,200,000	300,000	25.0
\$20,000 under \$30,000	1,200,000	300,000	25.0
\$30,000 under \$40,000	1,200,000	300,000	25.0
\$40,000 under \$50,000	1,200,000	300,000	25.0
\$50,000 under \$100,000	1,200,000	300,000	25.0
\$100,000 and over	1,200,000	300,000	25.0
Form 1040A, adjusted gross income—			
Under \$10,000	1,900,000	600,000	31.6
\$10,000 under \$20,000	1,200,000	300,000	25.0
\$20,000 under \$30,000	1,200,000	300,000	25.0
\$30,000 under \$40,000	1,200,000	300,000	25.0
\$40,000 under \$50,000	1,200,000	300,000	25.0
\$50,000 under \$100,000	1,200,000	300,000	25.0
\$100,000 and over	1,200,000	300,000	25.0
Other forms	1,257,363	99,970	7.95
Adjusted gross income—			
Under \$10,000	1,900,000	600,000	31.6
\$10,000 under \$20,000	1,200,000	300,000	25.0
\$20,000 under \$30,000	1,200,000	300,000	25.0
\$30,000 under \$40,000	1,200,000	300,000	25.0
\$40,000 under \$50,000	1,200,000	300,000	25.0
\$50,000 under \$100,000	1,200,000	300,000	25.0
\$100,000 and over	1,200,000	300,000	25.0

The sample was obtained by withdrawing returns from each stratum in accordance with the sampling rate for that stratum using a selection form designed especially for that stratum. The selection form used the document number of the return as a basis for selection.

Table V shows the number of returns filed, the number of returns in the sample, and the prescribed sampling rate by sampling strata.

Method of Estimation

Estimates for all returns filed were determined by multiplying the sample data by "weighting factors" obtained by dividing the number of sample returns received from each sampling stratum into the total number of returns filed in that stratum. For instance, the "weighting factor" of 500.77 for Form 1040A returns was obtained by dividing the total number of returns filed, 17,765,816, by the number of returns in the sample, 35,477. The primary sources of data on total number of returns were counts made and submitted by the district offices and the Office of International Operations showing the number of Form 1040 and 1040A returns filed during the calendar year 1965.

A comparison of the estimated number of returns shown in the national tables of this report with the number of returns reported filed in the district offices, as shown in table S, will disclose slight differences. These differences occur for the following reasons: (1) an estimated 410,000 returns were excluded from the tables because they showed no income information, (2) returns were classified in the proper adjusted gross income size class regardless of the sampling strata to which they were assigned in the field offices, and (3) weights were rounded.

One set of weighting factors was used for national tabulations, and separate sets, one for each Internal Revenue district, were used for State tabulations. The achieved sampling rates varied sufficiently among districts to warrant using district weights for State tables. As a result, the totals for "United States" in the State tables show slight difference from the corresponding totals, based on national weights, shown in other tables of this report.

Table W.—RELATIVE SAMPLING VARIABILITY AT THE ONE STANDARD DEVIATION LEVEL FOR SELECTED ITEMS, BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income class	Net income		Deductions		Capital assets	
	Amount	Relative sampling variation	Amount	Relative sampling variation	Amount	Relative sampling variation
	(Thousand dollars)	(Percent)	(Thousand dollars)	(Percent)	(Thousand dollars)	(Percent)
Under \$10,000	11	3	3	3	11	10
\$10,000 under \$20,000	1,132	3.33	1,179	2.63	1,177	11.13
\$20,000 under \$30,000	1,132	3.36	1,127	2.62	1,132	3.62
\$30,000 under \$40,000	1,132	3.34	1,132	2.62	1,132	3.34
\$40,000 under \$50,000	1,132	3.34	1,132	2.62	1,132	3.34
\$50,000 under \$100,000	1,132	3.34	1,132	2.62	1,132	3.34
\$100,000 and over	1,132	3.34	1,132	2.62	1,132	3.34

Sampling Variability

The data from returns showing adjusted gross income of \$100,000 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 showing adjusted gross income under \$100,000 are subject to sampling variability. Table W shows, for selected amount estimates, the range in percent which would not be exceeded in 2 out of 3 estimates based on similar sampling systems.

Table X shows, for frequency estimated in general, a conservative range in percent that would not be exceeded in 2 out of 3 estimates, prepared from similarly selected samples. Sampling variability patterns are presented separately for three adjusted gross income classes. For instance, if data from returns showing adjusted gross income under \$10,000 reveal 100,000 returns having a certain characteristic, then the relative sampling variability will be less than 7 percent. As another example, if data from returns showing adjusted gross income of \$10,000 under \$50,000 reveal 100,000 returns having a certain characteristic, then the relative sampling variability of this estimate will be less than 2.2 percent.

Table X.—RELATIVE SAMPLING VARIABILITY AT THE ONE STANDARD DEVIATION LEVEL OF ESTIMATED NUMBER OF RETURNS

Estimated number of returns	Relative sampling variability (Percent)		
	Under \$10,000	\$10,000 under \$50,000	\$50,000 and over
100,000	7	2.2	2.2
200,000	3.5	1.1	1.1
300,000	2.3	0.7	0.7
400,000	1.8	0.5	0.5
500,000	1.4	0.4	0.4
600,000	1.2	0.3	0.3
700,000	1.1	0.3	0.3
800,000	1.0	0.2	0.2
900,000	0.9	0.2	0.2
1,000,000	0.8	0.2	0.2
1,100,000	0.7	0.2	0.2
1,200,000	0.7	0.2	0.2
1,300,000	0.6	0.2	0.2
1,400,000	0.6	0.2	0.2
1,500,000	0.6	0.2	0.2
1,600,000	0.5	0.2	0.2
1,700,000	0.5	0.2	0.2
1,800,000	0.5	0.2	0.2
1,900,000	0.5	0.2	0.2
2,000,000	0.4	0.2	0.2
2,100,000	0.4	0.2	0.2
2,200,000	0.4	0.2	0.2
2,300,000	0.4	0.2	0.2
2,400,000	0.4	0.2	0.2
2,500,000	0.4	0.2	0.2
2,600,000	0.4	0.2	0.2
2,700,000	0.4	0.2	0.2
2,800,000	0.4	0.2	0.2
2,900,000	0.4	0.2	0.2
3,000,000	0.4	0.2	0.2

Note.—Relative sampling variability is based on the one standard deviation level of estimated number of returns.

verified before they were made available for sample selection. Any corrections resulting from mathematical verification of the taxpayer's entries are reflected in the data tabulated.

In transcribing and tabulating the information from the returns in the sample, additional checks were imposed to improve the quality of the resulting estimates. Returns which showed data in accompanying schedules but not on appropriate return lines, community property returns on which the "halving" of income was incorrectly computed, and returns with other obvious errors were edited and recording errors amended. Mechanical transcribing was verified by the process of repeat card punching and, prior to tabulating, numerous tests for consistency were applied using an electronic computer, to assure that proper balance and relationship between return items were maintained.

An intensive system of sample management and control was used to insure the selection of the prescribed sample and prevent any serious undercoverage. Sample

controls were maintained on a district basis by the most detailed Internal Revenue Service groupings. In addition, a name control file, containing a historical record of tax return information for certain taxpayers who annually report large incomes, provided a further check on the completeness of the sample.

Prior-year delinquent returns were included for the purpose of "covering" data for 1964 returns that were filed after December 31, 1965. It was felt that the characteristics of 1964 returns filed after 1965 could best be represented by previous year delinquent returns filed during 1965. As can be seen in table V, the number of delinquent returns filed during 1965 was 437,000.

However, the controls maintained over the selection of the sample and the processing of the source data in the field offices did not completely eliminate the possibility of error. Also, practical operating considerations necessitated allowance of reasonable tolerance in controlling the processing of these data within the Statistics Division.

Synopsis of Laws

Table I.—REQUIREMENT FOR FILING INDIVIDUAL INCOME TAX RETURNS, EXEMPTION ALLOWANCES, AND MINIMUM AND MAXIMUM TAX RATES, 1954-64

Item	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964
	(Dollars)										
Gross income requirement for filing tax forms ¹	\$000										
Regular exemption for taxpayer and each dependent.....	\$400										
Additional exemptions for age or blindness ²	\$400										
(Percent)											
Minimum income tax rate.....	20.0										16.0
Maximum income tax rate.....	91.0										77.0
Maximum income tax liability.....	27.0										(3)

¹For 1954-64, persons of age or over 18, or of income \$1,000. When the total 1954-64 individual income earned from sources outside the United States, even though tax-exempt.

²Additional exemption allowed only for taxpayer and spouse.

³No maximum effective tax rate was specified in the law; however, the 1964 10 percent rate would never exceed 50 percent.

Table II.—REQUIREMENT FOR FILING THE SELF-EMPLOYMENT TAX SCHEDULE, AND SELF-EMPLOYMENT TAX RATES, 1954-63

Item	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964
	(Dollars)										
Self-employment net earnings requirement for filing.....	\$000					400					
Maximum self-employment income subject to self-employment tax.....	\$2,200					\$2,200					
(Percent)											
Self-employment tax rate.....	3	3-3/8	3-1/2	3-3/4	4-1/2	4-7/8	5-1/8	5-1/2	5-3/4	5-7/8	6-1/8

1964 Forms and Instructions

Form 1040A: Individual Income Tax Return, 139

Form 1040: Schedule D, Gains and Losses from Sales or Exchanges of Property, 174

Form 1040: Individual Income Tax Return, 148
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Form 2948: Medical and Dental Expense Statement, 186

Form 1040A

U.S. INDIVIDUAL INCOME TAX RETURN
(LESS THAN \$10,000 TOTAL INCOME)

1964

Please
print →

1. Name (If a joint return of husband and wife, use first names and middle initials of both)

Home address (Number and street or rural route)

City, town or post office, State and Postal ZIP code

2. Your social security number
(Husband's if joint return)

3. Wife's number, if joint return

4. Check one:

-
- Single;
-
-
- Married filing joint return
-
- (even if only one had income);
-
-
- Married filing separately—
-
- If your husband or wife is
-
- also filing a return give his
-
- or her first name and social
-
- security number.

Enter the name and address used on your return for 1963. (If the same as above, write "Same.") If none filed, give reason.

If item 7 is \$10,000 or more, or if interest, dividends and nonwithheld wages are over \$200, use Form 1040.

5. Enter total wages, salaries, tips, etc. Enclose Forms W-2, Copy 8. If not shown on enclosed Forms W-2 attach explanation.

Yours →

Wife's →

Yours →

Wife's →

6. Interest and dividends

7. Total income (add items 5 and 6)

8. Enter tax from Tax Table or from tax computation schedule →

9. Total Federal income tax withheld (from Forms W-2) →

10. If item 8 is larger than item 9, enter **balance due** →11. If item 9 is larger than item 8, enter **refund** →Apply refund to: U.S. Savings Bonds, with excess refunded; or Refund only.

NOTE—Married taxpayers: If you are changing from filing separate returns to a joint return or from a joint return to separate returns, enter names and addresses from the 1963 joint or separate returns.

If your income was \$5,000 or more, you must compute your tax. However, if your income was less than \$5,000, you may have the Internal Revenue Service compute your tax by omitting items 8, 10, and 11. If you compute your own tax, pay balance (item 10) in full with return to your District Director.

U.S. TREASURY DEPARTMENT • INTERNAL REVENUE SERVICE

(OVER) LIST YOUR EXEMPTIONS AND SIGN ON OTHER SIDE.

12. EXEMPTIONS FOR YOURSELF—AND WIFE (only if all her income is included in this return, or she had no income)

Check boxes which apply

(a) Regular \$600 exemption

 Yourself Wife

(b) Additional \$600 exemption if 65 or over at end of 1964

 Yourself Wife

(c) Additional \$600 exemption if blind at end of 1964

 Yourself WifeEnter
number of
boxes
checked →

13. NUMBER OF YOUR DEPENDENT CHILDREN WHO LIVED WITH YOU

14. DEPENDENTS OTHER THAN THOSE CLAIMED IN ITEM 13.

(a) NAME

▶ Enter figure 1 in the last column to right for each name listed (If more space is needed, attach schedule)

(b) Relationship

(c) Months lived in your home. If born or died during year, also write "B" or "D"

(d) Did dependent have income of \$600 or more?

(e) Amount YOU furnished for dependent's support. If 100% write "ALL"

(f) Amount furnished by OTHERS including dependent. See instruction 14

15. Total exemptions from items 12, 13, and 14 above

If you had an expense allowance or charged expenses to your employer, see instructions for "Reimbursed Expenses" and check here if appropriate.

SIGN

HERE

Under penalties of perjury, I declare that to the best of my knowledge and belief this is a true, correct, and complete return.

If joint return, BOTH HUSBAND AND WIFE MUST SIGN even if only one had income.

Date

1964

1964

INSTRUCTIONS FOR FORM 1040A FOR EMPLOYEES WHO EARNED LESS THAN \$10,000

Card Form 1040A offers an easy way for employees receiving less than \$10,000 total income to file their 1964 U.S. income tax returns.

To use CARD Form 1040A follow these simple steps

- | | |
|--|--|
| <p>A Read instructions below. See "Who May Use Form 1040A." If ineligible, use Form 1040.</p> <p>B Fill out the copy on page 4. If you need help, you can ask questions by phone of any Internal Revenue Service office or come in for assistance.</p> | <p>C Transfer answers from the copy to the card. Keep the copy for your records.</p> <p>D Sign the card and mail it together with your Withholding Statements (Forms W-2, Copy B) to your District Director of Internal Revenue.</p> |
|--|--|

If your name, address, and social security number are already printed and punched on the card form, please use this card as it will permit high-speed machine handling. Correct the preprinted information, if necessary.

WHO MUST FILE A TAX RETURN.—Every citizen or resident of the United States under 65 who had \$600 or more income; if 65 or over, \$1,200 or more.

WHO MAY USE FORM 1040A.—If your income was less than \$10,000 and consisted entirely of wages reported on Withholding Statements (Forms W-2) and not more than \$200 total of dividends, interest, and other wages not subject to withholding, you may use the card form. A husband and wife may file a joint return if their combined incomes do not exceed these limits.

WHO MAY NOT USE FORM 1040A.—File Form 1040 instead of Form 1040A if—

- (1) you had income from sources other than or in amounts larger than those stated above,
- (2) either husband or wife itemizes deductions,
- (3) you claim the tax status of head of household or surviving husband or wife,
- (4) you claim the dividends received credit or the retirement income credit,
- (5) you claim an exclusion for "Sick Pay" paid directly to you by your employer and this amount is included in the total wages shown on your Form W-2,
- (6) you claim deductions for travel, transportation, moving, or "outside salesmen" expense (however, see "Reimbursed Expenses," page 3 of instructions),
- (7) you claim credit for payments on estimated tax or an overpayment from 1963, or
- (8) you are a nonresident alien (file Form 1040B, Form 1040NB, or Form 1040NB-a).

MEMBERS OF ARMED FORCES.—A member of the Armed Forces should give his name, social security number, permanent home address and serial number.

WHEN AND WHERE TO FILE.—Please file as early as possible with the District Director of Internal Revenue for your district on or after January 1, 1965, but not later than April 15, 1965.

WHERE TO GET FORMS.—If you need a Form 1040, you can get one from any Internal Revenue office, and from most banks and some post offices. Your employer will furnish a Withholding Statement (Form W-2).

HOW TO PAY.—Checks or money orders should be made payable to "Internal Revenue Service." You need not pay a balance of tax due of less than \$1, and a refund of less than \$1 will not be made unless you apply for it.

SIGNATURE.—Your return is not valid unless you sign it. Both husband and wife must sign a joint return.

COMPUTATION OF TAX ON FORM 1040A:

- (1) **If your income was less than \$5,000.**—You may figure your tax from the appropriate tax table on page 5, 6, 7, or 8, or you may have the Internal Revenue Service do it for you. If you are married and filing a separate return and you choose to have the Internal Revenue Service figure your tax, it will be figured using the 10 percent standard deduction and never the minimum standard deduction.
- (2) **If your income is \$5,000 or more but less than \$10,000.**—You must use the standard deduction—either the 10 percent standard deduction or the minimum standard deduction, whichever is greater, and compute your own tax. See Tax Computation Schedule on page 4.

The use of the tax table or the standard deduction eliminates the need to list contributions, interest, taxes, losses, medical expenses, child care expenses, and certain miscellaneous deductions. The **standard deduction** is 10% of item 7, page 1, Form 1040A, but not less than the minimum standard deduction which is an amount equal to \$200 (\$100 if married and filing a separate return) plus \$100 for each exemption claimed in item 15 on the back of your return. The deduction is limited to \$1,000 (\$500 for each return if married and filing separate returns). If your standard deduction is less than your itemized deductions, it will be to your advantage to use Form 1040 and itemize your deductions. The tax tables are designed to allow for the standard deduction.

If separate returns are filed by married individuals, and if either the husband or wife elects the 10 percent standard deduction or one of them chooses to have the Internal Revenue Service figure the tax, the other must use the 10 percent standard deduction. Neither may use the minimum standard deduction unless both use it.

MARRIED COUPLE:

MARITAL STATUS.—If married at the end of 1964, you are considered married for the entire year. If divorced or legally separated on or before the end of 1964, you are considered single for the entire year. If your wife

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

(1) **How to prepare a joint return.**—To assure any benefits of the split income provisions, a husband and wife must file a joint return. If a joint return is filed, you must include the income of both; however, a joint return may be filed even though one had no income. If your income was under \$5,000 and you choose to have the Internal Revenue Service figure your tax, it will be computed on the combined income or on the separate incomes, whichever results in the smaller tax or larger refund. If you figure your own tax, be sure to make both computations and enter the smaller tax or larger refund on your return. A joint return may not be filed if either husband or wife was a nonresident alien at any time during the taxable year.

(2) **How to prepare a separate return.**—In a separate return each must report his or her separate income and fill in a separate form.

DO YOU OWE A TAX BALANCE?—Under the pay-as-you-go system, your withholding tax and your final income tax should come out about even. This benefits both you and your Government. If you owe a balance on your 1964 return, you should consider changing your Withholding Exemption Certificate (Form W-4).

INSTRUCTIONS FOR PREPARING FRONT OF FORM 1040A

① ② ③ If you are married and are filing a joint return as husband and wife, be sure to enter the first names and middle initials of yourself and your wife. For example: John F. and Mary L. Doe. Enter both your social security number and your wife's social security number whether filing jointly or separately.

⑤ Enter the total wages from all your 1964 Withholding Statements, Forms W-2. Also include in this item wages not subject to withholding tax. An example of these wages are those paid to part-time workers on which the employer is not required to withhold income tax. If you lose a Withholding Statement, ask your employer for a new one. If you cannot furnish a statement, attach an explanation.

TWO OR MORE EMPLOYERS.—If a total of more than \$174 of social security (F. I. C. A.) tax was withheld from the wages of either you or your wife because one or both of you worked for more than one employer, you may claim the excess over \$174 as a credit against your income tax.

a. Add up the social security (F. I. C. A.) tax withheld by all your employers from your wages in 1964. If joint return, separate computations must be made for you and your wife.

b. Subtract \$174.

c. Include the balance in the amount shown in item 9.

⑥ **INTEREST AND DIVIDENDS.**—Enter your taxable income from interest and dividends. Read the following instructions before completing this item—

a. **INTEREST.**—Include all interest actually received or credited to your account by a bank, savings and loan association, etc.

b. **DIVIDENDS.**—Include all dividends received except the first \$100 received from domestic corporations. So-called dividends received from mutual savings banks or savings (building) and loan associations on deposits or withdrawable accounts are treated as interest, not dividends. If a joint return is filed and both husband and wife had dividend income, each is entitled to as much to a \$100 exclusion and one may not use any portion of the \$100 exclusion not used by the other. For example, if the husband had \$180 in dividends, and the wife had \$20, only \$120 may be excluded.

⑦ ⑧ ⑨ ⑩ ⑪ COMPUTATION OF TAX

a. If your income was less than \$5,000.—You may figure your own tax from the appropriate Tax Table in these instructions, or you may have the Internal Revenue Service do it for you. If you figure your own tax, complete items 8, 9, and 10 or 11. If you have the Service figure your tax, you will be sent a bill for the balance due or a check for the refund.

b. If your income was \$5,000 or more but less than \$10,000.—You must compute your own tax and use the standard deduction. (If your itemized deductions are in excess of your standard deduction, it will be to your

advantage to use Form 1040.) See page 4 for computation schedule. Keep it for your records.

PURCHASE OF U.S. SAVINGS BONDS.—If you are entitled to a refund, you may apply it to the purchase of Series E United States Savings Bonds. If you check the first box under item 11, you will be issued as many bonds as your refund will buy, providing it does not leave a balance of less than \$1 to be paid by check. For example, if your refund is \$40 you will receive a \$50 face value bond and a check for \$2.50. Bonds will be issued in the name used in filing your return. If you file a joint return the bonds will be issued only to husband and wife as co-owners.

INSTRUCTIONS FOR PREPARING BACK OF FORM 1040A

⑫ Fill in this item to receive credit for your and your wife's exemptions. A taxpayer cannot claim his wife (husband) as an exemption if the wife (husband) filed a separate return for any purpose (for example, to obtain a refund of income tax withheld). Age and blindness are determined as of December 31, 1964.

⑬ ⑭ Enter in item 13 the total number of your dependent children who lived with you during 1964.

List other dependents in item 14.

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 a joint return is filed). Support includes all amounts used for the dependent's support whether contributed by the dependent or by others and whether such amounts are taxable or nontaxable income such as social security, gifts, savings, etc.

b. Received less than \$600 income. (This test does not apply to your children or stepchildren who were under 19 or who were full-time students for 5 calendar months of the year; however, you must have provided over one-half of the child's support.)

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. (An alien child legally adopted by and living with a United States citizen abroad also qualifies as a citizen of the United States for this purpose.)

e. EITHER (1) for the entire year 1964 had your home as his principal place of abode and was a member of your household; OR (2) was related to you (or to husband or wife if a joint return is filed) in one of the following ways:

Child*	Mother-in-law
Stepchild	Father-in-law
Mother	Brother-in-law
Father	Sister-in-law
Grandparent	Son-in-law
Brother	Daughter-in-law
Sister	The following if related by blood:
Grandchild	Uncle
Stepbrother	Aunt
Stepsister	Nephew
Stepmother	Niece
Stepfather	

*Includes a child who is a member of your household if placed with you by an authorized placement agency for legal adoption.

BIRTH OR DEATH OF DEPENDENT.—You can claim a full \$600 exemption for a dependent who was born or died during the year if the tests for claiming an exemption for such dependent are met for the part of the year during which he was alive.

REIMBURSED EXPENSES.—If you account to your employer for business expenses when you travel on business, and he pays for them (either by advances or reimbursements or by allowing you to use a charge account), or he gives you a flat allowance for subsistence and mileage of not more than \$25 per day and 15 cents per mile, and your expenses equal your reimbursement, or your expenses exceed the reimbursement and you do not wish to claim a deduction, you may file Form 1040A without showing these amounts by simply checking the box under item 15 on the back of Form 1040A. However, if your employer's payments are more than your expenses or you wish to claim a deduction for excess expenses, you may not use Form 1040A, you must use Form 1040.

YOUR COPY—KEEP FOR YOUR RECORDS

Form 1040A **U.S. INDIVIDUAL INCOME TAX RETURN** (LESS THAN \$10,000 TOTAL INCOME) **1964**

Please print → **1** Name (If a joint return of husband and wife, use first names and middle initials of both) **2** Your social security number (Husband's if joint return) **4** Check one: Single; Married filing joint return (even if only one had income); Married filing separately—If your husband or wife is also filing a return give his or her first name and social security number.

Home address (Number and street or rural route) **3** Wife's number, if joint return

City, town or post office, State and Postal ZIP code

Enter the name and address used on your return for 1963. (If the same as above, write "Same.") If none filed, give reason. **5** Enter total wages, salaries, tips, etc. Enclose Forms W-2, Copy B. If not shown on enclosed Forms W-2 attach explanation. Yours → _____
Wife's → _____
Yours → _____
Wife's → _____

6 Interest and dividends

7 Total income (add items 5 and 6)

8 Enter tax from Tax Table or from tax computation schedule →

9 Total Federal income tax withheld (from Forms W-2) →

10 If item 8 is larger than item 5, enter **balance due** →

11 If item 9 is larger than item 8, enter **refund** →

Apply refund to: U.S. Savings Bonds, with excess refunded; or Refund only.

U.S. TREASURY DEPARTMENT • INTERNAL REVENUE SERVICE (OVER) **LIST YOUR EXEMPTIONS AND SIGN ON OTHER SIDE.**

12 EXEMPTIONS FOR YOURSELF—AND WIFE (only if all her income is included in this return, or she had no income)

Check boxes which apply

(a) Regular \$600 exemption Yourself Wife } Enter number of boxes checked →

(b) Additional \$600 exemption if 65 or over at end of 1964 Yourself Wife

(c) Additional \$600 exemption if blind at end of 1964 Yourself Wife

13 NUMBER OF YOUR DEPENDENT CHILDREN WHO LIVED WITH YOU →

14 DEPENDENTS OTHER THAN THOSE CLAIMED IN ITEM 13.

(a) NAME ▶ Enter figure 1 in the last column to right for each name listed (If more space is needed, attach schedule)	(b) Relationship	(c) Months lived in your home. If born or died during year also write "B" or "D"	(d) Did dependent have income of \$600 or more?	(e) Amount You furnished for dependent's support. If 100% write "ALL"	(f) Amount furnished by OTHERS including dependent. See instruction 14
				\$	\$

15. Total exemptions from items 12, 13, and 14 above →

If you had an expense allowance or charged expenses to your employer, see instructions for "Reimbursed Expenses" and check here if appropriate.

SIGN Under penalties of perjury, I declare that to the best of my knowledge and belief this is a true, correct, and complete return.

HERE →

If joint return, BOTH HUSBAND AND WIFE MUST SIGN even if only one had income. Date ☆ GPO: 1964-O-725-590

TAX COMPUTATION SCHEDULE (Use only if total income, item 7 of Form 1040A, is \$5,000 or more)

1. Enter total income from item 7 of Form 1040A. \$
2. Enter the standard deduction which is explained on page 2 of the instructions (married person filing a separate return cannot claim more than \$500)
3. Subtract line 2 from line 1.
4. Multiply \$600 by total number of exemptions claimed in item 15 of Form 1040A.
5. Subtract line 4 from line 3.
6. Tax on amount on line 5. Use appropriate tax rate schedule below. Enter here and in item 8 of Form 1040A (Do not attach this schedule to Form 1040A) \$

If you are a single taxpayer or a married taxpayer filing a separate return, use this tax rate schedule

If the amount on line 5 is:	Enter on line 6:
Over But not over	
\$0	\$500..... 16% of the amount on line 5
\$500	\$1,000..... \$80, plus 16.5% of excess over \$500
\$1,000	\$1,500..... \$162.50, plus 17.5% of excess over \$1,000
\$1,500	\$2,000..... \$250, plus 18% of excess over \$1,500
\$2,000	\$4,000..... \$340, plus 20% of excess over \$2,000
\$4,000	\$6,000..... \$740, plus 23.5% of excess over \$4,000
\$6,000	\$8,000..... \$1,210, plus 27% of excess over \$6,000
\$8,000	\$9,999.99..... \$1,750, plus 30.5% of excess over \$8,000

If you are married taxpayers filing a joint return, use this tax rate schedule

If the amount on line 5 is:	Enter on line 6:
Over But not over	
\$0	\$1,000..... 16% of the amount on line 5
\$1,000	\$2,000..... \$160, plus 16.5% of excess over \$1,000
\$2,000	\$3,000..... \$325, plus 17.5% of excess over \$2,000
\$3,000	\$4,000..... \$500, plus 18% of excess over \$3,000
\$4,000	\$8,000..... \$680, plus 20% of excess over \$4,000
\$8,000	\$9,999.99..... \$1,480, plus 23.5% of excess over \$8,000

1964 TAX TABLES FOR INCOMES UNDER \$5,000

PAGE 5

If your total income (item 7 of your return) is \$5,000 or more, use
Tax Computation Schedule on page 4

Find your tax after selecting the proper Tax Table from those listed below based on your filing status (item 4, page 1, Form 1040A).

TABLE A—For Married Persons Filing Joint Returns

TABLE B—For Single Persons

Tables A and B reflect the lowest tax after taking both the 10 percent standard deduction and the minimum standard deduction into account.

TABLE C—For Married Persons Filing Separate Returns, Using 10 Percent Standard Deduction

TABLE D—For Married Persons Filing Separate Returns, Using Minimum Standard Deduction

TAX TABLE A—FOR MARRIED PERSONS FILING JOINT RETURNS

This table is designed to allow for the standard deduction

To find your tax read down income columns until you find the line covering the total income shown as item 7. Then read across to the appropriate column headed by the number corresponding to the number of exemptions claimed on item 15. Enter tax in item 8.

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	2	3	At least	But less than	2	3	4	5	6
			If 4 or more there is no tax							If 7 or more there is no tax
Your tax is—				Your tax is—		Your tax is—				
\$0	\$1, 600	\$0	\$0	\$2, 800	\$2, 825	\$195	\$82	\$0	\$0	\$0
1, 600	1, 625	2	0	2, 825	2, 850	199	86	0	0	0
1, 625	1, 650	6	0	2, 850	2, 875	203	90	0	0	0
1, 650	1, 675	10	0	2, 875	2, 900	207	94	0	0	0
1, 675	1, 700	14	0	2, 900	2, 925	212	98	0	0	0
1, 700	1, 725	18	0	2, 925	2, 950	216	102	0	0	0
1, 725	1, 750	22	0	2, 950	2, 975	220	106	0	0	0
1, 750	1, 775	26	0	2, 975	3, 000	224	110	0	0	0
1, 775	1, 800	30	0	3, 000	3, 050	230	116	4	0	0
1, 800	1, 825	34	0	3, 050	3, 100	238	124	12	0	0
1, 825	1, 850	38	0	3, 100	3, 150	247	132	20	0	0
1, 850	1, 875	42	0	3, 150	3, 200	255	140	28	0	0
1, 875	1, 900	46	0	3, 200	3, 250	263	148	36	0	0
1, 900	1, 925	50	0	3, 250	3, 300	271	156	44	0	0
1, 925	1, 950	54	0	3, 300	3, 350	280	164	52	0	0
1, 950	1, 975	58	0	3, 350	3, 400	288	172	60	0	0
1, 975	2, 000	62	0	3, 400	3, 450	296	181	68	0	0
2, 000	2, 025	66	0	3, 450	3, 500	304	189	76	0	0
2, 025	2, 050	70	0	3, 500	3, 550	313	197	84	0	0
2, 050	2, 075	74	0	3, 550	3, 600	321	205	92	0	0
2, 075	2, 100	78	0	3, 600	3, 650	329	214	100	0	0
2, 100	2, 125	82	0	3, 650	3, 700	338	222	108	0	0
2, 125	2, 150	86	0	3, 700	3, 750	347	230	116	4	0
2, 150	2, 175	90	0	3, 750	3, 800	356	238	124	12	0
2, 175	2, 200	94	0	3, 800	3, 850	364	247	132	20	0
2, 200	2, 225	98	0	3, 850	3, 900	373	255	140	28	0
2, 225	2, 250	102	0	3, 900	3, 950	382	263	148	36	0
2, 250	2, 275	106	0	3, 950	4, 000	391	271	156	44	0
2, 275	2, 300	110	0	4, 000	4, 050	399	280	164	52	0
2, 300	2, 325	114	2	4, 050	4, 100	407	288	172	60	0
2, 325	2, 350	118	6	4, 100	4, 150	415	296	181	68	0
2, 350	2, 375	122	10	4, 150	4, 200	423	304	189	76	0
2, 375	2, 400	126	14	4, 200	4, 250	430	313	197	84	0
2, 400	2, 425	130	18	4, 250	4, 300	438	321	205	92	0
2, 425	2, 450	134	22	4, 300	4, 350	446	329	214	100	0
2, 450	2, 475	138	26	4, 350	4, 400	454	338	222	108	0
2, 475	2, 500	142	30	4, 400	4, 450	462	347	230	116	4
2, 500	2, 525	146	34	4, 450	4, 500	470	356	238	124	12
2, 525	2, 550	150	38	4, 500	4, 550	478	364	247	132	20
2, 550	2, 575	154	42	4, 550	4, 600	486	373	255	140	28
2, 575	2, 600	158	46	4, 600	4, 650	493	382	263	148	36
2, 600	2, 625	162	50	4, 650	4, 700	501	391	271	156	44
2, 625	2, 650	166	54	4, 700	4, 750	509	399	280	164	52
2, 650	2, 675	170	58	4, 750	4, 800	518	408	288	172	60
2, 675	2, 700	174	62	4, 800	4, 850	526	417	296	181	68
2, 700	2, 725	179	66	4, 850	4, 900	534	426	304	189	76
2, 725	2, 750	183	70	4, 900	4, 950	542	434	313	197	84
2, 750	2, 775	187	74	4, 950	5, 000	550	443	321	205	92
2, 775	2, 800	191	78							

TAX TABLE C—FOR MARRIED PERSONS FILING SEPARATE RETURNS, USING 10-PERCENT STANDARD DEDUCTION PAGE 7

To find your tax read down income columns until you find the line covering the total income shown as item 7. Then read across to the appropriate column headed by the number corresponding to the number of exemptions claimed on item 15. Enter tax in item 8.

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	3	1	2	If 4 or more there is no tax	At least	But less than	1	2	3	4	5	6	7	If 8 or more there is no tax
80	\$675	\$0	\$0	\$0		\$2,325	\$2,350	\$251	\$147	\$49	\$0	\$0	\$0	\$0	
675	700	3	0	0		2,350	2,375	255	150	52	0	0	0	0	
700	725	7	0	0		2,375	2,400	259	154	56	0	0	0	0	
725	750	10	0	0		2,400	2,425	263	158	59	0	0	0	0	
750	775	14	0	0		2,425	2,450	267	161	63	0	0	0	0	
775	800	17	0	0		2,450	2,475	271	165	67	0	0	0	0	
800	825	21	0	0		2,475	2,500	275	169	70	0	0	0	0	
825	850	25	0	0		2,500	2,525	279	173	74	0	0	0	0	
850	875	28	0	0		2,525	2,550	283	177	77	0	0	0	0	
875	900	32	0	0		2,550	2,575	287	181	81	0	0	0	0	
900	925	35	0	0		2,575	2,600	291	185	85	0	0	0	0	
925	950	39	0	0		2,600	2,625	295	189	88	0	0	0	0	
950	975	43	0	0		2,625	2,650	299	193	92	0	0	0	0	
975	1,000	46	0	0		2,650	2,675	303	197	96	0	0	0	0	
1,000	1,025	50	0	0		2,675	2,700	307	201	100	3	0	0	0	
1,025	1,050	53	0	0		2,700	2,725	311	205	103	7	0	0	0	
1,050	1,075	57	0	0		2,725	2,750	315	209	107	10	0	0	0	
1,075	1,100	61	0	0		2,750	2,775	320	213	111	14	0	0	0	
1,100	1,125	64	0	0		2,775	2,800	324	217	114	17	0	0	0	
1,125	1,150	68	0	0		2,800	2,825	328	220	118	21	0	0	0	
1,150	1,175	71	0	0		2,825	2,850	332	224	122	25	0	0	0	
1,175	1,200	75	0	0		2,850	2,875	336	228	126	28	0	0	0	
1,200	1,225	79	0	0		2,875	2,900	340	232	129	32	0	0	0	
1,225	1,250	82	0	0		2,900	2,925	344	236	133	35	0	0	0	
1,250	1,275	86	0	0		2,925	2,950	349	240	137	39	0	0	0	
1,275	1,300	90	0	0		2,950	2,975	353	244	140	43	0	0	0	
1,300	1,325	93	0	0		2,975	3,000	358	248	144	46	0	0	0	
1,325	1,350	97	1	0		3,000	3,050	365	254	150	52	0	0	0	
1,350	1,375	101	4	0		3,050	3,100	374	262	157	59	0	0	0	
1,375	1,400	105	8	0		3,100	3,150	383	270	165	66	0	0	0	
1,400	1,425	108	11	0		3,150	3,200	392	278	173	73	0	0	0	
1,425	1,450	112	15	0		3,200	3,250	401	286	180	80	0	0	0	
1,450	1,475	116	19	0		3,250	3,300	410	295	188	88	0	0	0	
1,475	1,500	119	22	0		3,300	3,350	419	303	196	95	0	0	0	
1,500	1,525	123	26	0		3,350	3,400	428	311	204	103	6	0	0	
1,525	1,550	127	29	0		3,400	3,450	437	319	212	110	13	0	0	
1,550	1,575	131	33	0		3,450	3,500	446	327	220	118	20	0	0	
1,575	1,600	134	37	0		3,500	3,550	455	335	228	125	28	0	0	
1,600	1,625	138	40	0		3,550	3,600	464	344	236	132	35	0	0	
1,625	1,650	142	44	0		3,600	3,650	473	353	243	140	42	0	0	
1,650	1,675	145	47	0		3,650	3,700	482	362	251	147	49	0	0	
1,675	1,700	149	51	0		3,700	3,750	491	371	259	155	56	0	0	
1,700	1,725	153	55	0		3,750	3,800	500	380	268	162	64	0	0	
1,725	1,750	157	58	0		3,800	3,850	509	389	276	170	71	0	0	
1,750	1,775	160	62	0		3,850	3,900	518	398	284	178	78	0	0	
1,775	1,800	164	65	0		3,900	3,950	527	407	292	186	85	0	0	
1,800	1,825	168	69	0		3,950	4,000	536	416	300	194	93	0	0	
1,825	1,850	172	73	0		4,000	4,050	545	425	308	201	100	4	0	
1,850	1,875	176	76	0		4,050	4,100	554	434	316	209	108	11	0	
1,875	1,900	180	80	0		4,100	4,150	563	443	324	217	115	18	0	
1,900	1,925	184	84	0		4,150	4,200	572	452	332	225	122	25	0	
1,925	1,950	188	87	0		4,200	4,250	581	461	341	233	130	32	0	
1,950	1,975	192	91	0		4,250	4,300	590	470	350	241	137	40	0	
1,975	2,000	196	95	0		4,300	4,350	599	479	359	249	145	47	0	
2,000	2,025	199	98	2		4,350	4,400	608	488	368	257	152	54	0	
2,025	2,050	203	102	5		4,400	4,450	617	497	377	265	160	61	0	
2,050	2,075	207	106	9		4,450	4,500	626	506	386	273	167	68	0	
2,075	2,100	211	109	13		4,500	4,550	635	515	395	281	175	76	0	
2,100	2,125	215	113	16		4,550	4,600	644	524	404	289	183	83	0	
2,125	2,150	219	117	20		4,600	4,650	653	533	413	297	191	90	0	
2,150	2,175	223	121	23		4,650	4,700	662	542	422	305	199	98	1	
2,175	2,200	227	124	27		4,700	4,750	671	551	431	313	207	105	8	
2,200	2,225	231	128	31		4,750	4,800	680	560	440	322	215	113	16	
2,225	2,250	235	132	34		4,800	4,850	689	569	449	330	222	120	23	
2,250	2,275	239	135	38		4,850	4,900	698	578	458	338	230	127	30	
2,275	2,300	243	139	41		4,900	4,950	707	587	467	347	238	135	37	
2,300	2,325	247	143	45		4,950	5,000	716	596	476	356	246	142	44	

PAGE 8 TAX TABLE D — FOR MARRIED PERSONS FILING SEPARATE RETURNS, USING MINIMUM STANDARD DEDUCTION

To find your tax read down income columns until you find the line covering the total income shown as item 7. Then read across to the appropriate column headed by the number corresponding to the number of exemptions claimed on item 15. Enter tax in item 8.

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	At least	But less than	1	2	3	4	5	6	7
		If 4 or more there is no tax					If 8 or more there is no tax						
		Your tax is—					Your tax is—						
\$0	\$800	\$0	\$0	\$0	\$2,400	\$2,425	\$270	\$148	\$34	\$0	\$0	\$0	\$0
800	825	2	0	0	2,425	2,450	275	152	38	0	0	0	0
825	850	6	0	0	2,450	2,475	279	156	42	0	0	0	0
850	875	10	0	0	2,475	2,500	284	160	46	0	0	0	0
875	900	14	0	0	2,500	2,525	288	165	50	0	0	0	0
900	925	18	0	0	2,525	2,550	293	169	54	0	0	0	0
925	950	22	0	0	2,550	2,575	297	173	58	0	0	0	0
950	975	26	0	0	2,575	2,600	302	178	62	0	0	0	0
975	1,000	30	0	0	2,600	2,625	306	182	66	0	0	0	0
1,000	1,025	34	0	0	2,625	2,650	311	187	70	0	0	0	0
1,025	1,050	38	0	0	2,650	2,675	315	191	74	0	0	0	0
1,050	1,075	42	0	0	2,675	2,700	320	195	78	0	0	0	0
1,075	1,100	46	0	0	2,700	2,725	324	200	82	0	0	0	0
1,100	1,125	50	0	0	2,725	2,750	329	204	86	0	0	0	0
1,125	1,150	54	0	0	2,750	2,775	333	208	90	0	0	0	0
1,150	1,175	58	0	0	2,775	2,800	338	213	94	0	0	0	0
1,175	1,200	62	0	0	2,800	2,825	343	217	99	0	0	0	0
1,200	1,225	66	0	0	2,825	2,850	348	222	103	0	0	0	0
1,225	1,250	70	0	0	2,850	2,875	353	226	107	0	0	0	0
1,250	1,275	74	0	0	2,875	2,900	358	230	111	0	0	0	0
1,275	1,300	78	0	0	2,900	2,925	363	235	115	2	0	0	0
1,300	1,325	82	0	0	2,925	2,950	368	239	119	6	0	0	0
1,325	1,350	86	0	0	2,950	2,975	373	243	123	10	0	0	0
1,350	1,375	90	0	0	2,975	3,000	378	248	127	14	0	0	0
1,375	1,400	94	0	0	3,000	3,050	385	255	134	20	0	0	0
1,400	1,425	99	0	0	3,050	3,100	395	264	142	28	0	0	0
1,425	1,450	103	0	0	3,100	3,150	405	273	150	36	0	0	0
1,450	1,475	107	0	0	3,150	3,200	415	282	158	44	0	0	0
1,475	1,500	111	0	0	3,200	3,250	425	291	167	52	0	0	0
1,500	1,525	115	2	0	3,250	3,300	435	300	176	60	0	0	0
1,525	1,550	119	6	0	3,300	3,350	445	309	184	68	0	0	0
1,550	1,575	123	10	0	3,350	3,400	455	318	193	76	0	0	0
1,575	1,600	127	14	0	3,400	3,450	465	327	202	84	0	0	0
1,600	1,625	132	18	0	3,450	3,500	475	336	211	92	0	0	0
1,625	1,650	136	22	0	3,500	3,550	485	345	219	101	4	0	0
1,650	1,675	140	26	0	3,550	3,600	495	355	228	109	12	0	0
1,675	1,700	144	30	0	3,600	3,650	505	365	237	117	20	0	0
1,700	1,725	148	34	0	3,650	3,700	515	375	246	125	28	0	0
1,725	1,750	152	38	0	3,700	3,750	525	385	255	134	36	0	0
1,750	1,775	156	42	0	3,750	3,800	535	395	264	142	44	0	0
1,775	1,800	160	46	0	3,800	3,850	545	405	273	150	52	0	0
1,800	1,825	165	50	0	3,850	3,900	555	415	282	158	60	0	0
1,825	1,850	169	54	0	3,900	3,950	565	425	291	167	68	0	0
1,850	1,875	173	58	0	3,950	4,000	575	435	300	176	76	0	0
1,875	1,900	178	62	0	4,000	4,050	585	445	309	184	84	0	0
1,900	1,925	182	66	0	4,050	4,100	595	455	318	193	92	0	0
1,925	1,950	187	70	0	4,100	4,150	605	465	327	202	101	4	0
1,950	1,975	191	74	0	4,150	4,200	615	475	336	211	109	12	0
1,975	2,000	195	78	0	4,200	4,250	625	485	345	219	117	20	0
2,000	2,025	200	82	0	4,250	4,300	635	495	355	228	125	28	0
2,025	2,050	204	86	0	4,300	4,350	645	505	365	237	134	36	0
2,050	2,075	208	90	0	4,350	4,400	655	515	375	246	142	44	0
2,075	2,100	213	94	0	4,400	4,450	665	525	385	255	150	52	0
2,100	2,125	217	99	0	4,450	4,500	675	535	395	264	158	60	0
2,125	2,150	222	103	0	4,500	4,550	685	545	405	273	167	68	0
2,150	2,175	226	107	0	4,550	4,600	695	555	415	282	176	76	0
2,175	2,200	230	111	0	4,600	4,650	705	565	425	291	184	84	0
2,200	2,225	235	115	2	4,650	4,700	715	575	435	300	193	92	0
2,225	2,250	239	119	6	4,700	4,750	725	585	445	309	202	101	4
2,250	2,275	243	123	10	4,750	4,800	735	595	455	318	211	109	12
2,275	2,300	248	127	14	4,800	4,850	746	605	465	327	219	117	20
2,300	2,325	252	132	18	4,850	4,900	758	615	475	336	228	125	28
2,325	2,350	257	136	22	4,900	4,950	769	625	485	345	237	134	36
2,350	2,375	261	140	26	4,950	5,000	781	635	495	355	246	142	44
2,375	2,400	266	144	30									

FORM 1040 U.S. Treasury Department Internal Revenue Service

U.S. INDIVIDUAL INCOME TAX RETURN - 1964

or taxable year beginning 1964, ending 19

Your social security number (husband's if joint return)

Occupation

Wife's number, if joint return

Occupation

Please Print or Type

First name and initial (If joint return, use first names and middle initials of both)

Last name

Home address (Number and street or rural route)

City, town or post office, and State

Postal ZIP code

Enter the name and address used on your return for 1963 (if the same as above, write "Same"). If none filed, give reason.

NOTE - Married taxpayers: If you are changing from filing separate returns to a joint return or from a joint return to separate returns, enter names and addresses from the 1963 joint or separate returns.

See instructions before completing your return.

- 1a. Single
b. Married filing joint return
c. Married filing separately
d. Unmarried Head of Household
e. Surviving widow(er) with dependent child

EXEMPTIONS

- 2a. Regular
b. Age 65 or over
c. Blind
3a. Number of your dependent children
b. Number of other dependents
4. Total exemptions claimed

INCOME - If joint return, include all income of both husband and wife

- 5. Wages, salaries, tips, etc.
6. Other income
7. Total
8. Adjustments
9. Total income

FIGURE TAX BY USING EITHER 10 OR 11

- 10. Tax Table
11. Tax Rate Schedule
a. If you itemize deductions...
b. Subtract line 11a from line 9
c. Multiply total number of exemptions...
d. Subtract line 11c from line 11b

TAX COMPUTATION

TAX - CREDITS - PAYMENTS

- 12. Tax
13. Total credits
14. Income tax
15. Self-employment tax
16. Total tax
17a. Total Federal income tax withheld
b. 1964 Estimated tax payments
c. Total

TAX DUE OR REFUND

- 18. Balance Due
19. Overpayment
20. Amount of line 19 you wish credited to 1965 Estimated Tax
21. Subtract line 20 from 19

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete.

SIGN

HERE

If joint return, BOTH HUSBAND AND WIFE MUST SIGN even if only one had income.

Date

Sign here

Signature of preparer other than taxpayer

10-78388a-1

Address

Date

Attach Copy B of Form W-2 Here

Attach Check or Money Order Here

PART I.—EXEMPTIONS—Complete only for dependents claimed on line 3b, page 1

(a) NAME (If more space is needed attach schedule)	(b) Relationship	(c) Months lived in your home. If born or died during year write "B" or "D"	(d) Did dependent have income of \$600 or more?	(e) Amount YOU furnished for dependent's support. If 100% write "ALL"	(f) Amount furnished by OTHERS including dependent
1.				\$	\$
2.					
3. Total number of dependents listed above. Enter here and on line 3b, page 1					

PART II.—INCOME FROM ALL SOURCES OTHER THAN WAGES, SALARIES, ETC.

Dividends and Other Distributions

A. Gross amount	
B. Nontaxable and capital gain distributions	
C. Subtract item B from item A.	

Explanation of Item C (Write (H), (W), (J) for stock held by husband, wife, or jointly)

1a. Qualifying dividends (Name of payer).....

.....

.....

.....

Total . . .

b. Subtract \$100. If joint return see instructions.

c. Balance

d. Nonqualifying dividends (Name of payer).....

.....

.....

Total . . .

2. Total (add lines 1c and 1d) . . . →

3. Interest (Name of payer).....

.....

.....

Total interest income . . . →

4. Pensions and annuities, rents and royalties, partnerships, and estates or trusts (Schedule B)

5. Business income (Schedule C)

6. Sale or exchange of property (Schedule D)

7. Farm income (Schedule F)

8. Other sources (state nature).....

.....

.....

Total other sources . . . →

9. Add lines 2 through 8. Enter here and on line 6, page 1 →

PART III.—ADJUSTMENTS

1. "Sick pay" if included in line 5, page 1 (Attach Form 2440 or other required statement) . . .

2. Moving expenses (attach Form 3903)

3. Employee business expense (attach Form 2106 or other statement)

4. Payments by self-employed persons to retirement plans, etc. (Attach Form 2950SE)

5. Total adjustments (lines 1 through 4). Enter here and on line 8, page 1

EXPENSE ACCOUNT INFORMATION—If you had an expense allowance or charged expenses to your employer, check and see page 7 of instructions.

PART IV.—ITEMIZED DEDUCTIONS—Use only if you do not use tax table or standard deduction.

Medical and dental expense.—Attach itemized list. Do not enter any expense compensated by insurance or otherwise. NOTE: If you or your wife are 65 or over, or if either has a dependent parent 65 or over, see page 8 of instructions for possible larger deduction.

1. Enter excess, if any, of medicine and drugs over 1% of line 9, page 1
2. Other medical, dental expenses (include hospital insurance premiums)
3. Total (add lines 1 and 2)
4. Enter 3% of line 9, page 1 (see note above)
5. Subtract line 4 from line 3; see page 8 of instructions for maximum limitation

Contributions.—If other than money, attach required statement—see instructions.

Total (see instructions for limitations) →

Interest: Home mortgage

Other (Specify)

.....

.....

Total interest expense →

Taxes—Real estate

State and local gasoline

General sales

State and local income

Personal property

Total taxes →

Other deductions (see page 9 of instructions)

.....

.....

Total other deductions →

TOTAL DEDUCTIONS (For line 11a, page 1) →

PART V.—CREDITS

1. Dividends received credit: Enter smallest of (a) 2% of line 1c, Part II, (b) tax shown on line 12, page 1, less foreign tax credit, or (c) 2% of taxable income (see instructions).
2. Retirement income credit (Schedule B)
3. Investment credit (Form 3468)
- 4a. Foreign tax credit (Form 1116)
- b. Tax-free covenant bonds credit
5. Total credits (add lines 1 through 4b). Enter here and on line 13, page 1

SCHEDULE B
 (Form 1040)

 U.S. Treasury Department
 Internal Revenue Service

SUPPLEMENTAL SCHEDULE OF INCOME
AND RETIREMENT INCOME CREDIT
 (From pensions and annuities, rents and royalties, partnerships, and estates or trusts)

Attach this schedule to your income tax return, Form 1040

1964

Name and address as shown on page 1 of Form 1040

Part I.—PENSION AND ANNUITY INCOME
A.—General Rule (If you did not contribute to the cost of the pension or annuity, enter the total amount received on line 6 and omit lines 1 through 5.)

		AMOUNT
1. Investment in contract	<input type="text"/>	
2. Expected return	<input type="text"/>	
3. Percentage of income to be excluded (line 1 divided by line 2)	<input type="text"/> %	
4. Amount received this year	<input type="text"/>	
5. Amount excludable (line 4 multiplied by line 3)	<input type="text"/>	
6. Taxable portion (excess of line 4 over line 5)	<input type="text"/>	

B.—Special Rule—Where your employer has contributed part of the cost and your own contribution will be recovered tax-free within 3 years. If your cost was fully recovered in prior years, enter the total amount received on line 5 and omit lines 1 through 4.

1. Cost of annuity (amounts you paid)	<input type="text"/>	4. Amount received this year	<input type="text"/>
2. Cost received tax-free in past years	<input type="text"/>		
3. Remainder of cost (line 1 less line 2)	<input type="text"/>	5. Taxable portion (excess, if any, of line 4 over line 3)	<input type="text"/>

Part II.—RENT AND ROYALTY INCOME

1. Kind and location of property (Identify whether rent or royalty)	2. Total amount of rents or royalties	3. Depreciation (explain in Part IV) or depletion	4. Repairs (attach itemized list)	5. Other expenses (attach itemized list)
1. Totals	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2. Net income (or loss) from rents and royalties (column 2 less sum of columns 3, 4, and 5)	<input type="text"/>			

Part III.—INCOME OR LOSSES FROM PARTNERSHIPS AND ESTATES OR TRUSTS

1. Partnerships (name, address, and nature of income)

2. Estates or trusts (name and address)

Total of Parts I, II, and III (Enter here and on line 4, Part II, page 2, of Form 1040)

Part IV.—SCHEDULE FOR DEPRECIATION CLAIMED IN PART II ABOVE—This schedule is designed for taxpayers using the alternative guidelines and administrative procedures described in Revenue Procedure 62-21 as well as for those taxpayers who wish to continue using procedures authorized prior to the revenue procedure. Where double headings appear use the first heading for the new procedure and the second heading for the older procedure.

1. Group and guideline class OR Description of property	2. Cost or other basis at beginning of year OR Cost or other basis	3. Asset additions in year (amount) OR Date acquired	4. Asset retirements in year (amount) (applicable only to Rev. Proc. 62-21)	5. Depreciation allowed or allowable in prior years	6. Method of computing depreciation	7. Class life OR Rate (%) or life	8. Depreciation for this year
1. Total additional first-year depreciation (do not include in items below)	<input type="text"/>						<input type="text"/>
Total cost or other basis	<input type="text"/>						
2. Total depreciation							<input type="text"/>
3. Cost or other basis of fully depreciated assets still in use	<input type="text"/>						

B

Part V.—RETIREMENT INCOME CREDIT

A.—General Rule

If separate return, use column B only. If joint return, use column A for wife and column B for husband—
 Did you receive earned income in excess of \$600 in each of any 10 calendar years before 1964? (Widows
 or widowers see instructions, page B-3)

A		B	
<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No

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

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 (e.g. Fed., State Govts., etc.) included in line 9, page 1, of Form 1040.

(b) For taxpayers 65 years of age or older:

Enter total of pensions and annuities, interest, and dividends included in line 9, page 1 of Form 1040, and gross rents included in column 2, Part II of this schedule

1,524	00	1,524	00
-------	----	-------	----

2. Maximum amount of retirement income for credit computation

3. Deduct:

(a) Amounts received as pensions or annuities under the Social Security Act, the Railroad Retirement Acts, and certain other exclusions from gross income

(b) Earned income received (Does not apply to persons 72 years of age or over):

(1) Taxpayers under 62 years of age, enter amount in excess of \$900

(2) Taxpayers 62 or over but under 72, enter amount determined as follows:

if \$1,200 or less, enter zero

if over \$1,200 but not over \$1,700, enter 1/2 of amount over \$1,200; or

if over \$1,700, enter excess over \$1,450

4. Total of lines 3(a) and 3(b)

5. Balance (line 2 minus line 4)

6. Line 5 or line 1, whichever is smaller

7. (a) Total (add amounts on line 6, columns A and B)

If line 7(a) is less than \$2,286 and this is a joint return and both husband and wife are age 65 or over, complete the Alternative Computation in B below which may result in a larger credit.

(b) Amount from line 7 of part B below, if applicable

8. Tentative credit. Enter 17% of line 7(a) or 17% of line 7(b), whichever is greater

LIMITATION ON RETIREMENT INCOME CREDIT

9. Amount of tax shown on line 12, page 1 of Form 1040

10. Less: Total of any amounts shown on lines 1 and 4, Part V, page 2, Form 1040

11. Subtract line 10 from line 9

12. Credit. Enter here and on line 2, Part V, page 2, Form 1040, the amount on line 11 or line 8, whichever is smaller

B.—Alternative Computation (after completing lines 1 through 7(a) above)

This method available if:

- a. You are married and filing a joint return;
- b. Both husband and wife are 65 or over, AND
- c. Either one, or both, received earned income in excess of \$600 in each of any 10 calendar years before 1964.

Furnish the information called for below for both husband and wife even if only one answered "Yes" in column A or B above.

1. Retirement income of both husband and wife from pensions and annuities, interest, and dividends included in line 9, page 1, Form 1040, and gross rents included in column 2, Part II of this schedule

2,286 00

2. Maximum amount of retirement income for credit computation

3. Deduct:

(a) Amounts received as pensions or annuities under the Social Security Act, the Railroad Retirement Acts, and certain other exclusions from gross income

(b) Earned income received (Does not apply to persons 72 years of age or over):

If \$1,200 or less, enter zero

If over \$1,200 but not over \$1,700 enter 1/2 of amount over \$1,200; or

If over \$1,700, enter excess over \$1,450

4. Total of lines 3(a) and 3(b)

5. Total (add amounts on line 4, columns A and B)

6. Balance (subtract line 5 from line 2)

7. Enter here and on line 7(b) of part A above, the amount on line 6 or line 1, whichever is smaller

A—WIFE	B—HUSBAND

A Special Message for Taxpayers:

Your 1964 forms and instructions have been revised in accordance with the Revenue Act of 1964 which reduced tax rates and provided a minimum standard deduction.

Many other changes have been made to conform to the new legislation which provided:

Higher ceilings on charitable contributions and the retirement income credit;

Benefits for persons 65 or over on medical expenses and sales of their residences;

Deductions for moving expenses;

Restrictions on the sick pay exclusion and the deduction for taxes paid;

An increase in the dividends exclusion and a decrease in the dividends received credit; and

An averaging system to moderate the effects of unusual increases in income.

During the past year, continued progress has been made in installing our Automatic Data Processing system, and some parts of the system are now operative in all of the 50 States. This system is designed to give you better service and more efficient and effective enforcement of the tax laws. Our aim is to make sure that everyone pays his share—and no more—of the cost of keeping America safe, prosperous, and healthy.

For your own protection and to promote fast, accurate processing of your return, please watch these points—

NAME AND ADDRESS—If your return form is not pre-addressed, be sure you enter your name and address correctly.

COPY YOUR SOCIAL SECURITY NUMBER, exactly as it appears on your account card. This number is important to rapid processing of your return and to identifying your tax affairs.

BE SURE TO FILL OUT EACH ITEM on the form which applies to you. Be accurate. Follow the instructions. List all income such as wages, dividends, interest, etc. Take all allowable deductions.

ATTACH FORMS W-2 to your return. If not available, please explain.

BE SURE TO SIGN YOUR RETURN.

FILE EARLY—before the April 15 deadline.

These instructions cover the most common aspects of the tax laws and regulations. If you have questions, telephone or visit any Internal Revenue Office. We will be glad to help you.

Instructions for Preparing Your Federal Income Tax Return Form 1040 for 1964



Commissioner of Internal Revenue

INSTRUCTIONS FORM 1040 (1964)

HOW TO USE FORM 1040

(To be filed not later than April 15)

Individuals have two return forms to choose from, Form 1040 and card form, Form 1040A. Form 1040 is limited to a single sheet. Supporting schedules may be attached according to the individual needs of each taxpayer.

Generally, if your income was entirely from salary, wages, interest, dividends, and sources other than those for which schedules (B, C, D, and F) are

required as prescribed below, you will need only Form 1040. You can use it whether you take the standard deduction or itemize deductions.

If you have income from sources listed below, complete and attach one or more of the following forms:

Schedule B for income from pensions, annuities, rents, royalties, partnerships, estates, trusts, etc.;

Schedule C for income from a personally owned business;

Schedule D for income from the sale or exchange of property; and

Schedule F for income from farming.

These schedules as well as other supporting schedules described in these instructions may be obtained from any Internal Revenue Service office.

exemption claimed on item 15 on the back of your Form 1040A.

The instructions for Form 1040A provide further information about its use. One of the special features is that if your income is less than \$5,000, you can choose to have the Internal Revenue Service figure your tax for you. You can obtain these forms from most banks and some post offices.

WAGE EARNERS WITH LESS THAN \$10,000 INCOME

You can use a simpler return (Form 1040A), printed on a punch card, if:

1. Your income was less than \$10,000, AND

2. It consisted of wages reported on withholding statements (Forms W-2) and not more than \$200 total of other wages, interest, and dividends, AND

3. Instead of itemizing deductions,

you wish to use the tax table or to take the standard deduction which is generally the higher of:

(a) the 10-percent standard deduction—about 10 percent of your income, or

(b) the minimum standard deduction—an amount equal to \$200 (\$100 if married and filing separate return) plus \$100 for each

LOCATION OF DISTRICT DIRECTORS' OFFICES

Following is a list of the District Directors' offices. If there is more than one District Director's office in your State and you are not sure which one to use, consult your local post office.

ALABAMA—Birmingham, Ala., 35203.

ALASKA—Anchorage, Alaska, 99501.

ARIZONA—Phoenix, Ariz., 85025.

ARKANSAS—Little Rock, Ark., 72203.

CALIFORNIA—Los Angeles, Calif., 90012; San Francisco, Calif., 94102.

COLORADO—Denver, Colo., 80202.

CONNECTICUT—Hartford, Conn., 06115.

DELAWARE—Wilmington, Del., 19801.

DISTRICT OF COLUMBIA—Baltimore, Md., 21202.

FLORIDA—Jacksonville, Fla., 32202.

GEORGIA—Atlanta, Ga., 30303.

HAWAII—Honolulu, Hawaii, 96813.

IDAHO—Boise, Idaho, 83701.

ILLINOIS—Chicago, Ill., 60602; Springfield, Ill., 62704.

INDIANA—Indianapolis, Ind., 46204.

IOWA—Des Moines, Iowa, 50309.

KANSAS—Wichita, Kans., 67202.

KENTUCKY—Louisville, Ky., 40202.

LOUISIANA—New Orleans, La., 70130.

MAINE—Augusta, Maine, 04330.

MARYLAND—Baltimore, Md., 21202.

MASSACHUSETTS—Boston, Mass., 02115.

MICHIGAN—Detroit, Mich., 48226.

MINNESOTA—St. Paul, Minn., 55101.

MISSISSIPPI—Jackson, Miss., 39202.

MISSOURI—St. Louis, Mo., 63101.

MONTANA—Helena, Mont., 59601.

NEBRASKA—Omaha, Neb., 68102.

NEVADA—Reno, Nev., 89505.

NEW HAMPSHIRE—Portsmouth, N.H., 03801.

NEW JERSEY—Newark, N.J., 07102.

NEW MEXICO—Albuquerque, N. Mex., 87101.

NEW YORK—Brooklyn, N.Y., 11201; 170 Church Street, New York, N.Y., 10007; Albany, N.Y., 12210; Buffalo, N.Y., 14202.

NORTH CAROLINA—Raleigh, N.C., 27401.

NORTH DAKOTA—Grand Forks, N. Dak., 58102.

OHIO—Cleveland, Ohio, 44113; Cincinnati, Ohio, 45202.

OKLAHOMA—Oklahoma City, Okla., 73102.

OREGON—Portland, Ore., 97232.

PANAMA CANAL ZONE—Director of International Operations, Internal Revenue Service, Washington, D.C., 20225.

PENNSYLVANIA—Philadelphia, Pa., 19108; Pittsburgh, Pa., 15230.

PUERTO RICO—Director of International Operations, Internal Revenue Service, 1105 Fernandez Juncos Avenue, San Juan, P.R., 00907.

RHODE ISLAND—Providence, R.I., 02907.

SOUTH CAROLINA—Columbia, S.C., 29201.

SOUTH DAKOTA—Aberdeen, S. Dak., 57401.

TENNESSEE—Nashville, Tenn., 37203.

TEXAS—Austin, Tex., 78701; Dallas, Tex., 75201.

UTAH—Salt Lake City, Utah, 84110.

VERMONT—Burlington, Vt., 05401.

VIRGINIA—Richmond, Va., 23260.

VIRGIN ISLANDS—Permanent residents: Department of Finance, Tax Department, Charlotte Amalie, S. Thomas, V.I., 00801; Others: Director of International Operations, Internal Revenue Service, 1105 Fernandez Juncos Avenue, San Juan, P.R., 00907.

WASHINGTON—Tacoma, Wash., 98402.

WEST VIRGINIA—Parkersburg, W. Va., 26102.

WISCONSIN—Milwaukee, Wis., 53202.

WYOMING—Cheyenne, Wyo., 82001.

FOREIGN ADDRESSES—Taxpayers with legal residence in Foreign Countries—Director of International Operations, Internal Revenue Service, Washington, D.C., 20225.

GENERAL INSTRUCTIONS

Earned Income from Sources Outside the United States.—To determine whether an income tax return must be filed, income must be computed without regard to the exclusion provided for income earned from sources outside the United States. If you received such income and believe it is excludable for income tax purposes, attach Form 2555 to your return.

Social Security Numbers.—Be sure to enter your number in the space provided, exactly as shown on your card.

If you need a number, file application Form SS-5 with the local office of the Social Security Administration. File the application early to make certain you receive your card before April 15, the deadline for filing your return. If you file an application but do not receive your card by that date—file your return and enter "Applied for" in the space provided for the number.

249-158 O - 67 - 11

GENERAL INSTRUCTIONS—Continued

MEMBERS OF ARMED FORCES

A member of the Armed Forces should give his name, social security number, permanent home address and serial number.

WHEN AND WHERE TO FILE

Please file as early as possible. You must file not later than April 15. Mail your return to the "District Director of Internal Revenue" for the district in which you live (see page 2). U.S. citizens abroad who have no legal residence or place of business in the United States should file with Director of International Operations, Internal Revenue Service, Washington, D.C., 20225.

WHERE TO GET FORMS

As far as practical, the forms are mailed directly to taxpayers. Additional forms may be obtained from any Inter-

nal Revenue Service office, and also at most banks and some post offices.

HOW TO PAY

The balance of tax shown to be due on line 18, page 1, of your return on Form 1040 must be paid in full with your return if it amounts to \$1.00 or more. Make checks or money orders payable to "Internal Revenue Service."

ROUNDING OFF TO WHOLE DOLLARS

The money items on your return and schedules may be shown in whole dollars. This means that you eliminate any amount less than 50 cents, and increase any amount from 50 cents through 99 cents to the next higher dollar.

ATTACHMENTS TO THE RETURN

Attachments may be used if the lines

on the form schedules are not sufficient for your needs. The attachment must contain all required information, follow the format of the official schedules and must be attached to the return in the same sequence as the schedules appear on the official forms. If an attachment is used in place of a schedule having a summary line on page 1 or 2 of Form 1040, the total must be entered on the summary line on page 1 or 2, but need not be entered on the official schedule.

The above does not apply to Schedules C-3 and F-1 (self-employment tax) which the Service separates from the returns and transmits to the Social Security Administration for the recording of information in benefit accounts, or to any tax computation portion of a form or schedule.

MARRIED PERSONS—JOINT OR SEPARATE RETURNS

Advantages of a Joint Return.—Generally it is advantageous for a married couple to file a joint return. There are benefits in figuring the tax on a joint return, which often result in a lower tax than would result from separate returns.

How To Prepare a Joint Return.—You must include all income, exemptions and deductions of both husband and wife. In the return heading, list both names including middle initials (for example: "John F. and Mary L. Doe"). Both must sign the return.

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.

When a joint return is filed, the couple assumes full legal responsibility for the entire tax, and if one fails to pay, the other must pay it.

How To Prepare a Separate Return.—Separate returns may be filed by husband and wife where each has income of his own. In such case each should report his or her own income, exemptions and deductions in separate returns. Only

the name of the filer should be entered in the name and address area of the return. Check the box "married filing separately," line 1c, page 1 of the return and give the first name and social security number of your husband or wife in the space provided. 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 then both must do so. If one uses the 10 percent standard deduction (instead of the minimum standard deduction—line 11a (2), page 1, Form 1040), then the other may not use the minimum standard deduction.

A separate return may also be filed where only the husband or wife had income. Enter only the name of the one having income in the name and address area. Check the box "married filing separately," line 1c, page 1 of the return and do not enter your wife's (husband's) first name or social security number. To claim the exemption for

your wife or husband check the boxes provided in line 2, page 1.

Changes in Marital Status.—If you are married at the end of your taxable year, you are considered married for the entire year. If you are divorced or legally separated on or before the end of your taxable 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. Generally a joint return may be filed for the year provided you have not remarried before the end of the year. If an executor or administrator has been appointed, the return should be filed by both you and the executor or administrator. If no executor or administrator has been appointed, you may file the return. Indicate you are filing as a surviving husband or wife in the signature area of the return. If a refund is due, attach Form 1310, Statement of Claimant to Refund Due on Behalf of Deceased Taxpayer. You may also be entitled to the benefits of a joint return for the two years following the death of your husband or wife. See "Widows and Widowers," below.

SPECIAL COMPUTATIONS

Unmarried Head of Household.—The law provides special tax rates for any individual who qualifies as a "Head of Household." Only the following persons may qualify: (a) one who is unmarried (or legally separated) at the end of the taxable year, or (b) one who is married at the end of the year to an individual who was a nonresident alien at any time during the taxable year. In addition, you must have furnished over half of the cost of maintaining as your home a household which during the en-

tire year, except for temporary absence, was occupied as the principal place of abode and as a member of such household by (1) any related person other than your unmarried child or stepchild (see list under "Line 3," paragraph 5 on page 4 of these instructions) for whom you are entitled to a deduction for an exemption, unless the deduction arises from a multiple support agreement, or (2) your unmarried child, grandchild, or stepchild, even though such child is not a dependent.

The home you maintain for your father and mother need not be your residence.

See head of household rates on page 10.

Widows and Widowers.—Under certain conditions a taxpayer whose husband (or wife) has died during either of her two preceding taxable years may compute her tax by including only her income, exemptions, and deductions, but otherwise computing the tax as if a joint

GENERAL INSTRUCTIONS—Continued

return had been filed. However, the exemption for the decedent may be claimed only for the year of death.

The conditions are that the taxpayer

(a) must not have remarried, (b) must maintain as her home a household which is the principal place of abode of her child or stepchild for whom she is

entitled to a deduction for an exemption, and (c) must have been entitled to file a joint return with her husband (or wife) for the year of death.

HOW TO REPORT YOUR INCOME

All income in whatever form received which is not specifically exempt must be included in your income tax return, even though it may be offset by deductions. Examples are given below:

Examples of Income Which Must Be Reported

Wages, salaries, bonuses, commissions, fees, tips, and gratuities.
Dividends.
Interest on bank deposits, bonds, notes.
Interest on U.S. Savings bonds.
Profits from business or profession.
Your share of partnership profits.

Profits from sales or exchanges of real estate, securities, or other property.

Industrial, civil service and other pensions, annuities, endowments.

Rents and royalties from property, patents, copyrights.

Your share of estate or trust income.

Examples of Income Which Should Not Be Reported

Disability retirement payments and other benefits paid by the Veterans Administration.
Dividends on veterans' insurance.
Life insurance proceeds upon death.

Workmen's compensation, insurance, damages, etc., for injury or sickness.

Interest on State and municipal bonds.

Federal and State social security benefits.

Employer supplemental unemployment benefits.

Alimony, separate maintenance or support payments received from (and deductible by) your husband (or wife).

Prizes and awards (such as items received from radio and TV shows, contests, raffles, etc.).

Railroad Retirement Act benefits.

Gifts, inheritances, bequests.

INSTRUCTIONS FOR PAGE 1 OF FORM 1040**Exemptions (\$600 for Each Allowable Exemption)****Line 2—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 either blind or 65 or over, you get two exemptions. If you were both blind and 65 or over, you get three exemptions. Be sure to check the appropriate boxes. Age and blindness are determined as of December 31, 1964. Your age is determined on the day before your actual birthday and, thus, if your 65th birthday was on January 1, 1965, you get the additional exemption for age on your return for 1964.

For Your Wife.—An exemption is allowed 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. You are not entitled to an exemption for your wife on your return if she files a separate return for any reason (for example, to obtain a refund of tax withheld where her income is less than \$600). Otherwise, your wife's exemptions are like your own—i.e., 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 your wife or husband died during 1964, the number of her or his exemptions is determined as of the date of death.

Proof of Blindness.—If totally blind, a statement to that effect 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°.

Line 3—CHILDREN, OTHER DEPENDENTS

Enter on line 3a the total number of your children who lived with you during 1964.

Enter on line 3b the total number of dependents from line 3, Part I, page 2 of your return.

Each child, stepchild and other dependent claimed must meet all of the following tests:

1. Income.—Received less than \$600 income (if the child was under 19 or was a student, this limitation does not apply), and

2. Support.—Received more than half of his or her support from you (or from husband or wife if a joint return is filed), (see definition below of support), and

3. Married Dependents.—Did not file a joint return with her husband (or his wife), and

4. Nationality.—Was either a citizen or resident of the United States or a resident of Canada, Mexico, the Republic of Panama or the Canal Zone; or was an alien child adopted by and living with a United States citizen abroad, and

5. Relationship.—EITHER (1) for your entire taxable year had your home as his principal place of abode and was a member of your household; or (2) was related to you (or to husband or wife if a joint return is filed) in one of the following ways:

Child*	Stepbrother	Son-in-law
Stepchild	Stepsister	Daughter-in-law
Mother	Stepmother	The following if related by blood:
Father	Stepfather	Grand-
Grand-	Mother-in-law	Uncle
parent	Father-in-law	Aunt
Brother	Brother-in-law	Nephew
Sister	Sister-in-law	Niece
Grandchild		

*Includes a child who is a member of your household if placed with you by an authorized placement agency for legal adoption.

Definition of Support.—Support includes food, shelter, clothing, medical and dental care, education, and the like. Generally, the amount of an item of support will be the amount of expense incurred by the one furnishing such item. If the item of support furnished by an individual is in the form of property or lodging, it will be necessary to measure the amount of such item of support in terms of its fair market value. In computing the amount of support include amounts contributed by the dependent for his own support and also amounts ordinarily excludable from income (for example, social security benefits).

In figuring whether you provide more than half of the support of your child who is a student, you may disregard amounts received by him as scholarships.

Definition of Student.—The law defines a student as an individual who, during each of 5 calendar months during the year, is (a) a full-time student at an educational institution or (b) 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 a political subdivision of a State.

Children Under 19 and Students.—If your dependent child has income of \$600 or over and is under 19, or is a student, he must file an income tax return, report the income, and claim his exemption. If you provide over half of your child's support and meet the other qualifications for claiming a dependent, you may also claim the exemption on your return.

Birth or Death of Dependent.—You can claim a full \$600 exemption for a dependent who was born or died during the year if the tests for claiming an exemption for such dependent are met for the part of the year during which he was alive.

INSTRUCTIONS FOR PAGE 1 OF FORM 1040—Continued

Support 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 entitled 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 other person in the group who contributed over 10 percent of the individual's support makes a declaration

that he will not claim the individual as a dependent for the year. The declarations must be filed with the return of the person claiming the exemption. Form 2120, Multiple Support Declaration, is available at any Internal Revenue Service office.

Line 5—WAGES, SALARIES, TIPS, ETC.

Report the full amount of your wages, salaries, fees, commissions, tips, bonuses, and other payments for your personal services even though taxes and other amounts have been withheld by your employer. See page 7 for treatment of reimbursed employee business expenses.

If your employer furnishes you a statement showing that a portion of the cost of group term life insurance is taxable to you, include the taxable amount with other payments reported on this line.

TAX—CREDITS—PAYMENTS—BALANCE DUE OR REFUND**FIGURING YOUR TAX**

Line 10.—The Tax Tables are provided by law and save you the trouble of itemizing deductions and computing your tax. The tables allow \$600 for each exemption claimed on your return and also provide for the standard deduction.

Line 11.—The tax rate schedules on page 10 are to be used to figure your tax. Be sure to use the right schedule. See pages 3 and 4 for special computations.

Line 12.—Tax.—If your income has increased substantially this year, it may be to your advantage to figure your tax under the "averaging method." Obtain Schedule "G" from any Internal Revenue Service office for full details.

Line 14.—Income Tax.—Include any tax from Recomputing Prior Year Investment Credit due to early disposition of such property. Also show the amount separately and write "Inv. Cr." to left of the entry. Attach computation.

Line 17a.—Payments.—Include any amounts from the following sources on this line.

Income Tax Withheld.—As reflected on the Forms W-2 which you received from your employers.

Two or More Employers.—If more than \$174 of Social Security (F.I.C.A.) employees tax was withheld during 1964 because either you or your wife received wages from more than one employer, the excess should be claimed as a credit against income tax. Include any excess of Social Security tax withheld over \$174. Also show the amount separately and write "F.I.C.A." to left of the entry. If a joint return, do not add the Social Security tax withheld from both husband and wife to figure the excess over \$174; compute the credit separately.

Credit for Taxes Paid by Regulated Investment Companies.—If you are entitled to a credit for taxes paid by a regulated investment company on undistributed capital gains, include the credit on this line and write "Reg. Inv." to left of the entry. To substantiate the credit claimed attach Copy B of Form 2439.

Line 17c.—If the total amount shown on this line is substantially less than the amount of tax shown on line 14, you may be liable for the additional charge imposed by law for underpayment of estimated tax. This charge is mandatory unless the taxpayer qualifies for relief under one of the specific exceptions provided by law. Details of this additional charge, and exceptions to it are printed on Form 1040-ES and Form 2210. If you believe one of the exceptions applies, attach a statement or Form 2210 to your return. See paragraph below, headed "Declarations of Estimated Tax" for filing requirements.

Lines 18 and 19.—Tax Due or Refund Under \$1.—In order to facilitate the processing of collections and refunds, balances due of less than \$1 need not be paid, and overpayments of less than \$1 will be refunded only upon separate application to your District Director.

Line 21.—Purchase of U.S. Savings Bonds.—If you are entitled to a refund, you may apply it to the purchase of Series E United States Savings Bonds by checking the first box on line 21, page 1. You will be issued as many bonds as your refund will buy providing it does not leave a balance of less than \$1 to be paid by check. The excess will automatically be refunded to you. If you make this election, do not check the second box on line 21. For example, if your refund is \$40 you will receive a \$50 face value bond and a check for \$2.50. Bonds will be issued in the name used in filing your

All income regardless of where earned must be reported on one Federal tax return.

Payment in Merchandise, etc.—If you are paid in whole or in part in merchandise, services, stock, or other things of value, 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 designated wages, must include the fair market value in income.

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.

If you file a joint return the bonds will be issued only to husband and wife as co-owners.

Declarations of Estimated Tax.—For many taxpayers the withholding tax on wages is not sufficient to keep them paid up on their income tax. In general, the law requires every citizen or resident of the United States to file a Declaration of Estimated Income Tax, Form 1040-ES, and to make quarterly payments in advance of filing the annual income tax return if his total expected tax exceeds his withholding (if any) by \$40 or more, and he:

(a) can reasonably expect gross income exceeding—

(1) \$10,000 for a head of a household or a widow or widower entitled to the special tax rate;

(2) \$5,000 for other single individuals;

(3) \$5,000 for a married individual not entitled to file a joint declaration;

(4) \$5,000 for a married individual entitled to file a joint declaration, and the combined income of both husband and wife can reasonably be expected to exceed \$10,000; OR

(b) can reasonably expect to receive more than \$200 from sources other than wages subject to withholding.

Farmers and fishermen may postpone filing their 1965 declarations until January 15, 1966.

Additional Charge for Underpayment of Estimated Tax.—Estimate your tax carefully. Avoid the difficulties of paying a large balance with your return; also the prospect of your being liable for the additional charge imposed by law for underpayment of estimated tax when filing your 1965 income tax return. See instructions for line 17c above.

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INSTRUCTIONS FOR PAGE 2 OF FORM 1040**Part II****Line 1—DIVIDENDS**

If you own stock, the payments you receive out of the company's earnings and profits are 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.

Enter as item A, above line 1, the gross amount of dividends and other distributions received by you as a shareholder, either directly or through a nominee or other intermediary.

Enter as item B, above line 1, the total of any capital gain dividends and nontaxable distributions included in item A.

Some payers, especially mutual funds and investment club partnerships, distribute both an ordinary dividend and a capital gain at the same time; the check or notice will usually show them separately. You must report the dividend income portion on this line, and the capital gain portion on line 7, Part I of Schedule D (Form 1040).

There are special rules applicable to stock dividends, partial liquidations, stock rights, and redemptions; call your Internal Revenue Service office for more complete information.

You may exclude from your income \$100 of dividends received from qualifying domestic corporations.

If a joint return is filed and both husband and wife have dividend income, each one may exclude \$100 of dividends received from qualifying corporations, but one may not use any portion of the \$100 exclusion not used by the other. For example, if the husband had \$300 in dividends, and the wife had \$20, only \$120 may be excluded on a joint return.

Use this line to list your dividends including dividends you receive as a member of a partnership or as a beneficiary of an estate or trust, and to show the amount of the exclusion to which you are entitled. If you receive dividends through a nominee or other intermediary, list the name of such person. Dividends from mutual insurance companies which are a reduction of premiums are not to be included. So-called "dividends" paid on deposits or withdrawable accounts by the following corporations are considered interest and should be reported as interest in line 3; mutual savings banks, cooperative banks, savings and loan associations and credit unions.

Taxable dividends from the following corporations, which do not qualify for the dividends received exclusion and the dividends received credit should be reported on line 1d:

(a) foreign corporations, including your share from a controlled foreign corporation.

(b) so-called exempt organizations (charitable, fraternal, etc.) and exempt farmers' cooperative organizations.

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

(d) real estate investment trusts.

(e) China Trade Act corporations.

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

Line 3—INTEREST

You must include in your return any interest you received or which was credited to your account (whether entered in your passbook or not) and can be withdrawn by you. Interest on bonds, debentures, notes, savings accounts, or loans is taxable, except on State and municipal bonds and securities.

If you own United States Savings or War bonds, the gradual increase in value of each bond is considered interest, but you need not report this interest 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 on all such bonds and must continue to report the annual increase each year.

Line 8—OTHER SOURCES

If you cannot find any specific place on your return (or related schedules) to list certain types of income, report it here. Income reported on this line must be identified as to its source. Report here amounts received as alimony, separate maintenance, prizes and awards. Recoveries of bad debts and other items which reduced your tax in a prior year should also be reported here. A refund of State income tax should be entered here. The general rule is that a refund of State income tax is income to the taxpayer if a deduction was taken in a prior year which resulted in a Federal tax benefit. Taxpayers using the cash basis report the refund in the year received; taxpayers using the accrual basis report when the claim is allowed (if no claim is filed, report when the taxing authority notifies you of the overpayment).

Net Operating Loss.—If, in 1964, your business or profession lost money instead of making a profit, 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 the losses against your 1964 income. If the losses exceed your income, the excess is a "net operating loss" which generally may be used to offset your income for the 3 years prior to and the 5 years following this year. The loss must be carried back to the third prior year and any remaining balance brought forward to each succeeding year. If a "carryback" entitles you to a refund of prior year taxes, ask the District Director for Form 1045 to claim a quick refund.

If you had a loss in a prior year which may be carried over to 1964, it should be reported on this line. Attach a statement showing the computation.

Part III**Line 1—SICK PAY EXCLUSION**

You may exclude from income amounts received under a wage continuation plan for the period during which you were absent from work on account of personal injuries or sickness. If both you and your employer contribute to the plan, any benefits attributable to your own contributions are excludable without limit, but there are certain limitations on the exclusion of the benefits attributable to your employer's contributions.

To figure your sick pay exclusion you must first determine whether your "sick pay" was over 75 percent of your regular weekly rate of pay.

(1) Over 75 percent—

If you received over 75 percent of your weekly rate of wages for periods of absence from work because of illness or injury, there is now a 30-calendar day waiting period before you qualify for the exclusion. The waiting period applies even though you were injured or hospitalized. The amount to be excluded thereafter is limited to a rate not to exceed \$100 a week.

(2) 75 percent or less—

If you received 75 percent or less of your weekly rate of wages, the waiting period is 7 calendar days, and the exclusion is limited to a rate not to exceed \$75 a week. There is no exclusion for the waiting period regardless of whether you were sick or injured, unless you were hospitalized at least 1 day during the period of absence. After 30 calendar days the weekly rate of exclusion is increased to an amount not to exceed \$100.

Where the exclusion is limited to a weekly rate of \$100 and the payments exceed this rate the exclusion is figured by multiplying the amount received by 100 and dividing the result by the weekly rate of payment.

Where the exclusion is limited to a weekly rate of \$75 and the payments exceed this rate the exclusion is figured

INSTRUCTIONS FOR PAGE 2 OF FORM 1040—Continued

by multiplying the amount received by 75 and dividing the result by the weekly rate of payment.

See Form 2440 for additional information. Attach this form or a statement showing your computation, and indicating the period or periods of absence, regular weekly rate of pay, and whether hospitalized.

The exclusion for periods of absence which began before 1964 should be computed under the 1963 rules.

Line 2—MOVING EXPENSES

Except as noted below, employees, including new employees, can deduct unreimbursed moving expenses (transportation of household goods and members of the household, and meals and lodging while in transit). The deduction is allowed only if (a) the change in job location would have required at least 20 additional miles travel if the taxpayer had not moved to a new residence, or, (b) he had no former principal place of work, his new place of work is at least 20 miles from his former residence, and (c) during the 12-month period immediately following his arrival in the general location of his new principal place of work, the taxpayer is a full-time employee, in such general location, during at least 39 weeks.

See Form 3903 for full details. Attach the form or a statement which includes the amount of your reimbursements and the amount of the expenses. Enter any excess reimbursement on line 8, Part II, page 2 of your return and enter any excess expenses on line 2, Part III, page 2 of your return. If the employer for whom you were already working paid your moving expenses to a new location and the reimbursement equaled the expenses, you should not report the reimbursement or the expenses.

Line 3—EMPLOYEE BUSINESS EXPENSES AND EMPLOYER PAYMENTS

Deductible Expenses and Excess Payments.—You may deduct the expenses shown below to the extent they are not paid by your employer. If employer

payments exceed the expenses, the excess must be reported as income on your return.

(1) *Travel and transportation.*—Bus, taxi, plane, train, etc., fares or the cost of operating an automobile in connection with your duties as an employee.

(2) *Meals and lodging.*—If you are temporarily away on business, at least overnight from the city, town, or other general area which constitutes your principal or regular business location.

(3) *Outside salesmen.*—If you are an "outside salesman," you may generally deduct other expenses which are ordinary and necessary in performing your duties, such as selling expenses, stationery, and postage. An "outside salesman" is one who is engaged in full-time solicitation of business for his employer away from the employer's place of business. It does not include a person whose principal activities consist of service and delivery as, for example, a milk driver-salesman.

(4) *Other business expenses.*—If you itemize deductions in Part IV, page 2 of your return, you may also deduct (under the heading "Other Deductions") business expenses other than those described above. Examples of such expenses are professional and union dues, and the cost of tools, materials, etc., not paid for by your employer.

Additional Information.—If you claim a deduction for these employee business expenses you must submit the following information with your return. You may use Form 2106 for this purpose.

(1) The total of all amounts received from or charged to your employer for business expenses,

(2) The amount of your business expenses broken down into broad categories, and

(3) The number of days away from home on business.

If you do not claim a deduction, you must attach the information unless you were required to and did make an adequate accounting for your expenses to your employer. You have made the

equivalent of an adequate accounting, if you received an allowance not in excess of \$25 per diem in lieu of subsistence, or a mileage allowance not in excess of 15 cents per mile, and established time, place, and business purpose of the travel.

If you operate your own automobile for business purposes, you may figure the cost of operating your automobile at a standard mileage rate of 10 cents per mile for the first 15,000 miles of business use and 7 cents per mile for such use in excess of 15,000 miles rather than deducting the actual expenses. Use of this method is optional on a yearly basis. Actual expenses include gasoline, oil, repairs, license tags, insurance and depreciation.

This simplified method cannot be used if:

(a) depreciation has been claimed using a method other than straight line (or where additional first year depreciation has been claimed), or

(b) you are claiming a deduction in excess of reimbursements received from your employer for automobile expenses.

Whether or not you are required to submit the additional information described above, check the box for expense accounts on page 2 of Form 1040.

Reporting Deductions and Excess Payments.—The expenses and payments are to be reported as follows:

(1) If the employer payments exceed the expenses, report the excess on line 8, Part II, page 2;

(2) If the expenses exceed the payments, the excess expenses for travel and transportation, meals and lodging, and "Outside Salesman," may be deducted on line 3, Part III, page 2. If you itemize deductions the unreimbursed portion of *Other business expenses* may be deducted in Part IV, page 2, under Other deductions; or

(3) If the expenses equaled the payments, no further entry is required on the form.

Part IV—ITEMIZED DEDUCTIONS—If you do not use Tax Table or Standard Deduction**MEDICAL AND DENTAL EXPENSES**

If you itemize deductions, you can deduct, within the limits described below, the amounts you paid during the year (not compensated by hospital, health or accident insurance) for medical or dental expenses for yourself, your wife, or any dependent who received over half of his support from you whether or not the dependent had \$600 or more income. List on the attachment the name and amount paid to each person or institution.

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

You can deduct amounts paid for transportation primarily for and essential to medical care, but not for any other travel expense even if it benefits your health. Meals and lodging while you are away from home receiving medical treatment may not be treated as

medical expense unless they are part of a hospital bill or are included in the cost of care in a similar institution.

Subject to the Limitations Set Forth Below, You CAN Deduct as Medical Expenses Payments To or For:

Physicians, dentists, nurses, and hospitals
Drugs or medicines

Transportation necessary to get medical care
Eyeglasses, artificial teeth, medical or surgical appliances, braces, etc.

X-ray examinations or treatment
Premiums on hospital or medical insurance
You CANNOT Deduct Payments For:
Funeral expenses and cemetery plot

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INSTRUCTIONS FOR PAGE 2 OF FORM 1040—Continued

Illegal operations or drugs
Travel ordered or suggested by your doctor
for rest or change
Premiums on life insurance
Cosmetics

FIGURING THE DEDUCTION**(A) General Rule:**

(1) *Medicine and drugs.*—The total amount paid for medicine and drugs must be reduced by 1 percent of line 9, page 1, Form 1040 for: (a) the taxpayer, wife, dependent parent(s), all of whom were under 65 years of age, and (b) all other dependents regardless of age.

(2) *Medical and dental expenses.*—You can deduct that portion of your medical and dental expenses which exceed 3 percent of line 9, page 1, of Form 1040 and which were paid for the persons described in (1) above.

(B) Special Rule for Certain Persons 65 or over:

The unreimbursed portion of the medical and dental expenses including medicine and drugs are deductible in full for the following persons:

(a) The taxpayer and his wife if EITHER is 65 years of age or over;

(b) A dependent who is 65 or over and who is the mother or father of the taxpayer or his wife.

If you have expenses under both the General Rule and Special Rule, you may obtain Form 2948 from any Internal Revenue Service office to assist you. If however, you have expenses only for those persons described in the Special Rule, attach an itemized list and enter the total amount in line 5 of the medical and dental expense section, Part IV, page 2.

Limitations.—The deduction for medical and dental expenses may not exceed \$5,000 multiplied by the number of exemptions claimed on the return (other than the exemptions for age and blindness). However, in no case may the deduction exceed:

(a) \$10,000 if the taxpayer is single and not a head of household or a widow or widower entitled to the special tax computation;

(b) \$10,000 if the taxpayer is married but files a separate return; or

(c) \$20,000 if the taxpayer files a joint return, or is a head of household or a widow or widower entitled to the special tax computation.

(d) If either you or your wife are disabled and 65 or over, you may qualify for an increased maximum limitation. Consult the nearest Internal Revenue Service office for further information.

CONTRIBUTIONS

If you itemize deductions, you can deduct gifts to:

(1) religious, charitable, education-

al, scientific or literary organizations, and organizations for the prevention of cruelty to children and animals, unless the organization is operated for personal profit, or a substantial part of its activities is the carrying on of propaganda or otherwise attempting to influence legislation; and

(2) fraternal organizations if they are to be used for charitable, religious, etc., purposes; and

(3) veterans' organizations which will use the gifts for public purposes; and

(4) governmental agencies which will use the gifts for public purposes, including civil defense.

Civil defense volunteers may deduct unreimbursed expenses paid for gasoline and other expenses of participation in official civil defense activities. The law does not allow deductions for gifts to individuals, foreign organizations, or to other types of organizations.

A contribution may be made in money or property (not services). If in property, attach a description of the property, date of gift, and method of valuation except for securities. In addition, for each gift valued at more than \$200, set forth any conditions attached to gift; manner of acquisition and cost or other basis if owned by you less than 5 years; and attach a signed copy of appraisal, if any. A special rule is provided to determine the amount deductible in the case of a gift of depreciable property described in sections 1245 and 1250 of the Internal Revenue Code (see instructions for Schedule D for definition of sections 1245 and 1250 property). Generally, a charitable deduction for a transfer of a future interest in tangible personal property made after December 31, 1963, is not allowed until the entire interest has been transferred.

Generally, the deduction for contributions may not exceed 20 percent of line 9, page 1. An additional 10 percent is allowable for contributions to churches, a convention or association of churches, tax-exempt educational institutions, tax-exempt hospitals, certain medical research organizations, certain college or university endowment associations; and organizations referred to in paragraphs (1) and (4), above. Attach computation.

If your contributions exceed 30 percent of line 9, page 1, consult the nearest Internal Revenue Service office for a possible carryover deduction.

If you support a student in your home under a written agreement with a charitable or educational institution, you may be entitled to deduct as a contribution a

part or all of the amounts you expend to maintain such a student.

You CAN Deduct Gifts To:

Churches, including assessments
Salvation Army, Red Cross
United Funds and 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 and disabilities such as cancer, cerebral palsy, cystic fibrosis, diseases of the heart, diabetes, mental illness and mental retardation, multiple sclerosis, muscular dystrophy, poliomyelitis, tuberculosis, etc.

You CANNOT Deduct Gifts To:

Relatives, friends, other individuals
Political organizations or candidates
Social clubs

Trade unions
Chambers of commerce
Propaganda organizations

INTEREST

If you itemize deductions, 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 the separate schedule in which your business income is reported. Do not deduct interest paid on money borrowed to buy tax-exempt securities or single-premium life insurance. Do not include as interest such items as carrying charges and insurance which are not deductible, and taxes which may be deductible but which should be itemized separately.

If interest charges are not stated separately on installment purchases of personal property (such as automobiles, televisions, etc.), you may deduct an amount equal to 6 percent of the average unpaid monthly balance.

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 nonenforceable obligation

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

TAXES

If you itemize deductions, you can deduct general State or local retail sales taxes if under the laws of the 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. In certain cases you may also deduct State or local selective sales or excise taxes, even though not part of a general sales tax, (or tax similar to a general sales tax) if imposed at the general rate of that tax.

Average general sales tax tables for

INSTRUCTIONS FOR PAGE 2 OF FORM 1040—Continued

many States are available in Internal Revenue Service offices. In general, you cannot deduct taxes assessed for pavements or other improvements, including front-foot benefits, which tend to increase the value of your property.

Do not deduct in this part any non-business Federal taxes, or any taxes paid in connection with a business or profession which are deductible in Part II of Schedule B, or Schedule C, or F.

You CAN Deduct:

Real estate taxes
State and local gasoline taxes
General sales taxes
State and local income taxes
Personal property taxes

You CANNOT Deduct:

Any Federal excise taxes on your personal expenditures, such as taxes on theater admissions, furs, jewelry, cosmetics, transportation, telephone, gasoline, etc.
Federal social security taxes
Hunting licenses, dog licenses
Auto inspection fees, tags, drivers licenses
Water taxes
Taxes paid by you for another person
Alcoholic beverage, cigarette, and tobacco taxes
Selective sales or excise taxes (such as those on admissions, room occupancy, etc.) even if they are separately stated or imposed on the purchaser, unless imposed at the same rate as the general sales tax.

OTHER DEDUCTIONS**Care of Dependents and Other Dependents.—**

If deductions are itemized, a woman or a widower (including men who are divorced or legally separated under a decree and who have not remarried) or a husband whose wife is incapacitated or is institutionalized for at least 90 consecutive days or a shorter period if she dies, may deduct expenses paid, not to exceed a total of \$600, for one dependent, or not to exceed a total of \$900 for two or more dependents for the care of:

- dependent children under 13 years of age; or
- dependent persons (excluding husband or wife) physically or mentally incapable of caring for themselves;

if such care is to enable the taxpayer to be gainfully employed or to actively seek gainful employment.

In the case of a woman who is married, the deduction is allowed if;

(a) she files a separate return because she has been deserted by her husband, does not know, and did not know his whereabouts at any time during the year, and has applied to a court to compel him to pay support or otherwise to comply with the law or a judicial order; or

(b) she files a joint return with her husband, in which case, the deduction is reduced by the amount (if any) by which their combined income, line 9, page 1, exceeds \$6,000. *This limitation does not apply to expenses incurred while the husband is incapable of self-*

support because he is mentally or physically defective.

In case of a husband whose wife is incapacitated the deduction is allowed if he files a joint return with his wife, in which case, the deduction is reduced by the amount (if any) by which their combined income, line 9, page 1, exceeds \$6,000. *This limitation does not apply to expenses incurred while the wife is institutionalized if she is institutionalized for at least 90 consecutive days or a shorter period if she dies.*

Do not deduct any child care payments to a person for whom you claim an exemption.

If the person who receives the payment performs duties not related to dependent care, only that part of the payment which is for the dependent's care may be deducted.

Attach Form 2441 or a statement setting forth all pertinent information.

Casualty Losses and Thefts.—If you itemize deductions, you can deduct a net loss resulting from the destruction of your property in a fire, storm, automobile accident, shipwreck, or other losses caused by natural forces limited to the amount in excess of \$100 for each loss. Damage to your car by collision or accident can be deducted if due merely to faulty driving but cannot be deducted if due to your willful act or negligence. You can also deduct losses due to theft, but not losses due to mislaying or losing articles.

The amount of loss to be deducted is measured by the fair market value of the property just before the casualty less its fair market value immediately after the casualty (but not more than the cost or other adjusted basis of the property), reduced by any insurance or compensation received and the \$100 limitation. Attach an explanation.

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, gradual erosion or deterioration
Animals or plants damaged or destroyed by disease

Expenses for Education.—These expenses may be deducted if primarily for:

- Maintaining or improving skills required in your employment or other trade or business, or
- Meeting the express requirements of your employer, or the requirements of

applicable law or regulations, imposed as a condition to the retention of your salary, status, or employment.

Expenses incurred for obtaining a new position, meeting minimum requirements, a substantial advancement in position, or for personal purposes are not deductible.

The rules for reporting deductible education expenses are the same as those shown on page 7 for the reporting of "Employee Business Expenses."

Miscellaneous.—If you itemize deductions, you can deduct several other types of expenses under "Other Deductions."

If you work for wages or a salary, you can deduct your ordinary and necessary employee business expenses which have not been claimed in Part III, page 2.

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 under either (a) a written separation agreement entered into after August 16, 1954, or (b) a decree for support entered after March 1, 1954, are also deductible. Such payments must be included in the wife's income. You cannot deduct any voluntary payments not made under a court order or a written separation agreement, lump-sum settlements, or specific maintenance payments for support of minor children.

You may deduct gambling losses only to the extent of gambling winnings.

You CAN Deduct Cost Of:

Safety equipment, tools and supplies, used in your job
Dues to unions or professional societies
Business entertainment
Fees to employment agencies
You CANNOT Deduct Cost Of:
Travel to and from work
Entertaining friends
Bribes and illegal payments

Part V**Line 1—DIVIDENDS RECEIVED CREDIT**

This credit is equal to 2 percent of qualifying dividends in excess of those which you may exclude from your income. The credit may not exceed:

- the total income tax reduced by the foreign tax credit if any; or
- 2% of the taxable income.

Taxable income means—
(a) If tax is computed, the amount shown on line 14d, page 1 of Form 1040.
(b) If Tax Table is used, the amount shown on line 9, page 1, Form 1040, less the standard deduction, and less the deduction for exemptions (\$600 multiplied by the number of exemptions claimed on line 4, page 1, Form 1040).

TAX RATE SCHEDULES

If you do not use one of the Tax Tables, then figure your tax on the amount on line 11d, page 1 of your return by using the appropriate tax rate schedule on this page.

Schedule I. SINGLE TAXPAYERS not qualifying for rates in Schedules II and III, and MARRIED PERSONS FILING SEPARATE RETURNS.

If the amount on line 11d, page 1, is: *Enter on line 12, page 1:*

Not over \$500.....	16% of the amount on line 11d.
<i>Over—</i>	<i>But not over—</i>
\$500 — \$1,000....	\$80, plus 16.5%
\$1,000 — \$1,500....	\$162.50, plus 17.5%
\$1,500 — \$2,000....	\$250, plus 18%
\$2,000 — \$4,000....	\$340, plus 20%
\$4,000 — \$6,000....	\$740, plus 23.5%
\$6,000 — \$8,000....	\$1,210, plus 27%
\$8,000 — \$10,000....	\$1,750, plus 30.5%
\$10,000 — \$12,000....	\$2,360, plus 34%
\$12,000 — \$14,000....	\$3,040, plus 37.5%
\$14,000 — \$16,000....	\$3,790, plus 41%
\$16,000 — \$18,000....	\$4,610, plus 44.5%
\$18,000 — \$20,000....	\$5,500, plus 47.5%

If the amount on line 11d, page 1, is: *Enter on line 12, page 1:*

<i>Over—</i>	<i>But not over—</i>	<i>of excess over—</i>
\$20,000 — \$22,000...	\$6,450, plus 50.5%	\$20,000
\$22,000 — \$26,000...	\$7,460, plus 53.5%	\$22,000
\$26,000 — \$32,000...	\$9,600, plus 56%	\$26,000
\$32,000 — \$38,000...	\$12,960, plus 58.5%	\$32,000
\$38,000 — \$44,000...	\$16,470, plus 61%	\$38,000
\$44,000 — \$50,000...	\$20,130, plus 63.5%	\$44,000
\$50,000 — \$60,000...	\$23,940, plus 66%	\$50,000
\$60,000 — \$70,000...	\$30,540, plus 68.5%	\$60,000
\$70,000 — \$80,000...	\$37,390, plus 71%	\$70,000
\$80,000 — \$90,000...	\$44,490, plus 73.5%	\$80,000
\$90,000 — \$100,000...	\$51,840, plus 75%	\$90,000
\$100,000 — \$200,000...	\$59,340, plus 76.5%	\$100,000
\$200,000.....	\$133,840, plus 77%	\$200,000

Schedule II. MARRIED TAXPAYERS FILING JOINT RETURNS and CERTAIN WIDOWS AND WIDOWERS (See page 3).

If the amount on line 11d, page 1, is: *Enter on line 12, page 1:*

Not over \$1,000.....	16% of the amount on line 11d.
<i>Over—</i>	<i>But not over—</i>
\$1,000 — \$2,000...	\$160, plus 16.5%
\$2,000 — \$3,000....	\$325, plus 17.5%
\$3,000 — \$4,000....	\$500, plus 18%
\$4,000 — \$8,000....	\$680, plus 20%
\$8,000 — \$12,000....	\$1,480, plus 23.5%
\$12,000 — \$16,000....	\$2,420, plus 27%
\$16,000 — \$20,000....	\$3,500, plus 30.5%
\$20,000 — \$24,000....	\$4,720, plus 34%
\$24,000 — \$28,000....	\$6,080, plus 37.5%
\$28,000 — \$32,000....	\$7,580, plus 41%
\$32,000 — \$36,000....	\$9,220, plus 44.5%
\$36,000 — \$40,000....	\$11,000, plus 47.5%

If the amount on line 11d, page 1, is: *Enter on line 12, page 1:*

<i>Over—</i>	<i>But not over—</i>	<i>of excess over—</i>
\$40,000 — \$44,000...	\$12,900, plus 50.5%	\$40,000
\$44,000 — \$52,000...	\$14,920, plus 53.5%	\$44,000
\$52,000 — \$64,000...	\$19,200, plus 56%	\$52,000
\$64,000 — \$76,000...	\$25,920, plus 58.5%	\$64,000
\$76,000 — \$88,000...	\$32,940, plus 61%	\$76,000
\$88,000 — \$100,000...	\$40,260, plus 63.5%	\$88,000
\$100,000 — \$120,000...	\$47,880, plus 66%	\$100,000
\$120,000 — \$140,000...	\$61,080, plus 68.5%	\$120,000
\$140,000 — \$160,000...	\$74,780, plus 71%	\$140,000
\$160,000 — \$180,000...	\$88,980, plus 73.5%	\$160,000
\$180,000 — \$200,000...	\$103,680, plus 75%	\$180,000
\$200,000 — \$400,000...	\$118,680, plus 76.5%	\$200,000
\$400,000.....	\$271,680, plus 77%	\$400,000

Schedule III. Unmarried (or legally separated) taxpayers who qualify as HEAD OF HOUSEHOLD (See page 3).

If the amount on line 11d, page 1, is: *Enter on line 12, page 1:*

Not over \$1,000.....	16% of the amount on line 11d.
<i>Over—</i>	<i>But not over—</i>
\$1,000 — \$2,000....	\$160, plus 17.5%
\$2,000 — \$4,000....	\$335, plus 19%
\$4,000 — \$6,000....	\$715, plus 22%
\$6,000 — \$8,000....	\$1,155, plus 23%
\$8,000 — \$10,000....	\$1,615, plus 27%
\$10,000 — \$12,000....	\$2,155, plus 29%
\$12,000 — \$14,000....	\$2,735, plus 32%
\$14,000 — \$16,000....	\$3,375, plus 34%
\$16,000 — \$18,000....	\$4,035, plus 37.5%
\$18,000 — \$20,000....	\$4,805, plus 39%
\$20,000 — \$22,000....	\$5,585, plus 42.5%
\$22,000 — \$24,000....	\$6,435, plus 43.5%
\$24,000 — \$26,000....	\$7,305, plus 45.5%
\$26,000 — \$28,000....	\$8,215, plus 47%
\$28,000 — \$32,000....	\$9,155, plus 48.5%
\$32,000 — \$36,000....	\$11,095, plus 51.5%
\$36,000 — \$38,000....	\$13,155, plus 53%

If the amount on line 11d, page 1, is: *Enter on line 12, page 1:*

<i>Over—</i>	<i>But not over—</i>	<i>of excess over—</i>
\$38,000 — \$40,000...	\$14,215, plus 54%	\$38,000
\$40,000 — \$44,000...	\$15,295, plus 56%	\$40,000
\$44,000 — \$50,000...	\$17,535, plus 58.5%	\$44,000
\$50,000 — \$52,000...	\$21,045, plus 59.5%	\$50,000
\$52,000 — \$60,000...	\$22,235, plus 61%	\$52,000
\$60,000 — \$64,000...	\$27,115, plus 62%	\$60,000
\$64,000 — \$70,000...	\$29,595, plus 63.5%	\$64,000
\$70,000 — \$76,000...	\$33,405, plus 65%	\$70,000
\$76,000 — \$80,000...	\$37,305, plus 66%	\$76,000
\$80,000 — \$88,000...	\$39,945, plus 67%	\$80,000
\$88,000 — \$90,000...	\$45,305, plus 69%	\$88,000
\$90,000 — \$100,000...	\$46,685, plus 69.5%	\$90,000
\$100,000 — \$120,000...	\$53,635, plus 71%	\$100,000
\$120,000 — \$140,000...	\$67,835, plus 72.5%	\$120,000
\$140,000 — \$160,000...	\$82,335, plus 74%	\$140,000
\$160,000 — \$180,000...	\$97,135, plus 75%	\$160,000
\$180,000 — \$200,000...	\$112,135, plus 75.5%	\$180,000
\$200,000.....	\$127,235, plus 77%	\$200,000

1964 TAX TABLES

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FOR PERSONS WITH INCOMES UNDER \$5,000 WHO DO NOT ITEMIZE ON PAGE 2 OF FORM 1040

Find your tax after selecting the proper Tax Table from those listed below based on your filing status (line 1, page 1, Form 1040).

TABLE A—For Married Persons Filing Joint Returns

TABLE D—For Married Persons Filing Separate Returns,

TABLE B—For Single Persons

Using Minimum Standard Deduction

TABLE C—For Married Persons Filing Separate Returns,
Using 10-Percent Standard Deduction

TABLE E—For Unmarried Head of Household

Tables A, B, and E reflect the lowest tax after taking both the 10 percent standard deduction and the minimum standard deduction into account.

TAX TABLE A—FOR MARRIED PERSONS FILING JOINT RETURNS*

This table is designed to allow for the standard deduction

Read down the income columns below until you find the line covering the total income (line 9, page 1, Form 1040). Then read across to the appropriate column headed by the number corresponding to the number of your exemptions, this is 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	2	3 If 4 or more there is no tax	At least	But less than	2	3	4	5	6 If 7 or more there is no tax
Your tax is—				Your tax is—						
\$0	\$1,600	\$0	\$0	\$2,800	\$2,825	\$195	\$82	\$0	\$0	\$0
1,600	1,625	2	0	2,825	2,850	199	86	0	0	0
1,625	1,650	6	0	2,850	2,875	203	90	0	0	0
1,650	1,675	10	0	2,875	2,900	207	94	0	0	0
1,675	1,700	14	0	2,900	2,925	212	98	0	0	0
1,700	1,725	18	0	2,925	2,950	216	102	0	0	0
1,725	1,750	22	0	2,950	2,975	106	106	0	0	0
1,750	1,775	26	0	2,975	3,000	224	110	0	0	0
1,775	1,800	30	0	3,000	3,050	230	116	4	0	0
1,800	1,825	34	0	3,050	3,100	238	124	12	0	0
1,825	1,850	38	0	3,100	3,150	247	132	20	0	0
1,850	1,875	42	0	3,150	3,200	255	140	28	0	0
1,875	1,900	46	0	3,200	3,250	263	148	36	0	0
1,900	1,925	50	0	3,250	3,300	271	156	44	0	0
1,925	1,950	54	0	3,300	3,350	280	164	52	0	0
1,950	1,975	58	0	3,350	3,400	288	172	60	0	0
1,975	2,000	62	0	3,400	3,450	296	181	68	0	0
2,000	2,025	66	0	3,450	3,500	304	189	76	0	0
2,025	2,050	70	0	3,500	3,550	313	197	84	0	0
2,050	2,075	74	0	3,550	3,600	321	205	92	0	0
2,075	2,100	78	0	3,600	3,650	329	214	100	0	0
2,100	2,125	82	0	3,650	3,700	338	222	108	0	0
2,125	2,150	86	0	3,700	3,750	347	230	116	4	0
2,150	2,175	90	0	3,750	3,800	356	238	124	12	0
2,175	2,200	94	0	3,800	3,850	364	247	132	20	0
2,200	2,225	98	0	3,850	3,900	373	255	140	28	0
2,225	2,250	102	0	3,900	3,950	382	263	148	36	0
2,250	2,275	106	0	3,950	4,000	391	271	156	44	0
2,275	2,300	110	0	4,000	4,050	399	280	164	52	0
2,300	2,325	114	2	4,050	4,100	407	288	172	60	0
2,325	2,350	118	6	4,100	4,150	415	296	181	68	0
2,350	2,375	122	10	4,150	4,200	423	304	189	76	0
2,375	2,400	126	14	4,200	4,250	430	313	197	84	0
2,400	2,425	130	18	4,250	4,300	438	321	205	92	0
2,425	2,450	134	22	4,300	4,350	446	329	214	100	0
2,450	2,475	138	26	4,350	4,400	454	338	222	108	0
2,475	2,500	142	30	4,400	4,450	462	347	230	116	4
2,500	2,525	146	34	4,450	4,500	470	356	238	124	12
2,525	2,550	150	38	4,500	4,550	478	364	247	132	20
2,550	2,575	154	42	4,550	4,600	486	373	255	140	28
2,575	2,600	158	46	4,600	4,650	493	382	263	148	36
2,600	2,625	162	50	4,650	4,700	501	391	271	156	44
2,625	2,650	166	54	4,700	4,750	509	399	280	164	52
2,650	2,675	170	58	4,750	4,800	518	408	288	172	60
2,675	2,700	174	62	4,800	4,850	526	417	296	181	68
2,700	2,725	179	66	4,850	4,900	534	426	304	189	76
2,725	2,750	183	70	4,900	4,950	542	434	313	197	84
2,750	2,775	187	74	4,950	5,000	550	443	321	205	92
2,775	2,800	191	78							

* This table may also be used by certain widows or widowers who qualify for special tax rates.

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TAX TABLE B—FOR SINGLE PERSONS

This table is designed to allow for the standard deduction.

Read down the income columns below until you find the line covering the total income (line 9, page 1, Form 1040). Then read across to the appropriate column headed by the number corresponding to the number of your exemptions, this is 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	At least	But less than	1	2	3	4	5	6
				If 4 or more there is no tax								If 7 or more there is no tax
		Your tax is—					Your tax is—					
\$0	\$900	\$0	\$0	\$0	\$2,450	\$2,475	\$261	\$140	\$26	\$0	\$0	\$0
900	925	2	0	0	2,475	2,500	266	144	30	0	0	0
925	950	3	0	0	2,500	2,525	270	148	34	0	0	0
950	975	4	0	0	2,525	2,550	275	152	38	0	0	0
975	1,000	5	0	0	2,550	2,575	279	156	42	0	0	0
1,000	1,025	18	0	0	2,575	2,600	284	160	46	0	0	0
1,025	1,050	22	0	0	2,600	2,625	288	165	50	0	0	0
1,050	1,075	26	0	0	2,625	2,650	293	169	54	0	0	0
1,075	1,100	30	0	0	2,650	2,675	297	173	58	0	0	0
1,100	1,125	34	0	0	2,675	2,700	302	178	62	0	0	0
1,125	1,150	38	0	0	2,700	2,725	306	182	66	0	0	0
1,150	1,175	42	0	0	2,725	2,750	311	187	70	0	0	0
1,175	1,200	46	0	0	2,750	2,775	315	191	74	0	0	0
1,200	1,225	50	0	0	2,775	2,800	320	195	78	0	0	0
1,225	1,250	54	0	0	2,800	2,825	324	200	82	0	0	0
1,250	1,275	58	0	0	2,825	2,850	329	204	86	0	0	0
1,275	1,300	62	0	0	2,850	2,875	333	208	90	0	0	0
1,300	1,325	66	0	0	2,875	2,900	338	213	94	0	0	0
1,325	1,350	70	0	0	2,900	2,925	343	217	99	0	0	0
1,350	1,375	74	0	0	2,925	2,950	348	222	103	0	0	0
1,375	1,400	78	0	0	2,950	2,975	353	226	107	0	0	0
1,400	1,425	82	0	0	2,975	3,000	358	230	111	0	0	0
1,425	1,450	86	0	0	3,000	3,050	365	237	117	4	0	0
1,450	1,475	90	0	0	3,050	3,100	374	246	125	0	0	0
1,475	1,500	94	0	0	3,100	3,150	383	255	134	20	0	0
1,500	1,525	99	0	0	3,150	3,200	392	264	142	28	0	0
1,525	1,550	103	0	0	3,200	3,250	401	273	150	36	0	0
1,550	1,575	107	0	0	3,250	3,300	410	282	158	44	0	0
1,575	1,600	111	0	0	3,300	3,350	419	291	167	52	0	0
1,600	1,625	115	2	0	3,350	3,400	428	300	176	60	0	0
1,625	1,650	119	6	0	3,400	3,450	437	309	184	68	0	0
1,650	1,675	123	10	0	3,450	3,500	446	318	193	76	0	0
1,675	1,700	127	14	0	3,500	3,550	455	327	202	84	0	0
1,700	1,725	132	18	0	3,550	3,600	464	336	211	92	0	0
1,725	1,750	136	22	0	3,600	3,650	473	345	219	101	0	0
1,750	1,775	140	26	0	3,650	3,700	482	355	228	109	0	0
1,775	1,800	144	30	0	3,700	3,750	491	365	237	117	4	0
1,800	1,825	148	34	0	3,750	3,800	500	375	246	125	12	0
1,825	1,850	152	38	0	3,800	3,850	509	385	255	134	20	0
1,850	1,875	156	42	0	3,850	3,900	518	395	264	142	28	0
1,875	1,900	160	46	0	3,900	3,950	527	405	273	150	36	0
1,900	1,925	165	50	0	3,950	4,000	536	415	282	158	44	0
1,925	1,950	169	54	0	4,000	4,050	545	425	291	167	52	0
1,950	1,975	173	58	0	4,050	4,100	554	434	300	176	60	0
1,975	2,000	178	62	0	4,100	4,150	563	443	309	184	68	0
2,000	2,025	182	66	0	4,150	4,200	572	452	318	193	76	0
2,025	2,050	187	70	0	4,200	4,250	581	461	327	202	84	0
2,050	2,075	191	74	0	4,250	4,300	590	470	336	211	92	0
2,075	2,100	195	78	0	4,300	4,350	599	479	345	219	101	0
2,100	2,125	200	82	0	4,350	4,400	608	488	355	228	109	0
2,125	2,150	204	86	0	4,400	4,450	617	497	365	237	117	4
2,150	2,175	208	90	0	4,450	4,500	626	506	375	246	125	12
2,175	2,200	213	94	0	4,500	4,550	635	515	385	255	134	20
2,200	2,225	217	99	0	4,550	4,600	644	524	395	264	142	28
2,225	2,250	222	103	0	4,600	4,650	653	533	405	273	150	36
2,250	2,275	226	107	0	4,650	4,700	662	542	415	282	158	44
2,275	2,300	230	111	0	4,700	4,750	671	551	425	291	167	52
2,300	2,325	235	115	2	4,750	4,800	680	560	435	300	176	60
2,325	2,350	239	119	6	4,800	4,850	689	569	445	309	184	68
2,350	2,375	243	123	10	4,850	4,900	698	578	455	318	193	76
2,375	2,400	248	127	14	4,900	4,950	707	587	465	327	202	84
2,400	2,425	252	132	18	4,950	5,000	716	596	475	336	211	92
2,425	2,450	257	136	22								

TAX TABLE C—FOR MARRIED PERSONS FILING SEPARATE RETURNS, USING 10-PERCENT STANDARD DEDUCTION

13

Read down the income columns below until you find the line covering the total income (line 9, page 1, Form 1040). Then read across to the appropriate column headed by the number corresponding to the number of your exemptions, this is 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 If 4 or more there is no tax	At least	But less than	1	2	3	4	5	6	7 If 8 or more there is no tax	
														Your tax is—
\$0	\$675	\$0	\$0	\$0	\$2,325	\$2,350	\$251	\$147	\$49	\$0	\$0	\$0	\$0	
675	700	3	0	0	2,350	2,375	255	150	52	0	0	0	0	
700	725	7	0	0	2,375	2,400	259	154	56	0	0	0	0	
725	750	10	0	0	2,400	2,425	263	158	59	0	0	0	0	
750	775	14	0	0	2,425	2,450	267	161	63	0	0	0	0	
775	800	17	0	0	2,450	2,475	271	165	67	0	0	0	0	
800	825	21	0	0	2,475	2,500	275	169	70	0	0	0	0	
825	850	25	0	0	2,500	2,525	279	173	74	0	0	0	0	
850	875	28	0	0	2,525	2,550	283	177	77	0	0	0	0	
875	900	32	0	0	2,550	2,575	287	181	81	0	0	0	0	
900	925	35	0	0	2,575	2,600	291	185	85	0	0	0	0	
925	950	39	0	0	2,600	2,625	295	189	88	0	0	0	0	
950	975	43	0	0	2,625	2,650	299	193	92	0	0	0	0	
975	1,000	46	0	0	2,650	2,675	303	197	96	0	0	0	0	
1,000	1,025	50	0	0	2,675	2,700	307	201	100	3	0	0	0	
1,025	1,050	53	0	0	2,700	2,725	311	205	103	7	0	0	0	
1,050	1,075	57	0	0	2,725	2,750	315	209	107	10	0	0	0	
1,075	1,100	61	0	0	2,750	2,775	320	213	111	14	0	0	0	
1,100	1,125	64	0	0	2,775	2,800	324	217	114	17	0	0	0	
1,125	1,150	68	0	0	2,800	2,825	328	220	118	21	0	0	0	
1,150	1,175	71	0	0	2,825	2,850	332	224	122	25	0	0	0	
1,175	1,200	75	0	0	2,850	2,875	336	228	126	28	0	0	0	
1,200	1,225	79	0	0	2,875	2,900	340	232	129	32	0	0	0	
1,225	1,250	82	0	0	2,900	2,925	344	236	133	35	0	0	0	
1,250	1,275	86	0	0	2,925	2,950	349	240	137	39	0	0	0	
1,275	1,300	90	0	0	2,950	2,975	353	244	140	43	0	0	0	
1,300	1,325	93	0	0	2,975	3,000	358	248	144	46	0	0	0	
1,325	1,350	97	1	0	3,000	3,050	365	254	150	52	0	0	0	
1,350	1,375	101	4	0	3,050	3,100	374	262	157	59	0	0	0	
1,375	1,400	105	8	0	3,100	3,150	383	270	165	66	0	0	0	
1,400	1,425	108	11	0	3,150	3,200	392	278	173	73	0	0	0	
1,425	1,450	112	15	0	3,200	3,250	401	286	180	80	0	0	0	
1,450	1,475	116	19	0	3,250	3,300	410	295	188	88	0	0	0	
1,475	1,500	119	22	0	3,300	3,350	419	303	196	95	0	0	0	
1,500	1,525	123	26	0	3,350	3,400	428	311	204	103	6	0	0	
1,525	1,550	127	29	0	3,400	3,450	437	319	212	110	13	0	0	
1,550	1,575	131	33	0	3,450	3,500	446	327	220	118	20	0	0	
1,575	1,600	134	37	0	3,500	3,550	455	335	228	125	28	0	0	
1,600	1,625	138	40	0	3,550	3,600	464	344	236	132	35	0	0	
1,625	1,650	142	44	0	3,600	3,650	473	353	243	140	42	0	0	
1,650	1,675	145	47	0	3,650	3,700	482	362	251	147	49	0	0	
1,675	1,700	149	51	0	3,700	3,750	491	371	259	155	56	0	0	
1,700	1,725	153	55	0	3,750	3,800	500	380	268	162	64	0	0	
1,725	1,750	157	58	0	3,800	3,850	509	389	276	170	71	0	0	
1,750	1,775	160	62	0	3,850	3,900	518	398	284	178	78	0	0	
1,775	1,800	164	65	0	3,900	3,950	527	407	292	186	85	0	0	
1,800	1,825	168	69	0	3,950	4,000	536	416	300	194	93	0	0	
1,825	1,850	172	73	0	4,000	4,050	545	425	308	201	100	4	0	
1,850	1,875	176	76	0	4,050	4,100	554	434	316	209	108	11	0	
1,875	1,900	180	80	0	4,100	4,150	563	443	324	217	115	18	0	
1,900	1,925	184	84	0	4,150	4,200	572	452	332	225	122	25	0	
1,925	1,950	188	87	0	4,200	4,250	581	461	341	233	130	32	0	
1,950	1,975	192	91	0	4,250	4,300	590	470	350	241	137	40	0	
1,975	2,000	196	95	0	4,300	4,350	599	479	359	249	145	47	0	
2,000	2,025	199	98	2	4,350	4,400	608	488	368	257	152	54	0	
2,025	2,050	203	102	5	4,400	4,450	617	497	377	265	160	61	0	
2,050	2,075	207	106	9	4,450	4,500	626	506	386	273	167	68	0	
2,075	2,100	211	109	13	4,500	4,550	635	515	395	281	175	76	0	
2,100	2,125	215	113	16	4,550	4,600	644	524	404	289	183	83	0	
2,125	2,150	219	117	20	4,600	4,650	653	533	413	297	191	90	0	
2,150	2,175	223	121	23	4,650	4,700	662	542	422	305	199	98	1	
2,175	2,200	227	124	27	4,700	4,750	671	551	431	313	207	105	8	
2,200	2,225	231	128	31	4,750	4,800	680	560	440	322	215	113	16	
2,225	2,250	235	132	34	4,800	4,850	689	569	449	330	222	120	23	
2,250	2,275	239	135	38	4,850	4,900	698	578	458	338	230	127	30	
2,275	2,300	243	139	41	4,900	4,950	707	587	467	347	238	135	37	
2,300	2,325	247	143	45	4,950	5,000	716	596	476	356	246	142	44	

14 TAX TABLE D—FOR MARRIED PERSONS FILING SEPARATE RETURNS, USING MINIMUM STANDARD DEDUCTION

Read down the income columns below until you find the line covering the total income (line 9, page 1, Form 1040). Then read across to the appropriate column headed by the number corresponding to the number of your exemptions, this is 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	At least	But less than	1	2	3	4	5	6	7
				If 4 or more there is no tax									If 8 or more there is no tax
		Your tax is—					Your tax is—						
\$0	\$800	\$0	\$0	\$0	\$2,400	\$2,425	\$270	\$148	\$34	\$0	\$0	\$0	\$0
800	825	2	0	0	2,425	2,450	275	152	38	0	0	0	0
825	850	6	0	0	2,450	2,475	279	156	42	0	0	0	0
850	875	10	0	0	2,475	2,500	284	160	46	0	0	0	0
875	900	14	0	0	2,500	2,525	288	165	50	0	0	0	0
900	925	18	0	0	2,525	2,550	293	169	54	0	0	0	0
925	950	22	0	0	2,550	2,575	297	173	58	0	0	0	0
950	975	26	0	0	2,575	2,600	302	178	62	0	0	0	0
975	1,000	30	0	0	2,600	2,625	306	182	66	0	0	0	0
1,000	1,025	34	0	0	2,625	2,650	311	187	70	0	0	0	0
1,025	1,050	38	0	0	2,650	2,675	315	191	74	0	0	0	0
1,050	1,075	42	0	0	2,675	2,700	320	195	78	0	0	0	0
1,075	1,100	46	0	0	2,700	2,725	324	200	82	0	0	0	0
1,100	1,125	50	0	0	2,725	2,750	329	204	86	0	0	0	0
1,125	1,150	54	0	0	2,750	2,775	333	208	90	0	0	0	0
1,150	1,175	58	0	0	2,775	2,800	338	213	94	0	0	0	0
1,175	1,200	62	0	0	2,800	2,825	343	217	99	0	0	0	0
1,200	1,225	66	0	0	2,825	2,850	348	222	103	0	0	0	0
1,225	1,250	70	0	0	2,850	2,875	353	226	107	0	0	0	0
1,250	1,275	74	0	0	2,875	2,900	358	230	111	0	0	0	0
1,275	1,300	78	0	0	2,900	2,925	363	235	115	2	0	0	0
1,300	1,325	82	0	0	2,925	2,950	368	239	119	6	0	0	0
1,325	1,350	86	0	0	2,950	2,975	373	243	123	10	0	0	0
1,350	1,375	90	0	0	2,975	3,000	378	248	127	14	0	0	0
1,375	1,400	94	0	0	3,000	3,050	385	255	134	20	0	0	0
1,400	1,425	99	0	0	3,050	3,100	395	264	142	28	0	0	0
1,425	1,450	103	0	0	3,100	3,150	405	273	150	36	0	0	0
1,450	1,475	107	0	0	3,150	3,200	415	282	158	44	0	0	0
1,475	1,500	111	0	0	3,200	3,250	425	291	167	52	0	0	0
1,500	1,525	115	2	0	3,250	3,300	435	300	176	60	0	0	0
1,525	1,550	119	6	0	3,300	3,350	445	309	184	68	0	0	0
1,550	1,575	123	10	0	3,350	3,400	455	318	193	76	0	0	0
1,575	1,600	127	14	0	3,400	3,450	465	327	202	84	0	0	0
1,600	1,625	132	18	0	3,450	3,500	475	336	211	92	0	0	0
1,625	1,650	136	22	0	3,500	3,550	485	345	219	101	4	0	0
1,650	1,675	140	26	0	3,550	3,600	495	355	228	109	12	0	0
1,675	1,700	144	30	0	3,600	3,650	505	365	237	117	20	0	0
1,700	1,725	148	34	0	3,650	3,700	515	375	246	125	28	0	0
1,725	1,750	152	38	0	3,700	3,750	525	385	255	134	36	0	0
1,750	1,775	156	42	0	3,750	3,800	535	395	264	142	44	0	0
1,775	1,800	160	46	0	3,800	3,850	545	405	273	150	52	0	0
1,800	1,825	165	50	0	3,850	3,900	555	415	282	158	60	0	0
1,825	1,850	169	54	0	3,900	3,950	565	425	291	167	68	0	0
1,850	1,875	173	58	0	3,950	4,000	575	435	300	176	76	0	0
1,875	1,900	178	62	0	4,000	4,050	585	445	309	184	84	0	0
1,900	1,925	182	66	0	4,050	4,100	595	455	318	193	92	0	0
1,925	1,950	187	70	0	4,100	4,150	605	465	327	202	101	4	0
1,950	1,975	191	74	0	4,150	4,200	615	475	336	211	109	12	0
1,975	2,000	195	78	0	4,200	4,250	625	485	345	219	117	20	0
2,000	2,025	200	82	0	4,250	4,300	635	495	355	228	125	28	0
2,025	2,050	204	86	0	4,300	4,350	645	505	365	237	134	36	0
2,050	2,075	208	90	0	4,350	4,400	655	515	375	246	142	44	0
2,075	2,100	213	94	0	4,400	4,450	665	525	385	255	150	52	0
2,100	2,125	217	99	0	4,450	4,500	675	535	395	264	158	60	0
2,125	2,150	222	103	0	4,500	4,550	685	545	405	273	167	68	0
2,150	2,175	226	107	0	4,550	4,600	695	555	415	282	176	76	0
2,175	2,200	230	111	0	4,600	4,650	705	565	425	291	184	84	0
2,200	2,225	235	115	2	4,650	4,700	715	575	435	300	193	92	0
2,225	2,250	239	119	6	4,700	4,750	725	585	445	309	202	101	4
2,250	2,275	243	123	10	4,750	4,800	735	595	455	318	211	109	12
2,275	2,300	248	127	14	4,800	4,850	746	605	465	327	219	117	20
2,300	2,325	252	132	18	4,850	4,900	758	615	475	336	228	125	28
2,325	2,350	257	136	22	4,900	4,950	769	625	485	345	237	134	36
2,350	2,375	261	140	26	4,950	5,000	781	635	495	355	246	142	44
2,375	2,400	266	144	30									

TAX TABLE E—FOR UNMARRIED HEAD OF HOUSEHOLD

15

This table is designed to allow for the standard deduction.

Read down the income columns below until you find the line covering the total income (line 9, page 1, Form 1040). Then read across to the appropriate column headed by the number corresponding to the number of your exemptions, this is 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 If 4 or more there is no tax	At least	But less than	1	2	3	4	5	6					
												If 7 or more there is no tax					
Your tax is—					Your tax is—												
\$0	\$900	\$0	\$0	\$0	\$2,450	\$2,475	\$258	\$138	\$26	\$0	\$0	\$0	\$0	\$0			
900	925	2	0	0	2,475	2,500	263	142	30	0	0	0	0	0			
925	950	6	0	0	2,500	2,525	267	146	34	0	0	0	0	0			
950	975	10	0	0	2,525	2,550	272	150	38	0	0	0	0	0			
975	1,000	14	0	0	2,550	2,575	276	154	42	0	0	0	0	0			
1,000	1,025	18	0	0	2,575	2,600	280	158	46	0	0	0	0	0			
1,025	1,050	22	0	0	2,600	2,625	285	162	50	0	0	0	0	0			
1,050	1,075	26	0	0	2,625	2,650	289	167	54	0	0	0	0	0			
1,075	1,100	30	0	0	2,650	2,675	293	171	58	0	0	0	0	0			
1,100	1,125	34	0	0	2,675	2,700	298	175	62	0	0	0	0	0			
1,125	1,150	38	0	0	2,700	2,725	302	180	66	0	0	0	0	0			
1,150	1,175	42	0	0	2,725	2,750	307	184	70	0	0	0	0	0			
1,175	1,200	46	0	0	2,750	2,775	311	188	74	0	0	0	0	0			
1,200	1,225	50	0	0	2,775	2,800	315	193	78	0	0	0	0	0			
1,225	1,250	54	0	0	2,800	2,825	320	197	82	0	0	0	0	0			
1,250	1,275	58	0	0	2,825	2,850	324	202	86	0	0	0	0	0			
1,275	1,300	62	0	0	2,850	2,875	328	206	90	0	0	0	0	0			
1,300	1,325	66	0	0	2,875	2,900	333	210	94	0	0	0	0	0			
1,325	1,350	70	0	0	2,900	2,925	337	215	98	0	0	0	0	0			
1,350	1,375	74	0	0	2,925	2,950	342	219	102	0	0	0	0	0			
1,375	1,400	78	0	0	2,950	2,975	347	223	106	0	0	0	0	0			
1,400	1,425	82	0	0	2,975	3,000	352	228	110	0	0	0	0	0			
1,425	1,450	86	0	0	3,000	3,025	358	234	116	4	0	0	0	0			
1,450	1,475	90	0	0	3,025	3,100	367	243	124	12	0	0	0	0			
1,475	1,500	94	0	0	3,100	3,150	375	252	132	20	0	0	0	0			
1,500	1,525	98	0	0	3,150	3,200	384	261	140	28	0	0	0	0			
1,525	1,550	102	0	0	3,200	3,250	392	269	148	36	0	0	0	0			
1,550	1,575	106	0	0	3,250	3,300	401	278	156	44	0	0	0	0			
1,575	1,600	110	0	0	3,300	3,350	410	287	164	52	0	0	0	0			
1,600	1,625	114	2	0	3,350	3,400	418	296	173	60	0	0	0	0			
1,625	1,650	118	6	0	3,400	3,450	427	304	182	68	0	0	0	0			
1,650	1,675	122	10	0	3,450	3,500	435	313	191	76	0	0	0	0			
1,675	1,700	126	14	0	3,500	3,550	444	322	199	84	0	0	0	0			
1,700	1,725	130	18	0	3,550	3,600	452	331	208	92	0	0	0	0			
1,725	1,750	134	22	0	3,600	3,650	461	340	217	100	0	0	0	0			
1,750	1,775	138	26	0	3,650	3,700	469	349	226	108	0	0	0	0			
1,775	1,800	142	30	0	3,700	3,750	478	359	234	116	4	0	0	0			
1,800	1,825	146	34	0	3,750	3,800	487	368	243	124	12	0	0	0			
1,825	1,850	150	38	0	3,800	3,850	495	378	252	132	20	0	0	0			
1,850	1,875	154	42	0	3,850	3,900	504	387	261	140	28	0	0	0			
1,875	1,900	158	46	0	3,900	3,950	512	397	269	148	36	0	0	0			
1,900	1,925	162	50	0	3,950	4,000	521	406	278	156	44	0	0	0			
1,925	1,950	167	54	0	4,000	4,050	529	415	287	164	52	0	0	0			
1,950	1,975	171	58	0	4,050	4,100	538	424	296	173	60	0	0	0			
1,975	2,000	175	62	0	4,100	4,150	546	432	304	182	68	0	0	0			
2,000	2,025	180	66	0	4,150	4,200	555	441	313	191	76	0	0	0			
2,025	2,050	184	70	0	4,200	4,250	563	449	322	199	84	0	0	0			
2,050	2,075	188	74	0	4,250	4,300	572	458	331	208	92	0	0	0			
2,075	2,100	193	78	0	4,300	4,350	581	467	340	217	100	0	0	0			
2,100	2,125	197	82	0	4,350	4,400	589	475	349	226	108	0	0	0			
2,125	2,150	202	86	0	4,400	4,450	598	484	359	234	116	4	0	0			
2,150	2,175	206	90	0	4,450	4,500	606	492	368	243	124	12	0	0			
2,175	2,200	210	94	0	4,500	4,550	615	501	378	252	132	20	0	0			
2,200	2,225	215	98	0	4,550	4,600	623	509	387	261	140	28	0	0			
2,225	2,250	219	102	0	4,600	4,650	632	518	397	269	148	36	0	0			
2,250	2,275	223	106	0	4,650	4,700	640	526	406	278	156	44	0	0			
2,275	2,300	228	110	0	4,700	4,750	649	535	416	287	164	52	0	0			
2,300	2,325	232	114	2	4,750	4,800	658	544	425	296	173	60	0	0			
2,325	2,350	237	118	6	4,800	4,850	666	552	435	304	182	68	0	0			
2,350	2,375	241	122	10	4,850	4,900	675	561	444	313	191	76	0	0			
2,375	2,400	245	126	14	4,900	4,950	683	569	454	322	199	84	0	0			
2,400	2,425	250	130	18	4,950	5,000	692	578	463	331	208	92	0	0			
2,425	2,450	254	134	22													

INSTRUCTIONS FOR SCHEDULE B (Form 1040)**B-1****PENSIONS • ANNUITIES • RENTS • ROYALTIES • PARTNERSHIPS • ESTATES • TRUSTS • RETIREMENT INCOME CREDIT****Part I****PENSIONS AND ANNUITIES**

Noncontributory Annuities.—If the employee did not contribute to the cost and was not subject to tax on his employer's contributions, the full amount of an annuity or a pension of a retired employee must be included in his income.

Other Annuities.—Amounts received from other annuities, pensions, endowments, or life insurance contracts, whether paid for a fixed number of years or for life, may have a portion of the payment excluded from income. The following types come under this rule: (a) pensions where the employee has either contributed to its cost or has been taxed on his employer's contributions, and (b) amounts paid for a reason other than the death of the insured under an annuity, endowment, or life insurance contract.

Part I is provided for reporting the taxable portion of the annuity. If you are receiving payments on more than one pension or annuity, fill out a separate Part I for each one.

General Rule for Annuities.—Generally, amounts received from annuities and pensions are included in income in an amount which is figured upon your life expectancy. This computation and your life expectancy multiple can be found in the regulations covering annuities and pensions. Once you have obtained the multiple it remains unchanged and it will not be necessary to recompute your taxable portion each year unless the payments you receive change in amount. In making this computation you can get help from the Internal Revenue Service as well as from some employers and insurance companies.

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 of the first payment received under the contract. If both of these conditions are met, then all the payments received under the contract during the first 3 years are to be excluded from 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 taxed); thereafter all amounts received are fully taxable. This method of computing taxable income also applies to the employee's beneficiary if the employee died before receiving any annuity or pension payments.

Example: An employee received \$200 a month from 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 for which the employee was not taxed. The retired employee would be paid \$7,200 during the first 3 years, which amount exceeds his contribution of \$4,925. He would exclude from income all the payments received from the annuity until he has received \$4,925. All payments received thereafter are fully taxable.

Death Benefit Exclusion.—If you receive pension or annuity payments as a beneficiary of a deceased employee, and the employee had received no retirement pension or annuity payments, you may be entitled to a death benefit exclusion of up to \$5,000. Consult the Internal Revenue Service.

Part II**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, patents, mineral leases, and similar rights, report the total amount received in this part. If property other than money was received as rent, its fair market value should be reported.

In the case of buildings you can deduct depreciation, as explained on page B-2. 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 but must add them to the basis of the property for the purpose of depreciation. 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.

If You Rent Part of Your House.—If you rent out only part of your property, you can deduct only that portion of your expenses which relates to the rented portion. If you cannot determine these expenses exactly, you may figure them on a proportionate basis. For example, if you rent out half of your home, and live in the other half, you can deduct only half of the depreciation and other expenses.

Room rent and other space rentals should be reported as business income in separate Schedule C (Form 1040) if services are rendered to the occupant; otherwise, report such income in this part. If you are engaged in the business of selling real estate, you should report rentals received in separate Schedule C.

Part III**PARTNERSHIPS AND ESTATES OR TRUSTS**

Partnerships.—A partnership does not pay income tax unless it elects to be taxed on the same basis as a domestic corporation. It does, however, file an information return on Form 1065. Only one Form 1065 need be filed for each partnership. Each partner must report his share of the partnership's income.

Include in this part your share of the ordinary 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 or with the year covered by your return. Other items of income, deductions, etc., to be carried to the appropriate schedule of your individual return are shown in Schedule K of the partnership return. Your share of income of the following classes should be entered on the appropriate lines and schedules of your return:

Dividends.

Interest.

Gains from the sale or exchange of capital assets and other property.

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 self-employment income from the partnership. In this case the partner's share of partnership self-employment net earnings (or loss) should be entered on line 5(b), separate Schedule C-3. Members of farm partnerships should use Schedule F-1 to figure self-employment tax.

Small Business Corporations.—If you are a shareholder in a small business corporation which elects to have its current taxable income taxed to its stockholders, you should report your share of both the distributed and undistributed current taxable income as ordinary income on line 1 of this part except that portion which is reportable as a long-term capital gain in separate Schedule D. Neither type of income is eligible for the dividends received credit or the exclusion. Your share of any net operating loss should be treated just as if the loss were from a proprietorship.

Estates and Trusts.—If you are a beneficiary of an estate or trust, report your taxable portion of its income whether you receive it or not. Your share of income of the following classes should be entered on the appropriate lines and schedules of your return:

Dividends.

Interest.

Gains from the sale or exchange of capital assets and other property.

All other taxable income from estates and trusts should be included in this part. Any depreciation (on estate or trust property) which is allocable to you may be subtracted from estate or trust income so that only the net income received will be included in your return. Information regarding these items may be obtained from the fiduciary.

Part IV—DEPRECIATION

A reasonable allowance for the exhaustion, wear and tear, and obsolescence of property used in the trade or business or of property held by the taxpayer for the production of income shall be allowed as a depreciation deduction. The allowance does not apply to inventories or stock-in-trade nor to land apart from the improvements or physical development added to it.

The cost (or other basis) to be recovered should be charged off over the expected useful life of the property. Similar assets may be grouped together as one item for reporting purposes.

In computing the basis on which depreciation may be taken for personal property, other than livestock, salvage value need not be taken into account, if it does not exceed 10% of the cost or other basis of the property. If the salvage value exceeds 10%, only the excess need be taken into account. These provisions apply to property with a useful life of 3 years or more which was acquired after October 16, 1962.

The basis of any property which was reduced in a prior year by the investment credit should be increased as of

the first day of your taxable year beginning in 1964 by the amount of the reduction previously required.

Alternative Depreciation Guidelines and Rules.—Revenue Procedure 62-21, dated July 12, 1962, sets forth alternative standards and procedures for determining depreciation. These guideline lives for guideline classes (broad categories not item-by-item) are in most cases substantially shorter than those previously used. These guideline lives and rules are applicable to all depreciable property including existing assets as well as new acquisitions; however, they do not supersede existing rules and procedures for any taxpayer who wishes to continue to use them.

Taxpayers who wish to use the new provisions must use them for all assets in a particular guideline class. Taxpayers may use class lives equal to or longer than the guideline lives for 3 years and may continue to use them thereafter if certain standards are met and replacement practices are consistent with the lives used.

The depreciation schedule provided on the return is to be used for reporting depreciation under both Revenue Procedure 62-21 and previously prescribed rules and standards. Although depreciation reported under the revenue procedure should be shown on the basis of group and guideline class, it is not necessary to disturb your present depreciation accounts.

Revenue Procedure 62-21 is contained in IRS Publication No. 456 (Rev. 8-64). This publication may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D.C., 20402, for 30 cents.

Following is a brief description of the various methods of depreciation which may be used under either Revenue Procedure 62-21 or previously prescribed rules and standards.

Straight-Line Method.—To compute the deduction, determine the cost (or other basis) of the property and deduct the total depreciation allowed or allowable. Divide the result by the number of years of useful life remaining to the asset—the quotient is the depreciation deduction.

Declining Balance Method.—A uniform rate is applied each year to the remaining cost or other basis of property (without adjustment for salvage value) determined at the beginning of such year, but depreciation must stop when the

unrecovered cost is reduced to salvage value. For property acquired before January 1, 1954, or used property whenever acquired, the rate of depreciation under this method may not exceed one and one-half times the applicable straight-line rate.

Special Rules for New Assets Acquired After December 31, 1953.—The cost or other basis of an asset acquired after December 31, 1953, may be depreciated under methods proper before that date; or, it may be depreciated under any of the following methods provided (1) that the asset is tangible, (2) that it has an estimated useful life of 3 years or more, and (3) that the original use of the asset commenced with the taxpayer and commenced after December 31, 1953.

(a) *Declining balance method.*—This method may be used with a rate not in excess of twice the applicable straight-line rate.

(b) *Sum of the years-digits method.*—The deduction for each year is computed by multiplying the cost or other basis of the property (reduced by estimated salvage value) by the number of years of useful life remaining (including the year for which the deduction is computed) and dividing the product by the sum of all the digits corresponding to the years of the estimated useful life of the asset. In the case of a 5-year life this sum would be 15 (5+4+3+2+1). For the first year five-fifteenths of the cost reduced by estimated salvage value would be allowable, for the second year four-fifteenths, etc.

(c) *Other methods.*—A taxpayer may use any consistent method which does not result at the end of any year in accumulated allowances greater than the total of the accumulated allowances which would have resulted from the use of the declining balance method. This limitation applies only during the first two-thirds of the property's useful life.

Additional First-Year Depreciation.—You may elect to write off, in the year assets are first subject to depreciation, 20 percent of the cost (before adjustment for salvage value) of the assets if they are tangible personal property (e.g., equipment, machinery, etc.) acquired by purchase for use in a trade or business or to be held for the production of income. If the aggregate cost of these assets exceeds \$10,000 (\$20,000 for joint return) the additional depreciation is limited to \$2,000 (\$4,000 for joint return).

The additional depreciation is limited to property with a remaining useful life of 6 years or more and which was not acquired from a person (other than a brother or sister) whose relationship to the taxpayer would result in the disallowance of losses. Normal depreciation may also be taken on the cost of the asset reduced by the first-year depreciation.

The additional first-year depreciation for the year should be entered in total on the line provided in the depreciation schedule and is not to be included on the line used to show the regular depreciation of an asset.

Part V

RETIREMENT INCOME CREDIT

You may qualify for this credit which is generally 17 percent of retirement income 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.

The term "earned income" means wages, salaries, or professional fees, etc., received as compensation for personal services actually rendered. It does not include any amount received as an annuity or pension. If you were engaged in a trade or business in which both personal services and capital were material income-producing factors, a reasonable

allowance as compensation for the personal services rendered by you, not in excess of 30 percent of your share of the net profits of such business, shall be considered as earned income.

If you are a surviving widow (widower) and have not remarried, you may use the earned income of your deceased husband (wife), or you may combine such income with your earned income, for the purpose of determining whether you qualify. If a husband and wife both qualify and each has retirement income, each is entitled to the credit.

Retirement income for the purpose of the credit means—

(a) In the case of an individual who is not 65 before the end of his taxable year, only that income received from pensions and annuities under a public retirement system (one established by the Federal Government, a State, county, city, etc.) which is included in income in his return.

(b) In the case of an individual who is 65 or over before the end of his taxable year, income from pensions, annuities, interest, rents, and dividends which are included in gross income in his return. (Gross income from rents for this purpose means gross receipts from rents without reduction for depreciation or any other expenses. Royalties are not considered rents for this purpose.)

Except as provided in the "Alternative computation" set forth below, the amount of the retirement income used for the credit computation may not exceed \$1,524 reduced by:

- (a) any amount received and excluded from income as a pension or annuity under the Social Security Act and Railroad Retirement Acts and other tax-exempt pensions or annuities. This reduction does not include (1) that part of a pension or annuity which is excluded from income because it represents, in effect, a return of capital or tax-free proceeds of a like nature, or (2) amounts excluded from income received as compensation for injury or sickness or under accident or health plans; and
- (b) certain adjustments for earned income.

Alternative computation: The maximum amount of retirement income to be used in figuring the credit for retirement income has been increased from \$1,524 to \$2,286 for taxpayers who file joint returns (both 65 years of age or over) but who are presently limited to \$1,524 because either the husband or wife did not have earned income in excess of \$600 in each of any 10 prior calendar years.

If you meet these requirements also complete the Alternative Computation to determine which computation results in the larger credit.

CUT ALONG THIS LINE

Other Internal Revenue publications containing helpful tax information . . .

They will be available on or about December 1 and may be obtained from your District Director or by mailing this order blank to the Superintendent of Documents, Washington, D.C., 20402.

YOUR FEDERAL INCOME TAX, 1965 Edition. Issued each year to help taxpayers in preparing their income tax returns, this useful booklet contains more detailed information than the instructions which accompany Form 1040. 160 pages, with illustrations. Catalog No. T 22-44:965 50 cents per copy

TAX GUIDE FOR SMALL BUSINESS, 1965 Edition. Published annually, this tax guide answers, in plain layman's language, the Federal tax questions of Corporations, Partnerships, and Sole Proprietorships. 160 pages with illustrations. Catalog No. T 22-119/2:Sm 1/965 50 cents per copy

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SCHEDULE C (Form 1040)

U.S. Treasury Department Internal Revenue Service

PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION

(Sole Proprietorships)

(Compute social security self-employment tax on Schedule C-3 (Form 1040))

1964

Attach this schedule to your income tax return, Form 1040 — Partnerships, joint ventures, etc., must file on Form 1065

Name and address as shown on page 1, Form 1040

- A. Principal business activity
B. Business name
C. Employer Identification Number
D. Business location
E. Indicate method of accounting: [] cash; [] accrual; [] other.

Table with columns for line numbers and descriptions (e.g., Gross receipts, Merchandise purchased, Cost of labor, etc.) and a blank area for 'OTHER BUSINESS DEDUCTIONS'. Includes sub-headers like 'attach explanation' and 'Part II, page 2, Form 1040'.

SCHEDULE C-1. EXPLANATION OF LINES 6, 12, 14, AND 25

Table with columns: Line No., Explanation, Amount, Line No., Explanation, Amount. Includes a 'C' logo in the top right corner.

SCHEDULE C-2. EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED ON LINE 11

This schedule is designed for taxpayers using the alternative guidelines and administrative procedures described in Revenue Procedure 62-21 as well as for those taxpayers who wish to continue using procedures authorized prior to the revenue procedure. Where double headings appear use the first heading for the new procedure and the second heading for the older procedure.

1. Group and guideline class OR Description of property	2. Cost or other basis at beginning of year OR Cost or other basis	3. Asset additions in year (amount) OR Date acquired	4. Asset retirements in year (amount) (applicable only to Rev. Proc. 62-21)	5. Depreciation allowed or allowable in prior years	6. Method of computing depreciation	7. Class life — OR — Rate (%) or life	8. Depreciation for this year
1. Total additional first-year depreciation (do not include in items below) →							
2. Totals							
3. Less: Amount of depreciation claimed elsewhere in Schedule C							
4. Balance—Enter here and on line 11, page 1							
5. Cost or other basis of fully depreciated assets still in use							

INVENTORY QUESTIONS

1. Was inventory valued at—Cost ; lower of cost or market ; other . If other, attach explanation.
2. Have write-downs been made to inventory? Yes No . If "Yes," were the write-downs computed on the basis of:
 - (a) Percentage reductions from parts of the inventory
 - (b) Percentage reductions from the total inventory
 - (c) Valuation of individual items.

If "a" or "b" is checked, enter the percentage of write-downs%. For "a," "b," or "c" enter the dollar amount of write-downs \$

(If not available, estimate and indicate that the figure is an estimate.)
3. Was the inventory verified by physical count during the year?
Yes No . If "No," attach explanation of how the closing inventory was determined.
4. Was there any substantial change in the manner of determining quantities, costs or valuations between the opening and closing inventories? Yes No . If "Yes," attach explanation.

NOTE: If a direct answer cannot be given to a question, attach explanation.

EXPENSE ACCOUNT INFORMATION

Enter information with regard to yourself and your five highest paid employees. In determining the five highest paid employees, expense account allowances must be added to their salaries and wages. However, the information need not be submitted for any employee for whom the combined amount is less than \$10,000, or for yourself if your expense account allowance plus line 27, page 1, is less than \$10,000. See separate instructions for Schedule C, for definition of "expense account."

Name	Expense account	Salaries and Wages
Owner		XXXXXXXXXXXXXXXX
1		
2		
3		
4		
5		

Did you claim a deduction for expenses connected with: (If answer to any question is "YES," check applicable boxes within that question.)

- F.** A hunting lodge , working ranch or farm , fishing camp , resort property , pleasure boat or yacht , or other similar facility ? (Other than where the operation of the facility was your principal business.) YES NO
- G.** Vacations for you or members of your family, or employees or members of their families? (Other than vacation pay reported on Form W-2.) YES NO
- H.** The leasing, renting, or ownership of a hotel room or suite , apartment , or other dwelling , which was used by you, your customers, employees, or members of their families? (Other than use by yourself or employees while in business travel status.) YES NO
- I.** The attendance of members of your family or your employees' families at conventions or business meetings? YES NO

SCHEDULE C-3 (Form 1040) U.S. Treasury Department Internal Revenue Service	COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX Attach this schedule to your income tax return, Form 1040. See instructions on page 2.	1964
▶ If you had wages of \$4,800 or more which were subject to social security taxes, do not fill in this page. ▶ Complete only one Schedule C-3; if you had more than one business, combine profits (or losses) from all of your businesses on this Schedule. ▶ Each self-employed person must file a separate schedule.		

NAME AND ADDRESS (as shown on page 1 of Form 1040)

NAME OF SELF-EMPLOYED PERSON (as shown on social security card)	Social Security Number	
1. Net profit (or loss) shown on line 27 Schedule C (Form 1040) (Enter combined amount if more than one business).....		
2. Add to net profit (or subtract from net loss) losses of business property shown on line 23, Schedule C.....		
3. Total (or difference).....		
4. Net income (or loss) from excluded services or sources included on line 3..... Specify excluded services or sources.....		
5. Net earnings (or loss) from self-employment—		
(a) From business (line 3 less any amount on line 4).....		
(b) From partnerships, joint ventures, etc. (other than farming).....		
(c) From service as a minister, member of a religious order, or a Christian Science practitioner. Enter only if you have filed or are filing Form 2031.....		
(d) From farming reported on line 2 (or line 3 if option used), separate Schedule F-1 (Form 1040).....		
(e) From service with a foreign government or international organization.....		
6. Total net earnings (or loss) from self-employment reported on line 5. Enter here and in item F below (if line 6 is under \$400, you are not subject to self-employment tax. Do not fill in rest of page.)		
7. The largest amount of combined wages and self-employment earnings subject to social security tax is.....	\$ 4,800	00
8. Total wages, covered by social security, paid to you during the taxable year. (For "Covered" wages see "F.I.C.A. Wages" box on Form W-2.) Enter here and in item G, below.....		
9. Balance (line 7 less line 8).....	\$	
10. Self-employment income—line 6 or 9, whichever is smaller. Enter here and in item H, below.....		
11. Self-employment tax—If line 10 is \$4,800, enter \$259.20; if less, multiply the amount on line 10 by 5.4%. Enter this amount here and on line 15, page 1, Form 1040.....		

Do not detach 16-78364-1

Important.—The amounts reported on the form below are for your social security account. This account is used in figuring any benefits, based on your earnings, payable to you, your dependents, and your survivors. Fill in each item accurately and completely.

SCHEDULE SE (Form 1040)
 U.S. Treasury Department
 Internal Revenue Service

U.S. REPORT OF SELF-EMPLOYMENT INCOME

For crediting to your social security account

1964

Indicate year covered by this return (even though income was received only in part of year): A. Calendar year 1964 <input type="checkbox"/> or other taxable year beginning..... 1964, ending..... If less than 12 months, was short year due to (a) <input type="checkbox"/> Death, or (b) <input type="checkbox"/> Change in accounting period, or (c) <input type="checkbox"/> Other.	PLEASE DO NOT WRITE IN THIS SPACE
B. BUSINESS ACTIVITIES SUBJECT TO SELF-EMPLOYMENT TAX (Grocery store, restaurant, etc.)	
C. BUSINESS ADDRESS (number and street, city or post office, State, Postal ZIP code)	
D. SOCIAL SECURITY ACCOUNT NUMBER OF PERSON NAMED IN ITEM E BELOW ➔	
E. PRINT OR TYPE NAME OF SELF-EMPLOYED PERSON AS SHOWN ON SOCIAL SECURITY CARD	F. ENTER AMOUNT FROM LINE 6 \$
E. PRINT OR TYPE HOME ADDRESS (number and street or rural route) (City or post office, State, and postal ZIP code)	G. ENTER AMOUNT FROM LINE 9, IF ANY \$
	H. ENTER AMOUNT FROM LINE 10 \$

SE

INSTRUCTIONS FOR SOCIAL SECURITY SELF-EMPLOYMENT TAX

Page 2

In general, every individual deriving self-employment income during the taxable year from a trade or business earned on by him or from a partnership of which he is a member is subject to the self-employment tax. This computation is made on lines 1 through 11. This tax must be paid retroactively for 1964, and even though the individual is receiving social security benefits.

Ministers, members of religious orders, and Christian Science practitioners.—Deacons, ministers, rabbis, or licensed ministers of churches, members of religious orders who have not taken a vow of poverty, and Christian Science practitioners are not automatically covered by the Social Security Act, but may elect to be covered by filing Form 2031. Copies are available in the office of any district director of Internal Revenue. The instructions on the form set out the procedure and the law which permit this form to be filed retroactively to cover ministers, rabbis, and others mentioned above. Do not delay filing your income tax return beyond the due date even though you have not obtained a Form 2031. In such case, complete this Schedule, file it with Form 1040, and then file Form 2031 as promptly as possible to make your election.

Ministers and members of religious orders who lease a parsonage shall in addition to their other duties include in their present or prospective net earnings from self-employment (but not their income tax purpose rental value of a parsonage or all or any part for the rental value of their parsonage and the value of meals and lodging furnished to them for the convenience of their employers.

U.S. citizens employed by foreign governments or international organizations.—A U.S. citizen employed in the United States by the United Nations, the United Nations Educational, Scientific and Cultural Organization, the World Health Organization, the International Atomic Energy Agency, the International Labor Office, or a foreign government or international organization which is organized under the International Convention on Immunities Act, is subject to the Social Security self-employment tax. These employees should report their net income from such employment on line 5(a) of the Schedule SE and their self-employment tax, and file the schedule with their Form 1040. In item 6 of Schedule SE, enter "Foreign employment" and attach Form 2031.

Farm income.—Farmers report farm income and net earnings from farm self-employment on separate Schedules F and F-1 (Form 1040).

EXCLUSIONS

Income (or loss) from the following sources and deductions attributable thereto are not taken into account in figuring net earnings from self-employment. Use line 4 to exclude any such amounts from the net earnings on Form 1040. These items should not be taken into account in figuring your self-employment income.

Doctors of medicine.—Income from the performance of service as a doctor of medicine or income from the performance of such service by a partnership.

Christian Science practitioners.—Income from the performance of service as a Christian Science practitioner, unless such Christian Science practitioner elects by filing Form 2031 to be covered by the Social Security Act, as explained above.

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, unless such minister or member of a religious order elects by filing Form 2031 to be covered by the Social Security Act, as explained above.

Employees and public officials.—Income (less salaries, etc.) from the performance of service as:

- a public official, including a notary public;
- an employee or employee representative under the railroad retirement system; or
- an employee (except as indicated above).

Note.—The income of an employee over the age of 18 from the sale of newspapers or magazines to an individual consumer is subject to the self-employment tax if the income consists of retained profits from such sales.

Real estate rentals.—Rentals from real estate, except rentals received in the course of a trade or business as a real estate dealer. This includes cash and crop shares received from a tenant or shareholder. These amounts should be reported in Part II, Schedule B (Form 1040). However, if the income from a farm is not excluded if the rental arrangement provides for material participation by the landlord and he does not participate materially in the production or in the management of the production of one or more farm products on his land. Such income represents farm earnings and should be reported on separate Schedules F and F-1.

Payments for the use or occupancy of rooms or other space where services are also rendered, such as income from an apartment building, a rooming house, a transient home, a furnished hotel, services in tourist camps or homes, or space in parking lots, warehouses, or storage garages do not constitute rentals from real estate and are included in determining net earnings from self-employment on this Schedule.

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. These amounts should be reported in Part II, page 2, Form 1040.

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 includable 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. These amounts should be reported on separate Schedule D (Form 1040).

Net operating losses.—No deduction for net operating losses of other years shall be allowed in determining the net earnings from self-employment. Such deduction should be entered on line 8, Part II, page 2, Form 1040.

No deductions for personal exemptions.—The deductions for personal exemptions are not allowable in determining net earnings from self-employment.

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 combined net earnings from self-employment of all his trades or businesses. Thus, the loss sustained in one trade or business will operate to reduce the income derived from another trade or business. An individual shall fill in and file only one Schedule C-3, including Schedule SE, for any trade or business.

JOINT RETURNS

Where husband and wife file a joint income tax return, Schedule C-3 (Form 1040) should show the name of the one with self-employment income. Where husband and wife each have self-employment income, separate Schedules C and C-3 must be attached for each. In such cases the total of amounts shown on line 4 of each separate Schedule C should be entered on line 5, Part II, page 2, Form 1040, and the net earnings from self-employment (line 11) of Schedule C-3 should be entered on line 15, 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 such income is considered the income of the wife. (Also see instructions on partnerships below.)

If separate income tax returns are filed by husband and wife, Schedules C and C-3 should be attached to the return of the one with self-employment income. Community income included on Schedule C must be allocated between the two returns (on line 5, Part II, page 2, Form 1040) on the basis of the community property laws.

PARTNERSHIPS

In computing his combined net earnings from self-employment, a partner should include his entire share of such earnings from a partnership including any guaranteed payments. No part of that share may be allocated to the partner's wife (or husband) even though the income may, under State law, be community income. In the case of a husband and wife who are partners in a partnership, the distributive share of each should be entered in Part III, Schedule B (Form 1040), for income tax purposes. For self-employment tax purposes the distributive share of each partner should be entered on line 5(b) of this Schedule (except that farm partnership earnings are to be reported on line (d), Schedule F-1 (Form 1040) rather than on line 5(b) of this Schedule).

Note.—If a member of a continuing partnership dies, a portion of the deceased partner's distributive share of the partnership's ordinary income (or loss) for the taxable year of the partnership in which he died must be included in the partner's net earnings from self-employment. In such cases consult your nearest Internal Revenue Service office as to how to report.

SCHEDULE SE (Form 1040)

Schedule SE, which is the lower portion of this Schedule, provides the Social Security Administration with the information on self-employment income necessary for computing benefits.

To assure proper credit to your account, be sure to enter your name and social security account number on Schedule SE (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 social security district office or from your local office which will give you the address. Do not delay filing your return beyond the due date.

Regardless of whether joint or separate returns are filed by husband and wife, Schedule SE (Form 1040) must show only the name of the one with the self-employment income. However, if both had self-employment income, a separate Schedule SE must be filed by each.

SCHEDULE D
 (Form 1040)

 U.S. Treasury Department—Internal Revenue Service
GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY

1964

Attach this schedule to your income tax return, Form 1040

Name and address as shown on page 1 of Form 1040

Part I—CAPITAL ASSETS**Short-term capital gains and losses—assets held not more than 6 months**

a. Kind of property and how acquired (if necessary, attach statement of descriptive details not shown below)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Depreciation allowed (or allowable) since acquisition (attach schedule)	f. Cost or other basis, cost of subsequent improvements (if not purchased, attach explanation) and expense of sale	g. Gain or loss (d plus e less f)
1.						
2. Enter your share of net short-term gain (or loss) from partnerships and fiduciaries						
3. Enter unused capital loss carryover from 5 preceding taxable years (attach statement)						
4. Net short-term gain (or loss) from lines 1, 2, and 3						

Long-term capital gains and losses—assets held more than 6 months

5. Enter gain from line 3, Part II						
Total long-term gross sales price						
6. Enter the full amount of your share of net long-term gain (or loss) from partnerships and fiduciaries						
7. Capital gain dividends						
8. Net long-term gain (or loss) from lines 5, 6, and 7						
9. Combine the amounts shown on lines 4 and 8, and enter the net gain (or loss) here						
10a. If line 9 shows a GAIN —Enter 50% of line 8 or 50% of line 9, whichever is smaller. (Enter zero if there is a loss or no entry on line 8.) (See reverse side for computation of alternative tax)						
b. Subtract line 10a from line 9. Enter here and on line 1, Part IV						
11. If line 9 shows a LOSS —Enter here and on line 1, Part IV the smallest of the following: (a) the amount on line 9; (b) the amount on line 11b, page 1 of Form 1040 computed without regard to capital gains and losses; or (c) \$1,000						

**Part II—GAIN FROM DISPOSITION OF DEPRECIABLE PROPERTY UNDER
 SECTIONS 1245 AND 1250—assets held more than 6 months**

Where double headings appear, use the first heading for section 1245 and the second heading for section 1250.

a. Kind of property and how acquired (if necessary, attach statement of descriptive details not shown below)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Cost or other basis, cost of subsequent improvements (if not purchased, attach expla- nation) and expense of sale
1.				
f. Depreciation allowed (or allowable) since acquisition (attach schedule)		g. Adjusted basis (e less sum of f-1 and f-2)		h. Total gain (d less g)
f-1. Prior to January 1, 1962 OR Prior to January 1, 1964	f-2. After December 31, 1961 OR After December 31, 1963	i. Ordinary gain (lesser of f-2 or h) OR (see instructions)		j. Other gain (h less i)
2. Total ordinary gain. Enter here and on line 2, Part IV				
3. Total other gain. Enter here and on line 5, Part I; however, if the gains do not exceed the losses when this amount is combined with other gains and losses from section 1231 property enter the total of column j on line 1, Part III				

Part III—PROPERTY OTHER THAN CAPITAL ASSETS

a. Kind of property and how acquired (if necessary, attach statement of descriptive details not shown below)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Depreciation allowed (or allowable) since acquisition (attach schedule)	f. Cost or other basis, cost of subsequent improvements (if not purchased, attach explanation) and expense of sale	g. Gain or loss (d plus e less f)
1. Enter gain from line 3, Part II.						
2. Enter your share of non-capital gain (or loss) from partnerships and fiduciaries						
3. Net gain (or loss) from lines 1 and 2. Enter here and on line 3, Part IV.						

Part IV—TOTAL GAINS OR LOSSES FROM SALE OR EXCHANGE OF PROPERTY

1. Net gain (or loss) from either line 10b or 11, Part I.	
2. Total ordinary gain from line 2, Part II.	
3. Net gain (or loss) from line 3, Part III.	
4. Total net gain (or loss), combine lines 1, 2, and 3. Enter here and on line 6, page 2, Part II, Form 1040	

COMPUTATION OF ALTERNATIVE TAX

It will usually be to your advantage to use the alternative tax if the net long-term capital gain exceeds the net short-term capital loss, or if there is a net long-term capital gain only, and you are filing (a) a separate return with taxable income exceeding \$0,000, or (b) a joint return, or as a surviving husband or wife, with taxable income exceeding \$40,000, or (c) as a head of household with taxable income exceeding \$32,000.

1. Enter the amount from line 11d, page 1, Form 1040	
2. Enter amount from line 10a, Part I on reverse side	
3. Subtract line 2 from line 1.	
4. Enter tax on amount on line 3 (use applicable tax rate schedule on page 10 of Form 1040 instructions)	
5. Enter 50% of line 2.	
6. Alternative tax (add lines 4 and 5). If smaller than the tax figured on the amount on line 11d, page 1 of Form 1040, enter this alternative tax on line 12, page 1, Form 1040 and write "Alternative" to left of entry.	

INSTRUCTIONS—(References are to the Internal Revenue Code)

GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY.—Report details in appropriate part or parts.

In column (a) of Parts I, II, and III, use the following symbols to indicate how the property was acquired: "A" for purchase on the open market; "B" for exercise of stock option or through employee stock purchase plan; "C" for inheritance or gift; "D" for exchange involving carryover of prior asset basis; and "E" for other.

- "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 includable 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.

Special rules apply to dealers in securities for determining capital gain or ordinary loss on the sale or exchange of securities. Certain real property subdivided for sale may be treated as capital assets. Sections 1256 and 1237.

If the total distributions to which an employee is entitled under an employees' pension, bonus, or profit-sharing trust plan, which is exempt from section 501(a), are paid to the employee in one taxable year, on account of the employee's separation from 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).)

Gain on sale of depreciable property between husband and wife or between a shareholder and a "controlled corporation" shall be treated as ordinary gain.

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 Part I of Schedule D. In the event of a net loss, all these transactions should be entered in Part III of Schedule D, or in other applicable schedules on Form 1040.

- 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, coal, or domestic iron ore, 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.

Gains from section 1245 or 1250 property held more than 6 months (Part II).—(Report any gain from such property held for 6 months or less in Part III.) Except as provided below section 1245 property means depreciable (a) personal property (other than livestock) including intangible personal property; (b) tangible real property (except for buildings and their structural components) if used as an integral part of manufacturing, production, or extraction, or of furnishing transportation, communication, electrical energy, gas, water, or sewage disposal services, or used as a research or storage facility in connection with these activities; and (c) elevators or escalators.

Except as provided below section 1250 property means depreciable real property (other than section 1245 property).

See sections 1245(b) and 1250(d) for exceptions and limitations involving: (a) disposition by gift; (b) transfers at death; (c) certain tax-free transactions; (d) like kind exchanges, involuntary conversions; (e) sales or exchanges to effectuate FCC policies and exchanges to comply with S.E.C. orders; (f) property distributed by a partnership to a partner; and (g) disposition of principal residence (section 1250 only).

Column f of Part II.—In computing depreciation allowed or allowable for elevators or escalators, enter in column f-1 deprecia-

(Instructions continued on reverse side of duplicate)

Part III—PROPERTY OTHER THAN CAPITAL ASSETS

a. Kind of property and how acquired (if necessary, attach statement of descriptive details not shown below)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Depreciation allowed (or allowable) since acquisition (attach schedule)	f. Cost or other basis, cost of subsequent improvements (if not purchased, attach explanation) and expense of sale	g. Gain or loss (d plus e less f)
1. Enter gain from line 3, Part II.....						
2. Enter your share of non-capital gain (or loss) from partnerships and fiduciaries.....						
3. Net gain (or loss) from lines 1 and 2. Enter here and on line 3, Part IV.....						*

Part IV—TOTAL GAINS OR LOSSES FROM SALE OR EXCHANGE OF PROPERTY

1. Net gain (or loss) from either line 10b or 11, Part I.....	
2. Total ordinary gain from line 2, Part II.....	
3. Net gain (or loss) from line 3, Part III.....	
4. Total net gain (or loss), combine lines 1, 2, and 3. Enter here and on line 6, page 2, Part II, Form 1040.....	

COMPUTATION OF ALTERNATIVE TAX

It will usually be to your advantage to use the alternative tax if the net long-term capital gain exceeds the net short-term capital loss, or if there is a net long-term capital gain only, and you are filing (a) a separate return with taxable income exceeding \$20,000, or (b) a joint return, or as a surviving husband or wife, with taxable income exceeding \$40,000, or (c) as a head of household with taxable income exceeding \$32,000.

1. Enter the amount from line 11d, page 1, Form 1040.....	
2. Enter amount from line 10a, Part I on reverse side.....	
3. Subtract line 2 from line 1.....	
4. Enter tax on amount on line 3 (use applicable tax rate schedule on page 10 of Form 1040 instructions).....	
5. Enter 50% of line 2.....	
6. Alternative tax (add lines 4 and 5). If smaller than the tax figured on the amount on line 11d, page 1 of Form 1040, enter this alternative tax on line 12, page 1, Form 1040 and write "Alternative" to left of entry.....	

INSTRUCTIONS (Continued from reverse side of original)

tion prior to July 1, 1963, and in column f2 depreciation after June 30, 1963.

Column 1 of Part II, section 1250 property only.—If held for more than 6 months, but not more than 1 year, enter the smaller of (1) column h, or (2) column f-2.

If held for more than 1 year, enter the result of multiplying the smaller of

(1) column h, or
(2) column f-2 less the amount of depreciation computed for the same period using the straight line method, by the percentage obtained by subtracting from 100% one percentage point for each full month the property was held in excess of 20 months. Where substantial improvements have been made within the preceding 10 years, see section 1250(f).

Basis.—In determining gain or loss 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. If a gift tax was paid with respect to property received by gift, see section 1015(d). Generally, the basis of property acquired by inheritance is the fair market value at the date of death. For special cases involving property acquired from a decedent, see section 1014.

Installment sales.—If you sold personal property for more than \$1,000 or real property regardless of amount, you may be eligible to report any gain under the installment plan if (1) there is no payment in the year of sale, or (2) the payments in the year of sale do not exceed 30 percent of the selling price. The election must be made in the year of sale even though no payment was received in that year. Contact any Internal Revenue Service office for more complete information. See section 453.

For treatment of a portion of payments as "unstated interest" on deferred payment sales, see section 483.

Sale of personal residence.—Tax on a portion or all of the gain from the sale of your principal residence may be deferred if:

- within 1 year after (or before) the sale, you purchase another residence and use it as your principal residence; or
- within 1 year after (or before) the sale, you begin construction of a new residence and use it as your principal residence not later than 18 months after the sale.

If you sold property for \$20,000 or less on or after your 65th birthday which was owned and used by you as your principal residence for at least 5 of the last 8 years any gain on the sale need not be included in income. If the property was sold for more than \$20,000 part of the gain must be taken into income.

Contact your nearest Internal Revenue Service office for full details or to obtain Form 2119 which may be used to report the sale or exchange or to figure your new basis.

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 (g) and describe in column (a), Part I. 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.

Limitation on allowable capital losses.—If line 9, Part I, shows a net loss, the loss shall be allowed as a deduction, only to the extent of the smaller of (1) line 11b (or line 9 if tax table is used), page 1, Form 1040 computed without capital gains (losses), or (2) \$1,000. The excess of such allowable loss over the lesser of items (1) and (2) above is called "capital loss carryover." Any such carryover loss may be carried forward indefinitely. Short-term losses and long-term losses are to be carried over by category. In computing the carryover, short-term losses must be considered first.

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. Partners and partnerships see section 707(b).

Long-term capital gains from regulated investment companies.—Include in income as a long-term capital gain the amount you are notified on Form 2439 which constitutes your share of the undistributed capital gains of a regulated investment company. You are entitled to a credit of 25 percent of this amount which should be included with the amount claimed on line 17a, page 1, Form 1040. The remaining 75 percent should be added to the basis of your stock.

SCHEDULE F
(Form 1040)

U.S. Treasury Department
Internal Revenue Service

SCHEDULE OF FARM INCOME AND EXPENSES

(Compute social security self-employment tax on Schedule F-1 (Form 1040))
Attach this schedule to your income tax return, Form 1040

1964

Name and address as shown on Form 1040.

Business name and address _____

Location of farm(s) and number of acres in each farm _____

Employer identification number _____

FARM INCOME FOR TAXABLE YEAR—CASH RECEIPTS AND DISBURSEMENTS METHOD

PART I. Report receipts from sale of livestock held primarily for sale in the applicable column below. (Do not include other sales of livestock held for draft, breeding, or dairy purposes; report such sales on Schedule D (Form 1040).)

SALES OF MARKET LIVESTOCK AND PRODUCE RAISED AND HELD PRIMARILY FOR SALE					OTHER FARM INCOME			
Kind	Quantity	1. Amount	Kind	Quantity	2. Amount	Items	3. Amount	
Cattle	\$	Eggs	.....	\$ .....	Misc. rec'd for produce	.....	\$ .....
			Meat products	.....		Machine work	.....
Sheep		Poultry, dressed	.....		Breeding fees	.....
Swine		Wool	.....		Wood and lumber	.....
Poultry		Honey	.....		Other forest products	.....
Bees		Sirup and sugar	.....		Patronage dividends, rebates	.....
Grain		Other (specify):	.....		or refunds	.....
Hay					Agricultural program pay-	.....
Cotton					ments	.....
Tobacco					Other (specify):	.....
Vegetables							
Fruits and nuts							
Dairy products							

Totals of columns 1, 2, and 3. Enter here and on line 1 of Part IV below \$

PART II. SALES OF PURCHASED LIVESTOCK AND OTHER ITEMS PURCHASED FOR RESALE

a. Description	b. Date acquired	c. Amount received	d. Cost or other basis	e. Profit (or loss)
.....		\$	\$	\$
.....				
.....				
.....				
Totals (enter amount from column e, on line 2 of Part IV below)		\$	\$	\$

PART III. FARM EXPENSES FOR TAXABLE YEAR (see instructions)

(Do not include personal or living expenses or expenses not attributable to production of farm income, such as taxes, insurance, repairs, etc., on your dwelling)

Items	1. Amount	Items	2. Amount	Items	3. Amount
Labor hired	Veterinary, medicine	.....	Retirement plans, etc.	.....
Repairs, maintenance	Gasoline, fuel, oil	.....	(other than your share—	.....
Interest	Storage, warehousing	.....	See instructions)	.....
Feed purchased	Taxes	.....	Other (specify):	.....
Seed, plants purchased	Insurance	.....	
Fertilizers, lime	Utilities	.....	
Machine hire	Rent of farm, pasture	.....	
Supplies purchased	Freight, trucking	.....	
Breeding fees	Conservation expenses	.....	

Totals of columns 1, 2, and 3. Enter here and on line 4 of Part IV below (cash method) or line 6, Part VII (accrual method) \$

PART IV. SUMMARY OF INCOME AND DEDUCTIONS—CASH RECEIPTS AND DISBURSEMENTS METHOD

1. Sale of livestock and produce raised and other farm income	\$	4. Farm expenses (from Part III)	\$		
2. Profit (or loss) on sale of purchased livestock and other purchased items	\$	5. Depreciation (from Part V)	.....	
3. Gross profits*	\$	6. Other farm deductions (specify):	.....	
		7. Total deductions	\$		
3. Net farm profit (or loss) (subtract line 7 from line 3). Enter here and on line 7, Part II, page 2, Form 1040. Make your computation of self-employment income and the self-employment tax on Schedule F-1	\$				

* Use this amount for optional method of computing net earnings from self-employment. (See line 3, Schedule F-1 (Form 1040).)

Schedule F (Form 1040) 1964

Page 2

PART V. DEPRECIATION (see instructions) (Do not include property you and your family occupy as a dwelling, its furnishings, and other items used for personal purposes) This schedule is designed for taxpayers using the alternative guidelines and administrative procedures described in Revenue Procedure 62-21 as well as for those taxpayers who wish to continue using procedures authorized prior to the revenue procedure. Where double headings appear use the first heading for the new procedure and the second heading for the older procedure.

1. Group and guideline class OR Description of property	2. Cost or other basis at beginning of year OR Cost or other basis	3. Asset additions in year (amount) OR Date acquired	4. Asset retirements in year (amount) (applicable only to Rev. Proc. 62-21)	5. Depreciation allowed or allowable in prior years	6. Method of Computing Depreciation	7. Class life OR Rate (%) or life	8. Depreciation for this year
1. Total additional first-year depreciation (do not include in items below) →							
Total cost or other basis \$							
2. Total depreciation (enter on line 5 of Part IV (cash method) or line 7, Part VII (accrual method)) \$							
3. Cost or other basis of fully depreciated assets still in use \$							

PART VI. FARM INCOME FOR TAXABLE YEAR—ACCRUAL METHOD

(Do not include sales of livestock held for draft, breeding, or dairy purposes; report such sales on Schedule D (Form 1040), and omit them from "On hand at beginning of year" column)

Description (Kind of livestock, crops, or other products)	On hand at beginning of year		Purchased during year		Raised during year	Consumed or lost during year	Sold during year		On hand at end of year		
	Quantity	Inventory value	Quantity	Amount paid	Quantity	Quantity	Quantity	Amount received	Quantity	Inventory value	
		\$		\$				\$		\$	
Totals (enter here and in Part VII below) \$											
		(Enter on line 3)			(Enter on line 4)			(Enter on line (b))			(Enter on line 1(a))

PART VII. SUMMARY OF INCOME AND DEDUCTIONS—ACCRUAL METHOD

1(a). Inventory of livestock, crops, and products at end of year \$	6. Farm expenses (from Part III) \$
(b). Sales of livestock, crops, and products during year \$	7. Depreciation (from Part V) \$
(c). Other farm income (specify): \$	8. Other farm deductions (specify): \$
Total of line 1(c) \$	Total of line 8. \$
2. Total \$	9. Total deductions \$
3. Inventory of livestock, crops, and products at beginning of year \$	10. Net farm profit (or loss) (subtract line 9 from line 5). Enter here and on line 7, Part II, page 2, Form 1040. \$
4. Cost of livestock and products purchased during year \$	Make your computation of self-employment income and the self-employment tax on Schedule F-1 \$
5. Gross profits (subtract the sum of lines 3 and 4 from line 2)* \$	

* Use this amount for optional method of computing net earnings from self-employment. (See line 3, Schedule F-1 (Form 1040))

16-74 60-1

SCHEDULE F-1 (Form 1040) U.S. Treasury Department Internal Revenue Service	COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX ON FARM EARNINGS (For social security) Attach this schedule to your income tax return, Form 1040 (See instructions—page 2)	1964
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▶ If you had wages of \$4,800 or more which were subject to social security taxes, do not fill in this page.
 ▶ Each self-employed person must file a separate schedule. See instructions, page 2, for joint returns and partnerships.
 ▶ If you had net earnings from self-employment from both farm and nonfarm sources, fill in only lines 1 and 2 (line 3, if applicable), and use separate Schedule C-3 to compute your self-employment tax. Net farm earnings from self-employment should be entered on line 5(g) of separate Schedule C-3 (Form 1040).

NAME AND ADDRESS (as shown on page 1, Form 1040)

NAME OF SELF-EMPLOYED PERSON (as shown on social security card)

	Social Security Number : : :
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CHOICE OF METHODS.—A farmer must report his net farm earnings for self-employment tax purposes. Net earnings may be computed under the optional method (line 3, below) by a farmer (1) whose GROSS profits are \$1,800 or less, or (2) whose GROSS profits are more than \$1,800 and NET profits are less than \$1,200. If your GROSS profits from farming are not more than \$1,800 and you elect to use the optional method, you need not complete lines 1 and 2.

Computation Under Regular Method

1. Net farm profit (or loss) from:			
(a) Line 8, page 1, Schedule F (cash method), or line 10, page 2 (accrual method)	\$		
(b) Farm partnerships	\$		

Computation Under Optional Method

2. Net earnings from self-employment from farming. Add lines 1 (a) and (b)			
3. If gross profits from farming are: * (a) Not more than \$1,800, enter two-thirds of the gross profits	\$		
(b) More than \$1,800 and the net farm profit is less than \$1,200, enter \$1,200	\$		

*NOTE.—Gross profits from farming are the total of the gross profits on line 3, Part IV (cash method), or line 5, Part VII of Schedule F (accrual method), plus the distributive share of the gross profit from farm partnerships as explained on page 2.

If line 2 (or line 3, if you choose the optional method) is under \$400, do not fill in rest of page.

Computation of Social Security Self-Employment Tax

4. The largest amount of combined wages and self-employment earnings subject to social security tax is			
5. Total wages, covered by social security, paid to you during the taxable year. (For "Covered" wages see "F.I.C.A. Wages" box on Form W-2.) Enter here and in item G of Schedule SE below	\$	4,800	00
6. Balance (line 4 less line 5)	\$		
7. Self-employment income. Enter here and in item H of Schedule SE below your choice of EITHER :			
(a) REGULAR METHOD.—The smaller of line 2 or 6			
(b) OPTIONAL METHOD.—The smaller of line 3 or 6			
8. Self-employment tax—If line 7 is \$4,800, enter \$259.20; if less, multiply the amount on line 7 by 5.4%. Enter this amount here and on line 13, page 1, Form 1040	\$		

Do not detach

Important.—The amounts reported on the form below are for your social security account. This account is used in figuring any benefits, based on your earnings, payable to you, your dependents, and your survivors. Fill in each item accurately and completely.

SCHEDULE SE (Form 1040)
 U.S. Treasury Department
 Internal Revenue Service

U.S. REPORT OF SELF-EMPLOYMENT INCOME
 For crediting to your social security account

1964

Indicate year covered by this return (even though income was received only in part of year): Calendar year 1964 <input type="checkbox"/> or other taxable year beginning _____, 1964, ending _____ If less than 12 months, was short year due to (a) <input type="checkbox"/> Death, or (b) <input type="checkbox"/> Change in accounting period, or (c) <input type="checkbox"/> Other.	PLEASE DO NOT WRITE IN THIS SPACE
B. FARM ACTIVITIES SUBJECT TO SELF-EMPLOYMENT TAX (Raising livestock, custom harvesting, etc.)	
C. FARM ADDRESS (rural route, post office, State and Postal ZIP code)	
D. SOCIAL SECURITY ACCOUNT NUMBER OF PERSON NAMED IN ITEM E BELOW	
PRINT OR TYPE NAME OF SELF-EMPLOYED PERSON AS SHOWN ON SOCIAL SECURITY CARD	
E. PRINT OR TYPE HOME ADDRESS (number and street, or rural route)	
(City or town, State and postal ZIP code)	
	CHECK HERE IF YOU USE OPTIONAL METHOD. <input type="checkbox"/>
	F. ENTER AMOUNT FROM LINE 2 LINE 3 IF OPTION USED ... \$
	G. ENTER AMOUNT FROM LINE 5, IF ANY ... \$
	H. ENTER AMOUNT FROM LINE 7 ... \$

S E

SOCIAL SECURITY SELF-EMPLOYMENT TAX INSTRUCTIONS

Individuals deriving income from farming operations are subject to self-employment tax. See page 1 of this form for computation of earnings from self-employment and self-employment tax. This tax must be paid regardless of age and even though the individual is receiving social security benefits.

Optional method for computing net earnings from self-employment from farming.—If a farmer's gross profits for the year from farming are not more than \$1,800, he may report two-thirds of his gross farm income instead of his actual net earnings from farming. If his gross profits from farm self-employment are more than \$1,800 and his actual net earnings from farming are less than \$1,200, he may report \$1,200. For the purpose of the optional method, a partner should compute his share of gross profits from a farm partnership in accordance with the partnership agreement. In the case of guaranteed payments, his share of the partnership's gross profits is his guaranteed payments plus his share of the gross profits after such gross profits are reduced by all guaranteed payments of the partnership.

SHARE-FARMING ARRANGEMENTS

An individual who undertakes to produce a crop or livestock on land belonging to another for a proportionate share of the crop or livestock produced, or the proceeds thereof, is considered to be an independent contractor and a self-employed person rather than an employee. His net earnings should be reported on Schedules F and F-1 (Form 1040) for income tax and self-employment tax purposes.

Farm rentals.—Rental income from a farm counts for social security purposes if the arrangement provides for material participation by the landlord and he does participate materially in the production of the crop or livestock or in the management of the production of one or more farm products. Such rental income is farm earnings and should be reported on page 1 or 2 of Schedule F. "Material participation" means the taking of an important part in the actual production or in the making of management decisions. If there was no material participation, report such rental income in Part II of Schedule B (Form 1040).

MORE THAN ONE TRADE OR BUSINESS

If an individual is engaged in farming and in one or more other trades or businesses, his net earnings from self-employment are the combined net earnings from self-employment of all his trades or businesses. Thus, the loss sustained in one trade or business will operate to reduce the income derived from another trade or business. In such cases, use both Schedule F (Form 1040) and Schedule C (Form 1040) to determine net profit from the farm and nonfarm activities, respectively. Make the combined computation of self-employment tax on page 1 of Schedule C-3 (Form 1040). Fill in Schedule F-1 (Form 1040) through line 3.

JOINT RETURNS

Where husband and wife file a joint income tax return, page 1 of this Schedule should show the name of the one with self-employment income from farming. Where husband and wife each had self-employment income, a separate Schedule F-1, or a separate Schedule C-3, whichever is appropriate, must be filed by each. However, the total of the amounts shown as profit (or loss) from all businesses should, for income tax purposes, be reported on line 5 or 7, Part II, page 2, Form 1040, and the combined self-employment tax should be entered on line 15, page 1, Form 1040.

COMMUNITY INCOME

For the purpose of computing net earnings from self-employment (but not for income tax), if any of the income from farming is community income, all the income from such farm operations is considered the income of the husband unless the wife exercises substantially all the management and control of the operation, in which case all of such income is considered the income of the wife. (Also see instructions on partnerships which follow.)

If separate income tax returns are filed by husband and wife, Schedules F and F-1 or Schedule C and C-3, whichever are appropriate, must be attached to the return of the one with self-employment income. Community income included on such a schedule must, however, be allocated, for income tax purposes between the two returns (on line 5 or line 7, Part II, page 2, Form 1040) on the basis of the community property laws.

PARTNERSHIPS

In computing his combined net earnings from self-employment, a partner should include his entire share of such earnings from a partnership including any guaranteed payments. No part of that share may be allocated to the partner's wife (or husband) even though the income may, under State law, be community income. However, in the case of a husband and wife farm partnership, like other partnerships, the distributive share of each must be entered as partnership income in Part III of Schedule B for income tax purposes, and on line 1(b), page 1, of separate Schedule F-1 for self-employment tax purposes. (Use separate Schedule C-3, to report nonfarm income for social security purposes.)

Note: If a member of a continuing partnership dies, a portion of the deceased partner's distributive share of the partnership's ordinary income (or loss) for the taxable year of the partnership in which he died must be included in the partner's net earnings from self-employment. In such cases consult your nearest Internal Revenue Service office as to how to report.

EXCLUSIONS FROM SELF-EMPLOYMENT

In determining the amount of net farm earnings from self-employment the following items should be excluded:

Real estate rentals.—Rentals from real estate, including any personal property that is leased with the land. This includes rentals received in cash or crop shares. These amounts should be reported in Part II of Schedule B. See, however, "Farm Rentals" under "Share Farming Arrangements" on this page.

Property gains and losses.—Gains and losses from the sale, exchange, or involuntary conversion of capital assets and other property which is not held primarily for sale to customers. These amounts should be reported on separate Schedule D (Form 1040).

Net operating losses.—In determining the net earnings from self-employment, no deduction for net operating losses of other years shall be allowed. Such deduction should be entered on line 8, Part II, page 2, Form 1040.

Other items.—Any other item of income or expense which was included in line 2 and which does not enter into the computation of net farm earnings from self-employment should be eliminated from line 2 and an explanation attached.

SCHEDULE SE (FORM 1040)

Schedule SE, which is the lower portion of page 1 of Schedule F-1, provides the Social Security Administration with the information on self-employment income necessary for computing benefits under the social security program.

To assure proper credit to your account, enter your name and social security account number on Schedule SE (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 Social Security district office. Your local post office will give you the address. Do not delay filing your return beyond its due date.

Regardless of whether joint or separate returns are filed by husband and wife, Schedule SE (Form 1040) must show only the name of the one with self-employment income. However, if both had self-employment income, a separate Schedule SE must be filed by each.

U.S. Treasury Department—Internal Revenue Service

INSTRUCTIONS FOR SCHEDULE F (FORM 1040)—1964

The term "farm" does not include the cultivating or operating of a farm for recreation or pleasure, the result of which is a continual loss from year to year.

CASH RECEIPTS AND DISBURSEMENTS METHOD

A farmer using the cash receipts and disbursements method shall include in his income for the taxable year (1) the amount of cash and 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 received from the sale of any livestock and other items which were purchased, and (3) income received from all other sources. Farm expenses will be the actual amounts paid out during the taxable year plus deductions such as depreciation, etc.

ACCURAL METHOD

For a farmer using an accrual method, the gross profits are to be taken as indicated in summary of income and deductions on page 2 of Schedule F. 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," in addition to other methods, which provides for the valuation of inventories of market price less direct cost of disposition. Farmers raising livestock may value their inventories of animals according to either the "farm-price method" or the "unit-livestock-price method."

INCOME

All farm income from whatever source must be reported in Schedule F or in Schedule D (Form 1040). 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 from insurance on growing crops should be included. If you rent all or a part of your crop land on a crop share basis, report the crop shares received as rental income only for the year in which they are reduced to money or its equivalent. If you received rental income from the operation of a farm and did not materially participate in its operation report the income in Part II of Schedule E (Form 1040).

If a farmer pledges commodities as security for a loan from the Commodity Credit Corporation, income is not considered received until the pledged commodities are sold. However, a farmer may elect to include in income amounts received during the year as loans from the Corporation. If he does so elect he should file with his return a statement showing details of such loans, and he must continue to report similar loans as income until he receives permission from the Commissioner to change his method of accounting.

Fraternal dividends received from cooperatives in cash qualified written notices of allocation, or other property (to the extent of fair market value) are to be included in farm income.

Fraternal dividends received in the form of unqualified written notices of allocation are not to be included in income at the time of receipt. However, amounts received at the time of redemption, sale, or other disposition must be reported as income.

Dividends received on purchases of capital assets or depreciable property used in farming are not included in income, but the purchase price of such items must be reduced accordingly. Dividends you receive on nonbusiness purchases are not included in income.

Report sales, exchanges or involuntary conversions of capital assets and other property in separate Schedule D (Form 1040).

EXPENSES AND OTHER DEDUCTIONS

In general, a farmer 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. Some of these expenses are:

Labor hired.—Amounts paid for regular farm labor, piecework, contract labor, and other forms of hired labor. Do not deduct the value of your own labor or that of your wife or family. 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. However, the cost of rations purchased for laborers or sharecroppers is 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.

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 ordinary tools of short life or small cost such as shovels, rakes, etc. Amounts paid for replacements of, or additions to, farm machinery, farm buildings, or other farm equipment of a permanent nature are not deductible.

Utilities.—The farm share of the expenditures for water rent, electricity, telephone, etc. Do not deduct personal expenses.

Fertilizers and lime.—These and similar materials may be either capitalized or deducted as an expense.

Supplies purchased.—Cost of twine, spray materials, poisons, disinfectants, cans, barrels, baskets, egg cases, bags, etc.

Taxes.—State and local taxes. Do not deduct Federal income taxes, estate, inheritance, legacy, succession, and gift taxes; nor taxes on any improvement or betterment. Do not deduct taxes on your dwelling or household property and other taxes not related to the business of farming.

Insurance.—Cost of all insurance on farm buildings (except your dwelling) and on improvements, equipment, crops, and livestock.

Rent of farm, part of farm, or pasture.—Rent paid in cash. A tenant farmer paying rent to his landlord in the form of crops raised on the farm (under a crop share agreement) may not deduct as rent the value of the crop given to the landlord, but the tenant may deduct all amounts in raising the crop.

Conservation expenses.—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 business of farming.

The allowable deduction for any one year may not exceed 25 percent of the original cost from farming, but any excess may be carried over to succeeding years with the same limit applying to those years.

To claim a deduction for these expenditures you must (a) elect to do so for the first taxable year for which such expenditures are paid by claiming such deduction on your return; or, (b) secure consent from the District Director of Internal Revenue for any other year. Once you have elected to do so, you must continue to treat such expenditures as deductions in all future taxable years unless you secure consent from the District Director to change.

Retirement plans, etc. (other than your share).—Enter deductions for contributions to or under a pension, profit sharing, annuity, or bond purchase plan, and compensation under a deferred payment plan for your employees, on the line provided in column 3, Part III. If the plan includes you as a self-employed individual enter your share on line 4, Part III, page 2, Form 1040 and attach Form 4573, Schedule D, showing all amounts in Form 1040 (optional in the first year—see instructions for that form).

Automobile Expenses, Special Rule.—See page 7 of the Form 1040 Instructions for optional method of computing deductible automobile expenses.

Other farm expenses.—Include such items as advertising, stationery, stamps, account books, other office supplies, travel, and similar farm expenses.

You may deduct expenses incurred in clearing land to make it suitable for farming. This deduction is limited to 25% of taxable income from farming, or \$5,000 whichever is lesser.

Depreciation.—Allowance for depreciation of buildings, improvements, machinery, or other farm equipment of a permanent nature. Similar assets may be grouped together as one item for reporting purposes in the depreciation schedule on Schedule F. In computing depreciation do not include the value of farm land or land on which farm buildings are located. Do not claim 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 instructions for Form 1040 for methods of computing depreciation. The depreciation instructions also discuss the alternative standards and procedures for use in determining depreciation under Revenue Procedure 62-21. While not mandatory, the adoption of these procedures will, in most cases prove to be to the taxpayer's advantage.

Losses.—Losses of farm buildings, machinery, and other farm property not included in your inventory, to the extent not compensated by insurance or otherwise. Losses of property included in your inventory are taken care of by the reduced amount of the inventory at the end of the year. The total loss of a prospective crop by frost, storm, flood, or fire is not deductible. When using the cash method, the value of animals raised by you and lost by death is not deductible; for animals purchased and lost by death, the cost less depreciation allowed or allowable is deductible to the extent the loss is not compensated by insurance or otherwise. Do not deduct personal losses.

Net operating loss deduction.—Any net operating loss deduction should be entered on line 5, Part II, page 2, Form 1040. See instructions for Form 1040.

Additional information available.—More information and illustrative examples are contained in I.R.S. Publication No. 225, Farmer's Tax Guide. This booklet may be obtained free of charge from your county agricultural agent or any Internal Revenue Service Office.

SCHEDULE G
(Form 1040)U.S. Treasury Department
Internal Revenue Service**INCOME AVERAGING****1964**

Attach this schedule to your income tax return, Form 1040

Name (as shown on page 1 of your tax return)

PART I.—TAXABLE INCOME AND ADJUSTMENTS

ITEM	(a) Computation year	(b) 1st preceding base period year	(c) 2d preceding base period year	(d) 3d preceding base period year	(e) 4th preceding base period year
	1964	1963	1962	1961	1960
1. Taxable income (see instruction 1).....					
2. Income earned outside of the United States or within U.S. possessions and excluded under Sections 911 and 931.....					
3. Capital gain net income (from line 10a, Schedule D, Form 1040, except 1960 which is line 9, Schedule D).....					
4. Net income from gifts, etc., received this year or any base period year. (If \$3,000 or less in 1964 do not enter in any year.)..					
5. Net income from wagering and other items described in instruction 5.....					
6. Line 1 plus line 2, less lines 3, 4, and 5....					
7. Adjusted taxable income or base period income. Enter amount from line 6, or "Zero" if line 6 is less than zero.....					

PART II.—COMPUTATION OF AVERAGABLE INCOME

1. Adjusted taxable income (line 7, column (a), Part I).....	
2. 33 $\frac{1}{3}$ % of the sum of line 7, columns (b), (c), (d), and (e), Part I.....	
3. a) 25% of the sum of line 3, columns (b), (c), (d), and (e), Part I. NOTE: If an amount less than zero appears in line 5, Part I, see instruction 3(a) under Part II. (b) Amount from line 3, column (a), Part I..... (c) If line 3(a) is more than line 3(b), enter difference—if not, make no entry....	
4. Averagable income (line 1 less lines 2 and 3(c)).....	

COMPLETE THE REMAINING PARTS OF THIS FORM ONLY IF LINE 4 IS MORE THAN \$3,000. IF \$3,000 OR UNDER, YOU DO NOT QUALIFY

PART III.—SEGMENTS OF INCOME UNDER AVERAGING

1. Amount from line 2, Part II.....	
2. Amount from line 3(a), Part II.....	
3. 20% of line 4, Part II.....	
4. Sum of lines 4 and 5, column (a), Part I, less any income subject to a penalty under section 72(m)(5) which was included in line 5, Part I.....	
5. Excess of line 3(b) over 3(a), Part II.....	
6. Total (sum of lines 1 through 5).....	

PART IV.—COMPUTATION OF TAX

1. Tax on the amount on line 6, Part III.....	
2. Sum of lines 1, 2, and 3, Part III.....	
3. Tax on amount on line 2.....	
4. Sum of lines 1 and 2, Part III.....	
5. Tax on amount on line 4.....	
6. Difference (line 3 less line 5).....	
7. The amount on line 6 multiplied by 4.....	
8. Total (add lines 1 and 7).....	
9. Tax on income subject to the penalty under section 72(m)(5) which was included in line 5, Part I.....	
10. Tax (add lines 8 and 9). Enter here and, if you are not using the alternative tax computation in Part V, on line 12, page 1, Form 1040 and write "From Schedule G" to left of entry.....	

PART V.—COMPUTATION OF ALTERNATIVE TAX

1. Amount from line 10, Part IV.....			
2. Amount from line 5, Part IV.....			
3. (a) Amount from line 2, Part II.....			
(b) Amount from line 3(c), Part II.....			
(c) Sum of lines 3(a) and 3(b).....			
4. Tax on amount on line 3(c).....			
5. Difference (line 2 less line 4).....			
6. Amount from line 1, Part IV.....			
7. Sum of lines 1, 2, 3, and 4, Part III.....			
8. Tax on amount on line 7.....			
9. Difference (line 6 less line 8).....			
10. Sum of lines 5 and 9.....			
11. Amount from line 3, column (a), Part I.....			
12. 50% of line 11.....			
13. If line 10 is more than line 12, enter difference—otherwise alternative tax does not apply.....			
14. Alternative tax (line 1 less line 13). Enter here and on line 12, page 1, Form 1040 and write "From Schedule G" to left of entry.....			

Use this space for additional information, such as reconstruction of income computation, itemization of item 5, Part I, etc.

General Instructions

This schedule must be attached to your Form 1040 to choose the benefits of income averaging. Only individuals who are citizens or residents throughout 1964 are eligible for averaging. Corporations, estates and trusts do not qualify.

The income averaging method of computing tax may be to your advantage if your income has increased substantially this year. Under this method your 1964 income which exceeds by one-third the income of your four prior years (1960-1963) is taxed, in effect, by averaging that excess over the five-year period (1960-1964). Basically the taxable income for each year is the figure utilized. However, since capital gains, wageing income, certain income from gifts, etc., are not subject to averaging, adjustments to the taxable income, as it appears on Form 1040 for each year, are necessary.

A. WHO MAY FILE.—Generally, you may choose the provisions of income averaging for 1964, by filing Schedule G with your Form 1040 if you meet the requirements of (1) citizenship or residence, and (2) support. On a joint return both husband and wife must meet the requirements.

(1) **Citizenship or residence requirement.**—You must have been a citizen or resident of the United States throughout 1964. A nonresident alien at any time during the five taxable year period ending with 1964 is not eligible.

(2) **Support requirement.**—You must have furnished at least 50 percent of your own support from 1960 through 1963. In a year in which you were married it is only necessary that you together with your wife provided at least 50 percent of the support of both of you. For definition of support see line 5, page 4, Form 1040 instructions.

Exceptions. The support requirement is waived if—

(1) You were age 25 or more before the end of 1964 and you were not a full-time student during at least any four of your taxable years beginning after you have attained the age of 21. Thus, generally, if you are age 25 or over and have been out of school for 4 years since age 21, you are eligible for averaging. You are a student for a taxable year if during 5 calendar months of that year you were a full-time student at an educational institution or were 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.

(2) More than 50 percent of your adjusted taxable income (line 7, column (a), Part I) is attributable to work performed by you in substantial part during two or more of the four taxable years preceding 1964, or

(3) You file a joint return for 1964 and not more than 25 percent of the aggregate adjusted gross income (line 9, page 1, Form 1040) is attributable to you. Your husband (wife), however, must meet the support requirement.

B. PROVISIONS INAPPLICABLE.—If you file Schedule G you may not—

(1) Exclude from income any part of your earned income from sources without the United States (see section 911 and Form 2553) and from sources within possessions of the United States (see sections 931-934 and Form 1040E).

(2) Use the tax tables on pages 11 through 15 of the Form 1040 instructions. You may, however, use the standard deduction.

(3) Avail yourself of the limitation on tax under section 72(n)(2) for income resulting from certain distributions from an employee's trust.

C. RECONSTRUCTION OF INCOME.—If you (1) were single for both 1964 and the base period year in question, or (2) were married to the same person for both 1964 and the base period year in question and filed a joint return, no reconstruction for that year is necessary.

If you (1) were not married to and did not file a joint return with the same wife (husband) for every year after 1959, or (2) were not single for all those years, you must reconstruct your income by determining your separate income and deductions for any taxable year. Your part of the allowable deductions (exemptions and itemized deductions) not taken into account in arriving at adjusted gross income from a joint return, is the amount resulting from multiplying the amount of such deductions on the joint return by a fraction whose numerator is your separate adjusted gross income and whose denominator is the aggregate adjusted gross income on the joint return. See specific instruction 1, under Part I, on adjusted gross income. However, if 85 percent or more of the aggregate adjusted gross income of a husband and wife is attributable to either one, all of the deductions are allowable to the one to whom such income is attributable.

It may be necessary to make as many as three computations in determining your separate base period income for any year. If you had a different wife (husband) for 1964 than for the base period year in question it is necessary to compute your base period income under all three methods. However, whether more than one computation is necessary in a particular case depends upon the facts. In any event, your separate base period income for any base period year is the largest of the amount computed under the following three methods:

(1) The amount determined by adjusting your own income and deductions for the base period year.

(2) One-half the amount determined by adjusting the combined income and deductions for the base period year of your husband (wife) and the person who is your wife (husband) in 1964.

(3) One-half the amount determined by adjusting the combined income and deductions for the base period year of your husband (wife) and your wife (husband) for that base period year.

In computing your separate base period income when community property laws are applicable there must be taken into account all of the earned income attributable to the person who earned it, without regard to the community property laws, or your share of the community earned income under the community property laws, whichever is greater.

If you must reconstruct your income for any of the base period years, show the computation and give names under which the returns were filed in the space provided on page 2. If additional space is needed show your computation on an attachment. An example illustrating the reconstruction of income follows:

H and W are calendar year taxpayers who were married and otherwise eligible to choose the benefits of income averaging for the taxable year 1964 for which they made a joint return. W, however, was married to and made a joint return with A for the taxable year 1960. H was unmarried for 1960. H and W compute their base period income for 1960 in the following manner:

	A & W (Joint Return)	A	W	H
Salary	\$16,000	\$11,500	\$4,500	\$3,000
Dividends	2,000	500	1,500	1,000
Adjusted Gross Income	\$18,000	\$12,000	\$6,000	\$4,000
Total of itemized deductions and personal exemptions	3,600	2,400	1,200 (1)	1,600
Taxable Income (Separate Income and Deductions)	\$14,400	\$9,600	\$4,800	\$2,400

(1) $6000 (W's \text{ separate adjusted gross income}) \times \frac{3600}{18000 (A \& W's \text{ adjusted gross income from joint return})} = 1200$ (Total of itemized deductions and personal exemptions on A & W's joint return)

Method No. 1 — W's separate income and deductions \$4,800

Method No. 2 — W and H's combined income and deductions (\$4,800 plus \$2,400) $\times 50$ percent \$3,600

Method No. 3 — W and A's combined income and deductions from joint return, \$14,400 $\times 50$ percent \$7,200

W's separate income and deductions is \$7,200, the largest of the three methods. The combined separate income and deductions (or base period income since there are no adjustments) of H and W for 1960 is \$9,600 (H's base period income of \$2,400 (unmarried in 1960) plus W's base period income of \$7,200).

SPECIFIC INSTRUCTIONS

The following instructions are numbered to correspond with the line numbers in each part of the form.

Part I

1. Except as noted below, enter on this line the amount (never less than zero) from—

- (a) Form 1040 (1961-64) - line 11d, page 1
 Form 1040 (1960) - line 5, page 2
 (b) Form 1040W (1960) - line 10, page 1
 (c) Form 1040A (1964) - line 5, page 4 { Tax Computation
 Form 1040A (1960-63) - line 5, page 3 } Schedule Form
 1040A instructions

For any year for which you use the tax tables with Form 1040, Form 1040W, or Form 1040A, you may arrive at the amount to be entered in line 1, by subtracting from your adjusted gross income (see below) the standard deduction and \$600 multiplied by the number of exemptions. Adjusted gross income is—

- (a) Form 1040 (1961-64) - line 9, page 1
 Form 1040 (1960) - line 11, page 1
 (b) Form 1040W (1960) - line 6, page 1
 (c) Form 1040A (1963-64) - line 7, page 1
 Form 1040A (1960-62) - line 9, page 1

NOTE: If you were not married to and did not file a joint return with the same wife (husband) for every year after 1953, or were not single for all those years, it will be necessary to reconstruct the amount to be entered in columns (b), (c), (d), and (e) in accordance with General Instruction C.

2. Enter on this line for each base period year the net amount of income previously excluded from income because it was earned income derived from sources without the United States or from within its possessions (Sections 911 and 931-934). For 1964 you may not exclude such amounts from gross income and they will therefore be reflected in taxable income.

3. If any amount entered in line 1, columns (b), (c), (d), and (e) is a reconstructed amount then the capital gain net income for the same year must be reconstructed using the same method that was used for that year in line 1.

4. You must enter for all years certain amounts of income attributable to interests in property which were received, during 1964 or any base period year (1960 through 1963), as a gift, bequest, devise, or inheritance, but only if the amount of such net income for 1964 exceeds \$3,000. (If the property was received prior to 1960 no entry is required.) If you have an interest in more than one piece of property, the income to be taken into account is the sum of the incomes (losses) for the year from each piece of property. If the adjustment is required for 1964 (because it exceeds \$3,000), then an entry for this item must be made for all the base period years for income (disregard any net loss(es) in those years attributable to gifts, etc., received during the base period even though such income for any of these years does not exceed \$3,000. Unless you establish otherwise, the amount of net income attributable to an interest in property is deemed to be 6 percent of the fair market value of such interest on the date of its receipt.

The above rules do not, however, apply to income attributable to gifts, bequests, devises, or inheritances between husband and wife if they file a joint return for 1964 (including a joint return filed by a survivor with his deceased wife (husband) for 1964), or if one of them files a return as a surviving widow(er) for 1964.

5. Include income attributable to the following sources in the total to be entered on this line (show itemization in space provided on page 2):

- (a) Wagering income. The amount which is attributable to the excess of gains over losses from wagering transactions.

(b) Income from oil and gas properties. The amount received from the sale of any oil or gas property to which section 632 applies.

(c) Claims against the United States. The amount received from the United States to which section 1347 applies.

(d) Excess Community Income. If you are married, a resident of a community property state, and file a separate return for 1964, you must include in this line the excess of the community earned income reportable by you over the amount of such income attributable to your services. No adjustment need be made where the community earned income attributable to your services exceeds 50 percent of the aggregate community earned income. The following example illustrates this.—

	Attributable to Service of		
	H	W	Total
Community Earned Income...	\$40,000	\$20,000	\$60,000

(1) H filing a separate return has no adjustment since the amount of earned income attributable to his services (\$40,000) exceeds 50 percent of the aggregate community earned income (\$30,000).

(2) W filing a separate return must include in the total for this line \$10,000, the excess of the community earned income reportable by her (\$30,000) over the amount of community earned income attributable to her services (\$20,000).

(e) Certain amounts received by owner-employees. The amount of income resulting from a premature or excessive distribution from a qualified employees' pension plan or trust to an employee who is (or was) also an owner of the business. The amount of such income is the amount subject to a penalty under section 72(m)(5).

Part II

3(a). Generally, the entry on this line is one-fourth of the sum of the capital gain net income in line 3, columns (b), (c), (d), and (e), Part I. However, capital gain net income for any base period year may not exceed the base period income (line 7, columns (b), (c), (d), and (e), Part I) for such year computed without reduction by the capital gain net income for such year. Line 6, Part I, indicates whether the adjustment for any year is necessary. If any of the amounts on line 6 in columns (b), (c), (d), and (e) are less than zero, then for that year add lines 3 and 6. If the resulting sum is less than zero your capital gain net income for such year is zero. The following examples will illustrate this.—

Example (1)—	Column (b), Part I
Line 3.....	\$100
Line 6.....	(670)
Capital gain net income for this year for purposes of computing entry for line 3(a), Part II.....	zero

Example (2)—	
Line 3.....	\$2000
Line 6.....	(1300)
Capital gain net income for this year for purposes of computing entry for line 3(a), Part II.....	\$700

Parts IV and V

To figure your tax use the tax rate schedules on page 10 of the instruction booklet for Form 1040.

FORM 2948	U.S. Treasury Department—Internal Revenue Service MEDICAL AND DENTAL EXPENSE STATEMENT (Attach this statement to your income tax return or use it as a guide to prepare your own statement. See example on reverse side)	1964
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This statement is for the use of taxpayers who are entitled to a larger deduction for medical and dental expenses paid for the persons listed in Group I and who also have expenses for persons described in Group II below. Taxpayers who have expenses for persons in Group I only or Group II only need not use this form but should see the instructions for Form 1040. The medical and dental expenses of persons in Group I do not have to be reduced by the 1 and 3 percent limitations of the taxpayer's total income (line 9, page 1, Form 1040) as is required for persons in Group II below.

GROUP I

- a. Taxpayer and wife if **EITHER** is 65 years of age or older,
 b. Each 65-year-old (or over) dependent parent of the taxpayer or his wife.

GROUP II

- a. Taxpayer and wife if **BOTH** are under 65 years of age,
 b. Dependent parents, who are under 65 years of age, of taxpayer or wife,
 c. All other dependents regardless of age.

Note: Do not deduct any expenses for which you received reimbursement from insurance or other sources.

Name of taxpayer claiming the deduction

Name(s) of dependent parent(s) 65 years of age or over, if any

MEDICAL AND DENTAL EXPENSES FOR PERSONS IN GROUP I

1. Medicine and drugs \$.....
 2. Medical and dental expenses (other than medicine and drugs)
 3. Line 1 plus line 2 \$.....

MEDICAL AND DENTAL EXPENSES FOR PERSONS IN GROUP II

4. Medicine and drugs \$.....
 5. 1% of line 9, page 1, Form 1040
 6. Excess, if any, of line 4 over line 5
 7. Medical and dental expenses (other than medicine and drugs)
 8. Line 6 plus line 7
 9. 3% of line 9, page 1, Form 1040
 10. Excess, if any, of line 8 over line 9

TOTAL DEDUCTION FOR MEDICAL AND DENTAL EXPENSES

11. Line 3 plus line 10. Enter here and on line 5, Part IV, page 2 of Form 1040 (See "Maximum Limitations" below) \$.....

MAXIMUM LIMITATIONS

- A. The amount on line 11 may not exceed \$5,000 multiplied by the number of persons claimed as exemptions on the individual income tax return. (If taxpayer or wife is 65 or over and in addition is disabled, see "B.") The deduction is further limited by the following amounts:
- (1) \$10,000 if the taxpayer is single and not a head of household or a widow or widower entitled to the special tax rates,
 - (2) \$10,000 if the taxpayer is married but files a separate return,
 - (3) \$20,000 if the taxpayer files a joint return, is a head of household, or is a widow or widower entitled to the special tax rates.
- B. If the taxpayer (or his wife) is 65 years of age or over and in addition is disabled, he may qualify for an increased maximum limitation. For this purpose disabled means that any individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. For further information, consult your nearest Internal Revenue Service office.

EXAMPLE FOR COMPLETING STATEMENT ON REVERSE SIDE.

A taxpayer with \$10,000 total income (line 9, page 1, Form 1040) files a joint return with his wife. The taxpayer is 67 years old, his wife is 64, and they have a dependent 20 years old. Taxpayer and his wife paid \$250 for medicine and drugs and \$1,500 for medical and dental expenses for themselves. In addition, they paid for the dependent \$140 for medicine and drugs, and \$100 for medical and dental expenses. The taxpayer and his wife would both be in Group I. The statement should be completed as follows:

MEDICAL AND DENTAL EXPENSES FOR PERSONS IN GROUP I

1. Medicine and drugs	\$250.00	
2. Medical and dental expenses (other than medicine and drugs)	1,500.00	
3. Line 1 plus line 2		\$1,750.00

MEDICAL AND DENTAL EXPENSES FOR PERSONS IN GROUP II

4. Medicine and drugs	\$140.00	
5. 1% of line 9, page 1, Form 1040	100.00	
6. Excess, if any, of line 4 over line 5	40.00	
7. Medical and dental expenses (other than medicine and drugs)	100.00	
8. Line 6 plus line 7	140.00	
9. 3% of line 9, page 1, Form 1040	300.00	
10. Excess, if any, of line 8 over line 9		-0-

TOTAL DEDUCTION FOR MEDICAL AND DENTAL EXPENSES

11. Line 3 plus line 10	\$1,750.00
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Itemize below amounts paid for medical and dental expenses in 1964; show amount and to whom paid.

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STATISTICS OF INCOME



Individual INCOME TAX RETURNS

Annually contains data on sources of income, adjusted gross income, exemptions, total deductions, taxable income, income tax, tax credits, self-employment tax, tax withheld, and tax payments. Also shown are excludable sick pay, foreign and domestic dividends, capital gains and losses, data reported on Forms 1040A, and selected income and tax items for States. Classifications are by tax status, size of adjusted gross income, marital status, form of deduction, and tax rates. Ten year historical summary.

Topics featured in the reports for 1960-1965

- 1965 - (In preparation) New items include increase in maximum dividend exclusion, and separation of short-term and long-term capital loss carryover. Coverage of Revenue Act of 1964 changes, gross income adjustments, non-taxable and capital gain distributions, gain from disposition of depreciable property, income averaging, and retirement income credit.
- 1963 - Standard metropolitan statistical areas, gain from disposition of Section 1245 property, tax from recomputing prior year investment credit, self-employment pension deduction, farm net profit and net loss.
- 1962 - Returns with at least one taxpayer age 65 or over, itemized deductions including deduction for contributions classified by type of recipient. Itemized deductions by type and by State.
- 1961 - Standard metropolitan statistical areas, gross rents and rent expense, interest income classified by type of payer.
- 1960 - Returns with at least one taxpayer age 65 or over, pension and annuity receipts and cost, itemized deductions including depreciation on rental property, depletion on account of royalties, taxes deducted by type of tax.

PUBLICATIONS IN PREPARATION

- Individual Income Tax Returns for 1965, Preliminary*
U. S. Business Tax Returns with accounting periods ended July 1963-June 1964
Corporation Income Tax Returns with accounting periods ended July 1963-June 1964
Foreign Tax Credit claimed on corporation income tax returns with accounting periods ended July 1961-June 1962
Fiduciary, Gift, and Estate Tax Returns filed during 1966
Estate Tax Wealth based on Estate Tax Returns filed during 1963

RECENT PUBLICATIONS

- Sales of Capital Assets reported on Individual Income Tax Returns for 1962*
(153 pp., \$1.00)
U. S. Business Tax Returns with accounting periods ended July 1964-June 1965, Preliminary
State and Metropolitan Area Data for Individual Income Tax Returns: 1959, 1960, and 1961 (82 pp., 55¢)
Corporation Income Tax Returns with accounting periods ended July 1963-June 1964, Preliminary (38 pp., 30¢)
Fiduciary, Gift, and Estate Tax Returns filed during 1963 (108 pp., 65¢)
Farmers' Cooperative Income Tax Returns for 1963 (58 pp., 40¢)



