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FORM 1040-1040E
1964-1965

INCOME TAX RETURNS

Department of the Treasury
Internal Revenue Service



Vertical column of boxes for tax return information, including fields for name, address, and other identifying details.

Large slanted area for tax calculations, including fields for gross income, deductions, and tax liability.

3080 1964-1965

64-1040

This report 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 stock 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. A 10-year historical summary is provided in each issue.

Publication No. 79 (8-57)
Price \$2.00 (paper cover)

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STATISTICS 1965
OF INCOME

INDIVIDUAL
INCOME TAX
RETURNS

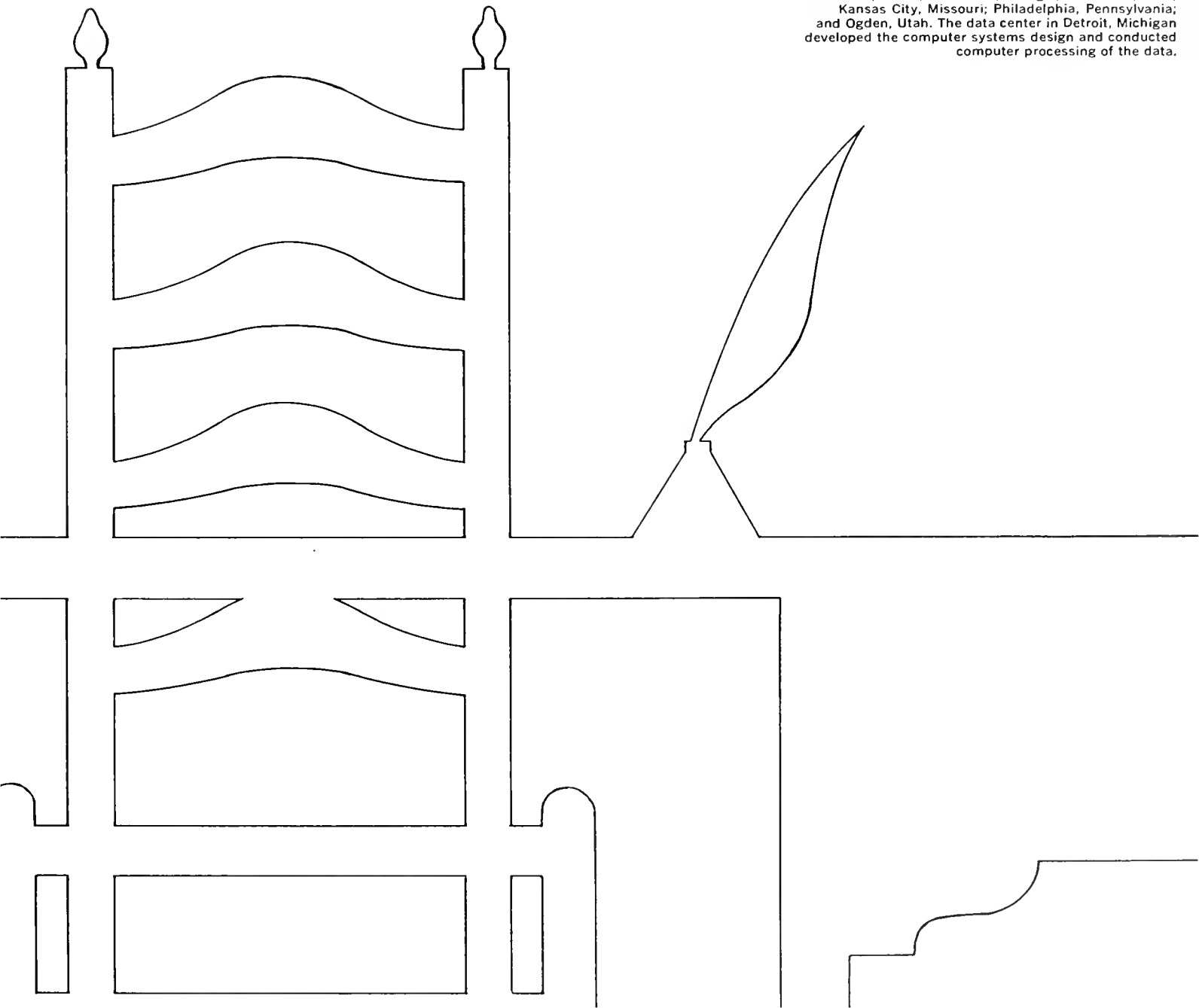


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This report on individual income tax returns was prepared under the direction of Jack Blacksin, Supervisory Statistician in the Income, Finance, and Wealth Branch, assisted by Frank M. Malanga, Raymond D. Plowden and other members of the staff. For this 50th anniversary issue an historical summary was prepared by Helen F. Demond.

Other branches of the Statistics Division assisted in the development of the sample design, the preparation of processing procedures, and the post-tabulation review of the data. Statistical abstracting of the data was conducted by the service centers at Andover, Massachusetts; Austin, Texas; Chamblee, Georgia; Cincinnati, Ohio; Kansas City, Missouri; Philadelphia, Pennsylvania; and Ogden, Utah. The data center in Detroit, Michigan developed the computer systems design and conducted computer processing of the data.



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Treasury Department,
Office of Commissioner of Internal Revenue,
Washington, D. C., June 13, 1967.

Dear Mr. Secretary:

I am transmitting *Statistics of Income--1965, Individual Income Tax Returns*. This issue represents the fiftieth consecutive year of publication by the Revenue Service of statistics with respect to the operation of the income tax laws as required by the Internal Revenue Code.

Statistics of Income presents quantitative measures of taxpayer response to the Federal income tax system. Growing complexity of this system has required more precise information relating to the increased number of specific provisions of the law, with the result that *Statistics of Income* for Individuals contains a wealth of information concerning the income and economic behavior of the American people. These data, in turn, are being used increasingly by other Federal agencies, State and local governments, research organizations, universities, and business firms, for a wide range of research purposes.

As in other years, the publication presents statistics on the sources of income, exemptions, personal deductions, taxable income, and tax reported by individuals. Major classifications include the size of income, tax rate, and marital status of the taxpayer. This report also includes an historical summary of the earlier publications.

For fifty years we have sought to make the *Statistics of Income* publications of tax return data more responsive to needs of the users. I look forward to the continuation of our efforts to improve these statistics.



Commissioner of Internal Revenue.

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

GUIDE TO BASIC AND HISTORICAL TABLES, vii

**Section 1
RETURNS FILED AND SOURCES OF INCOME, 1**

Returns and income increase sharply, 1
More returns in upper income classes, 2
Returns of single persons increase by 1.6 million, 2
Use of Form 1040 and Form 1040A increases, 3
Refund returns increase, 3
Corporate distributions total \$15 billion, 4
Capital gain dividends total \$864 million, 5
More than 10 million returns show dividends received, 5
Dividends of husbands and wives reported, 5
Capital gains increase; treatment of loss carryover changes, 6
Income reported on sales of depreciable property, 6
Taxable pension and annuity income increases by 14 percent, 6

**Section 2
DEDUCTIONS AND EXEMPTIONS, 31**

Selected deductions and exclusions from gross income, 31
Sick pay exclusion, 31
Self-employed pension deduction, 32
Employee moving expenses, 32
Employee business expenses, 33
Personal deductions, standard and itemized, 33
Standard deduction, 33
Itemized deductions, 35
Exemptions, 35

**Section 3
TAX COMPUTATION AND TAX RATES, 49**

Normal tax and surtax, 50
Tax rates, 50
Tax rate schedules, 50
Alternative tax computation, 52
Income averaging computation, 52
Tax credits, 54

**Section 4
TAXPAYERS AGE 65 OR OVER; RETIREMENT
INCOME CREDIT, 71**

A large proportion of the aged are nontaxable, 71
Older taxpayers report relatively low income, 71
Taxpayers with retirement income credit show a higher level of income than all aged taxpayers, 72
Investment income important to all aged taxpayers particularly those with retirement income credit, 72
Computation of retirement income credit, 73

**Section 5
STATE AND METROPOLITAN AREA DATA, 83**

State data, 83
Metropolitan areas, 87

**Section 6
EXPLANATION OF CLASSIFICATIONS AND TERMS, 131**

Classifications, 131
Explanation of terms, 132

**Section 7
SOURCES OF DATA, DESCRIPTION OF THE SAMPLE,
AND LIMITATIONS OF THE DATA, 141**

Sources of data, 141
Description of the sample, 142
Sample selection, 142
Method of estimation, 142
Limitations of the data, 142
Sampling variability, 142
Response and other nonsampling errors, 144

**Section 8
1965 FORMS AND INSTRUCTIONS, 147**

**Section 9
HISTORICAL SUMMARY, 1916-1965, 197**

Statistics of Income volumes, 1916-1965, 197
Change in the orientation of Statistics of Income, 197
Increased service of tax return data for economic analysis, 197
Contents of Statistics of Income, 198
Initial year, 1916, 198
Returns represented, 198
Items common to all years, 198
Special features, 1954-1965, 199
Characteristics of tax and income, 199
Importance of Federal individual income tax, 199
Number of returns, 200
Adjusted gross income, 200
Geographic distribution, 202
Regions, 202
Internal Revenue Service Regions, 202
Five largest metropolitan areas, 1936 and 1965, 204

**Section 10
INDEX, 221**

Section 1
RETURNS FILED AND SOURCES OF INCOME

Cumulated income and tax (table 1), 8
Sources of income and loss (tables 2-6), 9-18
Marital status (tables 2 and 7), 9, 21
Form 1040A returns (table 8), 22
Dividends received (tables 9-10), 23-24
Returns with pensions annuities (table 11), 25
Capital gains and losses (table 12), 27

Section 2
DEDUCTIONS AND EXEMPTIONS

Standard deduction returns:
Sources of income (tables 13-14), 36-39
Marital status (tables 14-15), 39-40
Itemized deduction returns:
Sources of income (tables 16-17), 41-44
Marital status (tables 17-18), 44-45
Exemptions (table 19), 46

Section 3
TAX COMPUTATION AND TAX RATES

Normal tax and surtax (table 20), 55
Alternative tax (table 21), 56
Marginal tax rates:
All returns (table 22), 57
By tax schedule (tables 23-25), 60-64
Income tax at each tax rate (table 26), 66

Section 4
**TAXPAYERS AGE 65 OR OVER; RETIREMENT
INCOME CREDIT**

Taxpayers age 65 or over:
All returns (table 27), 74
Standard deduction returns (table 28), 77
Itemized deduction returns (table 29), 78
Retirement income credit:
Schedule items by method of computation
(table 30), 79
Sources of income (table 31), 80

Section 5
STATE AND METROPOLITAN AREA DATA

States:
Sources of income (table 32), 89
Selected data, by income size (table 33), 91
Metropolitan areas:
Sources of income (table 34), 104
Selected data, by income size (table 35), 106

Section 9
HISTORICAL SUMMARY, 1916-1965

Sources of income (tables 38, 40, 44), 207, 210,
213
Tax rates and requirements for filing (tables 36-
37), 205, 206
Characteristics (tables 39, 42, 43), 209, 211, 212
Itemized deductions, by type (table 41), 210
States (table 45), 215
Metropolitan areas (tables 46-47), 217-218

CONTENTS

- Returns and income increase sharply, 1
- More returns in upper income classes, 2
- Returns of single persons increase by 1.6 million, 2
- Use of Form 1040 and Form 1040A increases, 3
- Refund returns increase, 3
- Corporate distributions total \$15 billion, 4
- Capital gain dividends total \$864 million, 5
- More than 10 million returns show dividends received, 5
- Dividends of husbands and wives reported, 5
- Capital gains increase; Treatment of loss carryover changes, 6
- Income reported on sales of depreciable property, 6
- Taxable pension and annuity income increases by 14 percent, 6

Text tables

- 1.1 Returns, income, and taxes: 1964 and 1965, 1
- 1.2 Returns by marital status and income size, 1964 and 1965, 2
- 1.3 Overpayment or tax due, 1963-1965, 3
- 1.4 Dividends and other distributions by income size, 3
- 1.5 Capital gain dividends by size of dividends and by income size, 4
- 1.6 Domestic and foreign dividends received, by income size, 5
- 1.7 Dividends and exclusions reported by husbands and wives, 5
- 1.8 Capital gains and losses, 1964 and 1965, 6
- 1.9 Capital loss carryover, 1964-1965, 6
- 1.10 Gain from disposition of depreciable property, by income size, 7
- 1.11 Selected sources of income for all returns and returns with pensions and annuities, 7

Charts

- 1A Components of adjusted gross income: 1965, 1
- 1B Number of returns by income size, 1956-1965, 2
- 1C Form 1040 and Form 1040A. Number of returns, 1961-1965, 2

Basic tables

- 1 Data cumulated, by income size, 8
- 2 Sources of income, by marital status, 9
- 3 Sources of income, by income size, 10
- 4 All returns: Sources of income and tax items, by income size, 12
- 5 Joint returns of husbands and wives and returns of surviving spouse: Sources of income and tax items, by income size, 15
- 6 Separate returns of husbands and wives and returns of single persons: Sources of income and tax items, by income size, 18
- 7 All returns, by income size and by marital status, 21
- 8 Form 1040A returns, by income size, 22
- 9 Form 1040 returns with dividends received, by income size, 23
- 10 Dividends and exclusions reported by husbands and wives, by income size, 24
- 11 Returns with pensions and annuities, by income size, 25
- 12 Capital gains and losses and capital loss carryover, by income size, 27

RETURNS AND INCOME INCREASE SHARPLY

A record 67.6 million returns were filed by the Nation's taxpayers for 1965, an increase of 2.2 million over 1964. The 3.4 percent gain over 1964 was the largest experienced in the sixties. Adjusted gross income also registered a record increase for the sixties, increasing by 8.2 percent to \$429.2 billion.

Noteworthy gains over 1964 levels were registered for the following groups of returns:

1. Taxable returns, 2.4 million
2. Returns with \$10,000 or more adjusted gross income, 1.6 million
3. Returns of single taxpayers, 1.6 million
4. Form 1040 returns, 1.5 million and Form 1040A, 692 thousand
5. Returns claiming a refund, 5.0 million

Increases in income were registered for all major sources except net rental income which declined for the third consecutive year. Especially noteworthy were the increases registered for sales of capital assets (28.2 percent), farm net profit and loss (27.7 percent), and interest received (11.6 percent). Salaries and wages, which chart 1A shows was the largest income component, advanced to \$347.2 billion, up 7.4 percent.

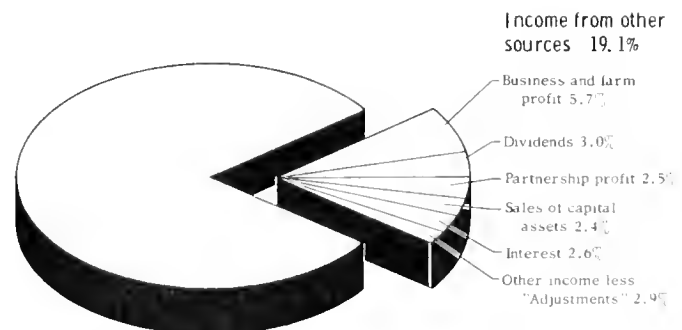
Table 1.1 summarizes the changes in returns and income from 1964 to 1965.

Table 1.1—NUMBER OF RETURNS, INCOME, AND TAXES: 1964 AND 1965

Item	1964	1965	Change, 1964 to - 1965
	(1)	(2)	(3)
Number of returns, total.....	65,375,601	67,596,300	2,220,699
Taxable.....	41,306,338	53,700,794	12,394,456
Nontaxable.....	14,069,263	13,895,506	-173,757
<i>(Million dollars)</i>			
Adjusted gross income (less deficit).....	396,660	429,201	32,541
Sources of income:			
Salaries and wages (gross).....	323,266	347,150	23,884
Dividends (after exclusions).....	11,917	12,961	1,044
Interest.....	10,125	11,296	1,171
Business and profession net profit and net loss.....	22,992	24,588	1,596
Farm net profit and net loss.....	2,635	3,369	730
Partnership net profit and net loss.....	4,731	10,606	5,875
Sales of capital assets net gain and net loss.....	7,939	10,131	2,192
Rent net income and net loss.....	2,625	2,434	-191
Royalty net income and net loss.....	606	621	15
All other sources, income and loss.....	7,703	9,122	1,419
Adjustments ¹	2,879	3,143	264
Taxable income.....	229,875	255,082	25,207
Income tax after credits.....	47,153	49,536	2,383
Self-employment tax.....	1,016	1,078	62

¹Includes sick pay exclusion, moving expense deduction, employee business expense deduction, and self-employment pension deduction.
NOTE: Detail may not add to total because of rounding.

Chart 1A - Components of Adjusted Gross Income, 1965



ADJUSTED GROSS INCOME (net) \$429,201,000,000

MORE RETURNS IN UPPER INCOME CLASSES

In 1965, there was a sharp upward shift in the income distribution as measured by changes in the number of returns in three income classes. Taxpayers with adjusted gross income of \$10,000 or more filed 11.1 million returns in 1965, 1.6 million more than in the previous year. This increase pushed the total past the 10 million level for the first time, and also accounted for most of the 2.2 million increase in the total number of returns filed. Returns filed by individuals with income of \$5,000 under \$10,000 accounted for the balance of the increase. The number of returns of taxpayers with income under \$5,000 remained virtually unchanged.

The upward shift in the income distribution of returns in 1965 was consistent with a long-term trend illustrated in chart 1B. As a result of this upward shift, taxpayers with income of \$10,000 or more filed 16 percent of all 1965 returns, contrasting with the 5 percent they filed in 1956. Also, for the first time under the present tax code, individuals with income under \$5,000 filed less than half of all returns.

Under the impact of this upward shift in the income distribution of returns, the number of taxable returns increased by 2.4 million, outpacing the gain in returns filed as the number of nontaxable returns decreased.

third of the total returns filed and nearly six out of every ten returns with income under \$5,000.

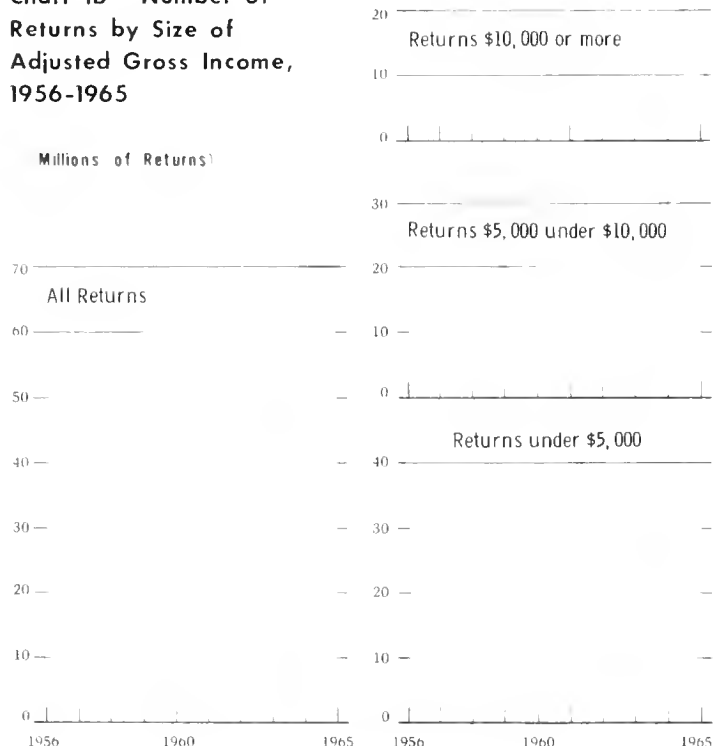
Married taxpayers filing jointly submitted 574 thousand more joint returns in 1965, 2 percent more than in the previous year. More than nine out of every ten returns with income of \$10,000 or more were joint returns. Declining levels were recorded for returns of married persons filing separately and for returns of surviving spouses. Returns of heads of household showed a small increase. Table 1.2 shows the change in number of returns filed, by marital status and size of income, from 1964 to 1965.

Table 1.2—NUMBER OF RETURNS BY MARITAL STATUS AND ADJUSTED GROSS INCOME CLASSES, 1964 AND 1965
[Taxable and nontaxable returns]

Adjusted gross income class and marital status	1964	1965	Change, 1964 to 1965
	(1)	(2)	(3)
All adjusted gross income classes.....	65,375,601	67,596,300	2,220,699
Joint returns of husbands and wives.....	28,730,324	29,303,938	573,614
Returns of single persons.....	21,724,641	23,351,400	1,626,759
Separate returns of husbands and wives..	2,915,178	2,851,212	-63,966
Returns of head of household.....	1,775,640	1,887,912	112,272
Returns of surviving spouse.....	229,819	201,837	-27,982
Under \$1,000, total ¹	32,993,932	33,017,350	23,418
Joint returns of husbands and wives.....	11,540,945	10,492,836	-1,048,109
Returns of single persons.....	17,997,741	19,171,432	1,173,691
Separate returns of husbands and wives.....	2,335,244	2,253,361	-81,882
Returns of head of household.....	950,642	964,549	13,907
Returns of surviving spouse.....	169,361	135,171	-34,190
\$1,000 under \$10,000, total.....	22,904,054	23,473,737	569,683
Joint returns of husbands and wives.....	18,362,052	18,485,033	122,981
Returns of single persons.....	3,261,168	3,606,331	345,163
Separate returns of husbands and wives.....	519,774	532,802	13,028
Returns of head of household.....	711,809	797,909	86,100
Returns of surviving spouse.....	49,252	51,663	2,411
\$10,000 or more, total.....	9,477,614	11,105,211	1,627,597
Joint returns of husbands and wives.....	8,827,329	10,326,069	1,498,740
Returns of single persons.....	465,731	573,637	107,906
Separate returns of husbands and wives.....	60,159	65,048	4,889
Returns of head of household.....	113,188	125,454	12,266
Returns of surviving spouse.....	11,207	15,003	3,796

¹Includes returns with adjusted gross deficit.
NOTE: Detail may not add to total because of rounding.

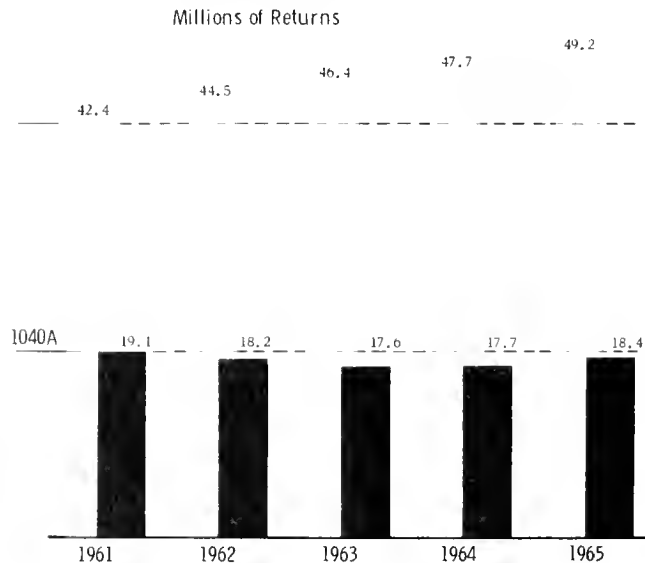
Chart 1B - Number of Returns by Size of Adjusted Gross Income, 1956-1965



RETURNS OF SINGLE TAXPAYERS INCREASE BY 1.6 MILLION

Returns of single taxpayers increased by 1.6 million over the 1964 total to 23.3 million, advancing by 7 percent. Single taxpayers accounted for somewhat more than one-

Chart 1C - Growth in Number of and 1040A, 1961-1965



USE OF FORM 1040 AND 1040A INCREASES

Individual taxpayers filed their returns on Form 1040, a two-page form with supplementary schedules, or on Form 1040A, the card form. Taxpayers using Form 1040A had less than \$10,000 adjusted gross income from salaries and wages and not more than \$200 of dividend or interest income. They were also required to take a standard deduction.

In 1965, taxpayers filed 49.2 million Form 1040 returns and 18.4 million Form 1040A returns. These levels were 1.5 million and 0.7 million higher than the respective 1964 levels. Although the increase in 1040A returns was a reversal of a previous downward trend, as reflected in chart 1C, 757 thousand fewer card form returns were filed in 1965 than in 1961. On the other hand, the use of Form 1040 has increased by 6.9 million since 1961, a gain of 16 percent. These trends are associated with the upward shift in the income distribution of tax returns discussed above and the increasing tendency toward itemization of deductions as income rises.

REFUND RETURNS INCREASE

Corresponding to the two-step reduction in tax rates, provided for by the Revenue Act of 1964, was a one-step reduction in the withholding rate. Prior to 1964, withholding from salaries and wages was at a rate of 18 percent. This rate was cut to 14 percent in 1964, although the tax rate reduction was not fully effective until 1965. As a result of the difference between the change in tax rates and the change in the withholding rate, the 42.8 million returns of taxpayers claiming a refund in 1965 reflected a 5.0 million increase over 1964 but only a 2.9 million increase over 1963. These changes are shown in table 1.3.

The amount of refund received by individuals also increased in 1965 after decreasing in 1964. Despite the increase, however, the 1965 refund amount was slightly less than that for 1963.

Table 1.3—OVERPAYMENT OR TAX DUE, 1963-1965
(Taxable and nontaxable returns)

Type of return	Number of returns	Amount (Thousand dollars)
RETURNS WITH OVERPAYMENT		
Returns with refund:		
1963.....	39,400,114	6,281,111
1964.....	37,450,402	4,774,321
1965.....	42,701,638	7,961,560
Change:		
1963 to 1964.....	-2,049,712	-1,506,790
1964 to 1965.....	5,251,936	3,187,239
Returns with credit to next year's tax:		
1963.....	1,774,947	868,322
1964.....	1,904,357	1,176,230
1965.....	1,824,024	876,361
Change:		
1963 to 1964.....	24,510	49,302
1964 to 1965.....	-24,174	-41,265
RETURNS WITH TAX DUE		
1963.....	19,275,851	6,268,357
1964.....	22,547,761	7,466,436
1965.....	20,026,711	7,460,916
Change:		
1963 to 1964.....	3,271,890	798,079
1964 to 1965.....	-2,521,030	-394,486

Prior to 1964, the total amount of taxes refunded or credited to the next year's tax liability usually exceeded the total amount due at time of filing. As shown in table 1.3, the reverse was true in 1964 and 1965. In response to the changed relationship between tax liability and withholding payments experienced in 1964 and 1965 a new withholding system using graduated rates was initiated in 1966. These rates conform more closely to the graduated tax rate structure and were designed to reduce both overpayment and underpayment of tax.

Table 1.4—RETURNS WITH DIVIDENDS AND OTHER DISTRIBUTIONS BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Returns with dividends and other distributions		Returns with total domestic and foreign dividends		Returns with other distributions					
	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Returns with nontaxable distributions		Returns with capital gain dividends	
							Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Grand total.....	10,230,510	15,003,404	10,171,847	13,930,233	2,869,231	1,073,211	941,076	426,277	3,295,469	846,923
Taxable returns, total.....	8,942,100	14,015,831	8,889,802	13,033,632	2,560,724	982,199	860,194	211,839	2,664,833	770,360
Under \$1,000.....	22,031	10,471	22,031	9,236	7,875	1,235	(*)	(*)	6,399	1,066
\$1,000 under \$2,000.....	194,239	93,848	194,116	85,080	47,488	8,168	14,871	2,118	34,070	6,650
\$2,000 under \$3,000.....	279,085	171,980	277,179	155,670	67,010	16,310	22,676	3,343	48,775	12,967
\$3,000 under \$4,000.....	371,550	245,313	368,769	216,862	101,975	28,452	32,701	4,540	80,712	23,912
\$4,000 under \$5,000.....	463,797	300,364	458,738	270,114	123,319	36,741	37,682	4,909	98,095	25,342
\$5,000 under \$6,000.....	581,788	367,696	577,232	318,311	160,611	44,386	48,089	5,788	134,111	43,598
\$6,000 under \$7,000.....	635,373	376,648	630,292	331,359	187,781	45,287	53,390	4,515	136,835	40,771
\$7,000 under \$8,000.....	647,795	398,060	644,890	362,917	150,664	35,144	47,494	4,286	111,885	30,258
\$8,000 under \$9,000.....	642,526	403,648	638,860	361,911	164,475	41,937	48,196	6,339	135,121	35,198
\$9,000 under \$10,000.....	656,879	386,136	649,672	334,609	186,384	51,625	61,937	6,952	150,759	44,672
\$10,000 under \$15,000.....	2,281,880	1,638,771	2,269,369	1,472,069	623,629	166,916	21,498	30,688	492,112	136,231
\$15,000 under \$20,000.....	933,102	1,194,706	930,513	1,086,222	388,562	108,491	94,632	19,342	237,056	91,154
\$20,000 under \$50,000.....	1,020,316	3,413,566	1,018,713	3,202,448	365,860	211,131	138,167	46,172	289,949	170,851
\$50,000 under \$100,000.....	167,948	2,118,737	167,850	2,031,019	67,631	87,129	32,562	30,402	48,794	57,317
\$100,000 under \$500,000.....	41,624	2,136,441	41,606	2,063,358	16,554	73,081	9,511	31,688	11,700	41,388
\$500,000 under \$1,000,000.....	1,353	314,074	1,353	298,930	76	15,144	354	10,459	331	4,686
\$1,000,000 or more.....	614	445,344	614	433,620	251	11,725	158	4,429	149	4,296
Nontaxable returns, total.....	1,288,409	987,602	1,282,045	896,601	308,508	91,005	80,883	14,440	1,630,637	76,563
No adjusted gross income.....	69,441	74,800	69,001	74,456	18,466	5,344	5,478	779	14,949	4,565
Under \$600.....	94,273	22,965	93,220	18,028	14,193	4,937	7,399	779	17,463	4,138
\$600 under \$1,000.....	141,371	46,374	141,374	46,198	31,167	6,177	6,533	617	16,613	5,561
\$1,000 under \$2,000.....	386,455	174,157	385,626	153,216	85,100	25,947	21,390	4,942	67,113	21,007
\$2,000 under \$3,000.....	275,162	161,440	276,742	144,809	69,806	17,114	17,211	2,147	65,161	14,965
\$3,000 under \$4,000.....	154,143	151,954	153,281	137,796	42,944	34,164	14,321	4,438	39,071	11,726
\$4,000 under \$5,000.....	70,992	73,575	69,284	68,938	16,941	6,637	3,607	1,684	14,134	4,253
\$5,000 or more.....	94,972	271,852	94,972	259,161	29,874	12,694	7,178	2,175	14,113	1,556
Returns under \$5,000.....	4,524,138	1,537,726	4,505,906	1,374,401	630,822	163,326	182,710	21,863	474,073	135,943
Returns \$5,000 under \$10,000.....	3,244,471	2,036,775	3,220,894	1,805,572	871,897	312,000	269,057	24,461	712,011	201,799
Returns \$10,000 or more.....	4,461,901	11,428,903	4,444,987	10,750,260	1,366,911	678,685	489,309	164,403	1,908,485	509,241

See text for "Explanation of Classifications and Terms" and "Sources of Data, Description of the Sample, and Limitations of the Data."
 (*) An asterisk in a cell denotes that the estimate 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.

CORPORATE DISTRIBUTIONS TOTAL \$15 BILLION

The \$15.0 billion total reported on 10.2 million returns is made up almost entirely of corporate distributions. Taxpayers receiving domestic and foreign dividends of \$13.9 accounted for the largest part of the \$15.0 billion in corporate distributions. Of the \$1.1 billion balance, capital gain dividends distributed by regulated invest-

Table 1.4 shows returns with dividends and other distributions and the amount of such distributions by adjusted gross income classes. This is the first time that this total and all of its major components have been tabulated.

Table 1.5—CAPITAL GAIN DIVIDENDS BY SIZE OF DIVIDENDS AND BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Number of returns	Amount of capital gain dividends (Thousand dollars)	Size of dividends									
			Under \$25		\$25 under \$50		\$50 under \$100		\$100 under \$150		\$150 under \$200	
			Number of returns	Amount of capital gain dividends (Thousand dollars)	Number of returns	Amount of capital gain dividends (Thousand dollars)	Number of returns	Amount of capital gain dividends (Thousand dollars)	Number of returns	Amount of capital gain dividends (Thousand dollars)	Number of returns	Amount of capital gain dividends (Thousand dollars)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
Grand total.....	2,295,469	846,923	427,756	5,127	312,255	11,417	376,757	27,052	240,318	29,494	152,780	26,521
Taxable returns, total.....	2,044,833	770,360	390,271	4,663	281,775	10,330	333,236	23,932	219,563	26,961	132,333	22,979
Under \$1,000.....	6,399	1,066	8,014	82	7,062	229	5,349	388	4,623	539	3,443	605
\$1,000 under \$2,000.....	34,070	6,650	8,642	129	5,134	175	10,480	767	5,639	689	3,666	637
\$2,000 under \$3,000.....	48,775	12,467	12,903	171	8,352	323	13,727	1,009	10,636	1,323	3,115	532
\$3,000 under \$4,000.....	80,712	23,912	22,917	276	10,320	386	21,929	1,591	9,577	1,165	4,314	744
\$4,000 under \$5,000.....	98,095	25,342	23,374	279	21,818	833	22,561	1,645	13,228	1,597	7,627	1,324
\$5,000 under \$6,000.....	134,111	43,598	37,287	352	35,789	915	22,721	1,581	20,406	2,515	9,226	1,616
\$6,000 under \$7,000.....	196,835	40,772	35,789	279	22,571	880	14,261	1,029	11,766	1,493	6,442	1,152
\$7,000 under \$8,000.....	120,285	30,258	32,905	406	19,108	695	30,671	1,450	13,561	1,660	8,619	1,503
\$8,000 under \$9,000.....	135,121	35,198	33,775	386	23,501	889	26,930	1,907	19,686	2,445	11,376	1,981
\$9,000 under \$10,000.....	150,759	44,672	98,040	1,163	73,803	3,694	89,672	6,432	54,820	6,707	32,215	5,574
\$10,000 under \$15,000.....	492,512	136,231	38,178	492	31,671	1,152	38,310	2,766	24,441	3,006	16,893	2,900
\$15,000 under \$20,000.....	237,056	91,154	39,389	471	28,786	1,043	40,801	2,351	26,419	3,275	21,528	3,781
\$20,000 under \$50,000.....	281,343	170,351	48,329	48	3,229	116	4,977	361	3,886	478	3,449	526
\$50,000 under \$100,000.....	48,374	57,319	750	(1)	520	(1)	821	82	681	68	507	101
\$100,000 under \$500,000.....	10,700	41,388	17	(1)	16	(1)	17	2	22	2	8	2
\$500,000 under \$1,000,000.....	331	4,686	6	(1)	5	(1)	9	1	4	(1)	5	1
\$1,000,000 or more.....	149	4,296	6	(1)	5	(1)	9	1	4	(1)	5	1
Nontaxable returns, total.....	250,637	76,563	37,586	466	30,481	1,089	43,521	3,120	20,756	2,532	20,450	3,539
No adjusted gross income.....	14,849	4,565	3,351	90	(*)	(*)	3,080	200	725	91	(*)	(*)
Under \$600.....	17,963	4,138	6,243	65	2,186	92	2,230	179	1,828	215	3,321	561
\$600 under \$1,000.....	26,623	5,560	5	65	4,334	156	5,194	397	725	90	4,423	409
\$1,000 under \$2,000.....	67,213	21,000	6,752	110	7,648	253	10,343	773	6,803	815	4,754	822
\$2,000 under \$3,000.....	55,141	14,965	8,332	104	5,619	205	10,505	686	5,509	693	3,739	640
\$3,000 under \$4,000.....	33,971	11,726	5,103	65	5,675	202	5,054	382	2,562	286	3,008	511
\$4,000 under \$5,000.....	14,164	4,053	4,083	33	5,675	202	4,346	171	435	48	1,149	213
\$5,000 or more.....	20,713	10,556	3,722	39	2,890	78	4,269	311	2,163	294	1,325	238
Returns under \$5,000.....	497,773	135,343	86,341	1,085	58,508	3,103	90,736	6,554	49,063	5,954	33,662	5,821
Returns \$5,000 under \$10,000.....	715,011	201,739	159,768	1,862	115,520	4,303	111,018	7,405	80,755	3,971	44,387	7,773
Returns \$10,000 or more.....	1,982,485	509,341	181,647	1,180	138,227	5,011	175,003	12,593	110,503	13,569	74,731	12,927

Adjusted gross income classes	Size of dividends—Continued									
	\$200 under \$300		\$300 under \$400		\$400 under \$500		\$500 under \$1,000		\$1,000 or more	
	Number of returns	Amount of capital gain dividends (Thousand dollars)	Number of returns	Amount of capital gain dividends (Thousand dollars)	Number of returns	Amount of capital gain dividends (Thousand dollars)	Number of returns	Amount of capital gain dividends (Thousand dollars)	Number of returns	Amount of capital gain dividends (Thousand dollars)
(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	
Grand total.....	201,094	49,472	114,560	39,503	92,241	41,138	199,112	138,187	178,594	479,014
Taxable returns, total.....	175,905	43,228	100,535	34,651	76,727	34,261	174,310	121,096	160,280	448,266
Under \$1,000.....	-	-	-	-	-	-	-	-	-	-
\$1,000 under \$2,000.....	7,024	1,815	9,823	3,398	3,976	1,734	4,252	1,478	(*)	(*)
\$2,000 under \$3,000.....	-	-	-	-	3,231	1,404	-	-	4,329	6,360
\$3,000 under \$4,000.....	3,833	2,471	-	-	2,486	1,132	6,089	4,162	6,607	10,361
\$4,000 under \$5,000.....	8,352	1,972	2,326	798	3,671	1,675	9,470	6,704	9,254	10,031
\$5,000 under \$6,000.....	6,964	1,683	6,094	2,161	6,384	2,818	14,816	10,749	11,245	20,511
\$6,000 under \$7,000.....	13,597	3,395	2,113	732	5,577	2,619	13,701	8,810	7,420	18,197
\$7,000 under \$8,000.....	11,708	2,931	4,039	1,350	3,454	1,576	9,175	5,379	4,477	13,504
\$8,000 under \$9,000.....	8,046	3,007	9,030	3,074	4,619	3,008	10,418	7,042	8,145	13,303
\$9,000 under \$10,000.....	11,438	2,673	6,174	2,138	2,858	1,250	6,359	4,730	6,062	26,304
\$10,000 under \$15,000.....	43,668	10,470	24,290	8,405	15,156	6,776	34,776	24,504	26,733	64,037
\$15,000 under \$20,000.....	23,537	5,814	13,165	4,330	9,887	4,409	21,291	14,797	19,689	51,288
\$20,000 under \$50,000.....	26,836	6,629	19,509	6,714	12,318	5,470	35,399	25,202	38,163	115,316
\$50,000 under \$100,000.....	4,698	1,154	3,375	1,174	2,631	1,176	7,344	5,211	11,485	47,075
\$100,000 under \$500,000.....	832	206	530	201	467	208	1,542	1,103	3,999	39,418
\$500,000 under \$1,000,000.....	25	6	13	4	8	3	51	38	154	4,628
\$1,000,000 or more.....	7	2	4	2	4	2	27	18	78	4,270
Nontaxable returns, total.....	25,189	6,244	14,027	4,854	15,513	6,880	24,802	17,091	18,314	30,751
No adjusted gross income.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	1,588	2,403
Under \$600.....	4,534	1,190	3,961	1,314	8,727	3,877	1,973	1,194	6,690	8,952
\$600 under \$1,000.....	7,762	1,941	4,625	1,640	3,231	1,404	8,347	5,651	5,988	3,366
\$1,000 under \$2,000.....	7,106	1,775	1,968	687	6,640	2,939	5,660	3,844	4,769	7,368
\$2,000 under \$3,000.....	3,811	882	2,613	915	6,640	2,939	5,660	3,844	4,769	7,368
\$3,000 under \$4,000.....	3,811	882	2,613	915	6,640	2,939	5,660	3,844	4,769	7,368
\$4,000 under \$5,000.....	1,681	391	-	-	-	-	1,988	1,350	1,301	7,536
\$5,000 or more.....	1,681	391	-	-	-	-	1,988	1,350	1,301	7,536
Returns under \$5,000.....	48,717	12,112	25,613	8,892	28,665	12,729	42,625	29,106	34,043	51,629
Returns \$5,000 under \$10,000.....	53,140	13,006	27,885	9,577	23,037	10,332	55,685	38,423	43,819	98,587
Returns \$10,000 or more.....	99,237	24,354	61,062	21,074	40,539	18,077	100,802	70,658	100,732	328,798

See text for "Explanation of Classifications and Terms" and "Sources of Data, Description of the Sample and Limitations of the Data."
 (*) An asterisk in a cell denotes that the estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.
 † Less than \$500.
 NOTE: Detail may not add to total because of rounding.

ment companies totaled \$847 million and nontaxable distributions of capital, \$226 million.

A portion of the \$15.0 billion of corporate distributions is not a component of adjusted gross income for several reasons.

a. Domestic and foreign dividends received are before deduction of dividend exclusions.

b. Capital gain dividends are reduced by at least one-half when included in the net capital gain or loss component of adjusted gross income.

c. Nontaxable distributions generally result from the return of capital and, thus, are not usually part of the taxpayer's gross income.

CAPITAL GAIN DIVIDENDS TOTAL \$864 MILLION

Capital gain dividends are long-term capital gains distributed or allocated to shareholders by regulated investment companies, for the most part mutual funds. If such dividends are allocated but not distributed to the shareholder they are deemed distributed for tax computation purposes and the taxpayer is allowed a refundable tax credit of 25 percent of the dividend which equals the tax paid by the mutual fund.

Table 1.5 shows that nearly half of the 2.3 million taxpayers reported capital gain dividends amounting to less than \$100. One out of thirteen taxpayers reporting such dividends received \$1,000 or more. Returns with \$1,000 or more of capital gain dividends accounted for more than half of the total dollars received. The table also shows that more than 40 percent of the returns with capital gain dividends were filed by taxpayers with income of \$10,000 or more, and these taxpayers accounted for about three-fifths of the dollar total.

MORE THAN 10 MILLION RETURNS SHOW DIVIDENDS RECEIVED

The returns of taxpayers reporting dividends received crossed the 10 million mark for the first time in 1965. Due to the increase in the dividend exclusion in 1964 from \$50 to \$100 (up to \$200 on a joint return), relatively fewer taxpayers receiving dividends included dividends in adjusted gross income. In 1965 and 1964, some 58 percent of the returns of taxpayers with dividends received carried all or part of their dividends into adjusted gross income, compared to 72 percent in 1963.

The increase in allowable dividend exclusion has had a less significant effect, however, on the amount of dividends carried into adjusted gross income because a large proportion of dividends received are reported by taxpayers with a large amount of such income. For example, dividend recipients on the 4.4 million returns with adjusted gross income of \$10,000 or more reported receiving dividends of \$10.8 billion, an average of \$2,418 per return. In contrast, the 5.7 million returns with adjusted gross income under \$10,000 had dividends received of \$3.2 billion, an average of only \$555 per return. Because of this concentration of dividends among high income taxpayers, approximately 93-percent of all dividends received were included in adjusted gross income in 1965.

Table 1.6 provides summary data for dividends received.

Table 1.6—DOMESTIC AND FOREIGN DIVIDENDS, BY ADJUSTED GROSS INCOME CLASSES
[Taxable and nontaxable returns]

Adjusted gross income classes	Domestic and foreign dividends received			
	Total		Not eligible for exclusion	
	Number of returns (1)	Amount (Thousand dollars) (2)	Number of returns (3)	Amount (Thousand dollars) (4)
Total.....	10,171,847	13,430,233	1,174,566	376,215
Under \$5,000.....	2,505,401	1,374,401	367,261	45,182
\$5,000 under \$10,000.....	3,220,854	1,805,502	371,551	64,132
\$10,000 or more.....	4,445,097	10,250,330	435,754	27,901

Adjusted gross income classes	Domestic and foreign dividends received—Continued		Dividend exclusions from gross income		Dividends in adjusted gross income	
	Eligible for exclusions		Number of returns (7)	Amount (Thousand dollars) (8)	Number of returns (9)	Amount (Thousand dollars) (10)
	Number of returns (5)	Amount (Thousand dollars) (6)				
Total.....	9,811,968	13,553,033	969,613	1,396,009	12,960,570	
Under \$5,000.....	2,367,860	1,329,167	214,066	1,634,659	1,160,355	
\$5,000 under \$10,000.....	3,080,859	1,755,858	261,793	1,620,305	1,543,779	
\$10,000 or more.....	4,363,249	10,468,008	493,804	2,141,045	10,256,436	

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

DIVIDENDS OF HUSBANDS AND WIVES REPORTED

Dividend income was reported on 7.2 million joint returns of husbands and wives aggregating \$8.9 billion. The average received was \$1,245 per joint return of which \$107 was excludable. The \$107 average per return, exceeding the limit of \$100 per taxpayer, reflects the fact that both husbands and wives often had dividend income.

To claim a dividend exclusion of more than \$100 on a joint return an allocation of eligible dividend income between husband and wife was required. The allocation was determined as follows:

1. A dividend on stock wholly owned by one spouse was fully allocable to that spouse.
2. On jointly owned stock each was allocated half the dividend income.

Of the 6.9 million joint returns with eligible dividend income, 2.6 million did not specify the ownership of dividend income or, in other words, did not make an allocation between the spouses. Of the 4.3 million returns making allocations, 4.0 million reported dividends belonging to the husband and almost as many reported dividend income attributed to the wife. This indicated that an overwhelming majority of returns making an allocation to one spouse also allocated dividend income to the other. The amounts allocated are shown in table 1.7.

There was no compelling reason to specify stock and, therefore, dividend ownership on returns claiming an exclusion of \$100 or less. Of the 2.6 million joint returns

Table 1.7—DIVIDENDS AND EXCLUSIONS REPORTED BY HUSBANDS AND WIVES
[Taxable and nontaxable returns]

Item	Number of returns (1)	Dividends eligible for exclusions (Thousand dollars) (2)	Dividend exclusions (Thousand dollars) (3)
Joint returns with dividends eligible for exclusion.....	2,614,212	1,621,350	734,379
Dividends reported by husbands.....	1,310,222	846,015	393,776
Dividends reported by wives.....	1,303,990	775,335	340,603
Dividends recipient not specified.....	4,285,776	7,281,683	257,688

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

not specifying stock ownership, the average exclusion claimed was \$60. On returns specifying stock ownership, the average was \$134.

CAPITAL GAINS INCREASE; TREATMENT OF LOSS CARRYOVER CHANGES

More than \$10 billion of taxpayers' adjusted gross income was derived from capital gains and losses in 1965, 28.2 percent more than in 1964. The 1965 total was made up of \$11.1 billion carried into adjusted gross income on returns with net capital gains, and \$0.9 billion deducted on returns with net capital losses.

For returns carrying capital gains into adjusted gross income, net long-term gain (after carryover) was the larger component of gain, aggregating \$21.1 billion in 1965. The net short-term capital gain (after carryover) totaled nearly \$700 million. Both of these totals showed marked increases over 1964 levels as can be seen in table 1.8.

Table 1.8—CAPITAL GAINS AND LOSSES, 1964 AND 1965

Item	1964	1965	Change, 1964 to 1965
	(1)	(2)	(3)
<i>(Thousand dollars)</i>			
Number of returns with sales of capital assets, total.....	6,822,443	7,327,034	504,591
With net gain.....	5,320,888	5,330,093	9,205
With net loss.....	1,501,555	1,996,942	+104,633
Net gain less net loss in adjusted gross income.....	7,349,152	10,180,858	2,241,706
Returns with net gain:			
Net gain in adjusted gross income.....	8,404,143	11,064,464	2,160,321
Net short-term gain.....	411,315	691,234	279,919
Net short-term loss.....	371,099	268,906	-102,193
Net long-term gain.....	17,413,975	21,049,250	3,685,281
Net long-term loss.....	23,610	36,948	13,338
Net long-term gain in excess of net short-term loss.....	17,042,876	20,830,358	3,787,482
Returns with net loss:			
Net loss in adjusted gross income.....	64,991	888,606	+81,385
Net loss before statutory limitation.....	4,036,746	4,221,016	184,270
Net short-term gain.....	44,570	7,562	-22,992
Net short-term loss.....	2,678,844	2,068,422	-10,422
Net long-term gain.....	256,974	144,231	-107,148
Net long-term loss.....	2,421,870	2,364,294	71,526

NOTE: Short- and long-term gains and losses are after carryover. Detail may not add to total because of rounding.

Of the total net capital loss of \$4.2 billion only \$0.9 billion was deductible in 1965. The largest component of total loss was the net long-term capital loss (after carryover), amounting to \$2.4 billion. Net short-term loss (after carryover) totaled \$2.1 billion. Previous to 1965, the short-term loss component was substantially larger than the long-term loss component. The change in the ranking of these components is directly due to a change in the separate treatment of long- and short-term capital loss carryover, initiated by the Revenue Act of 1964, and effective in 1965.

The effect of the law change on some taxpayers was to increase the amount of capital gain income in adjusted gross income, and thereby increase the tax yield from capital gains. Formerly, the total carryover loss was first deductible from any net short-term gain, an amount which otherwise might be fully taxable as ordinary income. Under the new provision, the long-term component of loss carryover was first applied to any net long-term gain, only half of which might be carried into adjusted gross income.

Table 1.9 shows the amounts of capital loss carryover in 1964 and 1965. Of the \$2.7 billion loss carryover

Table 1.9—CAPITAL LOSS CARRYOVER, 1964 AND 1965

Type of carryover	1964	1965	Change, 1964 to 1965
	(1)	(2)	(3)
<i>(Thousand dollars)</i>			
Returns with net capital gain or loss:			
Total loss carryover.....	2,315,537	2,743,857	428,320
Short-term.....	2,315,537	1,592,386	-723,151
Long-term.....	(¹)	1,151,471	1,151,471
Returns with net capital loss:			
Total loss carryover.....	2,111,903	2,519,128	407,225
Short-term.....	2,111,903	1,485,236	-626,667
Long-term.....	(¹)	1,033,892	1,033,892
Returns with net capital gain:			
Total loss carryover.....	203,634	224,729	21,095
Short-term.....	203,634	107,150	-96,484
Long-term.....	(¹)	117,579	117,579

¹Prior to 1965 all capital loss carryover was treated as a short-term capital loss in the current year.

in 1965, \$1.2 billion was long-term loss carried over from 1964. Since some part of the short-term loss carryover was also generated in 1964, it is probable that more than half the total carryover originated in that year.

INCOME REPORTED ON SALES OF DEPRECIABLE PROPERTY

Under sections 1245 and 1250 of the Internal Revenue Code, all or a portion of the gain from sales or dispositions of certain depreciable property, which under prior law was treated as capital gain, was taxable as ordinary income in 1965. The portion of the gain that was taxable as ordinary income was dependent upon the type of depreciable asset sold, the amount of depreciation taken on that asset, and the length of time the asset was held. A detailed explanation of these provisions is contained in the "Explanation of Terms."

Table 1.10 shows that over \$195 million in ordinary income was received through these "recapture" provisions of the law, an increase of nearly \$65 million over 1964. More than 40 percent of the taxpayers on the 289 thousand returns reporting disposition of depreciable property realized only ordinary income on their transactions. However, less than one-fourth of the total gain of \$874 million realized on sales of depreciable property was directly taxable as ordinary income.

Individual with income under \$10,000 filed more than one-half the returns but reported less than one-third the total gain on sales of depreciable property. Taxpayers with income of \$10,000 under \$20,000 reported one-fourth of the total gain and filed a like proportion of the returns with sales of depreciable property.

TAXABLE PENSION AND ANNUITY INCOME INCREASES BY 14 PERCENT

Taxpayers filing 2 million returns reported taxable pension and annuity income of \$3.6 billion in 1965. This was 14 percent more than the previous year.

A pension is, usually, a regular allowance payable for life from a qualified pension plan. Such plans are usually wholly or partly financed by employers and their contributions are tax deductible to them. While employee contributions are not deductible, the resulting pension and annuity income is nontaxable to the extent that it represents a return of employee contributions or the annuitant's cost.

Table 1.10—RETURNS WITH GAIN FROM DISPOSITION OF DEPRECIABLE PROPERTY: NUMBER OF RETURNS AND AMOUNT OF ORDINARY AND CAPITAL GAIN BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Returns with gain from disposition of depreciable property											
	Total						Returns with ordinary gain only		Returns with capital gain only		Returns with both ordinary and capital gain	
	Number of returns	Total gain (Thousand dollars)	Ordinary gain		Other gain		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)	
Grand total.....	249,421	874,168	232,677	194,808	168,762	679,763	120,659	85,436	76,564	84,126	111,117	12,917
Taxable returns, total.....	234,843	793,165	186,364	163,412	140,777	629,745	96,065	65,884	48,471	64,033	62,664	4,823
Under \$1,000.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$1,000 under \$2,000.....	1,355	1,122	5,295	4,828	4,004	17,734	2,553	437	4,132	9,375	1,468	1,114
\$2,000 under \$3,000.....	9,474	21,150	8,464	3,727	1,288	17,701	4,339	2,238	3,089	4,568	6,127	1,804
\$3,000 under \$4,000.....	9,624	9,434	11,828	5,819	7,076	12,728	6,967	3,984	4,121	22,675	4,568	1,225
\$4,000 under \$5,000.....	14,023	18,747	16,133	8,022	13,229	36,611	7,242	3,968	5,121	13,472	2,542	1,127
\$5,000 under \$6,000.....	20,462	42,638	17,173	18,416	14,335	6,555	8,776	11,862	5,597	2,838	3,620	1,334
\$6,000 under \$7,000.....	17,173	18,416	15,074	12,096	5,727	13,631	8,880	8,797	1,333	562	6,174	1,637
\$7,000 under \$8,000.....	16,607	25,729	13,229	8,022	13,229	36,611	7,242	3,968	5,121	13,472	2,542	1,127
\$8,000 under \$9,000.....	13,229	27,673	10,600	5,852	10,881	19,397	4,774	2,360	5,074	13,472	2,542	1,127
\$9,000 under \$10,000.....	15,659	25,248	10,600	5,852	10,881	19,397	4,774	2,360	5,074	13,472	2,542	1,127
\$10,000 under \$15,000.....	49,986	126,023	38,443	31,453	30,918	94,571	19,068	14,417	10,992	38,717	13,421	1,127
\$15,000 under \$20,000.....	23,734	89,172	17,043	20,938	14,184	59,233	9,550	7,773	4,690	18,973	9,494	3,346
\$20,000 under \$50,000.....	37,417	223,125	29,697	42,049	23,693	179,075	13,724	12,351	7,502	17,780	17,993	166,777
\$50,000 under \$100,000.....	7,511	88,511	6,287	9,366	4,430	28,427	2,571	3,333	1,484	10,331	3,576	1,127
\$100,000 under \$500,000.....	2,275	68,331	1,761	5,564	1,537	62,767	738	1,635	15	12,219	1,621	1,127
\$500,000 under \$1,000,000.....	110	7,498	95	222	70	7,223	40	42	15	49	26	1,127
\$1,000,000 or more.....	67	11,245	53	779	40	10,466	27	323	14	3,340	26	1,127
Nontaxable returns, total.....	54,578	81,013	46,312	31,397	27,985	49,618	26,593	16,391	8,266	11,093	19,712	11,127
No adjusted gross income.....	8,674	21,174	7,492	9,690	3,956	11,484	4,717	4,387	1,182	2,604	2,077	18,184
Under \$500.....	3,921	4,817	3,631	1,379	2,325	7,432	1,595	450	2,403	3,202	2,335	1,394
\$500 under \$1,000.....	3,626	2,338	2,900	1,141	1,740	1,197	1,885	454	2,403	3,202	2,335	1,394
\$1,000 under \$2,000.....	8,664	9,193	7,276	3,286	3,568	5,808	5,096	2,644	1,413	3,904	2,180	1,127
\$2,000 under \$3,000.....	8,444	9,369	6,994	2,451	4,540	5,919	3,904	1,413	3,122	4,039	2,401	1,127
\$3,000 under \$4,000.....	6,445	9,744	5,343	3,317	4,143	6,427	2,302	2,190	560	2,118	2,331	1,127
\$4,000 under \$5,000.....	4,729	3,593	4,149	2,504	2,611	1,389	2,118	560	1,654	1,246	3,746	16,387
\$5,000 or more.....	10,075	21,885	8,522	7,129	5,100	14,757	4,975	4,253	1,654	1,246	3,746	16,387
Returns under \$5,000.....	75,123	109,674	63,377	38,641	39,229	71,034	35,894	18,591	11,566	21,856	27,483	6,427
Returns \$5,000 under \$10,000.....	91,192	149,985	72,190	42,797	53,200	107,129	37,992	22,331	13,992	45,667	34,142	21,987
Returns \$10,000 or more.....	123,106	614,509	97,110	113,370	76,333	501,134	46,773	41,314	25,996	171,603	51,337	40,172

See text for "Explanation of Classifications and Terms" and "Sources of Data, Description of the Sample, and Limitations of the Data."
 (*) An asterisk in a cell denotes that the estimate 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.

Table 1.11 shows the overall income pattern on returns with taxable pension and annuity income. A comparison with the income pattern of all returns is also shown. Pensions and annuities are important sources of income of retired persons and this is reflected in the differences between the two income patterns. Earned income from salaries and wages, business and professions, and partnerships comprised 35 percent of the income on returns with taxable pension and annuity income compared with 90 percent of the income on all returns. On the other hand, those returns derived 29 percent of their income from investment sources, consisting of dividends, interest rent and royalties, compared with 6 percent on all returns. Pension and annuity income itself was 27 percent of income reported on returns of these pensioners and annuitants. The income patterns on such returns resemble the patterns shown in section 4 for returns with age exemptions and returns claiming the retirement income credit because of the overlapping among these three groups of returns.

Table 1.11—SELECTED SOURCES OF INCOME FOR ALL RETURNS AND RETURNS WITH PENSION AND ANNUITY INCOME

Sources of income	All returns		Returns with pension and annuity income		
	Amount (Thousand dollars)	Percent of adjusted gross income	Amount (Thousand dollars)	Percent of	
				Adjusted gross income	Income for all returns (Col. 1)
(1)	(2)	(3)	(4)	(5)	
Adjusted gross income less deficit.....	429,201,238	100.0	13,414,561	100.0	3.1
Salaries and wages (gross).....	347,150,062	80.9	4,119,449	30.7	1.2
Business or profession net profit and net loss.....	24,588,343	5.7	432,994	3.2	0.2
Farm net profit and net loss.....	3,364,909	0.8	5,496	(2)	0.2
Partnership net profit and net loss.....	10,606,017	2.5	106,120	0.8	1.0
Sale of capital assets net gain and net loss.....	10,180,858	2.4	1,026,401	7.7	10.1
Dividends in adjusted gross income.....	12,960,570	3.0	4,188,285	31.3	16.9
Interest received.....	11,296,048	2.6	1,445,231	10.8	12.8
Pensions and annuities.....	3,568,265	0.8	3,568,265	26.6	100.0
Rents net income and net loss.....	2,454,447	0.6	220,512	1.6	9.0
Royalties net income and loss.....	621,361	0.1	90,159	0.7	14.5
Other sources, income and loss ¹	2,411,277	0.6	211,049	1.6	8.8

¹Includes adjustments, income from sales of property other than capital assets, and gains from sales of depreciable property.
²Less than 0.05 percent. NOTE: Detail may not add to total because of rounding.

Table 2.—ALL RETURNS: SOURCES OF INCOME AND LOSS BY MARITAL STATUS OF TAXPAYER

[Taxable and nontaxable returns]

Sources of income and loss	All returns		Joint returns of husband and wife		Separate returns of husband and wife		Returns of head of household		Returns of single persons		Returns of other persons	
	Number	Amount (Thousand dollars)	Number	Amount (Thousand dollars)	Number	Amount (Thousand dollars)	Number	Amount (Thousand dollars)	Number	Amount (Thousand dollars)	Number	Amount (Thousand dollars)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
ALL RETURNS												
Adjusted gross income.....	67,936,300	429,201,239	39,303,439	337,033,103	4,721,211	16,004,190	4,221,017	1,461,771	1,117,117	96,276	252,111,011	71,111,011
Salaries and wages (gross).....	59,176,228	367,110,812	34,073,311	322,801,188	2,996,407	9,796,177	1,176,411	3,923,624	1,176,411	667,176	217,617,176	62,617,176
Business or profession:												
Net profit.....	4,827,110	26,018,696	4,799,277	23,867,182	123,232	722,117	6,622	14,110	14,110	1,110	11,110	1,110,110
Net loss.....	2,979,981	1,726,674	2,979,981	1,421,739	1,672	62,110	14,110	11,110	11,110	1,110	1,110,110	1,110,110
Farm:												
Net profit.....	1,499,467	7,217,507	1,499,467	4,013,274	67,616	6,120	23,110	1,110	1,110	1,110	1,110,110	1,110,110
Net loss.....	1,036,303	1,727,406	1,036,303	1,661,399	19,337	3,226	12,686	1,110	1,110	1,110	1,110,110	1,110,110
Partnership:												
Net profit.....	1,915,677	11,760,226	1,234,110	10,190,374	29,137	190,398	29,449	1,110	3,611	27,918	21,110	1,110,110
Net loss.....	623,428	1,314,219	349,033	1,207,674	3,977	36,139	7,276	17,247	1,110	2,697	12,427	1,110,110
Sales of capital assets:												
Net gain.....	1,930,093	11,067,696	1,321,679	8,681,232	81,460	198,324	141,292	35,560	18,552	37,152	1,367,347	1,612,110
Net loss.....	1,346,442	888,696	1,000,076	661,979	79,747	98,963	32,152	19,590	5,542	3,479	26,147	166,110
Ordinary gain from sales of depreciable property.....	232,777	14,308	203,836	173,741	(*)	(*)	3,739	1,110	(*)	(*)	23,477	12,110
Sales of property <i>other</i> than capital assets:												
Net gain.....	66,417	76,731	57,132	47,634	(*)	(*)	(*)	(*)	(*)	(*)	7,931	1,110
Net loss.....	195,126	240,145	169,761	256,302	3,275	4,261	5,403	6,962	(*)	(*)	13,110	1,110
Dividends in adjusted gross income.....	6,890,909	12,960,970	4,342,102	8,173,371	98,190	279,645	174,110	15,519	11,424	41,667	1,857,732	6,737,110
Interest received.....	24,182,312	11,296,048	16,851,038	7,127,368	496,199	1,277,771	73,110	338,771	1,336,363	17,999	6,491,110	3,110,110
Pension and annuities (taxable portion).....	1,793,643	3,688,267	1,207,094	2,374,964	35,893	65,797	34,267	4,932	11,760	16,661	693,634	1,610,110
Rents:												
Net income.....	3,707,062	17,027,376	2,801,411	2,400,413	82,767	62,277	107,687	47,442	21,424	23,391	32,968	1,110,110
Net loss.....	2,130,940	1,767,124	1,324,911	1,255,360	43,478	35,001	73,013	43,717	6,679	3,667	332,797	2,110,110
Royalties:												
Net income.....	45,736	697,387	368,369	766,597	6,295	13,723	12,810	15,807	1,110	1,246	1,110,110	1,110,110
Net loss.....	29,423	66,026	23,677	61,074	1,136	914	247	409	1	3	4,863	3,630
Other sources.....	(2)	2,449,982	(2)	1,334,944	(2)	104,315	(2)	193,636	(2)	32,099	(2)	7,662
Returns With No Adjusted Gross Income												
Adjusted gross income.....	397,372	4,461,963	257,764	4,147,181	18,776	490,060	6,737	432,110	333	4,316,3	112,362	4,367,363
Salaries and wages (gross).....	111,204	362,482	84,001	306,776	3,112	6,016	1,272	1,477	487	1,638	22,326	47,382
Business or profession:												
Net profit.....	10,139	40,474	13,789	76,847	(*)	(*)	(*)	(*)	(*)	(*)	3,938	11,674
Net loss.....	173,699	696,884	101,638	561,898	7,321	23,342	3,466	11,921	(*)	(*)	7,023	76,686
Farm:												
Net profit.....	6,727	18,413	5,558	17,705	(*)	(*)	(*)	(*)	(*)	(*)	1,025	709
Net loss.....	130,461	617,702	97,477	441,760	5,740	11,891	(*)	(*)	(*)	(*)	27,357	47,730
Partnership:												
Net profit.....	6,355	50,165	8,172	47,127	(*)	(*)	(*)	(*)	(*)	(*)	841	2,705
Net loss.....	42,086	507,371	29,702	462,791	2,714	16,093	(*)	(*)	(*)	(*)	9,228	27,127
Sales of capital assets:												
Net gain.....	83,009	198,191	60,123	171,813	5,581	4,841	(*)	(*)	197	137	16,358	2,841
Net loss.....	31,122	33,588	20,889	24,701	(*)	(*)	(*)	(*)	(*)	(*)	4,134	8,211
Ordinary gain from sales of depreciable property.....	7,432	9,690	6,060	7,126	(*)	(*)	(*)	(*)	(*)	(*)	2,275	776
Sales of property <i>other</i> than capital assets:												
Net gain.....	1,893	3,318	1,111	2,791	(*)	(*)	(*)	(*)	(*)	(*)	291	35
Net loss.....	16,324	75,602	13,630	85,099	(*)	(*)	(*)	(*)	(*)	(*)	1,609	5,426
Dividends in adjusted gross income.....	40,423	68,517	27,017	56,035	1,342	666	(*)	(*)	(*)	(*)	13,361	15,680
Interest received.....	141,155	91,198	75,419	69,584	4,670	1,140	1,734	637	(*)	(*)	4,837	23,743
Pension and annuities (taxable portion).....	4,368	4,401	3,476	3,593	(*)	(*)	(*)	(*)	(*)	(*)	1,373	1,338
Rents:												
Net income.....	43,864	49,114	35,949	43,275	(*)	(*)	(*)	(*)	(*)	(*)	8,524	4,683
Net loss.....	52,501	143,678	27,463	79,093	(*)	(*)	(*)	(*)	(*)	(*)	22,423	56,827
Royalties:												
Net income.....	9,727	52,711	7,557	51,086	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Net loss.....	(*)	5,426	(*)	5,865	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Other sources.....	(2)	4,477,137	(2)	4,341,409	(2)	42,422	(2)	418,016	(2)	4,609	(2)	4,108,681

See text for "Explanation of Classifications and Terms" and "Sources of Data, Description of the Sample, and Limitations of the Data."
 (*) An asterisk in a cell denotes that the estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.
 † Adjusted gross income less deficit.
 ‡ Number not tabulated.
 § Less than \$500.
 ¶ Deficit.
 NOTE: 1-tail may not add to total because of rounding.

INDIVIDUAL/1965 • RETURNS FILED AND SOURCES OF INCOME

Table 3.—SOURCES OF INCOME AND LOSS, ADJUSTED GROSS INCOME, BY ADJUSTED GROSS INCOME CLASSES [Taxable and nontaxable returns]

Table with columns: Adjusted gross income classes, Salaries and wages, Business or profession, Farm, Partnership, Pensions and annuities. Rows include 'Adjusted gross income classes', 'Total', and various income brackets from \$0 to \$40,000.

Footnotes at end of table. See text for "Explanations, not classifications, and Terms" and "Sources of Data." and "Description of the Camps, and Limitations of the Data."

Table 3 — SOURCES OF INCOME AND LOSS, ADJUSTED GROSS INCOME, TOTAL STANDARD DEDUCTION AND TOTAL ITEMIZED DEDUCTIONS, BY ADJUSTED GROSS INCOME CLASSES --Continued

Adjusted gross income classes [Taxable and nontaxable returns]	Rents			Royalties			Returns with standard deductions			Returns with itemized deductions			Total itemized deductions (Thousand dollars)
	Net income		Number of returns	Net income		Number of returns	Number of returns	Adjusted gross income (Thousand dollars)	Total standard deduction (Thousand dollars)	Number of returns	Adjusted gross income (Thousand dollars)	Total itemized deductions (Thousand dollars)	
	Amount (Thousand dollars)	Number of returns		Amount (Thousand dollars)	Number of returns								
Total	4,511,376	135	1,565,929	374	687,387	37	3,327,333	163,332,484	20,617,494	27,872,896	247,342,734	51,738,874	
Under \$1,000	43,864	43	143,678	372	56,715	3	1,343,480	1,343,763	1,277,451	39,321	13,426	24,267	
\$1,000 to \$1,999	65,454	35	24,850	16	9,376	1	3,135,156	2,972,703	2,972,703	2,972,703	2,972,703	2,972,703	
\$2,000 to \$2,999	136,284	64	119,738	10	15,361	0	3,135,156	3,135,156	3,135,156	3,135,156	3,135,156	3,135,156	
\$3,000 to \$3,999	359,372	131	319,694	42	17,376	0	2,232,330	2,232,330	2,232,330	2,232,330	2,232,330	2,232,330	
\$4,000 to \$4,999	259,376	89	219,718	29	12,107	0	1,485,681	1,485,681	1,485,681	1,485,681	1,485,681	1,485,681	
\$5,000 to \$5,999	229,537	73	189,860	24	10,107	0	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	
\$6,000 to \$6,999	170,311	52	132,398	16	7,333	0	749,897	749,897	749,897	749,897	749,897	749,897	
\$7,000 to \$7,999	275,141	83	219,354	27	10,574	0	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	
\$8,000 to \$8,999	275,756	83	219,354	27	10,574	0	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	
\$9,000 to \$9,999	286,100	84	229,452	27	10,574	0	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	
\$10,000 to \$10,999	322,438	95	259,551	31	12,107	0	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	
\$11,000 to \$11,999	316,303	95	259,551	31	12,107	0	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	
\$12,000 to \$12,999	565,384	166	419,227	76	20,171	0	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	
\$13,000 to \$13,999	186,100	305	122,026	107	48,678	0	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	
\$14,000 to \$14,999	237,396	682	177,469	259	101,403	0	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	
\$15,000 to \$15,999	41,928	228	28,884	18	9,344	0	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	
\$16,000 to \$16,999	109,495	89	89,445	5	73,074	0	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	
\$17,000 to \$17,999	3,964	1	3,964	1	3,964	0	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	
\$18,000 to \$18,999	170	1	170	1	170	0	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	1,085,681	
Under \$1,000	1,900,643	590	669,437	186	149,880	4	9,210	9,210	9,210	9,210	9,210	9,210	
\$1,000 to \$1,999	1,275,331	327	669,437	130	107,365	8	3,656	3,656	3,656	3,656	3,656	3,656	
\$2,000 to \$2,999	1,865,261	467	630,311	108	42,542	17	53,160	53,160	53,160	53,160	53,160	53,160	

See text for "Explanatory Information and Terms" and "Sources of Data, Description of the Sample, and Limitations of the Data."

Amounts in a cell may be less than the estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate total.

Includes \$1,000 or more from rents.

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

INDIVIDUAL/1965 • RETURNS FILED AND SOURCES OF INCOME

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

Table with 13 columns for adjusted gross income classes and 12 columns for sources of income. The table is divided into Taxable returns and Nontaxable returns, with further sub-categories for partnership, salary of capital assets, ordinary gain from sales of depreciable property, and sales of property other than capital assets. Each category includes data for number of returns and amount in thousands of dollars, broken down by income brackets from \$1,000 to \$10,000 or more.

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

INDIVIDUAL/1965 • RETURNS FILED AND SOURCES OF INCOME

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

Adjusted gross income classes	Dividends in adjusted gross income		Interest received		Rental and annuity (taxable portion)		Retiree				Benefit			
	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Net income		Net loss		Net income		Net loss	
							Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	
Grand total.....	3,296,377	1,346,570	2,568,316	11,769,428	1,283,003	3,962,658	3,006,966	2,203,376	1,183,64	1,362,549	4,42,376	1,277,277	1,277,277	1,277,277
Taxable returns, total.....	5,541,662	10,179,478	4,936,660	4,766,187	1,115,717	4,212,179	4,088,991	2,223,623	1,266,756	1,117,700	1,062,711	1,062,711	1,062,711	1,062,711
Under \$1,000.....	1,114,000	3,343	3,343	1,114	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$1,000 under \$1,000.....	143,002	2,367	54,683	1,167	4,371	5,538	83,411	...	...	20,111	3,991	4,373	...	...
\$1,000 under \$1,000.....	123,651	12,740	918,523	34,501	11,098	129,752	146,754	107,411	50,316	2,116	2,336	2,116	2,116	2,116
\$1,000 under \$1,000.....	243,087	169,917	1,111,814	601,631	156,761	273,137	134,001	152,486	61,021	15,399	15,399	15,399	15,399	15,399
\$4,000 under \$5,000.....	279,299	40,376	1,314,860	545,394	163,847	303,414	181,107	18,800	124,671	65,626	65,626	65,626	65,626	65,626
\$5,000 under \$6,000.....	321,322	371,303	1,690,000	259,998	11,661	23,246	256,121	196,592	17,311	35,200	35,200	35,200	35,200	35,200
\$6,000 under \$7,000.....	329,429	289,584	1,919,959	629,938	11,983	21,615	27,481	16,416	18,944	33,240	33,240	33,240	33,240	33,240
\$7,000 under \$8,000.....	317,089	173,282	1,488,629	275,992	7,905	17,406	27,190	29,662	403,899	89,562	89,562	89,562	89,562	89,562
\$8,000 under \$9,000.....	301,243	109,420	1,174,111	191,962	5,945	13,106	23,342	193,647	179,449	87,829	87,829	87,829	87,829	87,829
\$9,000 under \$10,000.....	305,466	183,140	1,635,385	519,766	5,669	14,052	21,935	14,711	146,473	76,106	76,106	76,106	76,106	76,106
\$10,000 under \$15,000.....	1,099,221	1,299,338	4,83,304	1,796,391	160,411	351,784	502,776	544,773	412,458	348,071	348,071	348,071	348,071	348,071
\$15,000 under \$20,000.....	554,780	980,784	1,388,097	870,669	60,844	159,572	18,065	300,159	121,401	106,610	106,610	106,610	106,610	106,610
\$20,000 under \$50,000.....	773,621	3,366,729	1,215,654	1,989,323	70,113	227,387	136,074	62,677	115,000	179,146	179,146	179,146	179,146	179,146
\$50,000 under \$100,000.....	153,633	1,006,073	174,867	520,052	1,728	57,663	41,312	229,457	18,820	43,345	43,345	43,345	43,345	43,345
\$100,000 under \$500,000.....	40,218	2,056,368	49,414	270,322	4,326	30,300	16,225	89,380	3,191	2,533	2,533	2,533	2,533	2,533
\$500,000 under \$1,000,000.....	1,328	1,328,000	1,316	76,000	171	1,320	300	3,332	338	1,364	1,364	1,364	1,364	1,364
\$1,000,000 or more.....	611	433,216	589	23,027	79	459	166	1,973	106	4,885	4,885	4,885	4,885	4,885
Nontaxable returns, total.....	849,044	781,094	3,189,351	1,712,861	66,227	1,195,089	987,711	747,734	311,184	316,629	119,156	119,156	119,156	119,156
No adjusted gross income.....	49,423	69,517	141,300	61,091	4,227	4,901	43,264	49,590	143,629	17,777	52,719	(*)	(*)	(*)
Under \$600.....	57,933	11,631	378,066	51,150	15,274	8,558	69,354	24,070	30,594	1,329	1,329	1,329	1,329	1,329
\$600 under \$1,000.....	39,255	29,750	411,666	113,729	39,349	29,291	27,883	67,985	69,146	10,343	3,672	3,672	3,672	3,672
\$1,000 under \$1,000.....	26,409	129,759	1,134,761	509,228	29,913	28,924	376,555	299,241	10,321	24,311	24,311	24,311	24,311	24,311
\$1,000 under \$1,000.....	129,516	117,754	697,916	429,229	349,425	369,177	429,133	129,986	4,907	52,499	29,760	14,800	14,800	14,800
\$1,000 under \$1,000.....	108,610	129,629	335,984	301,675	102,148	203,509	73,733	85,427	34,077	26,669	11,676	4,771	4,771	4,771
\$1,000 under \$1,000.....	43,972	23,426	14,443	121,299	43,818	117,305	27,229	46,666	1,027	4,340	6,401	5,238	5,238	5,238
\$1,000 or more.....	66,326	443,276	151,844	15,706	4,367	29,894	46,029	72,452	24,044	55,470	2,121	19,339	19,339	19,339
Returns under \$5,000.....	1,634,684	1,160,029	6,979,287	2,140,354	1,109,111	1,732,868	1,590,604	1,115,607	52,111	408,371	186,766	149,820	149,820	149,820
Returns \$5,000 under \$10,000.....	1,363,205	1,354,127	4,989,163	1,469,443	41,192	41,192	1,275,338	41,192	41,192	41,192	139,387	109,965	8,980	8,980
Returns \$10,000 or more.....	1,336,945	10,256,456	7,980,388	5,160,531	311,089	234,205	1,640,021	1,365,347	676,463	630,911	178,725	142,542	10,403	10,403

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

INDIVIDUAL/1965 • RETURNS FILED AND SOURCES OF INCOME

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

Main data table with 12 columns for adjusted gross income classes and 11 columns for tax details. It is divided into two sections: Tax credits and Overpayment. The first section covers Tax credits (Continued) with columns for Foreign taxes and Other, and Income tax after credits. The second section covers Overpayment with columns for Cash requested and Bonds only requested. Rows include Grand total, Taxable returns, and Nontaxable returns, with various income brackets.

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

(*) An asterisk in a cell denotes that the estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.

These data are based on information reported by taxpayers with Form income or loss as shown on page 1 of Form 1040. They will not necessarily agree with similar data based on Schedule F in Statistics of Income—1965: Business Tax Returns.

¹Adjusted gross income less deficit.

²Deficit.

³Negative "Other sources."

NOTE: It-tail may not add to total because of rounding.

INDIVIDUAL/1965 • RETURNS FILED AND SOURCES OF INCOME

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

Adjusted gross income classes	Dividends and adjusted gross income		Interest received		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)	Net income		Net loss		Net income		Net loss	
							Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)
	(28)	(24)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)
Grand total.....	3,704,522	3,215,337	15,484,941	7,568,607	1,216,853	2,396,025	2,822,764	2,211,300	1,731,066	1,259,220	370,167	1,379,780	23,917	11,074
Taxable returns, total.....	3,557,184	3,061,362	15,192,211	6,985,588	741,152	1,646,776	2,242,470	2,214,360	1,530,011	66,863	287,716	406,861	21,710	47,561
Under \$2,000.....	4,376	2,191	33,149	9,373	3,236	4,491	13,137	7,301	3,231	947	1,451	903	-	-
\$2,000 under \$3,000.....	28,321	11,362	209,103	70,413	26,231	33,327	50,419	31,711	17,794	6,353	13,711	2,194	-	-
\$3,000 under \$4,000.....	79,712	37,198	456,924	182,642	77,427	138,407	96,341	70,590	47,197	26,714	11,987	7,732	-	-
\$4,000 under \$5,000.....	107,493	68,136	677,002	268,249	87,373	171,353	137,413	109,762	81,394	39,414	17,329	11,337	-	-
\$5,000 under \$6,000.....	151,489	92,199	1,027,371	315,624	71,101	144,315	177,812	129,121	129,228	62,946	21,341	11,360	3,492	3,303
\$6,000 under \$7,000.....	171,799	112,499	1,323,491	352,118	81,987	159,803	214,309	123,187	166,208	78,490	15,998	6,194	-	-
\$7,000 under \$8,000.....	184,720	122,538	1,508,813	377,000	57,577	126,955	231,081	167,666	170,166	74,406	24,166	12,339	-	-
\$8,000 under \$9,000.....	192,787	132,010	1,642,311	393,281	45,197	81,433	198,047	147,610	162,138	80,007	19,623	12,019	2,125	2,125
\$9,000 under \$10,000.....	207,143	140,714	1,829,329	391,725	38,894	89,952	132,991	117,562	132,134	66,724	15,704	12,079	-	-
\$10,000 under \$15,000.....	884,752	704,412	4,402,443	1,429,930	124,277	289,373	513,332	493,345	384,866	226,391	59,305	56,114	4,362	4,536
\$15,000 under \$20,000.....	471,391	413,111	1,827,190	726,259	44,286	131,986	163,448	234,450	113,120	95,322	23,657	21,508	2,434	2,690
\$20,000 under \$50,000.....	688,360	2,198,373	1,117,436	1,351,441	57,221	189,114	212,391	622,441	107,042	18,005	49,232	36,460	5,373	1,637
\$50,000 under \$100,000.....	137,734	1,821,911	157,927	471,241	10,537	50,107	38,134	198,837	17,321	4,214	13,311	53,227	2,161	11,234
\$100,000 under \$500,000.....	34,834	1,979,140	31,801	228,493	3,676	26,007	2,911	73,036	4,220	25,378	9,369	53,954	49	9,954
\$500,000 under \$1,000,000.....	1,041	267,740	1,101	21,394	145	1,151	131	2,622	142	2,452	177	10,856	47	1,605
\$1,000,000 or more.....	484	284,744	1,153	13,357	63	777	43	1,237	31	2,167	86	7,537	21	1,813
Nontaxable returns, total.....	411,332	414,996	1,772,183	1,076,425	475,701	749,249	580,294	519,935	211,947	2,217	2,170	101,921	1,210	13,711
No adjusted gross income.....	27,219	7,624	3,271	6,718	3,496	3,763	32,634	43,279	2,381	73,274	7,217	21,076	-	-
Under \$600.....	17,421	2,464	80,330	17,740	7,236	3,372	21,944	3,111	16,122	17,307	513	4,347	-	-
\$600 under \$1,000.....	14,743	7,003	109,361	31,226	12,223	4,490	47,611	24,324	7,652	4,152	2,053	1,033	-	-
\$1,000 under \$2,000.....	89,546	31,480	533,167	223,601	139,391	132,944	142,004	132,136	34,911	16,722	21,771	10,468	-	-
\$2,000 under \$3,000.....	119,297	54,109	416,932	208,456	107,871	277,851	151,416	181,941	36,103	13,921	14,926	4,209	-	-
\$3,000 under \$4,000.....	79,723	75,291	236,563	124,272	21,113	104,794	11,522	31,512	32,775	28,211	1,771	6,073	-	-
\$4,000 under \$5,000.....	33,052	41,531	126,292	103,214	6,211	17,432	41,039	36,304	15,357	24,241	1,076	4,411	-	-
\$5,000 or more.....	42,300	166,310	132,172	111,508	23,491	67,104	39,315	63,074	29,131	53,264	7,437	11,631	-	-
Returns under \$5,000.....	589,132	388,846	3,012,162	1,411,199	648,105	1,050,147	835,351	651,201	322,132	282,323	117,710	116,379	1,290	9,101
Returns \$5,000 under \$10,000.....	947,837	667,747	1,625,421	1,404,406	317,372	670,961	1,046,339	713,378	779,367	411,300	67,000	5,634	3,000	3,000
Returns \$10,000 or more.....	1,235,111	7,158,796	1,111,799	4,153,052	211,374	1,345,917	841,114	1,056,421	739,057	177,346	177,346	11,741	48,863	48,863

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

INDIVIDUAL/1965 • RETURNS FILED AND SOURCES OF INCOME

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—Continued

Adjusted gross income classes	Taxable returns				Household returns (Thousand dollars)	Total number of returns (Thousand dollars)		Total amount (Thousand dollars)		Total number of returns (Thousand dollars)		Total amount (Thousand dollars)	
	Foreign tax		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)
	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)									
Grand total.....	39,062	46,273	100,366	1,249	38,759,326	127,284	1,249	1,249	1,249	1,249	1,249	1,249	
Household returns, total.....	39,062	46,273	100,366	1,249	38,759,326	127,284	1,249	1,249	1,249	1,249	1,249	1,249	
Under \$2,000.....	-	-	-	-	1,249	1,249	1,249	1,249	1,249	1,249	1,249	1,249	
\$2,000 under \$3,000.....	-	-	-	-	1,249	1,249	1,249	1,249	1,249	1,249	1,249	1,249	
\$3,000 under \$4,000.....	1,249	1,249	1,249	1,249	1,249	1,249	1,249	1,249	1,249	1,249	1,249	1,249	
\$4,000 under \$5,000.....	-	-	-	-	1,249	1,249	1,249	1,249	1,249	1,249	1,249	1,249	
\$5,000 under \$6,000.....	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	
\$6,000 under \$7,000.....	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	
\$7,000 under \$8,000.....	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	
\$8,000 under \$9,000.....	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	
\$9,000 under \$10,000.....	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	
\$10,000 under \$15,000.....	13,028	13,028	13,028	13,028	13,028	13,028	13,028	13,028	13,028	13,028	13,028	13,028	
\$15,000 under \$20,000.....	10,768	10,768	10,768	10,768	10,768	10,768	10,768	10,768	10,768	10,768	10,768	10,768	
\$20,000 under \$25,000.....	24,513	24,513	24,513	24,513	24,513	24,513	24,513	24,513	24,513	24,513	24,513	24,513	
\$25,000 under \$30,000.....	14,495	14,495	14,495	14,495	14,495	14,495	14,495	14,495	14,495	14,495	14,495	14,495	
\$30,000 under \$40,000.....	7,922	7,922	7,922	7,922	7,922	7,922	7,922	7,922	7,922	7,922	7,922	7,922	
\$40,000 under \$50,000.....	362	362	362	362	362	362	362	362	362	362	362	362	
\$50,000 or more.....	18*	1,179	18*	463	448,719	11	14	14	14	14	14	14	
Nontaxable returns, total.....	3,381	4,570	2,001	161	-	18,449	3,700	1,312,816	147,436	2,822,911	48,331	3,317	
Not adjusted gross income.....	-	-	-	-	-	2,063	752	37,000	3,840	17,300	3,317	3,317	
Under \$600.....	-	-	-	-	-	-	-	51,740	2,467	12,921	3,317	3,317	
\$600 under \$1,000.....	-	-	-	-	-	-	-	11,150	3,010	14,700	3,317	3,317	
\$1,000 under \$2,000.....	-	-	-	-	-	-	-	27,000	24,174	67,680	3,317	3,317	
\$2,000 under \$3,000.....	-	-	-	-	-	-	-	2,371	403	30,411	3,317	3,317	
\$3,000 under \$4,000.....	-	-	-	-	-	-	-	1,459	76	17,400	3,317	3,317	
\$4,000 under \$5,000.....	-	-	-	-	-	-	-	3,418	398	22,111	3,317	3,317	
\$5,000 or more.....	-	-	-	-	-	-	-	5,728	1,000	142,770	3,317	3,317	
Returns under \$5,000.....	3,381	4,570	2,001	161	-	18,449	3,700	2,109,371	28,900	1,261,100	48,331	3,317	
Returns \$5,000 under \$10,000.....	1,111	1,750	12,946	554	11,206,564	1,898	4,383	1,923,157	355,311	1,784,431	24,112	3,317	
Returns \$10,000 or more.....	2,270	2,820	17,055	607	26,519,714	6,802	14,327	1,434,290	337,993	1,412,360	24,219	3,317	

See text for "Explanation of Classifications and Terms" and "uses of data, description of the sample, and limitations of the data."
 (*) An asterisk in a cell denotes that the estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate total.
 *Adjusted gross income less deficit.
 *Deficit.
 *Negative "other sources."

INDIVIDUAL/1965 • RETURNS FILED AND SOURCES OF INCOME

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

Adjusted gross income classes	Tax credit—Continued				Income tax after credit (59)	Tax from recomputed prior year investment credit		Child-employment tax		Tax withheld	
	Foreign taxes		Other			Number of returns (60)	Amount (Thousand dollars) (61)	Number of returns (62)	Amount (Thousand dollars) (63)	Number of returns (64)	Amount (Thousand dollars) (65)
	Number of returns (55)	Amount (Thousand dollars) (56)	Number of returns (57)	Amount (Thousand dollars) (58)							
Grand total.....	32,660	13,370	39,057	2,988	9,609,417	12,102	1,456	1,902,586	115,726	23,403,306	653,007
Taxable returns, total.....	31,662	11,681	34,709	2,838	9,604,511	3,300	62	677,003	92,673	16,142,712	1,347,632
Under \$1,000.....	-	-	4,774	63	4,679	-	-	16,532	99	633,566	44,421
\$1,000 under \$2,000.....	-	-	-	63	322,462	-	-	141,136	9,930	3,301,597	562,289
\$2,000 under \$3,000.....	1,142	302	1,574	64	676,000	1,456	80	121,524	13,345	2,921,501	773,033
\$3,000 under \$4,000.....	-	-	-	64	1,010,204	-	-	102,745	14,744	2,322,044	1,027,525
\$4,000 under \$5,000.....	4,020	114	3,221	172	1,117,352	-	-	64,275	12,290	2,038,875	1,072,431
\$5,000 under \$6,000.....	-	-	-	252	1,101,820	2,113	115	54,244	10,613	1,497,744	1,012,494
\$6,000 under \$7,000.....	1,170	171	3,557	252	356,577	-	-	36,219	1,546	1,026,232	832,939
\$7,000 under \$8,000.....	-	-	-	371	727,963	-	-	27,268	1,849	636,219	593,082
\$8,000 under \$9,000.....	1,881	603	6,189	371	503,661	-	-	13,311	3,813	358,981	327,163
\$9,000 under \$10,000.....	-	-	-	203	374,004	2,647	232	12,211	2,703	223,463	274,433
\$10,000 under \$15,000.....	1,257	521	3,773	203	826,767	-	-	7,729	1,37	321,009	464,328
\$15,000 under \$20,000.....	2,230	520	3,132	138	344,241	-	-	17,421	1,608	77,264	116,627
\$20,000 under \$50,000.....	6,711	4,744	3,427	379	711,670	904	325	19,308	4,288	34,136	116,253
\$50,000 under \$100,000.....	2,772	1,194	1,165	248	350,095	496	107	3,301	507	1,037	32,563
\$100,000 under \$500,000.....	1,222	2,542	152	262	359,095	151	72	614	157	1,436	13,429
\$500,000 under \$1,000,000.....	64	576	25	65	64,712	10	12	30	8	748	748
\$1,000,000 or more.....	47	354	20	118	147,937	6	10	16	3	63	764
Montaxable returns, total.....	1,198	1,689	4,348	151	-	3,201	556	324,479	20,116	6,361,094	537,939
No adjusted gross income.....	-	-	-	-	-	(*)	(*)	13,077	1,072	23,267	489
Under \$600.....	-	-	-	-	-	-	-	13,444	1,878	3,492,787	110,869
\$600 under \$1,000.....	-	-	-	-	-	-	-	10,340	4,373	1,829,015	130,232
\$1,000 under \$2,000.....	-	-	2,640	47	-	-	-	10,513	8,972	167,139	66,056
\$2,000 under \$3,000.....	-	-	-	-	-	3,211	473	30,708	3,289	218,464	24,036
\$3,000 under \$4,000.....	-	-	-	-	-	-	-	10,712	1,541	79,391	10,076
\$4,000 under \$5,000.....	1,197	1,581	1,702	196	-	-	-	3,397	732	33,774	5,393
\$5,000 or more.....	-	-	-	-	-	-	-	2,344	783	10,238	1,722
Returns under \$5,000.....	9,900	509	17,788	994	3,131,777	681	643	779,252	70,370	17,225,418	3,812,348
Returns \$5,000 under \$10,000.....	4,801	1,072	3,606	643	3,603,126	2,278	152	151,247	31,182	3,773,929	3,107,122
Returns \$10,000 or more.....	17,329	11,789	11,623	1,371	2,870,610	4,656	601	74,811	17,228	424,454	765,877

Adjusted gross income classes	Payments on 1965 declaration		Tax due at time of filing		Overpayment							
	Number of returns (66)	Amount (Thousand dollars) (67)	Number of returns (68)	Amount (Thousand dollars) (69)	Number of returns (70)	Amount (Thousand dollars) (71)	Refund				Credit on 1966 tax	
							Cash requested		Bonds only requested		Number of returns (75)	Amount (Thousand dollars) (76)
Grand total.....	1,303,441	1,386,673	7,254,737	1,533,495	17,379,761	1,367,805	16,933,062	1,221,356	24,237	1,34			394,706	141,381
Taxable returns, total.....	1,221,304	1,860,876	6,974,244	1,510,462	10,961,085	1,007,624	10,480,563	876,374	26,457	4,934	374,722	127,223
Under \$1,000.....	3,583	403	71,695	1,222	497,008	1,057	471,711	49,634	-	-	-	-
\$1,000 under \$2,000.....	67,297	10,722	620,338	40,274	3,654,915	281,098	3,602,953	275,292	25,623	1,663	36,373	4,566
\$2,000 under \$3,000.....	4,216	19,167	690,826	68,643	2,396,800	170,624	2,557,607	166,299	9,330	408	33,302	3,917
\$3,000 under \$4,000.....	129,609	38,254	1,248,288	91,794	1,644,391	132,610	1,592,604	126,686	10,948	877	65,439	1,647
\$4,000 under \$5,000.....	124,175	47,531	1,081,355	105,090	1,121,490	84,808	1,027,797	35,271	4,810	380	27,701	1,158
\$5,000 under \$6,000.....	123,102	54,911	951,049	106,471	662,265	60,347	629,719	55,766	-	-	31,740	4,113
\$6,000 under \$7,000.....	100,252	54,347	790,141	116,567	324,029	39,632	296,159	35,221	-	-	25,330	4,239
\$7,000 under \$8,000.....	41,228	59,429	522,192	108,972	176,678	29,621	153,024	24,036	4,934	571	15,311	1,557
\$8,000 under \$9,000.....	73,855	52,122	323,689	83,320	80,944	15,659	65,349	14,007	-	-	16,407	3,658
\$9,000 under \$10,000.....	63,777	50,072	193,213	64,127	56,861	11,921	41,462	8,366	-	-	16,129	3,483
\$10,000 under \$15,000.....	177,612	219,423	309,696	171,340	106,996	40,124	64,479	20,651	-	-	46,382	19,365
\$15,000 under \$20,000.....	72,371	167,219	73,324	84,165	28,076	20,072	10,667	1,525	-	-	14,547	14,547
\$20,000 under \$50,000.....	82,118	457,434	67,065	183,445	26,174	40,461	6,200	4,885	811	136	21,449	31,051
\$50,000 under \$100,000.....	14,005	245,195	11,427	95,614	3,403	13,652	604	2,085	-	-	3,086	10,668
\$100,000 under \$500,000.....	4,773	250,964	3,968	105,408	690	9,592	154	1,886	-	-	981	7,706
\$500,000 under \$1,000,000.....	210	41,364	180	24,312	35	1,693	9	54	-	-	31	1,159
\$1,000,000 or more.....	121	92,319	98	59,048	26	4,182	7	2,130	-	-	21	2,051
Montaxable returns, total.....	82,137	25,804	299,393	18,036	6,418,978	361,119	4,353,388	345,517	28,380	1,501	43,982	14,100
No adjusted gross income.....	4,912	4,328	12,725	1,642	30,766	10,224	26,045	6,358	(*)	(*)	4,893	3,330
Under \$600.....	12,540	2,809	51,059	1,815	3,604,181	113,320	3,581,187	111,295	17,737	622	5,551	1,403
\$600 under \$1,000.....	12,467	1,734	98,698	4,065	1,834,283	131,635	1,819,229	129,786	-	-	8,036	1,024
\$1,000 under \$2,000.....	14,935	3,131	95,224	5,872	376,410	48,508	566,112	46,074	-	-	9,044	1,449
\$2,000 under \$3,000.....	13,165	2,899	26,420	2,753	226,533	26,384	220,811	25,265	10,451	863	8,788	1,271
\$3,000 under \$4,000.....	1,971	1,128	3,848	1,262	84,158	10,935	81,897	10,690	-	-	-	-
\$4,000 under \$5,000.....	3,211	1,873	3,172	699	36,468	7,173	34,813	6,663	-	-	2,878	1,109
\$5,000 or more.....	9,736	7,402	2,247	528	25,675	12,460	23,289	2,446	-	-	3,812	4,514
Returns under \$5,000.....	491,282	134,499	3,999,648	324,528	15,893,843	1,068,353	15,642,771	1,034,252	70,041	4,828	193,085	29,273
Returns \$5,000 under \$10,000.....	459,076	274,390	2,788,314	480,544	11,318,221	165,670	1,208,330	141,722	4,934	571	113,813	23,377
Returns \$10,000 or more.....	353,083	1,477,804	466,775	728,421	167,897	134,782	82,851	45,916	812	135	92,808	88,731

See text for "Explanation of Classification, and Terms" and "Sources of Data, Description of the Sample, and Limitations of the Data."
 (*) An asterisk in a cell denotes that the estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.
 † Adjusted gross income less deficit.
 ‡ Deficit.
 § Negative "Other sources."

Table 8.—FORM 1040A RETURNS. INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Number of returns	Adjusted gross income (thousand dollars)		Salaries and wages (gross) (thousand dollars)		Other income		Exemptions (thousand dollars)		Taxable income (thousand dollars)		Income tax (thousand dollars)		Tax withheld (thousand dollars)		Tax due at time of filing (thousand dollars)		Total (thousand dollars)		Overpayment refund (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)	(14)	(15)	(16)	(17)	(18)						
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)						
Grand total.....	12,277,011	31,232,838	21,767,717	2,860,120	155,962	22,505,704	25,584,748	5,107,044	4,939,469	157,886	15,509,266	1,201,702	15,417,392	1,194,618	93,176	7,084									
Under \$1,000.....	1,281,628	45,243,131	45,113,727	2,257,713	1,579,844	14,183,240	25,584,748	4,143,234	2,252,469	157,886	15,509,266	1,201,702	15,417,392	1,194,618	93,176	7,084									
Under \$1,000 to \$1,000.....	370,029	162,659	345,733	53,435	7,403	322,003	2,101	3,106	18,702	100	351,336	294,922	34,414	29,735	28,042	1,463									
\$1,000 to \$2,000.....	789,261	4,109,379	4,050,162	407,768	1,704	1,977,781	1,491,149	212,157	118,225	5,231	2,692,802	202,667	2,490,135	201,394	377	1,078									
\$2,000 to \$3,000.....	1,084,991	7,193,270	7,145,718	503,255	1,714	1,474,518	4,037,713	426,842	45,344	5,608	1,414,316	1,447,709	1,409,301	1,54,332	3,013	1,078									
\$3,000 to \$4,000.....	1,349,213	3,976,434	3,852,788	349,647	2,893	1,318,420	4,037,713	636,882	3,994,869	30,774	1,282,048	1,091,134	1,411,357	1,28,056	13,691	913									
\$4,000 to \$5,000.....	66,181	3,044,244	3,014,315	225,783	13,110	1,550,957	3,134,711	503,673	966,504	25,142	1,282,048	1,091,134	1,411,357	1,28,056	13,691	913									
\$5,000 to \$6,000.....	72,177	2,115,716	2,115,716	210,461	1,402	1,564,106	3,076,356	507,029	794,713	21,125	652,377	70,175	647,904	69,687	1,521	1,521									
\$6,000 to \$7,000.....	57,376	4,283,873	4,283,873	18,695	11,960	1,179,448	3,673,456	446,911	575,046	197,042	19,480	377,886	49,117	378,963	12,024	1,521									
\$7,000 to \$8,000.....	1,201	3,236,112	3,228,396	125,573	3,175	790,307	1,127,346	395,264	38,730	197,042	19,480	30,841	223,103	30,995	1,521	1,521									
\$8,000 to \$9,000.....	264,226	2,501,581	2,494,834	106,202	6,747	543,837	1,707,347	274,825	130,810	13,535	142,739	19,546	142,739	19,546	1,521	1,521									
\$9,000 or more.....	6,267,003	6,689,226	6,654,270	56,406	39,459	3,321,864	5,968,712	356,461	2,968,712	356,461	5,939,940	356,461	5,939,940	356,461	38,724	1,725									
Under \$600.....	754,025	347,758	338,315	238,455	9,445	1,981,778	87,461	2,938,469	87,461	2,938,469	87,461	2,938,469	87,461	2,938,469	87,461	1,725									
\$600 to \$1,000.....	1,532,254	1,125,872	1,125,872	205,058	10,393	1,234,605	101,425	1,459,429	101,425	1,459,429	101,425	1,459,429	101,425	1,459,429	101,425	580									
\$1,000 to \$2,000.....	765,467	1,109,798	1,099,077	74,805	7,001	1,481,234	54,095	669,268	54,095	669,268	54,095	669,268	54,095	669,268	54,095	963									
\$2,000 to \$3,000.....	524,295	1,257,289	1,252,867	23,516	3,432	1,383,437	2,444	434,839	2,444	434,839	2,444	434,839	2,444	434,839	2,444	963									
\$3,000 to \$4,000.....	293,894	1,023,742	1,022,259	10,016	1,424	1,080,460	1,684,425	253,817	2,444	253,817	1,684,425	1,684,425	1,684,425	1,684,425	1,684,425	963									
\$4,000 to \$5,000.....	176,966	696,251	676,851	8,653	3,200	676,851	1,954	1,954	1,954	1,954	1,954	1,954	1,954	1,954	1,954	963									
\$5,000 or more.....	96,832	501,716	501,716	194	194	495,344	1,900	8,825	1,900	8,825	1,900	8,825	1,900	8,825	1,900	963									
Returns under \$5,000.....	15,305,845	30,038,483	30,815,702	1,987,112	114,580	16,418,094	13,805,056	1,764,406	14,857,637	1,764,406	13,805,056	1,764,406	13,805,056	1,764,406	79,485	5,371									
Returns \$5,000 under \$10,000.....	3,069,224	20,972,222	20,919,240	571,662	52,389	9,083,998	1,762,824	1,131,110	3,061,159	92,327	1,992,144	250,735	1,986,454	250,735	1,491	7,713									
Returns \$10,000 or more.....	622,942	3,144,521	3,138,314	161,346	10,089	1,004,212	1,700,862	642,418	1,004,212	642,418	1,004,212	642,418	1,004,212	642,418	642,418	642,418									

See footnotes for "Explanation of Classification and Terms" and "Sources of Data, Description of the Sample and Limitations of the Data."
 (*) A dash in a cell denotes that the estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.

INDIVIDUAL/1965 • RETURNS FILED AND SOURCES OF INCOME

Table 9.—FORM 1040 RETURNS WITH DIVIDENDS RECEIVED: 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						Eligible for exclusion		Not eligible for exclusion	
	Total		Net eligible for exclusion		Eligible for exclusion		Not eligible for exclusion			
	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)
ALL RETURNS										
Grand total.....	10,171,847	13,433,239	1,474,424	374,591	7,811,468	13,433,239	6,811,337	6,621,902	1,621,536	12,810,366
Taxable returns, total.....	8,889,862	13,433,239	997,245	342,473	6,620,587	13,433,239	6,420,131	6,228,337	1,526,763	12,810,366
Under \$1,000.....	4,051	9,259	3,634	478	22,431	8,732	22,651	1,806	17,845	6,921
\$1,000 under \$2,000.....	192,119	87,980	18,384	4,141	183,787	82,441	183,787	14,911	133,722	71,410
\$2,000 under \$3,000.....	277,179	151,670	37,320	9,484	263,720	150,280	263,720	22,025	183,751	133,744
\$3,000 under \$4,000.....	368,769	216,862	47,301	5,711	353,358	211,144	353,358	30,845	262,197	197,111
\$4,000 under \$5,000.....	458,738	276,114	50,453	6,416	442,162	263,700	442,162	39,238	274,234	204,920
\$5,000 under \$6,000.....	577,232	318,311	64,909	6,859	542,627	311,400	542,627	47,008	361,622	270,951
\$6,000 under \$7,000.....	630,214	331,359	70,151	9,055	603,742	322,474	603,742	50,775	382,474	280,176
\$7,000 under \$8,000.....	664,840	362,917	73,446	11,408	611,915	351,491	611,915	51,635	317,678	311,674
\$8,000 under \$9,000.....	638,640	361,911	72,660	11,911	611,681	344,974	611,681	51,441	341,243	310,409
\$9,000 under \$10,000.....	649,672	334,509	75,769	7,054	627,411	327,443	627,411	53,369	365,461	281,146
\$10,000 under \$15,000.....	2,269,369	1,472,069	205,036	36,231	2,211,918	1,439,801	2,211,918	212,731	1,099,221	1,047,359
\$15,000 under \$20,000.....	930,918	1,081,222	45,361	30,658	916,641	1,059,534	916,574	105,748	554,795	560,705
\$20,000 under \$50,000.....	1,018,713	3,202,448	132,870	83,410	1,010,078	3,118,959	1,010,027	184,714	773,822	3,061,144
\$50,000 under \$100,000.....	167,850	2,031,019	34,517	34,708	167,080	1,976,296	167,080	28,942	154,313	2,034,732
\$100,000 under \$500,000.....	41,606	2,063,358	12,630	53,356	41,475	2,009,992	41,475	6,990	40,312	2,005,322
\$500,000 under \$1,000,000.....	1,353	298,930	528	1,350	290,121	1,350	290,121	221	1,128	288,794
\$1,000,000 or more.....	614	433,620	254	9,507	611	424,112	611	104	511	423,601
Nontaxable returns, total.....	1,282,045	894,601	182,677	32,118	1,191,343	91,437	1,191,343	115,304	84,064	1,127,282
No adjusted gross income.....	69,001	74,456	12,311	5,070	2,142	69,383	2,142	5,434	4,223	74,151
Under \$600.....	93,320	11,829	17,506	1,588	73,701	16,440	93,320	5,338	11,829	11,829
\$600 under \$1,000.....	140,274	40,142	11,040	1,885	124,803	38,313	140,274	10,496	36,155	47,774
\$1,000 under \$2,000.....	385,422	153,216	58,312	8,208	356,225	145,000	385,422	32,458	265,409	160,712
\$2,000 under \$3,000.....	276,292	144,309	37,070	4,604	260,011	140,142	276,292	27,355	189,511	117,774
\$3,000 under \$4,000.....	153,481	137,796	16,840	1,934	147,231	135,848	153,481	17,137	138,610	129,674
\$4,000 under \$5,000.....	69,244	61,938	8,779	867	68,371	61,070	69,244	6,822	62,422	62,422
\$5,000 or more.....	94,972	259,161	15,219	8,668	82,590	250,447	94,972	9,115	85,857	247,741
Returns under \$5,000.....	2,505,906	1,374,401	324,520	45,182	2,367,864	1,324,116	2,367,864	212,061	1,154,654	1,147,359
Returns \$5,000 under \$10,000.....	3,220,254	1,805,572	371,557	49,632	3,080,859	1,771,858	3,080,859	261,793	1,471,301	1,543,774
Returns \$10,000 or more.....	4,645,687	10,753,260	483,840	282,080	4,363,261	10,468,008	4,363,261	493,804	2,631,544	10,218,833
JOINT RETURNS										
Grand total.....	2,156,662	6,907,741	800,473	263,900	6,895,237	8,443,235	6,894,656	134,373	3,742,162	6,152,494
Taxable returns, total.....	6,470,447	8,431,991	692,707	246,686	6,279,024	8,184,142	6,278,568	666,369	3,337,837	7,846,722
Under \$1,000.....	-	-	-	-	-	-	-	-	-	-
\$1,000 under \$2,000.....	7,359	3,138	7,507	44	6,939	3,081	6,939	547	4,376	2,114
\$2,000 under \$3,000.....	53,167	16,024	44	44	48,561	15,589	48,561	4,846	40,454	11,133
\$3,000 under \$4,000.....	137,558	50,064	17,114	1,582	130,432	48,474	130,432	13,016	77,801	37,368
\$4,000 under \$5,000.....	200,904	88,214	25,344	3,692	190,736	84,518	190,736	20,003	106,346	77,211
\$5,000 under \$6,000.....	301,174	116,233	41,196	3,506	280,210	112,711	280,210	26,373	147,111	114,369
\$6,000 under \$7,000.....	385,276	144,758	45,189	5,589	365,423	139,174	365,423	32,611	170,442	112,072
\$7,000 under \$8,000.....	444,954	179,330	44,781	6,605	422,509	172,706	422,509	37,071	183,536	142,214
\$8,000 under \$9,000.....	427,505	183,438	51,644	4,231	411,359	179,197	411,359	37,752	197,334	143,609
\$9,000 under \$10,000.....	516,004	164,151	56,463	5,071	465,503	159,077	465,503	42,228	205,157	162,942
\$10,000 under \$15,000.....	1,422,944	889,210	170,908	24,587	1,413,709	864,623	1,413,709	134,221	682,383	644,411
\$15,000 under \$20,000.....	841,544	706,788	21,915	20,708	823,377	686,080	823,377	97,224	475,273	454,564
\$20,000 under \$50,000.....	223,913	2,240,795	114,743	69,917	212,722	2,224,987	212,722	190,430	68,577	2,156,417
\$50,000 under \$100,000.....	111,664	1,744,024	30,343	44,811	106,457	1,699,216	106,457	29,320	137,413	1,651,803
\$100,000 under \$500,000.....	31,492	1,783,382	10,727	43,736	31,781	1,739,645	31,781	6,436	34,784	1,704,861
\$500,000 under \$1,000,000.....	1,111	227,338	441	7,160	1,106	214,356	1,106	404	1,106	213,250
\$1,000,000 or more.....	484	444,203	205	8,177	481	236,027	481	90	492	235,137
Nontaxable returns, total.....	76,534	476,650	107,766	17,214	61,233	459,393	61,065	68,301	404,261	413,072
No adjusted gross income.....	47,568	60,349	9,521	4,852	42,724	55,895	42,724	4,514	27,017	47,251
Under \$600.....	21,623	4,424	5,069	361	14,211	4,062	14,211	1,541	10,434	2,513
\$600 under \$1,000.....	34,414	9,460	6,452	603	23,127	8,806	23,127	2,645	14,461	10,813
\$1,000 under \$2,000.....	144,711	46,695	23,847	2,341	129,066	42,354	144,711	13,398	84,736	21,474
\$2,000 under \$3,000.....	177,669	72,481	25,070	2,203	164,018	70,245	177,669	18,573	110,221	53,811
\$3,000 under \$4,000.....	116,744	87,614	12,818	1,622	110,639	85,993	116,744	13,256	78,253	73,752
\$4,000 under \$5,000.....	54,163	47,325	6,892	911	54,363	46,413	54,363	5,784	33,062	41,531
\$5,000 or more.....	74,474	170,103	12,096	4,472	68,102	155,627	74,474	7,134	41,394	142,232
Returns under \$5,000.....	1,001,140	483,995	139,639	18,511	924,568	465,431	924,203	94,181	577,901	384,414
Returns \$5,000 under \$10,000.....	2,147,260	839,165	249,671	26,418	2,087,818	812,666	2,087,818	184,531	938,113	854,634
Returns \$10,000 or more.....	3,458,282	7,884,581	411,163	218,971	3,883,091	7,963,438	3,458,282	480,656	2,221,194	7,133,923

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

INDIVIDUAL/1965 • RETURNS FILED AND SOURCES OF INCOME

Table 10. — JOINT RETURNS WITH DIVIDENDS ELIGIBLE FOR EXCLUSIONS REPORTED BY HUSBANDS AND WIVES, BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Number of returns	Dividends eligible for exclusion (Thousand dollars)	Dividend exclusions (Thousand dollars)	Dividends reported by husbands			Dividends reported by wives			Dividend recipient not specified		
				Number of returns	Dividends eligible for exclusion (Thousand dollars)	Dividend exclusions (Thousand dollars)	Number of returns	Dividends eligible for exclusion (Thousand dollars)	Dividend exclusions (Thousand dollars)	Number of returns	Dividends eligible for exclusion (Thousand dollars)	Dividend exclusions (Thousand dollars)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Grand total.....	6,896,257	3,643,137	734,370	4,016,411	4,416,187	303,610	3,721,264	3,254,211	272,732	2,190,944	943,137	177,948
Taxable returns, total.....	6,279,024	3,184,142	666,369	3,687,810	4,210,081	277,443	3,407,584	3,120,394	248,360	2,327,956	873,667	140,564
Under \$1,000.....	-	-	-	-	-	-	-	-	-	-	-	-
\$1,000 under \$2,000.....	6,429	3,381	547	1,512	546	102	2,134	1,973	149	4,308	1,162	296
\$2,000 under \$3,000.....	48,561	15,589	4,896	23,657	6,561	1,927	21,394	1,184	1,523	23,081	3,874	1,446
\$3,000 under \$4,000.....	130,432	48,474	13,016	64,929	18,104	4,360	62,143	18,341	4,724	57,424	12,029	3,432
\$4,000 under \$5,000.....	190,736	74,117	20,003	109,537	37,222	8,010	101,928	33,592	7,450	73,433	13,638	4,543
\$5,000 under \$6,000.....	290,210	114,116	26,373	139,721	51,138	10,476	132,580	42,443	9,637	126,659	19,385	6,700
\$6,000 under \$7,000.....	365,423	139,154	32,660	172,404	54,253	12,159	155,960	52,467	11,068	176,592	26,934	9,433
\$7,000 under \$8,000.....	423,904	172,706	37,071	212,525	64,752	14,154	195,228	70,242	13,377	189,918	33,606	4,540
\$8,000 under \$9,000.....	466,353	179,187	39,782	243,330	70,116	15,745	221,024	64,282	13,280	200,581	39,013	10,727
\$9,000 under \$10,000.....	495,503	194,067	42,228	252,146	65,635	16,161	233,911	66,317	14,599	217,272	25,115	11,468
\$10,000 under \$15,000.....	1,939,736	864,586	189,221	1,112,191	396,692	77,603	1,021,149	334,292	68,130	137,977	133,602	42,888
\$15,000 under \$20,000.....	829,376	686,084	97,224	535,992	332,731	42,177	496,321	267,679	37,120	265,934	85,644	17,927
\$20,000 under \$50,000.....	915,723	3,224,788	130,830	664,135	1,155,722	59,299	619,243	876,741	53,014	225,552	212,175	18,527
\$50,000 under \$100,000.....	180,457	1,499,200	25,320	123,208	808,678	11,560	116,525	568,922	10,613	24,709	121,600	3,147
\$100,000 under \$500,000.....	57,891	1,734,637	6,436	31,119	259,450	3,703	29,842	577,120	2,893	4,301	103,667	477
\$500,000 under \$1,000,000.....	1,108	219,356	202	965	123,953	96	38	32,774	4	124	11,629	14
\$1,000,000 or more.....	481	236,027	90	433	147,162	43	440	79,773	41	46	11,092	6
Nontaxable returns, total.....	616,233	459,393	68,000	322,600	217,108	26,207	313,701	163,320	24,372	262,991	89,465	17,423
No adjusted gross income.....	42,624	57,895	4,514	21,315	28,721	1,876	19,835	17,379	1,526	10,151	9,735	1,312
Under \$600.....	13,295	4,762	1,241	5,311	1,148	634	7,527	1,648	113	4,344	1,216	594
\$600 under \$1,000.....	28,125	3,926	4,647	11,442	4,330	48	11,092	2,038	771	14,610	2,438	92
\$1,000 under \$2,000.....	129,044	44,344	13,349	59,763	14,681	4,696	61,967	16,312	4,630	61,268	11,391	4,073
\$2,000 under \$3,000.....	164,017	70,365	18,670	90,412	27,473	7,426	83,396	29,203	7,017	64,013	13,589	4,067
\$3,000 under \$4,000.....	110,639	81,383	13,956	66,792	34,742	5,646	62,391	30,521	5,161	40,937	20,660	3,649
\$4,000 under \$5,000.....	54,363	46,413	5,744	27,037	20,488	2,166	28,439	13,246	2,230	22,130	7,679	1,398
\$5,000 or more.....	62,102	147,625	7,281	36,238	74,415	2,819	34,254	49,013	2,484	29,833	22,197	1,978
Returns under \$5,000.....	924,348	467,431	99,181	486,004	194,590	32,286	466,213	173,466	34,134	391,400	97,377	25,161
Returns \$5,000 under \$10,000.....	2,087,218	812,666	184,531	1,050,107	348,613	70,980	970,641	313,937	64,148	436,260	150,116	49,503
Returns \$10,000 or more.....	3,883,991	7,365,438	450,658	2,474,300	3,872,984	194,384	2,284,430	2,796,808	172,000	1,263,272	695,646	23,324

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

INDIVIDUAL/1965 • RETURNS FILED AND SOURCES OF INCOME

Table 11.--RETURNS WITH PENSIONS AND ANNUITIES: SELECTED SOURCES OF INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Number of returns	Number of exemptions	Adjusted gross income (Thousand dollars)	Salaries and wages (gross)		Business or profession				Farm			
				Number of returns	Amount (Thousand dollars)	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)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
Grand total.....	1,983,643	5,617,089	13,414,541	821,064	4,119,599	114,307	442,620	21,925	59,666	29,793	57,066	26,441	52,430
Taxable returns, total.....	1,215,917	3,285,477	11,664,682	654,020	3,961,045	90,254	471,637	14,812	30,789	19,060	51,514	15,917	46,900
Under \$2,000.....	33,935	52,108	54,525	5,486	4,395	(*)	(*)	2,030	2,708	1,595	1,280	3,473	4,676
\$2,000 under \$3,000.....	117,008	229,585	294,597	38,184	43,171	3,335	3,941	2,098	2,098	1,935	1,935	1,432	1,432
\$3,000 under \$4,000.....	156,761	382,300	549,954	59,765	108,778	7,111	10,297	1,968	1,292	1,885	1,885	1,432	1,432
\$4,000 under \$5,000.....	161,847	417,669	726,603	75,083	144,528	7,887	11,655	1,885	1,038	3,770	6,457	3,973	4,480
\$5,000 under \$6,000.....	112,661	313,450	616,598	61,905	132,596	8,266	15,667	1,885	1,038	3,770	6,457	3,973	4,480
\$6,000 under \$7,000.....	119,383	335,598	773,477	75,801	350,858	8,299	17,853	1,885	1,983	1,740	4,986	1,740	2,908
\$7,000 under \$8,000.....	79,905	234,133	597,552	51,152	250,302	7,106	19,329	1,885	1,983	1,740	4,986	1,740	2,908
\$8,000 under \$9,000.....	70,495	200,571	600,131	47,983	289,410	6,287	16,582	3,335	3,841	3,057	9,358	4,281	4,835
\$9,000 under \$10,000.....	54,660	153,536	520,110	38,051	244,526	3,676	10,593	3,335	3,841	3,057	9,358	4,281	4,835
\$10,000 under \$15,000.....	160,411	489,045	1,935,320	111,660	937,089	14,593	67,672	1,272	1,597	1,186	3,683	1,068	4,642
\$15,000 under \$20,000.....	60,844	192,121	1,041,228	39,275	423,241	6,789	64,772	1,735	5,503	1,780	11,147	1,441	7,547
\$20,000 under \$30,000.....	70,413	225,349	2,055,520	39,972	597,903	11,283	151,631	2,346	5,247	2,900	3,211	3,67	2,651
\$30,000 under \$40,000.....	12,978	43,947	876,865	7,171	200,898	2,298	56,951	254	6,258	116	1,554	292	4,814
\$40,000 under \$50,000.....	4,386	15,230	737,522	2,390	109,889	576	22,297	254	6,258	116	1,554	292	4,814
\$50,000 under \$100,000.....	171	578	112,152	97	6,367	14	384	17	302	4	176	23	1,367
\$100,000 or more.....	79	257	170,528	45	3,194	9	1,499	12	3,730	3	28	19	647
Nontaxable returns, total.....	767,727	2,331,613	1,751,860	167,042	158,553	24,051	20,986	7,113	28,840	10,731	6,652	10,928	15,532
No adjusted gross income.....	4,868	13,428	270,012	(*)	(*)	(*)	(*)	1,033	21,385	-	-	1,538	4,163
Under \$600.....	15,274	36,638	5,925	8,449	1,581	1,450	409	2,139	1,167	5,511	2,077	1,885	1,866
\$600 under \$1,000.....	39,345	86,625	32,448	53,920	31,548	7,777	4,428	1,595	1,041	2,320	1,364	1,595	2,668
\$1,000 under \$2,000.....	293,293	793,885	446,355	56,198	53,766	6,816	5,504	2,346	5,247	2,900	3,211	3,67	2,651
\$2,000 under \$3,000.....	240,924	774,665	590,555	26,582	27,161	4,111	3,676	2,346	5,247	2,900	3,211	3,67	2,651
\$3,000 under \$4,000.....	103,138	359,633	352,025	13,529	23,846	2,175	2,630	2,346	5,247	2,900	3,211	3,67	2,651
\$4,000 under \$5,000.....	43,818	162,019	194,451	8,207	20,521	1,526	3,227	2,346	5,247	2,900	3,211	3,67	2,651
\$5,000 or more.....	27,067	104,720	200,113	8,207	20,521	1,526	3,227	2,346	5,247	2,900	3,211	3,67	2,651
Returns under \$5,000.....	1,210,211	3,208,555	3,177,426	337,356	492,904	41,584	44,164	10,795	29,981	15,440	11,101	15,267	16,957
Returns \$5,000 under \$10,000.....	462,343	1,236,767	3,254,999	285,972	1,344,933	35,084	82,109	4,334	6,882	4,334	7,882	5,309	7,955
Returns \$10,000 or more.....	311,089	971,767	6,982,116	200,946	2,281,762	37,639	366,347	6,054	25,311	6,471	33,163	5,871	27,518

Adjusted gross income classes	Partnership				Sales of capital assets				Dividends in adjusted gross income		Interest received	
	Net profit		Net loss		Net gain		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)				
(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	
Grand total.....	36,312	239,949	14,597	133,829	451,802	1,070,201	67,001	43,281	719,848	2,188,285	1,683,647	1,445,231
Taxable returns, total.....	31,206	236,922	10,044	29,235	365,001	1,002,822	52,351	35,610	552,480	2,059,001	1,058,876	1,105,301
Under \$2,000.....	-	-	-	-	4,121	274	-	-	5,514	2,394	27,490	12,060
\$2,000 under \$3,000.....	1,968	2,273	4,039	4,854	12,851	4,125	3,671	2,323	39,727	19,827	101,864	54,422
\$3,000 under \$4,000.....	3,418	6,788	4,039	4,854	34,105	14,240	3,588	2,290	56,457	36,910	90,690	42,422
\$4,000 under \$5,000.....	3,956	13,867	4,039	4,854	34,903	21,749	5,432	3,359	63,012	71,484	142,638	105,180
\$5,000 under \$6,000.....	2,631	10,472	4,039	4,854	29,458	28,003	3,588	3,132	44,616	51,303	99,861	74,727
\$6,000 under \$7,000.....	5,068	14,063	1,896	1,893	35,087	31,454	7,193	5,310	48,083	62,998	98,456	83,437
\$7,000 under \$8,000.....	3,238	18,181	1,896	1,893	18,040	24,283	5,059	3,075	30,036	53,644	69,568	56,807
\$8,000 under \$9,000.....	7,755	79,024	1,896	1,893	23,864	32,173	5,059	3,075	33,338	71,339	57,261	57,487
\$9,000 under \$10,000.....	2,245	49,672	815	5,650	20,089	28,482	5,059	3,075	24,650	51,117	47,468	40,203
\$10,000 under \$15,000.....	890	40,455	454	5,930	64,121	102,933	9,731	6,556	86,192	235,904	142,465	173,349
\$15,000 under \$20,000.....	26	2,016	30	1,039	1,139	73,251	4,155	2,327	42,313	176,140	55,317	91,345
\$20,000 under \$30,000.....	11	111	15	3,056	5,674	43,089	8,006	5,721	61,587	50,287	67,334	168,881
\$30,000 under \$40,000.....	6,221	4,374	4,621	103,909	166,677	89,667	25,476	14,363	320,234	220,858	1,003,372	566,402
\$40,000 under \$50,000.....	10,667	31,239	3,894	5,059	131,530	149,837	17,600	12,699	191,085	302,609	396,549	342,974
\$50,000 or more.....	19,424	204,336	6,082	24,861	153,595	830,697	23,925	16,219	208,529	1,064,818	283,726	535,855

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

INDIVIDUAL/1965 • RETURNS FILED AND SOURCES OF INCOME

Table 11.—RETURNS WITH PENSIONS AND ANNUITIES: SELECTED SOURCES OF INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	Pensions and annuities (taxable portion)		Rents				Total deductions (Thousand dollars)	Taxable income		Income tax before credits (Thousand dollars)	Retirement income credit		Income tax after credits (Thousand dollars)		
	Number of returns	Amount (Thousand dollars)	Net income		Net loss			Number of returns	Amount (Thousand dollars)		Number of returns	Amount (Thousand dollars)		Number of returns	Amount (Thousand dollars)
			Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)									
	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)		
Grand total.....	1,983,643	3,568,265	291,046	269,226	94,227	48,714	2,735,260	1,423,352	7,795,731	1,902,426	662,900	78,220	1,814,935		
Taxable returns, total.....	1,215,917	2,473,179	175,770	199,278	60,370	27,817	2,064,148	1,215,917	7,647,426	1,881,213	464,847	57,860	1,814,935		
Under \$2,000.....	33,935	34,073	(*)	(*)	-	-	1,493	33,935	8,803	1,312	(*)	(*)	1,201		
\$2,000 under \$3,000.....	117,008	159,752	13,334	7,184	7,047	1,621	69,987	117,008	86,863	12,595	44,203	3,202	9,390		
\$3,000 under \$4,000.....	156,761	271,737	32,622	12,329	6,172	1,123	114,052	156,761	306,588	30,971	6,334	6,625	24,267		
\$4,000 under \$5,000.....	161,847	307,111	17,701	12,619	6,462	1,016	156,941	161,847	325,108	50,497	97,142	16,298	39,872		
\$5,000 under \$6,000.....	112,641	235,342	15,432	9,308	4,909	1,966	114,890	112,641	313,636	49,734	46,857	6,080	43,593		
\$6,000 under \$7,000.....	113,383	212,615	17,175	8,956	4,914	1,278	143,205	113,383	423,913	69,492	43,383	6,399	62,963		
\$7,000 under \$8,000.....	73,405	174,406	12,116	13,412	4,764	1,185	107,182	73,405	343,885	58,314	31,457	4,920	53,300		
\$8,000 under \$9,000.....	70,495	123,106	7,772	3,589	7,565	3,589	101,558	70,495	378,230	65,728	28,437	3,291	62,022		
\$9,000 under \$10,000.....	54,660	124,052	10,065	8,574	-	-	88,444	54,660	339,544	59,687	20,343	3,120	56,554		
\$10,000 under \$15,000.....	160,411	351,784	24,421	30,762	7,335	3,806	308,281	160,411	1,333,622	244,946	50,639	7,639	236,538		
\$15,000 under \$20,000.....	60,344	159,572	10,685	18,084	4,814	3,499	160,302	60,344	765,655	155,691	17,446	2,700	152,403		
\$20,000 under \$50,000.....	70,413	229,387	14,609	49,028	4,886	5,321	325,436	70,413	1,594,835	409,980	36,328	2,786	405,205		
\$50,000 under \$100,000.....	1,378	57,663	2,948	15,772	1,013	3,238	145,342	1,378	705,160	62,693	3,778	512	260,659		
\$100,000 under \$500,000.....	4,386	30,300	1,055	7,878	444	1,924	142,597	4,386	585,489	285,618	1,324	168	283,524		
\$500,000 under \$1,000,000.....	171	1,320	34	539	29	334	34,008	171	37,746	48,574	41	6	48,365		
\$1,000,000 or more.....	79	954	16	32	16	77	33,074	79	137,399	78,586	20	3	75,079		
Nontaxable returns, total.....	767,727	1,095,086	118,275	69,949	33,857	20,900	691,113	767,727	148,306	21,213	206,954	20,360	-		
No adjusted gross income.....	4,868	4,901	965	1,198	(*)	(*)	-	-	-	-	-	-	-		
Under \$600.....	15,274	8,558	(*)	(*)	-	-	7,487	-	-	-	-	-	-		
\$600 under \$1,000.....	39,345	24,291	3,875	1,764	7,189	2,468	18,433	-	-	15	(*)	(*)	-		
\$1,000 under \$2,000.....	293,293	289,004	36,910	15,971	7,565	1,913	164,320	293,293	8,343	1,216	30,647	1,211	-		
\$2,000 under \$3,000.....	469,924	366,297	46,901	26,484	6,678	9,095	181,638	469,924	29,008	9,912	64,304	5,498	-		
\$3,000 under \$4,000.....	103,138	209,534	13,137	10,038	6,545	3,877	119,497	103,138	37,793	5,476	56,654	5,435	-		
\$4,000 under \$5,000.....	41,818	117,005	9,258	6,066	-	-	67,331	41,818	35,756	5,056	34,343	5,056	-		
\$5,000 or more.....	27,067	74,894	5,614	8,213	2,571	1,108	131,907	27,067	27,316	3,938	17,218	3,147	-		
Returns under \$5,000.....	1,210,211	2,492,862	168,550	195,099	59,362	21,550	2,068,678	1,210,211	748,351	1,124,450	393,776	37,451	74,729		
Returns \$5,000 under \$10,000.....	462,343	841,192	68,197	56,816	24,574	9,852	628,126	462,343	1,235,260	306,560	181,876	26,940	378,431		
Returns \$10,000 or more.....	311,089	834,205	54,299	123,331	18,685	17,312	1,198,456	309,526	8,212,520	1,483,916	94,348	13,324	1,461,774		

See text for "Explanation of Classifications and Terms" and "Sources of Data, Description of the Sample, and Limitations of the Data."
 (*) An asterisk in a cell denotes that the 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.

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

Returns with net loss from sales of capital assets

Adjusted gross income class	Number of returns with net gain or loss from sale of capital assets	Net loss from sale of capital assets (before limitation) (Thousand dollars)	Short-term (after carryover)			Long-term (after carryover)			Capital loss carryover					
			Net short-term capital gain	Number of returns	Amount (Thousand dollars)	Net long-term capital gain	Number of returns	Amount (Thousand dollars)	Short-term from 1962-1964	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	11	41	(6)	(5)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Grand total	327,836	1,346,942	888,676	83,909	67,564	2,266,422	103,148	149,831	1,084,909	2,369,994	186,751	1,748,236	227,131	1,033,892
Taxable returns, total	1,151,162	183,092	130,447	8,184	2,679	512,249	13,753	24,463	142,406	402,184	20,972	379,514	27,189	179,864
Under \$1,000	11,131	31,122	33,588	1,618	2,679	81,100	1,670	4,935	26,712	84,275	2,471	73,442	7,615	33,076
\$1,000 under \$2,000	40,472	15,074	6,743	3,503	9,814	27,854	1,887	1,396	12,424	30,239	6,771	17,776	3,420	19,343
\$2,000 under \$3,000	111,226	15,237	8,811	4,729	7,784	77,784	1,061	1,157	13,433	21,573	5,771	14,862	2,869	12,714
\$3,000 under \$4,000	236,168	38,182	24,822	8,770	27,173	273,173	4,436	4,005	31,518	56,935	11,112	45,823	7,574	28,254
\$4,000 under \$5,000	211,314	30,564	19,044	7,994	17,222	231,800	4,445	4,878	23,480	44,053	7,411	36,642	2,574	17,493
\$5,000 under \$6,000	144,609	20,431	13,628	5,159	20,960	171,189	4,757	5,396	17,189	32,594	2,110	30,484	1,386	26,104
\$6,000 under \$7,000	80,238	13,596	8,475	3,093	28,929	101,693	2,254	2,563	14,963	27,049	1,348	25,701	547	24,154
\$7,000 or more	104,006	18,853	13,327	7,221	72,966	82,766	4,254	3,071	34,560	82,766	3,932	78,834	2,457	76,377
Returns under \$5,000	2,022,377	326,543	215,777	13,381	19,451	681,891	21,395	27,854	256,982	542,414	33,226	396,187	53,969	233,319
Returns \$5,000 under \$10,000	4,381,328	436,273	280,526	21,732	12,595	487,686	75,250	23,964	352,909	624,383	58,803	328,581	69,004	331,549
Returns \$10,000 or more	3,386,132	616,126	362,143	28,076	39,214	1,033,843	59,213	92,033	472,018	1,178,392	94,711	763,681	106,063	539,321

Source: Internal Revenue Service, "Returns Filed and Sources of Income, 1965," and "Sources of Data, Description of the Sample, and Limitations of the Data."

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

Adjusted gross income classes	Number of returns	Returns with net gain from sales of capital assets																	
		Net gain in adjusted gross income				Short-term (after carryover)				Long-term (after carryover)				Capital loss carryover				Net long-term capital gain in excess of the short-term capital loss	
		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
Grand total.....	5,930,093	11,069,464	603,284	691,234	268,906	5,734,830	21,099,256	36,948	42,741	107,150	55,249	117,579	101,688	5,734,830	117,579	101,688	4,785,887	19,132,991	20,820,358
Taxable returns, total.....	4,962,029	10,172,230	552,976	641,952	246,738	4,785,087	19,379,317	35,724	40,043	76,920	50,497	101,688	101,688	4,785,087	101,688	101,688	4,785,887	19,132,991	20,820,358
Under \$1,000.....	11,453	3,436	(*)	(*)	1,913	106,567	77,873	6,536	—	—	—	—	—	11,453	—	—	106,567	77,873	77,873
\$1,000 under \$2,000.....	108,830	41,999	8,212	9,227	1,913	155,577	157,940	—	—	—	—	—	—	155,577	—	—	155,577	156,389	156,389
\$2,000 under \$3,000.....	159,678	83,416	9,227	9,227	895	248,830	291,459	2,591	4,973	1,822	—	—	—	248,830	—	—	248,830	290,564	290,564
\$3,000 under \$4,000.....	232,191	151,412	12,298	6,422	1,744	283,837	376,360	—	—	—	—	—	—	283,837	—	—	283,837	374,617	374,617
\$4,000 under \$5,000.....	290,771	198,226	16,443	11,724	1,744	326,645	403,922	—	—	—	—	—	—	326,645	—	—	326,645	406,114	406,114
\$5,000 under \$6,000.....	339,390	244,511	25,461	15,341	4,800	326,645	403,922	—	—	—	—	—	—	326,645	—	—	326,645	406,114	406,114
\$6,000 under \$7,000.....	362,342	239,365	23,933	13,764	8,144	326,645	403,922	—	—	—	—	—	—	326,645	—	—	326,645	406,114	406,114
\$7,000 under \$8,000.....	359,018	234,399	25,930	13,764	8,144	326,645	403,922	—	—	—	—	—	—	326,645	—	—	326,645	406,114	406,114
\$8,000 under \$9,000.....	357,110	253,382	25,930	13,764	8,144	326,645	403,922	—	—	—	—	—	—	326,645	—	—	326,645	406,114	406,114
\$9,000 under \$10,000.....	327,146	247,335	29,168	16,318	1,940	316,943	407,153	—	—	—	—	—	—	316,943	—	—	316,943	407,153	407,153
\$10,000 under \$15,000.....	1,126,517	1,084,960	139,483	101,433	22,321	1,074,744	2,007,159	15,524	6,888	11,308	10,254	13,426	11,308	1,074,744	13,426	11,308	1,074,744	1,984,840	1,984,840
\$15,000 under \$20,000.....	519,042	802,669	79,660	84,135	19,103	497,257	1,466,504	7,669	5,092	7,508	9,625	9,683	7,508	497,257	9,683	5,092	497,257	1,447,403	1,447,403
\$20,000 under \$30,000.....	650,397	2,167,225	119,419	206,127	75,511	625,410	1,017,384	10,578	12,980	33,143	16,060	31,711	12,980	625,410	31,711	12,980	625,410	3,041,876	3,041,876
\$30,000 under \$50,000.....	122,536	1,235,950	25,656	81,215	48,339	119,575	2,542,420	1,736	4,604	23,544	5,183	16,775	4,604	119,575	16,775	5,183	119,575	2,497,078	2,497,078
\$50,000 under \$100,000.....	34,555	1,801,208	7,343	52,065	45,638	34,243	3,546,294	204	1,188	1,401	1,549	11,316	1,401	34,243	11,316	1,549	34,243	3,500,061	3,500,061
\$100,000 under \$500,000.....	1,290	483,277	296	7,275	5,794	1,288	957,797	—	—	—	—	—	—	1,288	—	—	1,288	957,797	957,797
\$500,000 or more.....	583	833,370	129	5,434	5,776	1,991,664	1,664,664	2	9	415	26	311	415	1,991,664	26	311	1,991,664	1,655,888	1,655,888
Non-taxable returns, total.....	968,063	897,232	50,304	49,574	22,169	949,741	1,713,939	2,474	2,698	10,230	4,752	15,891	10,230	949,741	15,891	4,752	949,741	1,697,769	1,697,769
No adjusted gross income.....	83,004	198,191	4,758	10,877	6,080	80,969	380,759	(*)	(*)	(*)	(*)	(*)	(*)	80,969	(*)	(*)	80,969	374,679	374,679
Under \$600.....	75,398	39,551	5,024	3,368	1,226	72,395	22,673	—	—	—	—	—	—	72,395	—	—	72,395	72,623	72,623
\$600 under \$1,000.....	95,939	37,183	3,132	1,268	1,226	92,551	76,373	—	—	—	—	—	—	92,551	—	—	92,551	76,114	76,114
\$1,000 under \$2,000.....	264,946	127,683	11,382	5,852	1,226	253,229	234,400	—	—	—	—	—	—	253,229	—	—	253,229	233,283	233,283
\$2,000 under \$3,000.....	180,768	116,293	7,803	3,914	1,161	177,846	225,160	—	—	—	—	—	—	177,846	—	—	177,846	224,771	224,771
\$3,000 under \$4,000.....	124,178	95,667	6,783	3,361	971	122,617	184,851	—	—	—	—	—	—	122,617	—	—	122,617	184,079	184,079
\$4,000 under \$5,000.....	64,642	55,423	2,248	1,179	971	65,777	104,460	—	—	—	—	—	—	65,777	—	—	65,777	108,689	108,689
\$5,000 or more.....	85,153	231,459	9,155	19,765	12,531	82,557	436,263	—	—	—	—	—	—	82,557	—	—	82,557	423,731	423,731
Returns under \$5,000.....	1,705,834	1,144,264	88,140	56,649	14,190	1,673,648	2,193,844	4,097	2,212	4,445	3,978	10,138	4,445	1,673,648	3,978	10,138	1,673,648	2,179,655	2,179,655
Returns \$5,000 under \$10,000.....	1,756,055	1,304,384	142,242	87,596	23,977	1,695,395	2,469,001	12,733	5,724	7,308	11,029	20,102	7,308	1,695,395	20,102	11,029	1,695,395	2,445,624	2,445,624
Returns \$10,000 or more.....	2,468,204	8,620,816	372,902	546,989	230,739	2,265,987	16,436,411	35,876	29,012	45,397	40,242	87,139	45,397	2,265,987	87,139	40,242	2,265,987	16,205,674	16,205,674

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

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

Adjusted gross income classes	Returns with net gain from sales of capital assets—Continued										Returns with normal tax and surtax only				Net long-term capital gain in excess of any short-term capital loss			
	Net gain in adjusted gross income		Short-term capital gain		Net short-term capital loss		Net long-term capital gain		Net long-term capital loss		Capital loss carryover		Short-term from 1962-1964		Long-term from 1964		Amount	
	Number of returns	(Thousand dollars)	Number of returns	(Thousand dollars)	Number of returns	(Thousand dollars)	Number of returns	(Thousand dollars)	Number of returns	(Thousand dollars)	Number of returns	(Thousand dollars)	Number of returns	(Thousand dollars)	Number of returns	(Thousand dollars)	Number of returns	(Thousand dollars)
Grand total.....	5,071,379	7,031,169	445,814	576,338	186,771	187,894	4,891,755	13,163,720	51,109	36,132	37,059	76,296	89,631	89,631	89,631	2,211,755	12,981,833	
Taxable returns, total.....	4,875,381	6,844,553	537,395	567,341	183,535	184,530	4,698,439	12,910,392	50,234	35,724	36,923	74,539	86,639	86,639	2,198,426	12,722,972		
Under \$1,000.....	11,453	3,426	5,120	3,457	4,329	1,913	136,567	77,873	6,336	—	—	—	—	—	11,453	6,336		
\$1,000 under \$2,000.....	108,893	31,949	9,227	5,222	3,651	895	155,577	157,340	1,993	1,821	—	—	—	—	108,893	157,340		
\$2,000 under \$3,000.....	159,679	43,416	12,598	6,822	4,899	1,744	283,837	376,360	4,247	2,551	—	—	—	—	159,679	376,360		
\$3,000 under \$4,000.....	253,193	151,412	18,643	11,734	10,317	2,800	326,645	401,422	2,993	1,440	—	—	—	—	253,193	401,422		
\$4,000 under \$5,000.....	265,771	138,226	19,443	11,734	10,317	2,800	326,645	401,422	2,993	1,440	—	—	—	—	265,771	401,422		
\$5,000 under \$6,000.....	339,390	214,511	25,561	15,341	10,317	2,800	326,645	401,422	2,993	1,440	—	—	—	—	339,390	401,422		
\$6,000 under \$7,000.....	362,542	235,385	28,728	17,244	10,317	2,800	326,645	401,422	2,993	1,440	—	—	—	—	362,542	401,422		
\$7,000 under \$8,000.....	328,018	234,669	27,910	18,186	9,344	3,567	311,965	444,964	5,847	1,440	—	—	—	—	328,018	444,964		
\$8,000 under \$9,000.....	327,110	263,382	29,168	16,318	11,231	1,940	316,945	467,153	2,408	1,990	—	—	—	—	327,110	467,153		
\$9,000 under \$10,000.....	327,126	267,335	29,168	16,318	11,231	1,940	316,945	467,153	2,408	1,990	—	—	—	—	327,126	467,153		
\$10,000 under \$15,000.....	1,126,517	1,084,960	139,483	104,433	37,942	22,321	1,074,744	2,007,159	15,524	8,893	6,888	11,308	10,254	13,426	1,074,744	2,007,159		
\$15,000 under \$20,000.....	519,042	802,699	78,660	84,135	23,717	19,103	497,257	1,406,574	7,635	5,082	7,508	7,508	6,683	9,683	519,042	1,406,574		
\$20,000 under \$30,000.....	640,862	2,117,914	118,469	204,495	52,265	31,450	617,875	3,920,582	10,578	9,804	12,887	32,656	31,440	31,440	640,862	3,920,582		
\$30,000 under \$40,000.....	77,463	818,448	17,477	59,066	11,941	31,450	74,502	1,717,742	15,795	3,804	2,884	15,795	11,938	11,938	77,463	1,717,742		
\$40,000 under \$50,000.....	4,318	235,240	1,148	13,197	907	11,903	4,006	498,370	204	1,188	192	4,679	2,055	2,055	4,318	498,370		
\$50,000 under \$100,000.....	50	18,432	12	995	17	1,365	48	36,238	3	9	3	103	178	178	50	36,238		
\$100,000 or more.....	20	13,259	6	52	4	68	18	26,702	2	9	—	—	—	—	20	26,702		
Non-taxable returns, total.....	196,000	186,618	8,923	8,927	3,236	3,367	133,315	399,328	878	4,077	—	—	—	—	196,000	399,328		
No adjusted gross income.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Under \$500.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
\$500 under \$1,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
\$1,000 under \$2,000.....	23,097	11,144	—	—	—	—	—	—	—	—	—	—	—	—	23,097	11,144		
\$2,000 under \$3,000.....	38,231	17,456	—	—	—	—	—	—	—	—	—	—	—	—	38,231	17,456		
\$3,000 under \$4,000.....	51,544	38,868	—	—	—	—	—	—	—	—	—	—	—	—	51,544	38,868		
\$4,000 under \$5,000.....	30,810	23,434	—	—	—	—	—	—	—	—	—	—	—	—	30,810	23,434		
\$5,000 or more.....	52,267	95,715	3,079	6,301	1,641	3,105	51,716	182,055	—	—	—	—	—	—	52,267	182,055		
Returns under \$5,000.....	965,655	569,392	52,333	29,531	14,472	4,813	927,863	1,097,423	2,713	3,495	—	—	—	—	965,655	1,097,423		
Returns \$5,000 under \$10,000.....	1,229,451	1,200,562	127,405	79,453	45,482	39,290	1,670,703	2,373,892	12,888	5,712	6,284	2,362	10,739	10,739	1,229,451	2,373,892		
Returns \$10,000 or more.....	2,137,973	5,211,195	396,081	467,374	126,812	163,291	2,273,191	5,708,287	35,868	29,927	28,762	72,712	70,336	70,336	2,137,973	5,708,287		
Adjusted gross income class:																		
Net gain in adjusted gross income	491	(50)	(51)	(51)	(51)	(51)	327,409	74,326	15,433	62,209	59,569	21,382	21,382	21,382	21,382	21,382		
Number of returns	86,504	31,327,678	15,481	74,318	15,433	62,209	6,568,025	3,130	3,130	3,130	3,130	3,130	3,130	3,130	3,130	3,130		
Net short-term capital gain	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	
Number of returns	15,481	74,318	15,433	74,318	15,433	62,209	6,568,025	3,130	3,130	3,130	3,130	3,130	3,130	3,130	3,130	3,130		
Net short-term capital loss	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)	
Number of returns	15,433	74,318	15,433	74,318	15,433	62,209	6,568,025	3,130	3,130	3,130	3,130	3,130	3,130	3,130	3,130	3,130		
Net long-term capital gain (after carryover)	(59)	(59)	(59)	(59)	(59)	(59)	(59)	(59)	(59)	(59)	(59)	(59)	(59)	(59)	(59)	(59)	(59)	
Number of returns	15,433	74,318	15,433	74,318	15,433	62,209	6,568,025	3,130	3,130	3,130	3,130	3,130	3,130	3,130	3,130	3,130		
Net long-term capital loss	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	
Number of returns	15,433	74,318	15,433	74,318	15,433	62,209	6,568,025	3,130	3,130	3,130	3,130	3,130	3,130	3,130	3,130	3,130		
Net long-term capital gain	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	
Number of returns	15,433	74,318	15,433	74,318	15,433	62,209	6,568,025	3,130	3,130	3,130	3,130	3,130	3,130	3,130	3,130	3,130		

NOTE: Data are not adjusted for total because of rounding. See text for "Explanation of Classifications and Terms" and "Source of Data." In reports of this type, the data are included in the appropriate category. An asterisk in a cell denotes that the estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate category.

CONTENTS

Selected deductions and exclusions from gross income, 31
Sick pay exclusion, 31
Self-employed pension deduction, 32
Employee moving expenses, 32
Employee business expenses, 33
Personal deductions, standard and itemized, 33
Standard deduction, 33
Itemized deductions, 35
Exemptions, 35

Text tables

2.1 Sick pay exclusion by size of exclusion and by income size, 32
2.2 Self-employed pension deduction by income size, 32
2.3 Moving expense deduction by size of deduction and by income size, 33
2.4 Employee business expense deduction by size of deduction and by income size, 34
2.5 Form of deduction: Returns, by income size, 35
2.6 Selected sources of income, by form of deduction, 35
2.7 Exemptions by type, 35

Chart

2A Percentage distribution of returns by form of deduction, 33

Basic tables

13 Returns with standard deduction. Sources of income and tax items, by income size, 36
14 Returns with standard deduction: Sources of income, by marital status, 39
15 Returns with standard deduction: Adjusted gross income and tax items, by income size and by marital status, 40
16 Returns with itemized deductions: Sources of income and tax items, by income size, 41
17 Returns with itemized deductions: Sources of income, by marital status, 44
18 Returns with itemized deductions: Adjusted gross income and tax items, by income size and by marital status, 45
19 Number of returns and number of exemptions by type of exemption, marital status and income size, 46

Taxpayers filing individual income tax returns claimed two types of income-related deductions: (1) those deductions from gross income to arrive at adjusted gross income and (2) those deductions from adjusted gross income to arrive at taxable income.

In general, the first group included (1) those ordinary and necessary expenses of operating a trade or business and (2) those expenses generally incurred in the production or collection of income. Data for "ordinary and necessary expenses of operating a trade or business," such as a sole proprietorship or partnership, while not included in this publication are included in *Statistics of Income--U. S. Business Tax Returns*. Most expenses incurred in the "production or collection of income" are netted against that income. For example, depreciation and repairs on rental property are deducted from gross rent and rent income or loss is presented in this publication net of these amounts. Such gross income deductions have been published in previous issues of this report.

Presented in this section are those expenses against gross income incurred by an employee in the production of income. For example, an employee incurs a deduction for "moving expense" if that expense was generated by the necessity to move to a new job location. In a like manner, an outside salesman incurs an "employee trade or business expense" for travel while away from home in the performance of his services. Also included in this section are data on those deductions from gross income for sick pay and contributions to self-employed pension plans. These four "adjustment" items--employee moving expenses, employee business expenses, sick pay exclusion, and self-employed pension deductions--are reported in Part III, page 2, of the Form 1040. Each of the items is discussed in more detail in separate sections below.

Included in the second group, deductions from adjusted gross income, are those items which are generally personal in nature such as medical expenses and charitable contributions. For ease of administration and reduction of the burden of separate calculations, the taxpayer may take a "standard" deduction rather than itemize each of his personal deductions. Election of a standard deduction does not bar the taxpayer from taking any deductions allowed against gross income.

Also included in the second group are exemptions of \$600 for the taxpayer, his spouse, and his dependents. Additional exemption allowances of \$600 are allowed a taxpayer or his spouse for age (65 or over) or blindness.

Within this framework, deductions and exemptions are discussed in more detail below.

SELECTED DEDUCTIONS AND EXCLUSIONS FROM GROSS INCOME

Tax year 1965 was the second successive year for which a separate section was provided on Form 1040 for listing certain exclusions and deductions from gross income, classed "adjustments." Data measuring the second year impact and an explanation of significant provisions for each of these are provided below.

Sick Pay Exclusion

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 a distinction was made between illness and injury.

a. Sick pay was limited to \$100 a week from the first day of absence if the individual was injured or hospitalized at least one day.

b. A seven-day waiting period applied if the absence was due to unhospitalized illness.

Under the new law no distinction is made between illness and injury.

a. Sick pay is limited to \$75 a week for the first thirty days but only if sick pay is 75 percent or less of regular pay.

Table 2.1—RETURNS WITH SICK PAY EXCLUSION BY SIZE OF EXCLUSION AND BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Number of returns	Salaries and wages (Thousand dollars)	Amount of sick pay exclusion (Thousand dollars)	Size of exclusion									
				Under \$100		\$100 under \$300		\$300 under \$500		\$500 under \$1,500		\$1,500 or more	
				Number of returns	Amount of sick pay exclusion (Thousand dollars)	Number of returns	Amount of sick pay exclusion (Thousand dollars)	Number of returns	Amount of sick pay exclusion (Thousand dollars)	Number of returns	Amount of sick pay exclusion (Thousand dollars)	Number of returns	Amount of sick pay exclusion (Thousand dollars)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
Grand total.....	662,942	5,566,971	431,130	99,781	5,146	188,255	34,840	109,742	42,536	191,941	162,619	73,225	185,992
Taxable returns, total.....	615,886	5,411,812	356,683	98,312	5,074	182,371	33,703	102,824	39,805	179,710	151,043	52,666	127,065
Under \$2,000.....	7,580	14,345	5,882	4,104	214	14,628	2,728	9,051	3,805	9,423	8,767	6,028	14,858
\$2,000 under \$3,000.....	18,745	54,323	19,598							7,707	5,647	6,626	18,300
\$3,000 under \$4,000.....	34,971	148,965	29,025	15,559	829	15,185	2,973	7,725	3,004	18,518	16,123	5,201	10,296
\$4,000 under \$5,000.....	58,457	277,232	33,027										
\$5,000 under \$6,000.....	65,305	383,478	41,270	12,390	700	13,962	2,837	9,858	3,953	22,851	19,360	9,244	14,420
\$6,000 under \$7,000.....	75,366	514,401	47,948	12,326	566	23,914	4,466	11,890	4,773	18,123	15,963	6,477	
\$7,000 under \$8,000.....	59,104	450,054	28,862	7,726	360	22,062	3,462	9,485	3,660	17,563	14,174	12,256	30,544
\$8,000 under \$9,000.....	53,318	455,302	21,479	11,105	538	15,849	2,685	4,438	3,634	16,080	13,165		
\$9,000 under \$10,000.....	47,688	454,956	23,803	6,544	406	17,278	3,015	7,870	2,816	12,775	11,344	3,221	6,222
\$10,000 under \$15,000.....	148,189	1,754,936	71,858	24,100	1,225	47,269	8,788	28,835	11,047	40,057	32,689	7,926	18,111
\$15,000 under \$20,000.....	29,129	460,836	18,056	3,517	185	8,271	1,499	5,942	2,269	9,181	7,627	2,217	6,477
\$20,000 under \$50,000.....	15,625	335,731	13,110	845	4	3,458	698	2,430	917	6,574	5,427	2,316	6,064
\$50,000 under \$100,000.....	1,890	77,714	2,142	79	4	395	72	260	100	662	578	495	1,388
\$100,000 under \$500,000.....	501	28,500	590	17	1	99	20	66	25	190	173	129	371
\$500,000 under \$1,000,000.....	7	155	15	-	-	-	-	1	(1)	3	3	3	11
\$1,000,000 or more.....	11	884	18	-	-	-	-	3	3	3	3	4	13
Nontaxable returns.....	47,055	155,158	74,447	(*)	(*)	5,882	1,138	6,917	2,733	12,231	11,577	20,559	58,927
Returns under \$5,000.....	163,408	628,137	157,690	21,132	1,118	34,389	6,710	23,692	9,541	46,756	41,185	36,940	99,137
Returns \$5,000 under \$10,000.....	303,866	2,276,374	167,205	50,091	2,569	93,872	17,093	48,512	18,636	38,344	74,836	23,047	54,072
Returns \$10,000 or more.....	195,668	2,662,460	106,235	28,538	1,460	59,444	11,037	37,538	14,359	96,841	46,598	13,238	32,783

See text for "Explanation of Classifications and Terms" and "Sources of Data, Description of the Sample, and Limitations of the Data."
 (*) An asterisk in a cell denotes that the estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.
 † Less than \$500.
 NOTE: Detail may not add to total because of rounding.

- b. After 30 days, \$100 a week is excludable regardless of the percentage that sick pay was of regular pay.
- c. In no case is there an exclusion for the first seven days unless the individual is hospitalized.

Table 2.1 shows that taxpayers reporting on 663 thousand returns claimed a sick pay exclusion in 1965, reflecting a 13 percent decline from those shown in 1964. A corresponding 17 percent decline occurred in the amount of exclusion. The decline in number of returns and amount of sick pay exclusion was not as sharp as that experienced in 1964, the first year of the major change in the provisions covering this exclusion. That year the number of returns declined 60 percent and the amount claimed 40 percent.

The amount of the sick pay exclusion averaged \$650 per return and 8 percent of the salaries reported in 1965. For taxpayers filing returns with adjusted gross income of less than \$5,000, the exclusion averaged \$965 or one-fourth their salaries and wages. Generally, the average exclusion and the amount of the exclusion as a percent of salaries and wages decreased as income increased. "Size of Exclusion" is shown for the first time in 1965. The data showed that individuals with an exclusion of \$1,500 or more accounted for more than two-fifths of the total exclusion.

Self-Employment Pension Deduction

Under the Self-Employed Individual Tax Retirement Act of 1962, which first became effective in 1963, individuals are treated 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.

For 1965, nearly 50 thousand individual income tax returns showed deductions for contributions to self-employment retirement plans. This was a 28 percent increase over the 1964 figure of 39 thousand. The \$35 million deducted for 1965 represented a growth of 32 percent over

Table 2.2—RETURNS WITH SELF-EMPLOYMENT PENSION DEDUCTION: NUMBER OF RETURNS AND AMOUNT OF DEDUCTION BY ADJUSTED GROSS INCOME CLASSES, 1964 AND 1965

Adjusted gross income classes	1964		1965	
	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)
	(1)	(2)	(3)	(4)
Grand total.....	38,766	26,383	47,743	34,832
Taxable returns, total.....	37,257	26,097	48,964	34,678
Under \$5,000.....	3,137	547	4,682	1,548
\$5,000 under \$10,000.....	8,383	2,486	11,331	4,511
\$10,000 under \$15,000.....	4,637	2,160	5,910	2,650
\$15,000 under \$20,000.....	4,371	2,828	4,409	2,591
\$20,000 under \$50,000.....	12,772	13,226	16,493	16,081
\$50,000 under \$100,000.....	3,604	4,381	5,340	6,512
\$100,000 or more.....	553	469	611	785
Nontaxable returns.....	1,509	286	(*)	(*)
Returns under \$5,000.....	4,444	823	5,261	1,603
Returns \$5,000 under \$10,000.....	8,484	2,495	11,475	4,555
Returns \$10,000 or more.....	25,738	23,064	33,007	28,674

(*) An asterisk in a cell denotes that the 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.

the \$26 million deducted in the previous year. Table 2.2 shows that in 1965, as in the preceding year, approximately two-thirds of the deduction was taken on taxable returns with adjusted gross income over \$20,000.

Employee Moving Expenses

As a result of the Revenue Act of 1964, an employee was allowed a deduction for unreimbursed expenses incurred in moving household goods and personal effects. These expenses included expenses incurred by him and his household in traveling from his old residence to a new job location. The deduction, first available in 1964, was allowable only if the new job location would have required at least an additional 20 miles of commuting had the employee continued to live at his former residence. Furthermore, the employee must have full-time employment in the new vicinity for 39 weeks during the twelve months following the move.

Table 2.3—RETURNS WITH MOVING EXPENSE DEDUCTION BY SIZE OF DEDUCTION AND BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Number of returns	Amount of moving expense deduction (Thousand dollars)	Size of deduction									
			Under \$50		\$50 under \$100		\$100 under \$200		\$200 under \$500		\$500 or more	
			Number of returns	Amount of moving expense deduction (Thousand dollars)	Number of returns	Amount of moving expense deduction (Thousand dollars)	Number of returns	Amount of moving expense deduction (Thousand dollars)	Number of returns	Amount of moving expense deduction (Thousand dollars)	Number of returns	Amount of moving expense deduction (Thousand dollars)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
Grand total.....	337,577	113,378	31,909	1,003	45,177	3,343	90,104	12,756	102,375	33,019	68,910	63,261
Taxable returns, total.....	327,207	106,324	30,955	981	44,370	3,287	89,382	12,647	99,303	31,891	63,148	61,920
Under \$2,000.....	10,361	2,489	-	-	4,657	322	9,259	1,371	7,870	2,351	4,871	4,007
\$2,000 under \$3,000.....	15,435	3,582	1,566	185	-	-	-	-	-	-	-	-
\$3,000 under \$4,000.....	26,996	6,447	-	-	4,846	350	9,164	1,262	5,703	1,939	3,177	4,773
\$4,000 under \$5,000.....	37,554	10,873	4,183	137	4,038	319	10,376	1,521	11,245	3,243	7,110	5,673
\$5,000 under \$6,000.....	35,602	12,508	4,650	174	6,400	483	7,633	1,135	12,263	4,016	6,400	6,779
\$6,000 under \$7,000.....	39,003	13,287	-	-	5,592	404	12,281	1,807	11,808	3,806	7,580	7,212
\$7,000 under \$8,000.....	41,449	8,808	10,217	278	8,243	589	14,337	1,870	13,535	4,011	4,027	4,537
\$8,000 under \$9,000.....	34,363	10,702	-	-	-	-	9,390	1,273	8,142	3,157	7,921	5,797
\$9,000 under \$10,000.....	64,919	24,679	5,486	181	9,118	711	12,730	1,838	23,315	7,606	14,271	14,344
\$10,000 under \$15,000.....	14,018	6,857	-	-	-	-	3,448	472	3,630	1,148	5,115	5,134
\$15,000 under \$20,000.....	7,144	5,693	853	26	1,575	109	-	-	1,690	580	4,110	4,964
\$20,000 under \$50,000.....	310	311	-	-	-	-	760	113	94	32	195	278
\$50,000 under \$100,000.....	53	84	-	-	-	-	4	(1)	7	2	41	81
\$100,000 under \$500,000.....	-	-	-	-	-	-	-	-	-	-	-	-
\$500,000 under \$1,000,000.....	-	-	-	-	-	-	-	-	-	-	-	-
\$1,000,000 or more.....	-	-	-	-	-	-	-	-	-	-	-	-
Nontaxable returns.....	10,373	7,059	953	22	(*)	(*)	(*)	(*)	3,071	1,132	4,816	5,74
Returns under \$5,000.....	60,160	16,025	6,519	207	10,211	728	18,857	2,672	16,354	5,290	8,220	7,129
Returns \$5,000 under \$10,000.....	190,373	59,730	19,051	588	24,272	1,795	54,306	7,655	57,284	18,362	36,059	31,331
Returns \$10,000 or more.....	26,674	37,623	6,339	208	10,694	820	16,341	2,419	28,737	9,367	23,731	24,801

See text for "Explanation of Classifications and Terms" and "Sources of Data, Description of the Sample, and Limitations of the Data."
 (* An asterisk in a cell denotes that the estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.
 † Less than \$500. NOTE: Detail may not add to total because of rounding.

Table 2.3 shows that taxpayers on 338 thousand returns incurred unreimbursed expenses of \$113.4 million as they moved to new job locations in 1965, an average deduction per return of \$336. The deduction tended to increase as income increased.

Employee Business Expenses

Prior to 1964, employee expenses for travel away from home, transportation, expenses of outside salesmen, etc., were deductible from gross income, but no specific place was provided for them on the return. For 1964 and succeeding years, a separate line was added. Large amounts of employee business expenses, however, are compensated for under reimbursement or other expense allowance arrangements with employers and do not appear on the form. 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., are taken as itemized deductions on the return.

For 1965, as shown in table 2.4, the number of individual returns with employee business expenses and the corresponding expense amount rose to a new level of approximately 2.5 million returns and \$2.5 billion. Employees with incomes of \$5,000 under \$10,000 filed over two-fifths of all returns with employee business expense and claimed a like proportion of the total expense reported.

Although the deduction for all such returns averaged \$1,024 per return, two out of three showed a deduction of less than \$1,000. Over one-fifth reported a deduction between \$500 and \$1,000.

PERSONAL DEDUCTIONS, STANDARD AND ITEMIZED

The taxpayer has the option of itemizing his personal deductions or taking a standard deduction. Personal deductions included such items as interest paid, medical deductions, State and local taxes, and charitable contributions. Although data for specific itemized deductions are not available in this issue, publications for previous

even-numbered years do contain detailed information for each of these items.

Standard Deduction

Rather than itemize each of his personal deductions, a taxpayer may elect a "standard" deduction in lieu of itemizing. As shown in chart 2A, taxpayers on 39.3 million returns, or approximately 59 percent of all returns, elected to do so in 1965. The continued upward movement in 1965 of the proportion of returns using the "standard" method was the reversal of a previous downward trend. In part, this reversal in trend results from the introduction in 1964 of the "minimum" standard deduction.

The minimum standard deduction, an alternative to the 10 percent method of calculating the 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

Chart 2A - Percentage Distribution of Returns by

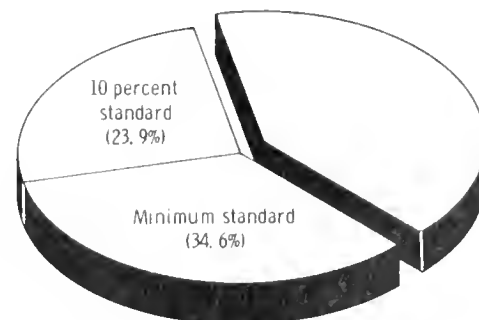


Table 2.4—RETURNS WITH EMPLOYEE BUSINESS EXPENSE DEDUCTION BY SIZE OF DEDUCTION AND BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income class	Size of deduction																				
	Under \$25		\$25 under \$50		\$50 under \$75		\$75 under \$100		\$100 under \$150		\$150 under \$200		\$200 under \$300		\$300 under \$500		\$500 under \$1,000		\$1,000 or more		
	Number of returns	Amount of employee business expense deduction (Thousand dollars)	Number of returns	Amount of employee business expense deduction (Thousand dollars)	Number of returns	Amount of employee business expense deduction (Thousand dollars)	Number of returns	Amount of employee business expense deduction (Thousand dollars)	Number of returns	Amount of employee business expense deduction (Thousand dollars)	Number of returns	Amount of employee business expense deduction (Thousand dollars)	Number of returns	Amount of employee business expense deduction (Thousand dollars)	Number of returns	Amount of employee business expense deduction (Thousand dollars)	Number of returns	Amount of employee business expense deduction (Thousand dollars)	Number of returns	Amount of employee business expense deduction (Thousand dollars)	
Non-taxable returns	11	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1
Taxable returns, total	2,102,884	2,782,236	55,573	2,644	65,868	3,963	72,822	6,306	139,370	17,143	123,021	21,266	221,579	54,496	179,954	61,900	609,900	1,089,289	1,779,479	2,177,954	2,782,236
Under \$1,000	313,423	299,494	54,331	1,991	61,984	3,786	69,300	6,904	136,753	16,713	120,868	20,374	213,668	53,131	177,479	60,900	609,900	1,089,289	1,779,479	2,177,954	2,782,236
\$1,000 under \$5,000	1,747,094	1,623,309	4,978	82	11,006	652	9,637	333	22,475	2,825	21,373	3,654	33,921	8,481	30,052	10,289	10,289	10,289	10,289	10,289	10,289
\$5,000 under \$10,000	241,317	223,717	3,724	59	7,337	591	7,098	624	13,666	14,259	14,259	2,488	22,639	5,464	17,691	9,149	9,149	9,149	9,149	9,149	9,149
\$10,000 under \$15,000	229,472	221,322	6,948	104	7,407	624	7,074	53	18,130	24,210	24,210	2,133	22,826	5,584	16,799	7,504	7,504	7,504	7,504	7,504	7,504
\$15,000 under \$20,000	222,707	139,292	6,948	104	7,407	624	7,074	53	18,130	24,210	24,210	2,133	22,826	5,584	16,799	7,504	7,504	7,504	7,504	7,504	7,504
\$20,000 under \$25,000	60,260	59,026	1,110	14	1,559	228	1,211	94	3,961	3,961	3,961	1,436	52,337	5,567	15,284	7,348	7,348	7,348	7,348	7,348	7,348
\$25,000 under \$30,000	164,663	211,428	2,871	39	4,002	348	3,462	366	17,811	17,811	17,811	1,449	12,901	12,901	12,901	16,326	16,326	16,326	16,326	16,326	16,326
\$30,000 under \$35,000	119,100	224,645	1,294	19	2,029	132	1,652	144	10,014	10,014	10,014	1,182	12,902	12,902	12,902	11,427	11,427	11,427	11,427	11,427	11,427
\$35,000 under \$40,000	104,266	34,211	58	1	83	132	1,652	144	10,014	10,014	10,014	1,182	12,902	12,902	12,902	11,427	11,427	11,427	11,427	11,427	11,427
\$40,000 under \$45,000	1,709	9,419	1	1	20	2	11	1	37	4	25	2	1	1	1	1	1	1	1	1	1
\$45,000 under \$50,000	50	488	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
\$50,000 or more	18	151	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Non-taxable returns	112,049	168,661	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Returns under \$5,000	452,117	445,101	83	12,761	494	14,092	930	12,576	1,079	24,752	4,000	31,472	9,775	31,212	10,703	10,703	10,703	10,703	10,703	10,703	10,703
Returns \$5,000 under \$10,000	1,164,377	1,136,426	263	25,119	803	27,397	36,742	3,193	70,366	85,540	10,765	104,298	26,806	82,365	28,303	28,303	28,303	28,303	28,303	28,303	28,303
Returns \$10,000 or more	914,323	1,954,010	409	20,619	777	23,339	1,427	23,524	1,028	19,957	7,201	72,789	17,915	66,377	22,942	22,942	22,942	22,942	22,942	22,942	22,942

See text for... (1) An asterisk... (2) Less than \$50...

(\$500 for married persons filing separately). For the most part, the minimum standard deduction was introduced as a means of providing some tax relief for taxpayers with low income and a relatively large number of exemptions.

Taxpayers on approximately one out of every three returns found it to their benefit to elect the minimum standard method in 1965. As was expected, table 2.5 shows that more than three out of every four of these returns had income under \$3,000. Nearly one-half of the returns of taxpayers electing the minimum standard deduction were nontaxable due in part to the greater deduction they obtained by using this method rather than the 10 percent standard deduction.

Itemized Deductions

Returns with itemized deductions increased by 962 thousand or 4 percent in 1965 after declining by approximately the same relative amount in 1964. The increase in 1965 was to be expected as returns with itemized deductions stabilized following the initial impact of the minimum standard deduction. Approximately 31 percent of those itemizing had income of \$10,000 or more as contrasted with only 7 percent of those choosing the standard

Table 2.5—FORM OF DEDUCTION AND NUMBER OF RETURNS, BY ADJUSTED GROSS INCOME CLASS

Income class	Returns with itemized deduction		Returns with standard deduction	
	Number	Percent of total	Number	Percent of total
Total	10,996,396	100.0	10,996,396	100.0
Under \$3,000	11,445,823	104.1	11,445,823	104.1
\$3,000 under \$10,000	4,152,492	37.8	4,152,492	37.8
\$10,000 or more	2,913,491	26.6	2,913,491	26.6
Non-taxable returns, total	10,996,396	100.0	10,996,396	100.0
Under \$3,000	11,445,823	104.1	11,445,823	104.1
\$3,000 under \$10,000	4,152,492	37.8	4,152,492	37.8
\$10,000 or more	2,913,491	26.6	2,913,491	26.6
Taxable returns, total	10,996,396	100.0	10,996,396	100.0
Under \$3,000	11,445,823	104.1	11,445,823	104.1
\$3,000 under \$10,000	4,152,492	37.8	4,152,492	37.8
\$10,000 or more	2,913,491	26.6	2,913,491	26.6

Table 2.6—SELECTED SOURCES OF INCOME FOR ALL RETURNS, RETURNS WITH ITEMIZED DEDUCTIONS, AND RETURNS WITH STANDARD DEDUCTION (Taxable and nontaxable returns)

Source of income	All returns ¹		Returns with itemized deductions		Returns with standard deduction			
	Amount (Thousand dollars)	Percent of adjusted gross income	Amount (Thousand dollars)	Percent of—		Amount (Thousand dollars)	Percent of—	
				Adjusted gross income	Income for all returns		Adjusted gross income	Income for all returns
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Adjusted gross income less deficit	424,201,239	100.0	267,347,731	100.0	156,853,499	100.0	367,201,239	100.0
Salaries and wages (gross)	347,156,002	81.9	209,093,422	78.2	144,523,111	92.1	347,156,002	94.8
Business or profession net profit and net loss	29,289,343	6.9	18,462,094	6.9	17,922,662	11.4	29,289,343	7.9
Farm net profit and net loss	3,364,409	0.8	2,122,122	0.8	3,144,773	2.0	3,364,409	0.9
Partnership net profit and net loss	14,500,217	3.4	8,993,431	3.4	11,971,736	7.6	14,500,217	3.9
Sales of capital assets, net gain and net loss	1,138,712	0.3	2,627,717	1.0	1,727,436	1.1	1,138,712	0.3
Dividends in adjusted gross income	22,361,271	5.3	12,096,071	4.5	12,757,223	8.1	22,361,271	6.1
Interest received	12,242,727	2.9	12,242,727	4.6	12,242,727	7.8	12,242,727	3.3
Rents net income and net loss	1,267,447	0.3	1,267,447	0.5	1,267,447	0.8	1,267,447	0.3
Royalties net income and net loss	1,267,447	0.3	1,267,447	0.5	1,267,447	0.8	1,267,447	0.3
Pensions and annuities	1,267,447	0.3	1,267,447	0.5	1,267,447	0.8	1,267,447	0.3
All other sources, income and loss ²	1,267,447	0.3	1,267,447	0.5	1,267,447	0.8	1,267,447	0.3

¹Includes returns with no adjusted gross income.

²Includes adjustments, sales of property other than capital assets, and ordinary gain from sales of depreciable property.

deduction. As shown in table 2.6, taxpayers itemizing showed larger proportions of dividends, interest, capital gains, and business income than those using the standard deduction.

EXEMPTIONS

In the computation of taxable income, exemptions were allowed for taxpayers and their dependents. Additional exemptions were allowed taxpayers for age (65 or over) and blindness.

A \$600 exemption was allowed a taxpayer for each child under 19 years of age or a student, regardless of the income earned by that child, if the taxpayer furnished more than half the support. If the child was 19 or over or 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.

A taxpayer was also allowed an exemption for dependents other than his children, if the dependent had less than \$600 of gross income and the taxpayer provided more than half his support. Table 2.7 shows that a total of 190.7 million exemptions were reported on the 67.6

returns filed for 1965. Total exemptions included 107.6 million for taxpayers, 75.1 million for their dependents, 7.9 million for taxpayers age 65 or over, and 107 thousand for blind taxpayers.

Exemptions for taxpayer and spouse (in general, the number of taxpayers) increased by 2.8 million over 1964. Exemptions for dependents increased by 0.4 million and for age by 0.3 million. There was virtually no change in the number of exemptions for blindness. Section 4 presents a more detailed discussion for taxpayers with an age exemption.

Table 2.7—NUMBER OF EXEMPTIONS BY TYPE

Type of exemption	Number	Percent
Total	190,700,000	100.0
Taxpayer's exemption, total	107,600,000	56.4
Taxpayer and spouse	107,600,000	56.4
Age 65 or over	7,900,000	4.1
Blindness	107,000	0.1
Dependent's exemption, total	83,100,000	43.6

See text for "Definition of the Sample and Terms."
¹Spouse included in category blind returns if the spouse is blind.
²Wife when the spouse is not claimed as a dependent.

INDIVIDUAL/1965 • DEDUCTIONS AND EXEMPTIONS

Table 13.—RETURNS WITH STANDARD DEDUCTION: SOURCES OF INCOME AND LOSSES, DEDUCTIONS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASS.—Continued

Adjusted gross income classes	Dividends in adjusted gross income		Interest received		Rental income (available portion)		Net income		Total		Taxable income		Income tax before credits	
	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)		
														(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)
Grand total.....	1,942,386	1,627,683	3,605,363	3,111,133	412,740	1,211,796	1,596,256	1,236,339	28,149	1,264,488	1,942,386	1,627,683	1,416,911	1,416,911
Taxable returns, total.....	1,438,996	1,459,093	2,714,477	2,298,606	324,437	666,035	990,472	828,662	47,077	875,549	1,438,996	1,459,093	1,264,488	1,264,488
Under \$1,000.....	15,310	7,096	48,777	1,681	22,165	2,334	52,162	9,022	13,483	15,310	15,310	7,096	7,096	-
\$1,000 under \$2,000.....	93,489	53,221	387,108	114,377	114,377	114,377	26,347	114,377	114,377	93,489	93,489	53,221	53,221	-
\$2,000 under \$3,000.....	85,855	62,025	419,318	169,019	83,473	60,724	73,570	1,000	13,776	85,855	85,855	62,025	62,025	-
\$3,000 under \$4,000.....	37,929	67,072	480,850	204,377	62,300	111,700	26,683	11,000	16,427	37,929	37,929	67,072	67,072	-
\$4,000 under \$5,000.....	107,824	70,149	211,883	211,883	43,810	86,307	70,741	68,344	37,929	107,824	107,824	70,149	70,149	-
\$5,000 under \$6,000.....	121,641	92,354	657,402	223,668	38,889	74,876	81,671	70,965	39,434	121,641	121,641	92,354	92,354	-
\$6,000 under \$7,000.....	133,487	76,755	704,956	224,792	41,230	69,133	85,665	76,693	43,615	133,487	133,487	76,755	76,755	1,124
\$7,000 under \$8,000.....	127,399	111,512	693,909	247,878	22,437	44,339	83,953	67,016	52,483	127,399	127,399	111,512	111,512	-
\$8,000 under \$9,000.....	114,451	88,407	522,179	216,780	20,934	32,626	67,078	48,226	47,691	114,451	114,451	88,407	88,407	-
\$9,000 under \$10,000.....	122,555	111,753	531,489	233,883	18,473	42,039	72,801	69,080	43,717	122,555	122,555	111,753	111,753	-
\$10,000 under \$15,000.....	341,958	342,093	1,376,373	637,014	43,954	88,283	158,177	150,227	93,736	341,958	341,958	342,093	342,093	1,264
\$15,000 under \$20,000.....	105,388	165,289	241,234	307,108	8,462	18,252	36,732	62,831	17,262	105,388	105,388	165,289	165,289	6,000
\$20,000 under \$50,000.....	67,205	176,152	113,534	193,837	5,917	12,163	29,486	78,023	10,960	67,205	67,205	176,152	176,152	6,000
\$50,000 under \$100,000.....	3,671	26,502	1,150	14,403	187	439	1,441	7,610	479	3,671	3,671	26,502	26,502	100
\$100,000 under \$500,000.....	432	5,363	1,025	3,275	40	305	159	1,303	69	432	432	5,363	5,363	113
\$500,000 under \$1,000,000.....	3	39	-	67	-	-	-	-	-	3	3	39	39	-
\$1,000,000 or more.....	1	45	-	-	-	-	-	-	-	1	1	45	45	-
Nontaxable returns, total.....	403,390	168,590	1,891,304	812,527	440,461	545,761	595,784	407,677	121,441	403,390	403,390	168,590	168,590	121
Under \$600.....	50,916	16,612	260,692	44,410	13,141	7,367	61,960	21,556	30,094	50,916	50,916	16,612	16,612	-
\$600 under \$1,000.....	71,887	24,979	364,257	94,498	31,942	19,871	111,603	58,606	20,461	71,887	71,887	24,979	24,979	-
\$1,000 under \$2,000.....	156,643	63,020	783,460	370,217	217,101	218,103	267,382	197,067	38,900	156,643	156,643	63,020	63,020	-
\$2,000 under \$3,000.....	91,022	43,057	347,870	203,812	141,378	217,269	118,597	106,011	26,367	91,022	91,022	43,057	43,057	-
\$3,000 under \$4,000.....	19,978	12,220	77,967	40,539	23,251	53,213	16,612	15,149	1,700	19,978	19,978	12,220	12,220	-
\$4,000 under \$5,000.....	9,942	10,145	38,619	38,619	11,846	35,972	11,798	3,973	4,672	9,942	9,942	10,145	10,145	-
\$5,000 or more.....	6,502	6,557	27,442	4,653	2,133	2,130	7,249	8,732	2,598	6,502	6,502	6,557	6,557	-
Returns under \$5,000.....	800,793	424,366	3,726,981	1,517,483	610,579	934,875	368,842	613,380	217,473	800,793	800,793	424,366	424,366	-
Returns \$5,000 under \$10,000.....	624,594	436,438	3,139,420	1,176,111	144,011	263,643	400,921	320,282	246,343	624,594	624,594	436,438	436,438	1,264
Returns \$10,000 or more.....	117,499	716,879	1,738,603	1,037,503	58,160	114,442	226,488	300,227	102,703	117,499	117,499	716,879	716,879	2,121

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

INDIVIDUAL/1965 • DEDUCTIONS AND EXEMPTIONS

Table 13.—RETURNS WITH STANDARD DEDUCTION: SOURCES OF INCOME AND LOSS, DEDUCTIONS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	Tax credits								Income tax after credits (Thousands of dollars)	Tax from recomputed prior year investment credit		Self-employment tax		
	Retirement income		Investment income		Foreign taxes		Other			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)						
	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)						
(63)	(64)	(65)	(66)	(67)										
Grand total.....	516,180	58,342	876,015	169,255	10,981	2,351	27,139	1,847	16,112,889	58,418	8,210	3,283,828	467,685	
Taxable returns, total.....	337,236	42,706	714,400	125,429	10,035	2,134	24,072	1,661	16,112,289	48,947	6,476	2,057,348	357,271	
Under \$1,000.....	-	-	15,756	408	-	-	-	-	4,537	-	-	15,227	742	
\$1,000 under \$2,000.....	2,600	457	3,734	1,736	-	-	4,002	63	308,616	-	350	145,754	10,489	
\$2,000 under \$3,000.....	1,042	3,734	31,399	1,736	-	-	-	-	656,418	2,000	350	211,087	22,432	
\$3,000 under \$4,000.....	60,479	6,767	55,156	3,943	-	-	-	-	1,044,259	1,287	140	256,712	35,107	
\$4,000 under \$5,000.....	56,377	6,743	67,851	6,773	3,568	237	-	-	1,316,743	3,336	280	248,559	41,528	
\$5,000 under \$6,000.....	33,717	5,914	82,332	9,087	-	-	4,141	108	1,477,227	5,348	390	227,206	42,185	
\$6,000 under \$7,000.....	27,970	4,875	73,660	9,930	-	-	-	-	1,643,343	3,916	341	184,419	35,359	
\$7,000 under \$8,000.....	18,774	2,297	67,383	10,089	-	-	2,548	242	1,632,523	2,900	297	148,990	29,117	
\$8,000 under \$9,000.....	16,060	2,457	54,809	9,184	4,607	623	-	-	1,668,997	2,610	217	123,784	25,121	
\$9,000 under \$10,000.....	17,302	3,268	44,372	8,354	-	-	2,811	495	1,375,354	4,900	320	94,541	20,388	
\$10,000 under \$15,000.....	20,501	4,667	135,913	36,810	2,320	474	5,402	275	3,422,119	13,376	1,840	257,126	58,968	
\$15,000 under \$20,000.....	7,501	1,167	46,400	14,264	929	142	1,385	72	825,016	4,152	755	79,816	19,773	
\$20,000 under \$50,000.....	4,426	674	40,041	18,076	596	612	560	203	66,236	4,647	1,480	61,178	15,312	
\$50,000 under \$100,000.....	25	41	3,611	2,359	-	-	-	-	132,506	390	62	2,732	689	
\$100,000 under \$500,000.....	53	-	26	412	1	46	67	120	47,951	55	38	226	61	
\$500,000 under \$1,000,000.....	-	-	1	4	-	-	-	-	1,585	-	-	1	1	
\$1,000,000 or more.....	-	-	-	-	-	-	-	-	607	-	-	-	-	
Nontaxable returns, total.....	177,940	15,636	161,527	43,828	946	217	3,060	181	-	13,468	1,741	1,226,480	110,413	
Under \$1,000.....	-	-	-	-	-	-	-	-	-	-	-	105,098	4,320	
\$1,000 under \$2,000.....	96,414	1,759	2,972	24	-	-	-	-	-	4,806	604	206,150	8,949	
\$2,000 under \$3,000.....	-	-	14,487	1,020	-	-	-	-	-	-	-	409,055	27,065	
\$3,000 under \$4,000.....	66,070	6,748	24,175	4,472	147	29	-	-	-	2,320	427	248,544	28,343	
\$4,000 under \$5,000.....	37,673	3,308	32,322	3,393	130	47	1,507	195	-	2,174	188	129,154	18,344	
\$5,000 under \$10,000.....	18,772	3,271	26,763	7,776	-	-	-	-	-	3,167	522	69,319	12,416	
\$10,000 or more.....	2,188	530	76,102	31,705	63	143	-	-	-	-	-	59,460	13,476	
Returns under \$5,000.....	353,234	32,462	273,786	29,183	4,294	264	12,313	498	3,330,370	17,955	1,967	2,044,350	207,235	
Returns \$5,000 under \$10,000.....	121,158	19,300	371,614	68,892	2,320	715	7,801	645	7,566,443	20,930	1,694	833,303	164,393	
Returns \$10,000 or more.....	41,728	6,580	230,715	77,820	3,862	1,372	7,325	702	6,196,076	21,933	4,382	606,175	96,057	
Adjusted gross income classes	Tax withheld		Payments on 1965 declaration		Tax due at time of filing		Number of returns	Amount (Thousands of dollars)	Overpayment					
	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)			Refund		Credit on 1966 tax			
									Cash requested	Bonus only requested	Number of returns	Amount (Thousands of dollars)	Number of returns	Amount (Thousands of dollars)
(68)	(69)	(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)	(80)	(81)	
Grand total.....	33,876,718	15,171,007	1,704,895	1,711,360	11,347,269	2,356,175	25,825,605	2,443,392	27,262,263	2,306,706	119,899	11,047	492,841	131,639
Taxable returns, total.....	28,620,810	14,606,460	1,733,394	1,477,429	10,263,530	2,260,016	17,394,977	1,864,707	16,928,437	1,743,612	77,257	8,900	418,150	112,181
Under \$1,000.....	47,717	44,761	2,321	389	68,707	1,136	47,627	46,076	465,992	98,285	-	-	2,258	168
\$1,000 under \$2,000.....	3,245,707	51,211	56,628	9,446	541,211	37,136	3,095,903	279,127	3,547,409	2,332	26,146	1,723	27,981	4,257
\$2,000 under \$3,000.....	3,088,667	25,179	67,769	1,808	678,022	74,300	2,772,131	196,786	2,722,766	194,467	9,341	438	22,261	2,893
\$3,000 under \$4,000.....	24,290,676	1,154,871	107,521	34,662	1,321,421	114,662	42,066,146	224,694	42,189,207	216,798	14,356	1,371	36,292	6,526
\$4,000 under \$5,000.....	3,074,637	1,387,548	125,668	49,771	1,225,036	147,767	2,083,649	226,744	2,043,187	214,660	9,994	1,027	34,549	5,758
\$5,000 under \$6,000.....	2,796,760	1,479,367	140,488	67,277	1,093,520	196,627	1,685,721	202,490	1,637,810	194,622	7,684	908	44,686	6,961
\$6,000 under \$7,000.....	2,396,340	1,643,971	127,441	70,184	1,095,197	170,807	1,441,126	199,439	1,405,752	192,224	2,933	303	36,086	6,912
\$7,000 under \$8,000.....	1,927,626	1,556,767	135,834	84,074	947,269	174,233	1,089,134	152,943	1,050,916	143,511	7,767	1,076	32,984	8,406
\$8,000 under \$9,000.....	1,431,092	1,365,428	117,087	79,624	759,481	157,871	756,482	108,603	726,427	100,539	4,789	1,104	31,072	7,077
\$9,000 under \$10,000.....	1,137,724	1,241,902	122,815	90,323	653,340	145,982	591,356	79,662	522,574	72,197	-	-	29,191	6,749
\$10,000 under \$15,000.....	1,956,625	2,717,339	359,977	350,990	1,720,324	202,102	626,959	105,662	548,086	90,296	3,258	508	82,747	24,859
\$15,000 under \$20,000.....	225,106	468,427	124,380	203,270	244,216	214,067	20,708	20,338	29,041	1,254	964	526	22,544	10,548
\$20,000 under \$50,000.....	77,432	309,207	89,693	335,457	109,690	263,619	24,287	25,176	10,003	6,447	-	-	14,774	18,759
\$50,000 under \$100,000.....	2,901	17,786	4,781	63,740	5,112	56,155	808	2,586	250	523	-	-	666	2,057
\$100,000 under \$500,000.....	344	3,067	580	17,421	619	25,844	65	58	18	43	-	-	58	246
\$500,000 under \$1,000,000.....	2	36	5	47	4	1,035	1	5	-	-	-	-	1	5
\$1,000,000 or more.....	1	-	1	19	1	621	-	-	-	-	-	-	-	-
Nontaxable returns, total.....	2,255,907	664,961	121,999	36,641	1,083,740	95,160	8,430,628	582,617	8,333,826	63,095	32,645	2,056	74,691	19,463
Under \$1,000.....	3,121,263	117,745	18,658	4,725	99,233	4,046	3,727,894	121,873	3,701,874	118,551	17,931	733	9,394	2,589
\$1,000 under \$2,000.....	1,956,320	138,632	21,093	4,287	193,757	8,316	1,963,343	142,225	1,942,890	138,705	8,305	644	13,931	2,875
\$2,000 under \$3,000.....	1,158,951	100,287	32,686	8,360	369,357	24,011	1,151,246	105,376	1,131,785	100,213	2,134	250	20,361	4,907
\$3,000 under \$4,000.....	799,733	94,517	25,193	7,866	309,253	21,674	782,163	97,489	768,139	93,975	1,463	173	14,592	3,342
\$4,000 under \$5,000.....	436,720	54,004	12,844	4,229	107,386	15,667	423,772	54,906	415,391	53,059	2,144	76	7,916	1,771
\$5,000 under \$10,000.....	258,355	34,921	9,511	4,384	55,176	10,227	253,980	37,039	250,645	35,689	-	-	3,916	1,349
\$10,000 or more.....	133,565	34,797	6,034	3,090	49,648	11,819	127,630	25,709	123,012	22,897	668	182	4,581	2,630
Returns under \$1,000.....	21,993,198	4,466,671	475,772	143,627	4,868,438	489,327	19,470,754	1,527,051	19,209,373	1,484,184	91,811	6,434	193,451	36,433
Returns \$1,000 under \$10,000.....	9,619,400	7,304,799	648,679	393,713	4,546,504	816,327	767,142	5,466,610	725,521	23,541	3,573	177,804	38,048	
Returns \$10,000 or more.....	2,263,820	3,399,437	580,444	974,529	1,884,277	1,060,521	704,454	155,199	688,280	97,001	4,247	1,040	121,586	57,158

See text for "Explanation of Indications and Terms" and "Sources of Data, Description of the Sample, and Limitations of the Data."
 *An asterisk in a cell denotes that the estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.
 †Less than \$100.
 NOTE: Detail may not add to total because of rounding.

Table 14.—RETURNS WITH STANDARD DEDUCTION: SOURCES OF INCOME AND LOSS BY MARITAL STATUS OF TAXPAYER

(Taxable and nontaxable returns)

Sources of income and loss	All returns		Joint returns of husband and wife		Separate returns of husband and wife		Returns of heads of households		Returns of single persons		Returns of widows	
	Number	Amount (Thousand dollars)	Number	Amount (Thousand dollars)	Number	Amount (Thousand dollars)	Number	Amount (Thousand dollars)	Number	Amount (Thousand dollars)	Number	Amount (Thousand dollars)
	1	2	3	4	5	6	7	8	9	10	11	12
Adjusted gross income:	14,527,247	169,716,987	1,487,777	187,767,117	1,154,774	1,624,111	807,266	89,812,111	9,117	1,111,111	1,111	1,111
Salaries and wages:	11,878,718	140,823,111	1,477,111	177,867,111	1,111,111	1,511,111	777,111	87,111,111	8,111	1,111,111	1,111	1,111
Business profits/losses:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Net profit:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Net loss:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Farm:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Net profit:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Net loss:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Partnerships:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Net profit:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Net loss:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Sales of capital assets:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Net gain:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Net loss:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Ordinary gain from sales of depreciable property:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Sales of property other than capital assets:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Net gain:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Net loss:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Dividends in adjusted gross income:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Interest received:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Pensions and annuities (taxable portion):	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Fees:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Net income:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Net loss:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Royalties:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Net income:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Net loss:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Other sources:	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111

See text for "Explanation of Classifications and Terms" and "Source of Data, Methods of Sampling, and Limitations of Data."

(*) An asterisk in a cell denotes that the estimate is not shown separately because of high sampling variability. However, the data are included in the totals.

†Number not tabulated.

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

Table 15. — 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

Table with 13 columns: Adjusted gross income classes, All returns, Joint returns of husbands and wives, Separate returns of husbands and wives, Returns of single persons not head of household or surviving spouse, and Income tax credits. Rows include taxable returns, Grand total, and various income classes from \$1,000 to \$50,000 or more.

See text for "Explanation of Classifications and Terms" and "Sources of Data, Description of the Sample, and Limitations of the Data." (*) Asterisk in a cell denotes that the 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/1965 • DEDUCTIONS AND EXEMPTIONS

Table 16.—RETURNS WITH ITEMIZED DEDUCTIONS: SOURCES OF INCOME AND LOSS, DEDUCTIONS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES—Continued

Table with 15 main columns: Adjusted gross income classes, Dividends in adjusted gross income, Interest received, Pensions and annuities (Taxable portion), Rents (Net income, Net loss), Royalties (Net income, Net loss). Sub-headers include Number of returns and Amount (Thousand dollars). Rows include Grand total, Taxable returns, and various income brackets (e.g., Under \$1,000, \$1,000 under \$2,000, etc.).

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

INDIVIDUAL/1965 • DEDUCTIONS AND EXEMPTIONS

Table 16.—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	Tax credits—Continued				Income tax after credits (Thousand dollars)	Tax first payment (Thousand dollars)		Tax second payment (Thousand dollars)		Number of returns	Amount (Thousand dollars)	
	Foreign taxes		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)								
(65)	(66)	(67)	(68)	(70)	(71)	(72)	(73)	(74)	(75)	(76)		
Grand total.....	111,140	29,324	22,682	6,856	33,416,704	74,000	17,200	11,470,000	1,420	12,120,000	111,140	29,324
Taxable returns, total.....	111,371	29,321	22,746	6,931	33,416,704	72,477	17,150	11,411,770	1,420	12,120,000	111,371	29,321
Under \$1,000.....	-	-	-	-	132	-	-	1,775	-	1,775	1	-
\$1,000 under \$2,000.....	-	-	-	-	19,912	-	-	17,752	-	17,752	1	-
\$2,000 under \$3,000.....	3,677	602	6,364	602	112,322	1,677	67	13,752	13,752	13,752	3,677	602
\$3,000 under \$4,000.....	5,922	91	-	-	311,242	1,677	257	47,262	47,262	47,262	5,922	91
\$4,000 under \$5,000.....	3,281	67	3,371	27	62,242	3,437	367	131,002	131,002	131,002	3,281	67
\$5,000 under \$6,000.....	3,191	627	3,203	153	1,381,947	3,191	666	2,341,112	2,341,112	2,341,112	3,191	627
\$6,000 under \$7,000.....	2,369	411	4,268	50	1,724,761	3,177	531	2,237,742	2,237,742	2,237,742	2,369	411
\$7,000 under \$8,000.....	2,962	273	6,126	119	1,999,064	4,433	66	1,972,722	1,972,722	1,972,722	2,962	273
\$8,000 under \$9,000.....	15,009	2,968	10,983	990	7,289,866	12,721	2,901	6,000,004	6,000,004	6,000,004	15,009	2,968
\$9,000 under \$10,000.....	13,190	4,778	7,427	401	3,363,899	7,631	1,341	2,294,222	2,294,222	2,294,222	13,190	4,778
\$10,000 under \$20,000.....	15,400	14,30	16,625	1,146	6,773,661	14,664	5,493	6,769	6,769	6,769	15,400	14,30
\$20,000 under \$30,000.....	11,264	10,674	6,601	923	3,521,612	1,347	1,665	14,208	14,208	14,208	11,264	10,674
\$30,000 under \$40,000.....	4,193	14,433	3,326	1,091	2,764,141	2,130	1,146	4,200	4,200	4,200	4,193	14,433
\$40,000 under \$50,000.....	436	3,401	142	378	40,320	114	130	26	26	26	436	3,401
\$50,000 or more.....	235	1,520	80	581	602,639	63	200	77	77	77	235	1,520
Nontaxable returns, total.....	3,764	6,322	3,922	126	-	1,574	1,413	2,341	2,341	2,341	3,764	6,322
Under \$600.....	-	-	-	-	-	-	-	2,317	2,317	2,317	-	-
\$600 under \$1,000.....	-	-	-	-	-	-	-	13,752	13,752	13,752	-	-
\$1,000 under \$2,000.....	-	-	-	-	-	-	-	6,642	6,642	6,642	-	-
\$2,000 under \$3,000.....	-	-	-	-	-	1,552	354	2,341	2,341	2,341	-	-
\$3,000 under \$4,000.....	3,769	6,322	3,922	126	-	3,403	314	2,341	2,341	2,341	3,769	6,322
\$4,000 under \$5,000.....	-	-	-	-	-	2,917	1,626	13,752	13,752	13,752	-	-
\$5,000 or more.....	-	-	-	-	-	-	-	-	-	-	-	-
Returns under \$5,000.....	9,163	6,76	11,266	764	1,007,114	6,273	754	2,763,707	2,763,707	2,763,707	9,163	6,76
Returns \$5,000 under \$10,000.....	14,982	2,624	15,224	932	7,474,663	23,060	2,762	1,160,000	1,160,000	1,160,000	14,982	2,624
Returns \$10,000 or more.....	32,995	26,082	25,221	1,560	24,904,927	42,153	11,904	11,486,293	11,486,293	11,486,293	32,995	26,082

Adjusted gross income classes	Payments on 1% declaration		Tax due at time of filing		Overpayment							
	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Underpayments		Overpayments		Number of returns	Amount (Thousand dollars)
							Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)		
(66)	(67)	(68)	(69)	(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)	
Grand total.....	3,764,763	4,124,381	4,634,804	5,101,135	12,294,446	4,366,313	1,234,034	3,771,611	1,490	16,111	1,234,034	4,366,313
Taxable returns, total.....	2,582,622	9,107,634	8,357,407	8,064,577	17,138,642	4,024,634	1,234,034	3,771,611	4,634	500	1,234,034	4,024,634
Under \$1,000.....	664	14	4,749	142	7,171	421	-	-	-	-	-	-
\$1,000 under \$2,000.....	15,972	2,797	147,731	8,410	131,134	15,972	-	-	-	-	-	-
\$2,000 under \$3,000.....	66,774	13,406	284,762	27,493	347,541	70,000	-	-	-	-	-	-
\$3,000 under \$4,000.....	139,262	39,110	413,723	36,815	1,026,732	14,021	-	-	-	-	-	-
\$4,000 under \$5,000.....	142,092	64,077	133,731	74,032	1,365,473	221,476	-	-	-	-	-	-
\$5,000 under \$6,000.....	320,422	43,761	102,281	48,675	1,732,736	330,277	-	-	-	-	-	-
\$6,000 under \$7,000.....	323,274	109,477	101,769	14,090	2,433,472	427,327	-	-	-	-	-	-
\$7,000 under \$8,000.....	318,471	115,418	109,634	110,244	2,309,777	427,327	-	-	-	-	-	-
\$8,000 under \$9,000.....	175,611	121,306	77,990	111,266	1,212,117	427,327	-	-	-	-	-	-
\$9,000 under \$10,000.....	163,713	117,711	128,489	103,437	1,633,733	377,066	-	-	-	-	-	-
\$10,000 under \$15,000.....	691,264	1,194,777	1,174,777	1,282,256	3,453,447	177,327	2,134,743	691,264	2,134,743	691,264	2,134,743	691,264
\$15,000 under \$20,000.....	471,267	1,691,627	1,641,627	448,464	4,212,223	123,477	402,661	113,711	2,307	32	123,477	4,212,223
\$20,000 under \$25,000.....	203,202	2,929,417	2,01,707	1,241,636	3,942,009	1,671	1,63,111	1,671	-	-	1,671	3,942,009
\$25,000 under \$30,000.....	174,237	1,671,433	177,882	142,436	4,472,664	123,477	1,136	24,732	-	-	123,477	4,472,664
\$30,000 under \$40,000.....	61,167	1,396,194	3,366	269,374	3,211	41,167	1,396	11,36	-	-	41,167	3,211
\$40,000 under \$50,000.....	1,366	2,162,000	1,197	179,384	177	1,366	2,162,000	-	-	-	1,366	2,162,000
\$50,000 or more.....	59	250,007	532	322,302	30	59	250,007	-	-	-	59	250,007
Nontaxable returns, total.....	1,182,141	24,647	277,397	36,221	5,155,804	3,339	66,291	324,721	1,490	500	11,111	3,339
Under \$600.....	1,471	1,000	1,269	76	14,773	1,471	-	-	-	-	-	-
\$600 under \$1,000.....	3,773	583	12,000	36	31,697	3,773	-	-	-	-	-	-
\$1,000 under \$2,000.....	21,624	6,391	11,012	3,766	131,652	21,624	-	-	-	-	-	-
\$2,000 under \$3,000.....	37,962	11,427	59,319	5,624	170,374	37,962	-	-	-	-	-	-
\$3,000 under \$4,000.....	36,779	11,627	64,171	6,981	167,339	36,779	-	-	-	-	-	-
\$4,000 under \$5,000.....	29,789	12,369	60,412	7,673	114,224	29,789	-	-	-	-	-	-
\$5,000 or more.....	21,624	20,722	29,245	11,971	199,337	21,624	-	-	-	-	-	-
Returns under \$5,000.....	41,167	163,112	14,76,491	1,66,212	3,841,717	41,167	211,711	69,697	211,711	41,167	211,711	69,697
Returns \$5,000 under \$10,000.....	1,982,277	21,716	2,214,547	241,627	10,212,717	2,134,743	4,366,313	1,234,034	4,366,313	2,134,743	10,212,717	4,366,313
Returns \$10,000 or more.....	2,161,786	2,929,417	2,134,777	2,363,297	13,449,922	1,136,563	1,136,563	1,136,563	1,136,563	1,136,563	1,136,563	1,136,563

* See text for "Expanded" and "Contracted" definitions of "Adjusted Gross Income".

† An asterisk in a cell indicates that the estimate is based on a sample of returns.

NOTE: Totals may not add due to rounding.

INDIVIDUAL/1965 • DEDUCTIONS AND EXEMPTIONS

Table 17.—RETURNS WITH ITEMIZED DEDUCTIONS: SOURCES OF INCOME AND LOSS BY MARITAL STATUS OF TAXPAYER

[Taxable and nontaxable returns]

Sources of income and loss	All returns		Joint returns of husbands and wives		Separate returns of husbands and wives		Returns of heads of household		Returns of surviving spouse		Returns of single persons not head of household or surviving spouse	
	Number	Amount (Thousand dollars)	Number	Amount (Thousand dollars)	Number	Amount (Thousand dollars)	Number	Amount (Thousand dollars)	Number	Amount (Thousand dollars)	Number	Amount (Thousand dollars)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Adjusted gross income.....	27,871,896	267,348,739	21,997,886	233,311,651	738,458	4,366,441	1,045,621	6,623,922	103,947	654,913	3,985,985	22,392,815
Salaries and wages (gross).....	24,340,265	205,963,923	19,812,329	183,411,473	643,719	3,406,886	948,738	5,310,778	87,690	461,484	2,847,788	13,373,303
Business or profession:												
Net profit.....	2,798,672	19,131,565	2,491,479	17,879,074	49,218	226,615	45,462	258,169	6,978	31,351	205,535	736,356
Net loss.....	465,480	729,475	413,967	636,099	7,612	14,758	6,727	14,295	(*)	(*)	36,707	63,874
Farm:												
Net profit.....	453,565	1,417,874	388,876	1,271,190	8,935	19,803	6,917	19,220	1,615	2,438	47,220	105,224
Net loss.....	367,885	712,755	333,253	644,672	4,917	12,912	5,354	11,558	1,592	2,804	22,769	40,809
Partnership:												
Net profit.....	976,522	9,580,462	861,393	8,900,487	20,365	126,160	18,169	113,177	2,821	21,512	73,775	419,126
Net loss.....	281,717	717,024	244,293	634,470	5,623	19,431	6,596	14,658	1,219	1,878	23,988	46,587
Sales of capital asset:												
Net gain.....	3,662,445	8,886,706	2,859,755	7,185,416	41,897	132,115	101,263	205,602	11,179	27,908	648,350	1,335,666
Net loss.....	1,015,530	657,938	803,889	515,631	56,216	48,959	21,551	12,945	5,041	3,229	128,834	77,179
Ordinary gain from sales of depreciable property.....	134,553	116,183	120,190	103,502	(*)	(*)	2,555	1,830	(*)	(*)	11,025	6,213
Sales of property other than capital assets:												
Net gain.....	32,111	35,246	28,436	31,576	(*)	(*)	(*)	(*)	(*)	(*)	2,668	2,746
Net loss.....	103,849	141,637	92,183	127,541	1,638	1,912	2,516	4,114	(*)	(*)	7,287	8,018
Dividends in adjusted gross income.....	3,906,699	11,264,372	2,766,073	1,457,464	66,734	278,731	115,923	306,711	19,335	38,233	938,624	3,183,233
Interest received.....	14,835,394	7,489,713	11,693,534	5,339,294	255,050	120,005	461,659	229,498	61,237	38,795	2,363,913	1,762,122
Pensions and annuities (taxable portion)	1,166,026	2,345,404	728,653	1,633,339	21,372	36,026	23,048	33,155	4,590	7,498	388,364	635,387
Rents:												
Net income.....	2,365,940	2,736,397	1,792,604	2,044,837	41,507	40,976	67,321	66,312	9,482	9,350	455,024	576,922
Net loss.....	1,569,922	1,134,714	1,281,615	973,850	31,938	23,314	54,534	30,771	4,530	3,063	177,304	103,717
Royalties:												
Net income.....	286,485	469,769	216,513	343,006	4,949	13,204	9,146	11,664	(*)	(*)	55,078	101,330
Net loss.....	21,973	56,539	19,033	52,868	(*)	(*)	(*)	(*)	(*)	(*)	2,218	2,438
Other sources.....	(1)	2,061,966	(1)	1,296,823	(1)	84,004	(1)	157,194	(1)	26,070	(1)	497,875

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

(*) An asterisk in a cell denotes that the estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.

1Number not tabulated.

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

INDIVIDUAL/1965 • DEDUCTIONS AND EXEMPTIONS

Table 19 —NUMBER OF RETURNS AND NUMBER OF EXEMPTIONS BY TYPE OF EXEMPTION, MARITAL STATUS OF TAXPAYER, AND ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Number of returns	Total number of exemptions	Number of exemptions for taxpayers age 65 or over	Exemptions for taxpayers age 65 or over		Exemptions for blindness		Exemptions for taxpayers' dependents	
				Number of returns	Number of exemptions	Number of returns	Number of exemptions	Number of returns	Number of exemptions
				(4)	(5)	(6)	(7)	(8)	(9)
ALL RETURNS									
Grand total.....	67,996,300	190,741,231	107,625,130	6,143,276	7,926,201	104,471	107,195	31,497,677	25,082,758
Taxable returns, total.....	53,700,794	153,203,616	87,914,437	3,290,127	4,056,593	9,998	61,769	26,495,134	61,170,816
Under \$1,000.....	552,583	552,583	552,583	-	-	-	-	-	-
\$1,000 under \$2,000.....	4,378,369	4,877,238	4,652,740	93,582	93,582	0,378	7,379	124,103	124,103
\$2,000 under \$3,000.....	4,321,234	6,261,297	5,238,032	337,421	336,229	-	-	782,476	925,472
\$3,000 under \$4,000.....	5,347,287	10,170,911	8,980,638	450,344	522,177	-	4,000	1,671,824	2,664,795
\$4,000 under \$5,000.....	2,011,239	12,548,338	7,944,443	459,343	564,186	-	6,467	2,300,972	4,468,392
\$5,000 under \$6,000.....	1,201,624	14,811,560	8,528,838	377,031	477,858	-	11,620	2,718,267	5,793,099
\$6,000 under \$7,000.....	1,378,580	17,466,412	9,426,340	320,128	404,436	-	6,317	3,280,865	7,624,319
\$7,000 under \$8,000.....	4,928,047	17,261,172	9,021,524	229,351	297,764	-	5,281	3,266,425	7,436,802
\$8,000 under \$9,000.....	4,125,098	14,994,493	7,752,774	177,366	226,679	-	4,982	2,834,144	7,011,291
\$9,000 under \$10,000.....	3,377,613	12,548,338	6,428,471	124,446	166,071	-	4,982	2,377,360	5,349,583
\$10,000 under \$15,000.....	7,667,823	28,269,386	14,832,806	346,177	451,039	-	8,125	5,345,094	12,927,014
\$15,000 under \$20,000.....	1,776,455	6,701,091	3,340,628	136,741	183,341	-	2,873	1,200,031	3,924,148
\$20,000 under \$50,000.....	1,389,340	2,363,690	1,093,341	180,431	281,598	-	2,968	903,377	2,444,079
\$50,000 under \$100,000.....	183,476	333,443	138,827	34,967	46,871	-	472	120,446	318,078
\$100,000 under \$500,000.....	43,713	158,693	81,784	14,674	19,117	-	171	23,143	57,420
\$500,000 under \$1,000,000.....	1,341	4,930	2,135	512	702	-	3	677	1,485
\$1,000,000 or more.....	624	2,113	1,113	211	337	-	3	281	660
Nontaxable returns, total.....	14,295,506	37,537,615	19,710,693	2,853,149	3,869,608	44,473	45,426	4,601,932	13,911,940
No adjusted gross income.....	397,376	1,113,395	661,448	85,564	114,177	-	-	146,012	337,330
Under \$600.....	4,130,301	5,267,762	4,599,726	230,124	287,033	-	3,954	230,777	466,150
\$600 under \$1,000.....	4,615,460	4,083,487	2,064,839	209,691	380,011	-	3,386	527,467	642,170
\$1,000 under \$2,000.....	2,316,755	2,272,490	4,391,493	1,222,918	1,245,213	-	10,395	1,136,072	2,324,318
\$2,000 under \$3,000.....	1,303,471	7,084,570	3,179,342	638,327	744,233	-	14,340	1,111,441	2,941,655
\$3,000 under \$4,000.....	914,466	4,972,582	1,863,405	237,224	365,069	-	6,254	6,917	744,457
\$4,000 under \$5,000.....	869,366	3,406,720	1,492,567	22,890	134,399	-	3,464	479,637	2,176,290
\$5,000 or more.....	491,267	3,330,690	949,244	62,638	93,371	-	1,739	422,019	6,286,136
Returns under \$5,000.....	33,017,350	68,298,900	44,137,885	4,131,381	5,292,209	-	60,580	62,340	9,059,788
Returns \$5,000 under \$10,000.....	3,473,737	20,274,708	12,052,897	1,290,839	1,663,520	-	29,012	29,820	36,528,472
Returns \$10,000 or more.....	11,105,211	41,167,673	21,436,348	723,136	970,472	-	14,879	15,035	7,660,998
JOINT RETURNS OF HUSBANDS AND WIVES									
Grand total.....	49,303,938	149,804,357	78,601,062	3,517,844	5,263,719	62,207	64,930	26,647,146	65,374,707
Taxable returns, total.....	33,921,099	126,120,643	67,838,037	1,945,504	2,709,772	40,623	42,393	23,499,301	55,530,447
Under \$1,000.....	(*)	(*)	(*)	-	-	-	-	-	-
\$1,000 under \$2,000.....	159,433	318,866	318,866	-	-	-	-	-	-
\$2,000 under \$3,000.....	857,156	2,714,312	1,714,312	77,294	78,082	-	3,817	267,111	269,643
\$3,000 under \$4,000.....	1,869,282	5,611,925	3,731,715	215,006	286,355	-	3,917	995,338	1,591,515
\$4,000 under \$5,000.....	2,671,348	9,342,034	5,342,034	264,192	372,695	-	4,039	1,684,092	3,385,342
\$5,000 under \$6,000.....	3,296,711	11,932,914	6,592,648	247,302	347,135	-	8,306	2,246,776	4,984,775
\$6,000 under \$7,000.....	4,023,774	15,333,773	8,046,885	218,076	307,365	-	6,172	2,409,713	6,473,252
\$7,000 under \$8,000.....	4,077,840	15,375,456	8,151,018	167,625	236,997	-	8,811	3,313,014	7,483,268
\$8,000 under \$9,000.....	3,620,791	14,155,116	7,241,681	133,170	174,738	-	3,366	2,632,029	6,737,856
\$9,000 under \$10,000.....	3,148,696	12,018,742	6,097,157	128,867	178,843	-	3,366	2,276,546	5,922,268
\$10,000 under \$15,000.....	1,183,773	27,421,251	14,361,277	260,281	367,122	-	6,527	1,202,433	12,683,904
\$15,000 under \$20,000.....	1,633,279	6,284,328	3,266,425	98,711	145,381	-	2,012	1,168,104	2,870,162
\$20,000 under \$50,000.....	1,275,322	3,142,170	1,550,572	135,133	206,260	-	2,015	920,515	2,389,324
\$50,000 under \$100,000.....	170,229	695,175	340,416	30,169	46,671	-	290	116,607	310,797
\$100,000 under \$500,000.....	37,850	147,398	75,642	10,318	16,110	-	109	22,043	55,447
\$500,000 under \$1,000,000.....	1,143	4,441	2,286	373	63	-	6	627	1,586
\$1,000,000 or more.....	89	1,852	972	179	267	-	1	253	508
Nontaxable returns, total.....	15,382,840	23,683,714	10,763,067	1,572,340	2,553,948	21,587	22,539	3,147,345	10,344,261
No adjusted gross income.....	257,764	965,746	515,383	1,087	79,115	-	-	131,598	311,103
Under \$600.....	288,072	960,482	76,143	98,545	151,900	-	2,486	102,496	231,050
\$600 under \$1,000.....	361,533	1,194,756	722,258	125,119	201,438	-	2,486	114,272	269,901
\$1,000 under \$2,000.....	1,427,199	4,934,127	2,852,927	551,724	860,360	-	10,962	547,917	1,217,915
\$2,000 under \$3,000.....	1,285,652	5,352,995	2,971,316	452,555	798,320	-	11,252	799,899	2,044,433
\$3,000 under \$4,000.....	816,467	4,194,999	1,632,934	183,583	309,959	-	7,062	624,655	2,247,541
\$4,000 under \$5,000.....	501,828	3,045,633	1,003,657	68,760	120,463	-	6,400	430,155	1,918,911
\$5,000 or more.....	444,319	3,095,276	888,349	40,965	71,928	-	1,594	396,355	2,133,405
Returns under \$5,000.....	10,492,836	37,687,878	20,981,671	2,092,836	3,219,151	-	27,847	29,607	5,697,531
Returns \$5,000 under \$10,000.....	13,485,033	72,284,689	36,967,720	866,937	1,259,183	-	22,980	23,788	13,498,907
Returns \$10,000 or more.....	10,326,969	39,831,889	20,651,611	538,071	78,5385	-	11,380	11,535	7,450,708

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

Table 19 —NUMBER OF RETURNS AND NUMBER OF EXEMPTIONS BY TYPE OF EXEMPTION, MARITAL STATUS OF TAXPAYER, AND ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income	Number of returns	Total exemptions	Number of exemptions by type of exemption	Exemption by type of taxpayer		Exemption by marital status of taxpayer		Total	Percentage of total exemptions
				Number of returns	Number of exemptions	Number of returns	Number of exemptions		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
SEPARATE RETURNS OF HUSBANDS AND WIVES									
Grand total.....	2,311,112	7,032,277	1,767,815	1,131,679	1,411,199	1,131,679	1,411,199	2,542,878	36.17%
Taxable returns, total.....	1,927,994	6,816,071	2,288,693	1,627,779	2,952,922	1,627,779	2,952,922	4,580,701	65.63%
Under \$1,000.....	6,298	6,298	6,298	-	-	-	-	6,298	0.09%
\$1,000 under \$2,000.....	253,275	602,962	367,612	87,211	471,311	87,211	471,311	558,522	8.20%
\$2,000 under \$3,000.....	395,281	602,667	214,073	17,728	19,826	17,728	19,826	218,099	3.20%
\$3,000 under \$4,000.....	365,001	714,701	325,290	16,532	16,967	16,532	16,967	181,257	2.65%
\$4,000 under \$5,000.....	321,293	761,766	373,312	7,991	9,052	7,991	9,052	97,043	1.42%
\$5,000 under \$6,000.....	202,301	456,490	233,501	3,501	3,811	3,501	3,811	40,678	0.59%
\$6,000 under \$7,000.....	156,432	370,954	177,231	2,878	2,878	2,878	2,878	30,671	0.44%
\$7,000 under \$8,000.....	95,892	231,196	108,691	-	-	-	-	11,507	0.17%
\$8,000 under \$9,000.....	46,023	119,916	52,090	2,764	6,909	2,764	6,909	72,847	1.07%
\$9,000 under \$10,000.....	24,115	61,132	26,272	-	-	-	-	27,893	0.40%
\$10,000 under \$15,000.....	43,713	97,368	47,493	4,776	6,776	4,776	6,776	71,619	1.05%
\$15,000 under \$20,000.....	14,793	34,877	17,791	1,277	1,277	1,277	1,277	13,316	0.19%
\$20,000 under \$25,000.....	7,964	21,326	11,811	1,064	1,064	1,064	1,064	11,247	0.16%
\$25,000 under \$50,000.....	1,114	2,399	1,114	30	30	30	30	30	0.04%
\$50,000 under \$100,000.....	409	422	409	149	147	149	147	147	0.21%
\$100,000 under \$1,000,000.....	28	62	29	12	12	12	12	12	0.02%
\$1,000,000 or more.....	38	72	38	12	12	12	12	12	0.02%
Non-taxable returns, total.....	383,118	1,216,206	479,122	504,199	458,277	504,199	458,277	762,177	10.83%
No adjusted gross income.....	18,476	62,196	62,196	7,419	7,419	7,419	7,419	64,776	0.91%
Under \$999.....	204,469	667,712	247,522	1,171	24,024	1,171	24,024	24,195	0.35%
\$0 under \$1,000.....	17,482	390,197	207,207	17,299	21,231	17,299	21,231	21,403	0.30%
\$1,000 under \$2,000.....	267,264	908,290	422,284	49,466	63,626	49,466	63,626	65,798	0.94%
\$2,000 under \$3,000.....	147,696	676,782	237,079	12,031	16,772	12,031	16,772	17,375	0.25%
\$3,000 under \$4,000.....	74,263	204,822	131,755	-	-	-	-	14,726	0.21%
\$4,000 under \$5,000.....	34,146	84,066	51,676	4,702	7,972	4,702	7,972	8,318	0.12%
\$5,000 or more.....	14,461	34,602	27,311	-	-	-	-	14,461	0.21%
Returns under \$1,000.....	2,273,362	7,247,111	2,883,713	1,627,779	2,471,341	1,627,779	2,471,341	4,098,682	58.30%
Returns \$1,000 under \$10,000.....	1,321,802	1,366,737	629,248	14,811	12,259	14,811	12,259	27,070	0.39%
Returns \$10,000 or more.....	67,948	148,429	73,854	6,666	6,666	6,666	6,666	6,666	0.10%
RETURNS OF HEADS OF HOUSEHOLD									
Grand total.....	1,227,412	4,177,364	1,227,412	41,716	41,716	41,716	41,716	1,269,128	18.17%
Taxable returns, total.....	1,056,907	3,844,034	1,666,907	52,231	5,221	1,137	1,137	1,644,777	42.78%
Under \$1,000.....	2,423	2,423	2,423	-	-	-	-	-	0.06%
\$1,000 under \$2,000.....	33,894	53,751	35,894	1,728	10,221	-	-	11,949	0.29%
\$2,000 under \$3,000.....	169,782	331,776	169,782	-	-	-	-	17,411	0.44%
\$3,000 under \$4,000.....	251,291	596,729	211,201	4,247	4,247	-	-	21,431	0.54%
\$4,000 under \$5,000.....	282,263	674,462	233,263	2,981	2,982	-	-	21,635	0.54%
\$5,000 under \$6,000.....	266,117	634,358	266,117	3,211	3,211	-	-	27,621	0.69%
\$6,000 under \$7,000.....	224,607	536,664	224,607	4,967	4,966	-	-	50,364	1.25%
\$7,000 under \$8,000.....	146,631	374,652	146,631	-	-	-	-	139,664	3.47%
\$8,000 under \$9,000.....	97,111	232,027	97,111	6,424	6,422	-	-	67,217	1.71%
\$9,000 under \$10,000.....	67,625	174,702	65,721	-	-	-	-	67,625	1.74%
\$10,000 under \$15,000.....	5,293	21,390	5,293	5,613	2,611	-	-	7,222	0.18%
\$15,000 under \$20,000.....	14,742	44,307	14,742	2,666	2,666	-	-	17,066	0.43%
\$20,000 under \$50,000.....	16,223	67,771	16,223	2,711	2,711	-	-	27,211	0.67%
\$50,000 under \$100,000.....	1,714	7,111	1,714	2,711	2,711	-	-	2,711	0.07%
\$100,000 under \$500,000.....	16	217	16	2	299	-	-	299	0.01%
\$500,000 under \$1,000,000.....	30	76	30	29	11	-	-	26	0.07%
\$1,000,000 or more.....	7	27	7	-	-	-	-	7	0.02%
Non-taxable returns, total.....	170,505	682,481	560,505	39,485	33,489	-	-	124,351	31.91%
No adjusted gross income.....	6,937	14,861	6,937	2,176	2,094	-	-	7,270	1.88%
Under \$999.....	14,251	26,212	14,251	4,976	4,976	-	-	4,976	1.25%
\$0 under \$1,000.....	23,182	44,415	23,182	-	-	-	-	23,182	5.79%
\$1,000 under \$2,000.....	92,087	251,454	92,087	17,976	17,976	-	-	17,976	4.54%
\$2,000 under \$3,000.....	77,627	185,357	77,627	1,966	1,966	-	-	1,966	0.50%
\$3,000 under \$4,000.....	21,664	74,231	21,664	1,767	1,767	-	-	1,767	0.44%
\$4,000 under \$5,000.....	67,711	154,144	67,711	1,767	1,767	-	-	1,767	0.44%
\$5,000 or more.....	2,926	81,111	2,926	-	-	-	-	2,926	0.74%
Returns under \$1,000.....	967,449	2,321,456	967,449	61,526	61,524	-	-	61,524	1.50%
Returns \$1,000 under \$10,000.....	979,099	1,934,287	979,099	17,217	17,217	-	-	17,217	0.43%
Returns \$10,000 or more.....	12,264	81,621	12,264	1,271	12,261	-	-	12,261	0.30%

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

INDIVIDUAL/1965 • DEDUCTIONS AND EXEMPTIONS

Table 19.—NUMBER OF RETURNS AND NUMBER OF EXEMPTIONS BY TYPE OF EXEMPTION, MARITAL STATUS OF TAXPAYER, AND ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	Number of returns	Total number of exemptions	Number of exemptions for taxpayers	Exemptions for taxpayers age 65 or over		Exemptions for blindness		Exemptions for taxpayers' dependents	
				Number of returns	Number of exemptions	Number of returns	Number of exemptions	Number of returns	Number of exemptions
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
RETURNS OF SURVIVING SPOUSE									
Grand total.....	201,837	552,374	201,837	13,794	13,794	(*)	(*)	192,891	336,598
Taxable returns, total.....	132,830	344,541	132,830	4,860	4,860	(*)	(*)	127,968	206,705
Under \$1,000.....	-	-	-	-	-	-	-	-	-
\$1,000 under \$2,000.....	5,059	8,509	5,059	-	-	-	-	(*)	(*)
\$2,000 under \$3,000.....	15,251	33,878	15,251	-	-	-	-	15,106	17,819
\$3,000 under \$4,000.....	22,528	54,674	22,528	-	-	-	-	22,528	32,000
\$4,000 under \$5,000.....	24,689	63,920	24,689	-	-	-	-	24,027	38,568
\$5,000 under \$6,000.....	16,346	47,150	16,346	3,961	3,961	-	-	15,683	30,142
\$6,000 under \$7,000.....	13,089	35,518	13,089	-	-	-	-	12,426	22,284
\$7,000 under \$8,000.....	9,221	25,205	9,221	-	-	-	-	9,221	15,983
\$8,000 under \$9,000.....	5,799	15,637	5,799	-	-	(*)	(*)	5,799	9,548
\$9,000 under \$10,000.....	5,964	13,917	5,964	-	-	-	-	5,302	6,627
\$10,000 under \$15,000.....	9,360	28,693	9,360	-	-	-	-	9,174	18,953
\$15,000 under \$20,000.....	2,374	7,045	2,374	857	857	-	-	2,255	4,485
\$20,000 under \$50,000.....	2,684	8,871	2,684	-	-	-	-	2,606	5,88
\$50,000 under \$100,000.....	381	1,262	381	31	31	-	-	381	850
\$100,000 under \$500,000.....	81	260	81	10	10	-	-	80	169
\$500,000 under \$1,000,000.....	2	5	2	1	1	-	-	2	2
\$1,000,000 or more.....	2	4	2	-	-	-	-	2	2
Nontaxable returns, total.....	69,006	207,832	69,006	8,935	8,935	-	-	64,923	129,892
No adjusted gross income.....	(*)	(*)	(*)	(*)	(*)	-	-	(*)	(*)
Under \$600.....	8,140	21,251	8,140	-	-	-	-	7,332	12,821
\$600 under \$1,000.....	9,471	23,333	9,471	-	-	-	-	8,909	13,010
\$1,000 under \$2,000.....	29,431	84,351	29,431	-	-	-	-	26,863	50,737
\$2,000 under \$3,000.....	12,912	40,806	12,912	8,930	8,930	-	-	12,767	25,098
\$3,000 under \$4,000.....	5,074	21,186	5,074	-	-	-	-	6,757	23,812
\$4,000 under \$5,000.....	1,683	9,383	1,683	-	-	-	-	-	-
\$5,000 or more.....	1,362	5,002	1,362	-	-	-	-	1,362	2,832
Returns under \$5,000.....	135,171	363,804	135,171	9,809	9,809	-	-	128,597	218,824
Returns \$5,000 under \$10,000.....	15,663	41,881	15,663	3,086	3,086	(*)	(*)	49,674	86,987
Returns \$10,000 or more.....	15,003	46,689	15,003	899	899	-	-	14,620	30,787
RETURNS OF SINGLE PERSONS NOT HEAD OF HOUSEHOLD OR SURVIVING SPOUSE									
Grand total.....	23,351,400	28,774,890	23,351,401	2,365,076	2,365,076	37,057	37,057	1,757,928	3,021,355
Taxable returns, total.....	16,062,052	19,026,970	16,062,052	1,224,852	1,224,852	16,310	16,310	1,139,085	1,723,360
Under \$1,000.....	493,735	493,735	493,735	-	-	-	-	-	-
\$1,000 under \$2,000.....	4,033,509	4,193,133	4,033,509	88,386	88,386	-	-	70,570	70,570
\$2,000 under \$3,000.....	2,933,594	3,474,666	2,933,594	231,885	231,885	-	-	242,902	304,758
\$3,000 under \$4,000.....	2,552,303	3,208,857	2,552,303	216,163	216,163	7,953	7,953	276,811	440,148
\$4,000 under \$5,000.....	1,895,645	2,359,034	1,895,645	173,665	173,665	-	-	174,085	288,109
\$5,000 under \$6,000.....	1,414,992	1,742,688	1,414,992	122,433	122,433	-	-	122,814	197,481
\$6,000 under \$7,000.....	962,390	1,189,193	962,390	94,222	94,222	-	-	84,924	132,436
\$7,000 under \$8,000.....	606,032	774,722	606,032	58,229	58,229	5,220	5,220	59,067	109,653
\$8,000 under \$9,000.....	361,934	471,396	361,934	46,314	46,314	-	-	37,626	62,986
\$9,000 under \$10,000.....	232,930	297,874	232,930	32,104	32,104	-	-	20,374	32,032
\$10,000 under \$15,000.....	374,883	508,903	374,883	76,096	76,096	1,164	1,164	33,422	56,761
\$15,000 under \$20,000.....	91,302	138,125	91,302	33,605	33,605	861	861	7,643	12,352
\$20,000 under \$50,000.....	85,132	141,237	85,132	41,338	41,338	874	874	7,562	13,894
\$50,000 under \$100,000.....	13,849	23,985	13,849	8,288	8,288	177	177	981	1,672
\$100,000 under \$500,000.....	4,556	8,043	4,556	2,953	2,953	57	57	284	476
\$500,000 under \$1,000,000.....	188	324	188	116	116	2	2	11	18
\$1,000,000 or more.....	86	157	86	55	55	2	2	9	14
Nontaxable returns, total.....	7,289,348	9,748,320	7,289,348	1,140,226	1,140,226	20,750	20,750	618,844	1,297,994
No adjusted gross income.....	112,862	148,072	112,862	27,404	27,404	(*)	(*)	5,627	7,611
Under \$600.....	3,663,389	3,891,666	3,663,389	114,471	114,471	-	-	68,610	111,239
\$600 under \$1,000.....	2,101,771	2,431,756	2,101,771	153,237	153,237	4,855	4,855	106,384	174,459
\$1,000 under \$2,000.....	988,776	2,093,638	988,776	599,471	599,471	8,215	8,215	287,118	497,177
\$2,000 under \$3,000.....	302,196	825,633	302,196	165,291	165,291	-	-	117,270	354,125
\$3,000 under \$4,000.....	71,673	210,036	71,673	48,132	48,132	7,484	7,484	21,180	87,580
\$4,000 under \$5,000.....	21,979	72,889	21,979	11,479	11,479	-	-	7,598	38,763
\$5,000 or more.....	26,702	74,630	26,702	20,741	20,741	-	-	5,057	27,040
Returns under \$5,000.....	19,171,432	23,403,112	19,171,433	1,828,582	1,828,582	28,557	28,557	1,378,155	2,374,541
Returns \$5,000 under \$10,000.....	3,606,331	4,544,022	3,606,331	371,250	371,250	5,224	5,224	329,459	561,216
Returns \$10,000 or more.....	573,637	827,756	573,637	165,244	165,244	3,276	3,276	50,314	85,598

See text for "Explanation of Classifications and Terms" and "Sources of Data, Description of the Sample, and Limitations of the Data."
 (*) An asterisk in a cell denotes that the 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.

CONTENTS

- Normal tax and surtax, 50
 - Tax rates, 50
 - Tax rate schedules, 50
- Alternative tax computation, 52
- Income averaging computation, 52
- Tax credits, 54

Text tables

- 3.1 Returns, tax base, and tax, by tax rate schedule, 50
- 3.2 Returns with alternative tax computation: Returns, taxable income, and tax, 52
- 3.3 Returns with income averaging: tax savings by principal sources of income and by income size, 52
- 3.4 Returns with both income averaging and capital gains by income size, 52
- 3.5 Returns with income averaging by size of adjusted taxable income and by size of adjusted gross income, 53
- 3.6 Returns with income averaging: tax savings by size of tax savings and by income size, 54
- 3.7 Tax credits by type of credit, 1963-1965, 54

Chart

- 3A Tax base and tax, by method of tax computation, 1965, 49

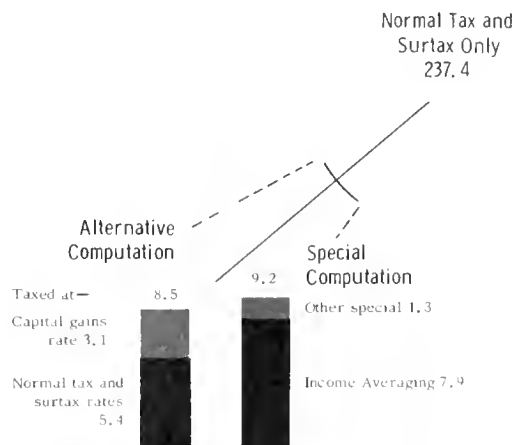
Basic tables

- 20 Returns with normal tax and surtax only: adjusted gross income and tax items, by income size, 55
- 21 Returns with alternative tax computation: adjusted gross income and tax items by income size, 56
- 22 All returns: Returns and taxable income by income size and by tax rate classes, 57
- 23 Joint returns and returns of surviving spouse: Returns and taxable income, by income size and by tax rate classes, 60
- 24 Separate returns of husbands and wives and of single persons: Returns and taxable income by income size and by tax rate classes, 62
- 25 Returns of heads of household: Returns and taxable income, by income size and by tax rate classes, 64
- 26 Income tax generated at each tax rate, by tax rate schedules, 66

tax on capital gains accounted for \$8.5 billion of the total tax base. Included in this latter amount was \$3.1 billion tax base taxed at the capital gains rate and \$5.4 billion at normal tax and surtax rates. Approximately \$7.9 billion of tax base was reported on returns with income averaging. The remaining \$1.3 billion of tax base was reported on prior year delinquent and non-calendar year returns.

Income tax before credits for all taxpayers amounted to \$50.1 billion or 20 percent of the tax base. However, tax before credits as a percent of tax base differed considerably for taxpayers using the various methods of tax computation. For example, tax as a percentage of tax base averaged 46 percent for returns with alternative tax but less than 19 percent for users of the regular method. The tax before credits on returns with income averaging constituted 28 percent of the tax base.

Chart 3A - Tax base and tax, by method of tax computation, 1965 (In Billions of Dollars)

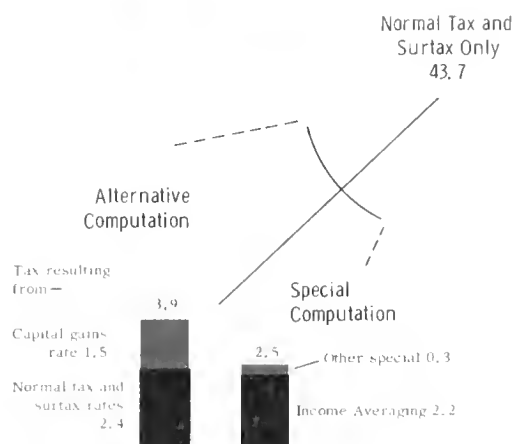


In general, there were three methods by which a taxpayer computed his tax liability in 1965:

- (1) application of normal tax and surtax rates,
- (2) an alternative method for capital gains, and
- (3) income averaging.

In addition, a relatively small number of taxpayers filing fiscal year returns were subject to two sets of tax rates. This came about because of the statutory change in rates between 1964 and 1965. In table 26 in this section, these returns, prior year delinquent returns, and returns with income averaging have been classified under the heading of "returns with special tax computation."

As shown in chart 3A, the total tax base reported by taxpayers in 1965 was \$255.1 billion, an 11 percent increase over 1964. Taxpayers using the regular computation only (normal tax and surtax) contributed the largest segment of this tax base, \$237.4 billion. Those electing the alternative tax computation in order to derive a lower



NORMAL TAX AND SURTAX

Most taxpayers, 80.3 percent in 1965, used only the regular tax computation (normal tax plus surtax) which applies graduated rates to brackets of the tax base. These taxpayers paid a normal tax of 3 percent plus a surtax which was levied on a scale graduated in relation to the size of their tax base. This tax base was taxable income, arrived at by reducing adjusted gross income by \$600 for each exemption and by certain statutory personal deductions, standard or itemized.

Tax Rates

For convenience the schedules issued by the Service combine both the normal tax and surtax in presenting the various rates. In 1965, the minimum applicable rate was 14 percent, reduced from 20 percent previous to 1964 and 16 percent in 1964. The maximum rate was set at 70 percent, a significant reduction from the 91 percent prior to 1964 and the 77 percent rate for 1964. There were about 6.6 million returns of taxpayers in 1965 whose only rate of tax on their income was the first bracket rate of 14 percent. On the other hand, the highest bracket rate, 70 percent, applied to only 3,926 returns. Taxpayers on more than 2 out of every 3 returns in 1965 had a rate of 19 percent or less on any of their income.

Data in tables 22 through 25 are classified by marginal tax rates, the highest tax rate applied to a portion of a taxpayer's tax base, cross-classified by size of adjusted gross income. With these tables it is possible to see the dispersion of marginal rates among returns in the same income class. Table 26 presents greater detail than tables 22 through 25 classified by marginal tax rates and tax rate schedule.

The following explanations and illustrations show how the tax return data presented in tables 22 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 22.0 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, table 26) is the entire tax base of each return classified by the marginal tax rate of the return.

Total income tax before credits (column 4, table 26) 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, table 26) 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 22.0 percent. The remaining tax base was taxed at lower rates.

Tax generated at marginal rate (column 6, table 26) 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, table 26) 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 14 percent, \$1,000 taxed at 15 percent, \$1,000 taxed at 16 percent, \$1,000 taxed at 17 percent, \$4,000 taxed at 19 percent, and \$3,000 taxed at 22 percent.

Tax generated at tax rate (column 12, table 26) 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.

Tax Rate Schedules

Depending on his marital status for tax purposes, the taxpayer selects one of three rate schedules to compute his tax. Schedule I, the most steeply graduated is applicable to single persons not qualifying for either of the other two schedules and to married persons filing separate returns. Schedule II is applicable to married persons filing joint returns and to certain widows and widowers. Finally Schedule III may be used by unmarried or legally separated taxpayers who qualify as heads of household. On an equal amount of tax base the tax obtained by using Schedule III is halfway between the taxes computed from the other two schedules separately. Table 3.1 shows number of returns, tax base, and tax classified under each of the three tax rate schedules.

Table 3.1—NUMBER OF RETURNS, TOTAL TAX BASE, AND INCOME TAX BEFORE CREDITS, BY TAX RATE SCHEDULE

Tax rate schedule	Returns		Tax base		Income tax (before credits)	
	Number	Percent of total	Amount (Thousand dollars)	Percent of total	Amount (Thousand dollars)	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total.....	67,544,306	100.0	297,993,624	100.0	5,144,133	100.0
Schedule I (Returns of single taxpayers and married taxpayers filing separately).....	26,202,612	38.8	47,741,718	19.4	4,733,401	19.4
Schedule II (Returns of married taxpayers filing jointly and returns of surviving spouses)....	34,507,774	51.2	179,439,684	78.2	39,240,944	78.3
Schedule III (Returns of heads of household)....	1,887,912	2.8	7,190,411	2.4	1,169,788	2.3

ILLUSTRATIONS OF THE PRESENTATION OF TAX RETURN DATA CLASSIFIED BY RATE, AS SHOWN IN TABLE 26

Example 1

Derivation of Tax Base
 \$16,000 - Adjusted gross income
 -3,800 - Itemized deductions
 \$12,200 - Balance
 -1,200 - Exemptions
 \$11,000 - Tax base (taxable income)

Derivation of Tax

1st \$1,000 of tax base taxed at 14.0%	\$140
2nd \$1,000 of tax base taxed at 15.0%	\$150
3rd \$1,000 of tax base taxed at 16.0%	\$160
4th \$1,000 of tax base taxed at 17.0%	\$170
Next \$4,000 of tax base taxed at 19.0%	\$760
Next \$3,000 of tax base taxed at 22.0%	\$660
\$11,000	Total tax \$2,040

Example 2

Derivation of Tax Base:
 \$70,000 - Adjusted gross income (including 1/2 excess net long-term capital gain of \$5,000)
 -3,800 - Itemized deductions
 \$66,200 - Balance
 -1,200 - Exemptions
 \$65,000 - Tentative tax base (taxable income)
 \$5,000 - Tax base for capital gains tax
 \$60,000 - Tax base for normal tax and surtax
 \$65,000 - Total tax base (taxable income)

Derivation of Tax

1st \$1,000 of tax base taxed at 14.0%	\$140
2nd \$1,000 of tax base taxed at 15.0%	\$150
3rd \$1,000 of tax base taxed at 16.0%	\$160
4th \$1,000 of tax base taxed at 17.0%	\$170
Next \$4,000 of tax base taxed at 19.0%	\$760
Next \$4,000 of tax base taxed at 22.0%	\$880
Next \$4,000 of tax base taxed at 25.0%	\$1,000
Next \$4,000 of tax base taxed at 28.0%	\$1,120
Next \$4,000 of tax base taxed at 32.0%	\$1,280
Next \$4,000 of tax base taxed at 36.0%	\$1,440
Next \$4,000 of tax base taxed at 39.0%	\$1,560
Next \$4,000 of tax base taxed at 42.0%	\$1,680
Next \$4,000 of tax base taxed at 45.0%	\$1,800
Next \$4,000 of tax base taxed at 48.0%	\$1,920
Next \$8,000 of tax base taxed at 50.0%	\$4,000
Bal. \$8,000 of tax base taxed at 53.0%	\$4,240
\$60,000 Normal tax and surtax	\$22,300

Derivation of Capital Gains Tax

\$5,000 of tax base taxed at 50.0% \$2,500
 \$65,000 Total tax \$24,800

Example 3

Derivation of Tax Base
 \$250,000 - Adjusted gross income (including 1/2 excess net long-term capital gain of \$245,000)
 -13,800 - Itemized deductions
 \$236,200 - Balance
 -1,200 - Exemptions
 \$235,000 - Tentative tax base (taxable income)
 \$245,000 - Tax base for capital gains tax
 --- - No tax base for normal tax and surtax
 \$245,000 - Total tax base

Derivation of Tax
 \$235,000 - Tentative tax base taxed at normal tax and surtax rates from tax rate schedule II \$135,480
 (above tax greater than capital gains tax—taxpayer uses derivation below)

Derivation of Capital Gains Tax
 \$245,000 of tax base taxed at 50.0% \$122,500
 \$245,000 Total tax \$122,500

Tax rate	Returns with tax rates as marginal rate						Returns with tax rates as tax rates		
	Number of returns	Adjusted gross income (Dollars)	Total tax base (Dollars)	Total normal tax rate (Dollars)	Tax base taxed at marginal rate (Dollars)	Tax computed at marginal rate (Dollars)	Number of returns	Tax base (Dollars)	Tax computed at tax rates (Dollars)

Example 1.—Data Reported on Joint Return With Normal Tax and Surtax Only

14.0 percent									
15.0 percent									
16.0 percent									
17.0 percent									
19.0 percent									
22.0 percent	1	11,000	11,000	2,040	3,100	100%	1	11,000	2,040

Example 2.—Data Reported on Joint Return With Capital Gains Tax and Normal Tax and Surtax

14.0 percent									
15.0 percent									
16.0 percent									
17.0 percent									
19.0 percent									
22.0 percent									
25.0 percent									
28.0 percent									
32.0 percent									
36.0 percent									
39.0 percent									
42.0 percent									
45.0 percent									
48.0 percent									
50.0 percent									
53.0 percent (alternative tax computation returns with capital gains tax and normal tax and surtax)	1	70,000	65,000	24,800	7,000	100%	1	70,000	24,800
53.0 percent (alternative tax computation returns with capital gains tax only)	1	70,000	65,000	24,800	7,000	100%	1	245,000	122,500

Example 3.—Data Reported on Joint Return With Capital Gains Tax Only

50.0 percent (alternative tax computation returns with capital gains tax only)	1	245,000	245,000	122,500	245,000	100%	1	245,000	122,500
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Summary of Data Reported on the Above Three Joint Returns

Total	3	330,000	321,000	149,640	211,100	100%	3	330,000	149,640
14.0 percent									
15.0 percent									
16.0 percent									
17.0 percent									
19.0 percent									
22.0 percent	1	11,000	11,000	2,040	3,100	100%	1	11,000	2,040
25.0 percent									
28.0 percent									
32.0 percent									
36.0 percent									
39.0 percent									
42.0 percent									
45.0 percent									
48.0 percent									
50.0 percent (alternative tax computation returns with capital gains tax and normal tax and surtax)	1	70,000	65,000	24,800	7,000	100%	1	70,000	24,800
50.0 percent (alternative tax computation returns with capital gains tax only)	1	245,000	245,000	122,500	245,000	100%	1	245,000	122,500

*This return is not included in the total because it already appears at the 53.0 percent normal tax and surtax rate.
 *This amount is not included in the total for the reason stated in footnote 1.
 *This total is not the sum of the following tax rates (higher because many returns have a tax base taxed at more than one rate).
 NOTE: Columns 7, 8, and 9 of table 26 are not shown because they have no application to the above example.

Table 3.2--RETURNS WITH ALTERNATIVE TAX COMPUTATION: NUMBER OF RETURNS, TAXABLE INCOME, AND TAX BEFORE CREDITS

Adjusted gross income classes	Number of returns	Taxable income (Thousand dollars)	Income tax before credits	
			Amount (Thousand dollars)	As a percent of tax base
	(1)	(2)	(3)	(4)
Total.....	86,749	9,217,339	4,263,099	46.2
Under \$50,000.....	9,425	318,001	122,858	38.6
\$50,000 under \$100,000.....	45,078	2,896,154	1,150,348	39.7
\$100,000 under \$500,000.....	30,243	4,261,655	2,054,421	48.2
\$500,000 under \$1,000,000.....	1,240	694,891	372,139	53.4
\$1,000,000 or more.....	563	1,045,378	563,333	53.5

ALTERNATIVE TAX COMPUTATION

A small class of taxpayers with relatively high income, some portion of which is capital gains, can elect an alternative tax computation in order to derive a lower tax on the capital gain income. This alternative computation limits the tax on net long-term capital gains in excess of any net short-term capital losses to 25 percent. The alternative computation of tax was advantageous if taxable income exceeded \$52,000 on joint returns and returns of surviving spouse, \$38,000 on returns of heads of household, or \$26,000 on separate returns of other persons. As shown in table 3.2, taxpayers on approximately 87,000 returns found the alternative tax computation advantageous in 1965, almost 13,000 returns fewer than in the previous year.

INCOME AVERAGING COMPUTATION

An individual with an unusually large amount of taxable income in any one year may be able to reduce the total

amount of his tax liability by using the income averaging method of computation. Taxpayers on nearly 306,000 returns were able to do so in 1965, reducing their tax liability by nearly \$171 million in tax savings over the previous year.

All types of taxable income qualified for averaging except income from gifts and inherited property, wagering income, and net long-term capital gains. As shown in table 3.3, the largest number of returns utilizing the income averaging computation in 1965 had salaries and wages as the principal source of income. However, taxpayers whose principal source of income was from a business or profession realized the greatest amount of tax savings--over \$53 million. The average tax savings per return was \$558. However, this average showed considerable variation by principal source of income. For example, the average tax savings for returns with business or professional income was \$629, and for those with salaries and wages, \$378.

Table 3.4 shows that more than one out of every three returns of taxpayers using income averaging reported net long-term capital gain. Since net long-term capital gain does not qualify for income averaging, these taxpayers could not apply the benefit of the income averaging provisions to this part of their income.

The \$354 million of capital gain reported by these taxpayers in the current year was more than four times their average capital gain for the previous four years. Approximately 25,000 of the 105,000 returns with net long-term capital gain in the current year reported no capital gain for the base period years.

Briefly, the income averaging method operates to tax

Table 3.3--RETURNS WITH INCOME AVERAGING--TAX SAVINGS BY PRINCIPAL SOURCES OF INCOME IN CURRENT YEAR BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Number of returns with income averaging	Total tax savings (Thousand dollars)	Principal source of income in current year									
			Business or profession net profit		Farm net profit		Salaries and wages (gross)		Partnership net profit		Other sources	
			Number of returns	Tax savings (Thousand dollars)	Number of returns	Tax savings (Thousand dollars)	Number of returns	Tax savings (Thousand dollars)	Number of returns	Tax savings (Thousand dollars)	Number of returns	Tax savings (Thousand dollars)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
Grand total.....	305,901	170,738	85,335	53,635	20,264	9,285	124,891	47,202	50,581	32,631	24,830	27,985
Taxable returns, total.....	304,571	170,104	85,008	53,531	19,943	9,101	124,644	47,108	50,391	32,525	24,584	27,838
Under \$5,000.....	-	-	-	-	-	-	-	-	-	-	-	-
\$5,000 under \$10,000.....	13,308	1,152	1,885	158	2,755	290	6,907	628	(*)	(*)	-	-
\$10,000 under \$15,000.....	48,428	6,548	10,754	1,382	6,147	769	24,601	3,415	5,015	563	5,442	1,189
\$15,000 under \$20,000.....	49,242	8,735	14,533	2,669	4,621	1,060	21,510	3,255	5,854	1,008	-	-
\$20,000 under \$50,000.....	152,032	80,591	48,108	29,236	5,665	4,301	56,868	22,641	29,481	15,920	11,910	8,493
\$50,000 under \$100,000.....	34,914	21,962	6,638	13,813	681	2,098	12,962	13,635	7,432	10,037	5,151	10,378
\$100,000 under \$500,000.....	6,337	20,166	1,087	4,229	74	585	1,793	3,503	1,601	4,831	1,982	7,019
\$500,000 or more.....	110	950	3	41	-	-	3	31	6	118	98	761
Nontaxable returns.....	1,330	634	327	104	321	184	247	94	190	106	246	147

See text for "Explanation of Classifications and Terms" and "Sources of Data, Description of the Sample, and Limitations of the Data."
 (*) An asterisk in a cell denotes that the 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.

Table 3.4--RETURNS WITH BOTH INCOME AVERAGING AND ONE-HALF EXCESS NET LONG-TERM CAPITAL GAIN BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Number of returns	Adjusted gross income (Thousand dollars)	Current year taxable income (Thousand dollars)	Current year adjusted taxable income (Thousand dollars)	One-third base period taxable income (Thousand dollars)	Current year one-half excess net long-term capital gain (Thousand dollars)	Average base period one-half excess net long-term capital gain		Income tax after credits (Thousand dollars)	Tax savings (Thousand dollars)
							Number of returns	Amount (Thousand dollars)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Grand total.....	105,213	4,052,404	3,377,793	3,015,610	1,769,269	353,979	80,242	86,514	1,026,331	68,654
Taxable returns, total.....	104,694	4,042,633	3,370,709	3,009,471	1,768,060	353,047	79,780	86,331	1,026,331	68,354
Under \$5,000.....	-	-	-	-	-	-	-	-	-	-
\$5,000 under \$10,000.....	2,900	4,910	16,612	15,578	2,890	1,031	2,175	908	2,035	281
\$10,000 under \$15,000.....	11,270	142,752	103,725	96,657	38,609	6,852	8,307	2,824	16,297	1,373
\$15,000 under \$20,000.....	13,048	228,190	174,821	160,935	77,860	13,653	9,427	4,138	30,719	2,392
\$20,000 under \$50,000.....	55,884	1,783,404	1,461,576	1,367,166	815,794	92,552	41,745	32,971	345,163	28,607
\$50,000 under \$100,000.....	17,515	1,155,765	993,343	896,136	565,484	94,852	14,595	29,873	338,286	24,166
\$100,000 under \$500,000.....	3,976	616,374	535,127	444,150	259,495	87,650	3,441	14,996	248,551	10,733
\$500,000 or more.....	101	91,177	85,504	28,848	7,929	56,457	89	62	45,280	803
Nontaxable returns.....	519	9,771	7,084	6,139	1,209	932	462	183	-	300

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

a part of an unusually large amount of income (averagable income) in the peak year at the same lower effective rate which applies to the first one-fifth of such averagable income. An individual may choose the income averaging

method if his "averagable income" is more than \$3,000. In general, averagable income will be the amount by which current year "adjusted taxable income" exceeds "one-third base period income".

Table 3.5 — RETURNS WITH INCOME AVERAGING BY SIZE OF CURRENT YEAR ADJUSTED TAXABLE INCOME AND BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes and size of current year adjusted taxable income	Number of returns with income averaging	Adjusted gross income (Thousand dollars)	Current year taxable income (Thousand dollars)	Current year adjusted taxable income (Thousand dollars)	One-third base period taxable income (Thousand dollars)	Income tax after credit (Thousand dollars)	Tax rate (Thousand dollars)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
TOTAL							
Grand total.....	305,901	9,669,519	7,930,724	7,565,439	4,347,998	1,191,476	17,778
Taxable returns, total.....	304,571	9,644,860	7,913,121	7,547,381	4,311,590	1,191,476	17,714
Under \$5,000.....	-	-	-	-	-	-	-
\$5,000 under \$10,000.....	13,308	112,259	79,027	77,991	25,121	11,422	1,170
\$10,000 under \$15,000.....	48,428	611,421	440,283	433,165	179,370	71,503	6,342
\$15,000 under \$20,000.....	49,242	861,531	652,092	637,493	211,023	117,569	5,777
\$20,000 under \$50,000.....	152,032	4,694,086	3,829,170	3,733,093	1,123,446	271,253	10,501
\$50,000 under \$100,000.....	34,914	2,283,039	1,969,478	1,870,681	1,145,391	624,928	1,076
\$100,000 under \$500,000.....	6,537	981,006	853,150	811,176	441,837	204,344	1,106
\$500,000 or more.....	110	96,517	89,920	83,224	37,344	47,957	293
Nontaxable returns.....	1,330	24,659	17,603	17,048	4,448	-	84
UNDER \$10,000							
Grand total.....	52,496	617,292	421,062	391,481	141,686	66,926	1,171
Taxable returns, total.....	51,592	609,153	416,241	388,310	139,956	66,926	1,171
Under \$5,000.....	-	-	-	-	-	-	-
\$5,000 under \$10,000.....	13,308	112,259	79,027	77,991	25,121	11,422	1,170
\$10,000 under \$15,000.....	33,860	411,823	274,655	273,346	105,125	43,829	4,503
\$15,000 under \$20,000.....	3,674	59,903	39,126	31,139	11,199	6,264	418
\$20,000 under \$50,000.....	651	18,248	13,174	5,552	1,359	1,604	383
\$50,000 under \$100,000.....	93	6,111	4,727	654	190	1,600	11
\$100,000 under \$500,000.....	5	809	574	29	5	263	5
\$500,000 or more.....	-	-	-	-	-	-	-
Nontaxable returns.....	704	8,139	4,820	4,175	730	-	84
\$10,000 UNDER \$20,000							
Grand total.....	112,456	2,257,313	1,726,416	1,659,383	856,896	329,689	26,449
Taxable returns, total.....	112,051	2,249,628	1,720,633	1,653,742	855,425	329,689	26,290
Under \$5,000.....	-	-	-	-	-	-	-
\$5,000 under \$10,000.....	-	-	-	-	-	-	-
\$10,000 under \$15,000.....	14,567	199,599	160,629	160,119	74,385	27,794	3,970
\$15,000 under \$20,000.....	45,568	801,628	613,007	606,813	304,328	111,304	8,117
\$20,000 under \$50,000.....	51,338	1,213,810	921,678	879,807	473,187	181,733	14,587
\$50,000 under \$100,000.....	432	27,685	19,306	6,305	2,689	6,151	973
\$100,000 under \$500,000.....	46	6,907	6,013	699	337	2,707	43
\$500,000 or more.....	-	-	-	-	-	-	-
Nontaxable returns.....	405	7,685	5,783	5,641	1,471	-	159
\$20,000 UNDER \$50,000							
Grand total.....	115,543	4,379,522	3,653,650	3,516,597	2,071,266	934,785	84,544
Taxable returns, total.....	115,342	4,372,415	3,647,916	3,510,948	2,069,236	934,785	84,355
Under \$5,000.....	-	-	-	-	-	-	-
\$5,000 under \$10,000.....	-	-	-	-	-	-	-
\$10,000 under \$15,000.....	-	-	-	-	-	-	-
\$15,000 under \$20,000.....	-	-	-	-	-	-	-
\$20,000 under \$50,000.....	99,943	3,467,028	2,894,318	2,847,835	1,651,051	697,216	65,211
\$50,000 under \$100,000.....	15,128	857,246	712,689	653,001	412,760	218,772	18,165
\$100,000 under \$500,000.....	256	38,506	31,559	9,607	1,192	13,527	548
\$500,000 or more.....	14	9,635	9,349	486	233	4,570	22
Nontaxable returns.....	201	7,107	5,734	5,649	2,030	-	239
\$50,000 UNDER \$100,000							
Grand total.....	21,676	1,698,508	1,491,257	1,415,825	859,666	548,459	38,070
Taxable returns, total.....	21,658	1,697,176	1,490,198	1,414,838	859,495	548,459	37,939
Under \$5,000.....	-	-	-	-	-	-	-
\$5,000 under \$10,000.....	-	-	-	-	-	-	-
\$10,000 under \$15,000.....	-	-	-	-	-	-	-
\$15,000 under \$20,000.....	-	-	-	-	-	-	-
\$20,000 under \$50,000.....	-	-	-	-	-	-	-
\$50,000 under \$100,000.....	19,260	1,391,997	1,232,756	1,210,701	733,070	438,362	33,115
\$100,000 under \$500,000.....	2,376	287,758	240,692	201,541	125,498	101,881	4,691
\$500,000 or more.....	22	17,452	16,750	1,995	927	8,217	133
Nontaxable returns.....	18	1,332	1,059	987	171	-	131
\$100,000 OR MORE							
Grand total.....	3,930	716,884	638,339	579,649	307,485	312,136	15,696
Taxable returns, total.....	3,928	716,488	638,131	579,443	307,439	312,136	15,675
Under \$5,000.....	-	-	-	-	-	-	-
\$5,000 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 \$500,000.....	3,854	647,026	574,311	548,301	299,805	276,967	14,879
\$500,000 or more.....	74	69,462	63,828	31,343	7,634	35,170	795
Nontaxable returns.....	2	396	307	206	46	-	21

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

Table 3.6—RETURNS WITH INCOME AVERAGING—TAX SAVINGS BY SIZE OF TAX SAVINGS AND BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Number of returns with income averaging	Tax savings (Thousand dollars)	Number of returns with income averaging	Tax savings (Thousand dollars)	Number of returns with income averaging	Tax savings (Thousand dollars)	Number of returns with income averaging	Tax savings (Thousand dollars)	Number of returns with income averaging	Tax savings (Thousand dollars)
	Total	Under \$50	\$50 under \$100	\$100 under \$200	\$200 under \$300					
Grand total.....	305,901	170,738	30,555	867	60,414	4,532	60,717	8,614	36,625	8,915
Taxable returns, total.....	304,571	170,104	30,410	860	60,201	4,518	60,458	8,578	36,349	8,846
Under \$5,000.....	-	-	-	-	-	-	-	-	-	-
\$5,000 under \$10,000.....	13,308	1,152	1,906	47	8,125	581	2,403	320	(*)	(*)
\$10,000 under \$15,000.....	48,428	6,548	10,242	300	16,966	1,257	12,620	1,725	4,757	1,147
\$15,000 under \$20,000.....	49,242	8,735	6,787	200	13,296	794	14,915	2,126	6,438	1,701
\$20,000 under \$50,000.....	152,042	80,591	9,142	263	19,116	1,471	26,240	3,787	20,467	4,377
\$50,000 under \$100,000.....	34,914	21,962	1,987	50	2,397	184	3,635	532	2,267	709
\$100,000 under \$500,000.....	6,537	20,166	339	1	302	30	589	87	439	107
\$500,000 or more.....	110	950	6	1	1	1	6	1	5	1
Nontaxable returns.....	1,330	634	(*)	(*)	204	14	259	36	276	69
	\$300 under \$400	\$400 under \$500	\$500 under \$1,000	\$1,000 under \$2,000	\$2,000 under \$5,000					
Grand total.....	21,361	7,412	15,258	6,830	40,674	28,733	23,987	33,282	12,581	38,019
Taxable returns, total.....	21,369	7,395	15,207	6,807	40,667	28,697	23,915	33,200	12,549	37,924
Under \$5,000.....	-	-	-	-	-	-	-	-	-	-
\$5,000 under \$10,000.....	-	-	-	-	-	-	-	-	-	-
\$10,000 under \$15,000.....	1,235	425	1,116	499	1,491	1,134	-	-	-	-
\$15,000 under \$20,000.....	3,064	1,662	1,795	788	1,479	1,267	-	-	-	-
\$20,000 under \$50,000.....	14,547	5,051	10,200	4,583	29,743	20,442	16,321	22,390	5,528	15,789
\$50,000 under \$100,000.....	2,110	733	1,350	827	6,172	4,456	1,580	8,079	1,913	18,630
\$100,000 under \$500,000.....	348	122	245	109	1,001	731	1,052	1,514	1,092	3,454
\$500,000 or more.....	5	2	2	1	13	8	14	26	16	51
Nontaxable returns.....	(*)	(*)	(*)	(*)	217	125	72	82	32	95
	\$5,000 under \$10,000	\$10,000 under \$20,000	\$20,000 under \$50,000	\$50,000 under \$100,000	\$100,000 or more					
Grand total.....	2,781	18,421	764	10,196	169	4,600	5	317	-	-
Taxable returns, total.....	2,765	18,301	761	10,115	164	4,600	-	317	-	-
Under \$5,000.....	-	-	-	-	-	-	-	-	-	-
\$5,000 under \$10,000.....	-	-	-	-	-	-	-	-	-	-
\$10,000 under \$15,000.....	-	-	-	-	-	-	-	-	-	-
\$15,000 under \$20,000.....	-	-	-	-	-	-	-	-	-	-
\$20,000 under \$50,000.....	(*)	(*)	-	-	-	-	-	-	-	-
\$50,000 under \$100,000.....	2,073	13,579	326	4,074	(*)	(*)	-	-	-	-
\$100,000 under \$500,000.....	555	3,934	420	5,869	151	4,963	3	169	-	-
\$500,000 or more.....	8	57	13	231	13	30	2	148	-	-
Nontaxable returns.....	16	120	3	43	-	-	-	-	-	-

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

(*) An asterisk in a cell denotes that the estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.

¹Less than \$500.

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

As shown in table 3.5, taxpayers reported \$7.6 billion in adjusted taxable income in 1965, an amount \$3.3 billion greater than the \$4.2 billion in the one-third base period income. For all taxpayers with income averaging, averagable income approximated \$11,000 per return. However, averagable income varied considerably among taxpayers, ranging from nearly \$5,000 for those with adjusted taxable income of under \$10,000 to almost \$70,000 for taxpayers with adjusted taxable income of \$100,000 or more.

Likewise, tax savings also varied considerably among taxpayers. Although tax savings per return was nearly \$554 for all taxpayers averaging in 1965, table 3.6 shows that nearly half of these returns had tax savings of less than \$200. Taxpayers on 938 returns reported tax savings of \$10,000 or more--all had adjusted gross incomes of \$50,000 or more. Although there were six times as many returns with adjusted gross income of \$50,000 or less, total tax savings for this income group was only one-third greater than the total tax savings for returns with income of \$50,000 or more.

TAX CREDITS

The Revenue Act of 1964 introduced major changes, extending over a two-year period, in the provisions covering the dividends received and retirement income credit. The dividends received credit, which was 4 percent of eligible dividends in 1963, was reduced to 2 percent in 1964 and abolished for tax year 1965. The retirement income credit was reduced from 20 percent of retirement income in 1963 to 17 percent in 1964 and 15 percent in 1965.

These changes had a significant impact on the total amount of tax credit claimed, which declined by \$130 million in 1965 after a decline of \$169 million in 1964. The retirement income credit which fell by \$28 million in 1964 and \$16 million in 1965 accounted for only a small proportion of the drop. The largest part of the decline occurred in "all other tax credits," which fell by \$172 million in 1964 and \$177 million in 1965. Since dividends received credit comprised \$379 million of the \$420 million in "all other tax credits" in 1963, the majority of the decline can be accounted for by the reduction and final elimination of the dividends received credit. Foreign tax credit, the next largest credit in "all other tax credits," increased from \$47.6 million in 1964 to \$61.6 million in 1965.

Partially offsetting declines in the retirement income and dividends received credit was an increase in investment credit of \$31 million in 1964 and \$63 million in 1965. With these increases investment credit became the leading source of tax credits, reaching a level of \$376 million and accounting for more than one-half of the total tax credits.

Table 3.7—AMOUNT OF TAX CREDITS CLAIMED, BY TYPE OF CREDIT, 1963-1965

Tax credit	1963	1964	1965
	(1)	(2)	(3)
	(Thousand dollars)		
Total.....	913,484	744,257	614,395
Investment credit.....	281,273	312,690	375,792
Retirement income credit.....	212,322	183,869	168,305
All other tax credits ¹	419,889	247,698	70,298

¹Includes dividends received credit, foreign tax credit, throwback tax credit, and the credit for tax-free covenant bonds. The text discusses the reduction of dividends received credit in 1964 and final elimination in 1965.

Table 20.—RETURNS WITH NORMAL TAX AND SURTAX ONLY: ADJUSTED GROSS INCOME, DEDUCTIONS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS BY ADJUSTED GROSS INCOME CLASSES

(Dollars in thousands unless otherwise indicated)

Adjusted gross income classes	Number of returns	Adjusted gross income (Thousand dollars)	Itemized deductions		Standard deduction		Exemptions		Total	Average adjusted gross income
			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)
Total.....	64,276,339	600,897,121	26,177,356	66,187,189	2,084,722	15,362,341	186,074,347	92,997,602	26,177,356	1,000
\$0.00 under \$1,000.....	1,188,236	527,361	11,112	2,723	140,226	174,088	52,206	34,624	32,124	100
\$1,000 under \$2,000.....	2,784,671	1,313,349	364,311	176,771	6,221,227	1,270,707	1,660,887	3,360,714	2,760,714	100
\$2,000 under \$3,000.....	2,385,776	11,262,777	643,276	67,699	3,746,636	1,204,709	7,267,144	4,113,048	3,820,776	100
\$3,000 under \$4,000.....	1,201,663	18,328,312	1,731,334	1,331,663	3,645,312	1,434,961	1,660,734	4,441,222	3,660,734	100
\$4,000 under \$5,000.....	1,293,127	23,862,402	1,434,697	2,021,928	3,362,799	1,714,661	1,576,450	5,034,122	4,113,799	100
\$5,000 under \$6,000.....	1,230,981	28,937,396	2,437,522	2,930,529	2,216,534	1,863,981	1,708,191	4,461,110	4,120,529	100
\$6,000 under \$7,000.....	1,004,126	35,109,745	2,456,589	3,839,761	2,501,596	1,719,762	1,796,108	4,461,108	4,120,529	100
\$7,000 under \$8,000.....	846,272	37,019,077	2,893,668	4,309,299	2,092,433	1,660,983	1,737,422	10,411,253	20,739,440	100
\$8,000 under \$9,000.....	643,927	35,094,255	2,610,014	4,317,619	1,527,768	1,204,164	1,647,166	9,828,288	20,451,135	100
\$9,000 under \$10,000.....	538,425	32,074,483	2,167,358	3,877,437	1,216,230	1,170,497	1,766,867	7,566,129	14,707,482	100
\$10,000 under \$15,000.....	1,796,640	91,676,168	1,549,614	11,634,595	2,176,344	3,154,126	28,322,272	16,993,363	69,994,696	100
\$15,000 under \$20,000.....	1,760,171	27,904,393	1,464,088	3,996,060	206,092	26,752	61,916,275	3,694,765	21,025,961	100
\$20,000 under \$25,000.....	1,381,638	37,291,374	1,248,350	5,259,144	133,272	193,347	1,364,033	3,214,761	2,600,134	100
\$25,000 under \$50,000.....	131,377	4,003,224	136,346	1,336,635	4,524	4,734	975,279	84,661	3,314,733	100
\$50,000 under \$75,000.....	13,227	1,961,237	13,226	217,227	261	221	17,234	30,721	1,181,221	100
\$75,000 under \$100,000.....	151	100,734	151	35,418	-	-	618	311	67,661	100
\$100,000 or more.....	61	114,663	61	11,246	-	-	163	32	63,668	100
Returns under \$1,000.....	26,135,522	60,692,603	4,789,732	4,196,248	15,332,364	5,840,320	36,500,210	21,444,126	28,717,699	100
Returns \$1,000 under \$10,000.....	33,134,439	168,242,444	12,973,057	19,274,660	10,161,120	7,384,077	77,655,734	46,993,449	17,111,461	100
Returns \$10,000 or more.....	11,005,373	171,962,074	8,414,368	22,724,094	2,591,044	2,587,983	40,523,402	34,444,941	12,176,370	100

Adjusted gross income classes	Tax credits								Income tax after credits	Average adjusted gross income	
	Retirement income		Investment		Foreign tax 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)			
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Total.....	1,484,769	166,667	1,954,203	361,394	110,446	62,432	93,616	6,642	53,614,146	46,344,364	94
\$0.00 under \$1,000.....	1*	4	3,779	25	-	-	1*	1*	52,583	4,729	4
\$1,000 under \$2,000.....	84,701	2,705	46,675	1,603	-	-	107	172	4,487,369	2,727,227	73
\$2,000 under \$3,000.....	234,295	17,002	75,327	7,190	5,135	624	4,919	21	4,327,234	2,677,544	100
\$3,000 under \$4,000.....	256,793	24,713	122,227	16,727	-	-	6,943	36	5,677,285	1,456,173	26*
\$4,000 under \$5,000.....	281,167	25,449	142,153	17,954	5,326	311	7,525	29	1,201,239	1,276,797	361
\$5,000 under \$6,000.....	160,001	14,321	122,851	23,200	3,693	445	3,438	266	1,201,624	2,271,222	482
\$6,000 under \$7,000.....	107,126	14,866	163,511	24,151	1,289	344	3,342	155	5,378,690	3,031,288	963
\$7,000 under \$8,000.....	77,944	11,493	147,432	22,771	2,220	490	6,796	290	4,428,143	3,351,294	821
\$8,000 under \$9,000.....	76,055	7,982	124,448	21,972	4,407	1,270	7,754	176	4,125,094	4,968,442	816
\$9,000 under \$10,000.....	50,051	7,037	99,944	20,674	4,193	660	3,329	470	3,377,613	3,264,180	968
\$10,000 under \$15,000.....	123,495	17,421	333,203	67,346	18,857	4,984	15,985	1,265	7,695,823	10,711,983	1,300
\$15,000 under \$20,000.....	51,676	7,741	164,201	37,220	14,452	4,000	4,313	473	1,756,965	2,199,000	2,324
\$20,000 under \$25,000.....	64,239	7,313	201,286	81,388	35,116	15,034	16,490	1,300	1,374,905	7,212,965	7,364
\$25,000 under \$50,000.....	8,634	1,311	49,773	21,499	10,721	8,365	4,353	624	143,213	2,713,344	17,711
\$50,000 under \$75,000.....	1,252	190	4,291	1,162	1,923	1,676	697	292	13,476	71,726	3,114
\$75,000 under \$100,000.....	21	67	139	139	33	694	15	69	111	4,641	267,244
\$100,000 or more.....	12	1	31	173	21	191	14	14	61	6,967	6,967
Returns under \$5,000.....	874,544	70,173	397,162	53,684	13,461	60	24,030	1,261	13,613,710	4,336,997	221
Returns \$5,000 under \$10,000.....	424,899	60,203	716,190	112,769	16,902	3,194	22,724	1,173	23,610,362	17,434,114	671
Returns \$10,000 or more.....	250,328	36,270	842,851	215,142	81,184	36,152	46,862	4,203	10,484,474	2,773,087	2,323

* See text for "Explanation of Data." A, B, and C are used to indicate that the sample and the data are the same.

* An asterisk in a cell denotes that the estimate is not statistically operatively because of high sampling variation. However, the data are included in the sample total.

INDIVIDUAL/1965 • TAX COMPUTATION AND TAX RATES

Table 21.—RETURNS WITH ALTERNATIVE TAX COMPUTATION: ADJUSTED GROSS INCOME, DEDUCTIONS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS BY ADJUSTED GROSS INCOME CLASSES
(Taxable and nontaxable returns)

Adjusted gross income classes	Number of returns	Adjusted gross income (Thousand dollars)	Itemized deductions		Standard deduction		Exemptions		Taxable income			
			Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Total (Thousand dollars)	Tax base for alternative tax computation (Thousand dollars)	For normal tax and surtax rates (balance for partial tax) (Thousand dollars)	For capital gains tax (one-half excess long-term gain) (Thousand dollars)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total.....	86,949	11,039,710	83,922	1,647,369	3,025	2,920	287,006	172,206	9,217,239	9,228,938	6,975,426	3,253,606
Under \$20,000.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$20,000 under \$50,000.....	9,535	374,740	8,493	45,010	1,042	1,044	17,334	10,406	318,287	318,287	270,614	47,674
\$50,000 under \$100,000.....	45,078	3,407,066	43,672	416,764	1,406	1,404	154,588	92,753	2,896,154	2,896,168	2,490,745	405,423
\$100,000 under \$500,000.....	30,243	5,164,401	29,815	837,537	426	422	107,997	64,799	4,261,655	4,264,647	2,737,441	1,527,207
\$500,000 under \$1,000,000.....	1,240	836,827	1,235	139,322	5	5	4,412	2,647	694,851	697,190	238,677	458,514
\$1,000,000 or more.....	563	1,255,650	562	208,502	1	1	1,950	1,170	1,045,978	1,052,332	237,705	814,628

Adjusted gross income classes	Income tax before credits		Tax credits							Income tax after credits		Average income tax after credits (Dollars)	
	Amount (Thousand dollars)	As a percent of tax base	Retirement income	Investment	Foreign taxes paid	Other	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns		Amount (Thousand dollars)
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
Total.....	4,263,099	46.19	11,518	1,640	26,472	14,397	15,574	19,306	6,083	2,060	86,648	4,225,612	42,768
Under \$20,000.....	(*)	(*)	-	-	(*)	(*)	-	-	-	-	-	-	-
\$20,000 under \$50,000.....	122,813	38.59	2,526	314	1,613	299	1,147	1,137	731	52	9,535	121,012	12,691
\$50,000 under \$100,000.....	1,150,348	39.72	5,028	751	13,531	4,870	6,652	3,602	2,514	404	45,073	1,140,730	25,308
\$100,000 under \$500,000.....	2,054,421	48.17	3,749	541	10,264	7,245	7,258	10,424	2,640	845	30,237	2,035,278	67,311
\$500,000 under \$1,000,000.....	372,139	53.38	141	22	500	1,103	403	2,743	132	307	1,240	367,953	296,736
\$1,000,000 or more.....	563,333	53.53	74	12	274	830	214	1,400	66	452	563	560,639	995,806

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

(*) An asterisk in a cell denotes that the estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.

Table 22. —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																	
	40 percent		41 percent		42 percent		43 percent		45 percent		46 percent		48 percent		50 percent		50 percent (alternative tax computation returns 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)	Number of returns	Taxable income (Thousand dollars)
Grand total.....	1,713	39,200	1,391	33,559	87,062	2,645,213	1,675	43,506	62,724	2,130,082	1,394	43,476	47,972	1,919,685	72,192	3,236,741	530	308,247
Taxable returns, total.....	1,713	39,200	1,391	33,559	87,062	2,645,213	1,675	43,506	62,724	2,130,082	1,394	43,476	47,972	1,919,685	72,192	3,236,741	530	308,247
Under \$1,000.....	1,697	35,509	1,368	31,316	85,899	2,193,910	1,631	40,871	59,449	1,725,261	1,284	38,469	30,006	1,034,790	22,262	639,023	—	—
\$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 \$500,000.....	4	698	11	1,606	56	71,816	7	980	587	74,930	16	1,970	707	87,955	1,446	169,890	341	82,246
\$500,000 under \$1,000,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$1,000,000 or more.....	1	1,434	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Nontaxable returns.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Grand total.....	79,794	5,365,615	2,779,331	2,779,110	14,886	14,886	2,775,347	27,123	1,804,674	124	6,929	17,476	1,147,024	156	11,831	8,297	733,701	
Taxable returns, total.....	79,794	5,365,615	2,779,331	2,779,110	14,886	14,886	2,775,347	27,123	1,804,674	124	6,929	17,476	1,147,024	156	11,831	8,297	733,701	
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 \$50,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$50,000 under \$100,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$100,000 under \$500,000.....	26,368	2,355,226	1,362,019	1,362,019	15	1,458	280,331	3,180	334,121	5	594	4,056	437,544	31	3,205	4,832	511,579	
\$500,000 under \$1,000,000.....	1,066	219,210	373,254	363,305	59	59,642	27,381	18	28,713	—	—	—	—	—	—	—	—	—
\$1,000,000 or more.....	467	227,552	610,783	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Nontaxable returns.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

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

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

Adjusted gross income class	Marginal tax rate classes													
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Number of returns with taxable income	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.....	33,226,103	121,774,300	3,167,333	1,620,451	3,869,121	5,624,134	4,120,003	10,400,854	4,536,958	15,933,093	13,412,706	70,803,585	3,853,938	36,908,544
Taxable returns, total.....	33,226,103	121,774,300	3,167,333	1,620,451	3,869,121	5,624,134	4,120,003	10,400,854	4,536,958	15,933,093	13,412,706	70,803,585	3,853,938	36,908,544
Under \$1,000.....	16,117	32,234	685,634	138,287	168,381	1,188,287	1,188,287	1,188,287	1,188,287	1,188,287	1,188,287	1,188,287	1,188,287	1,188,287
\$1,000 under \$2,000.....	86,013	328,315	878,380	1,170,426	796,566	1,170,426	202,413	1,170,426	1,170,426	1,170,426	1,170,426	1,170,426	1,170,426	1,170,426
\$2,000 under \$3,000.....	1,873,570	2,066,578	4,444,578	1,611,663	1,953,836	1,611,663	899,802	1,611,663	1,611,663	1,611,663	1,611,663	1,611,663	1,611,663	1,611,663
\$3,000 under \$4,000.....	3,679,236	3,679,236	3,679,236	3,679,236	3,679,236	3,679,236	3,679,236	3,679,236	3,679,236	3,679,236	3,679,236	3,679,236	3,679,236	3,679,236
\$4,000 under \$5,000.....	3,256,304	3,256,304	3,256,304	3,256,304	3,256,304	3,256,304	3,256,304	3,256,304	3,256,304	3,256,304	3,256,304	3,256,304	3,256,304	3,256,304
\$5,000 under \$6,000.....	4,017,122	4,017,122	4,017,122	4,017,122	4,017,122	4,017,122	4,017,122	4,017,122	4,017,122	4,017,122	4,017,122	4,017,122	4,017,122	4,017,122
\$6,000 under \$7,000.....	4,067,029	4,067,029	4,067,029	4,067,029	4,067,029	4,067,029	4,067,029	4,067,029	4,067,029	4,067,029	4,067,029	4,067,029	4,067,029	4,067,029
\$7,000 under \$8,000.....	3,607,335	3,607,335	3,607,335	3,607,335	3,607,335	3,607,335	3,607,335	3,607,335	3,607,335	3,607,335	3,607,335	3,607,335	3,607,335	3,607,335
\$8,000 under \$9,000.....	3,039,225	3,039,225	3,039,225	3,039,225	3,039,225	3,039,225	3,039,225	3,039,225	3,039,225	3,039,225	3,039,225	3,039,225	3,039,225	3,039,225
\$9,000 under \$10,000.....	7,129,466	7,129,466	7,129,466	7,129,466	7,129,466	7,129,466	7,129,466	7,129,466	7,129,466	7,129,466	7,129,466	7,129,466	7,129,466	7,129,466
\$10,000 under \$15,000.....	1,384,136	1,384,136	1,384,136	1,384,136	1,384,136	1,384,136	1,384,136	1,384,136	1,384,136	1,384,136	1,384,136	1,384,136	1,384,136	1,384,136
\$15,000 under \$20,000.....	1,123,625	1,123,625	1,123,625	1,123,625	1,123,625	1,123,625	1,123,625	1,123,625	1,123,625	1,123,625	1,123,625	1,123,625	1,123,625	1,123,625
\$20,000 under \$25,000.....	136,253	136,253	136,253	136,253	136,253	136,253	136,253	136,253	136,253	136,253	136,253	136,253	136,253	136,253
\$25,000 under \$30,000.....	31,462	31,462	31,462	31,462	31,462	31,462	31,462	31,462	31,462	31,462	31,462	31,462	31,462	31,462
\$30,000 under \$40,000.....	1,471	1,471	1,471	1,471	1,471	1,471	1,471	1,471	1,471	1,471	1,471	1,471	1,471	1,471
\$40,000 under \$50,000.....	382,165	382,165	382,165	382,165	382,165	382,165	382,165	382,165	382,165	382,165	382,165	382,165	382,165	382,165
Non-taxable returns.....														
Grand total.....	33,226,103	121,774,300	3,167,333	1,620,451	3,869,121	5,624,134	4,120,003	10,400,854	4,536,958	15,933,093	13,412,706	70,803,585	3,853,938	36,908,544

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

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

Adjusted gross income classes	Marginal tax rate classes—Continued												
	48 percent		50 percent		50 percent (alternative tax computation returns with capital gains tax and normal tax and surtax)		53 percent		55 percent		58 percent		
	Number of returns	Taxable income (Thousand dollars)	Number of returns	Taxable income (Thousand dollars)	Number of returns	One-half excess long-term gain (Thousand dollars)	Balance for partial tax (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.....	(29)	1,639,847	(31)	3,743,053	359	346,641	4,287,970	36,983	1,467,524	18,612	1,467,524	3,723	907,033
Taxable returns, total.....	36,311	1,639,847	51,376	3,743,053	359	346,641	4,287,970	36,983	1,467,524	18,612	1,467,524	3,723	907,033
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 \$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 \$55,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—
\$55,000 under \$60,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—
\$60,000 under \$65,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—
\$65,000 under \$70,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—
\$70,000 under \$75,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—
\$75,000 under \$80,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—
\$80,000 under \$85,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—
\$85,000 under \$90,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—
\$90,000 under \$95,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—
\$95,000 under \$100,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—
\$100,000 or more.....	—	—	—	—	—	—	—	—	—	—	—	—	—
Nontaxable returns.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)

Adjusted gross income classes	Marginal tax rate classes—Continued													
	60 percent		62 percent		64 percent		66 percent		68 percent		69 percent		70 percent	
	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.....	(44)	981,260	(46)	1,459,154	(48)	379,907	(50)	1,246,228	(52)	1,069,988	(54)	1,123,662	(56)	332,491
Taxable returns, total.....	5,392	981,260	4,954	1,459,154	2,437	379,907	1,246	1,246,228	872	1,069,988	546	1,123,662	1,708	332,491
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 \$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 \$55,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$55,000 under \$60,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$60,000 under \$65,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$65,000 under \$70,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$70,000 under \$75,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$75,000 under \$80,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$80,000 under \$85,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$85,000 under \$90,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$90,000 under \$95,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$95,000 under \$100,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$100,000 or more.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Nontaxable returns.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)

(*) An asterisk in a cell denotes that the estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals. NOTE: Total may not add to total because of rounding.

Table 24. — SEPARATE RETURNS OF HUSBANDS AND WIVES AND OF SINGLE PERSONS NOT HEAD OF HOUSEHOLD OR SURVIVING SPOUSE WITH TAXABLE INCOME: NUMBER OF RETURNS AND AMOUNT OF TAXABLE INCOME BY ADJUSTED GROSS INCOME CLASSES AND MARGINAL TAX RATE CLASSES

Adjusted gross income classes	Marginal tax rate classes												
	14 percent		15 percent		16 percent		17 percent		19 percent		22 percent		
	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.....	18,067,007	48,657,236	2,187,500	782,025	1,710,424	1,874,077	2,328,181	1,687,912	2,956,889	5,189,842	15,013,422	2,123,905	11,744,045
Taxable returns, total.....	17,802,443	48,488,963	3,024,872	2,232,071	1,456,860	1,830,341	2,273,464	1,683,399	2,942,421	5,185,775	15,003,120	2,122,848	11,735,081
Under \$1,000.....	548,003	32,864	548,003	1,711,493	1,425,344	324,182	350,489	-	-	-	-	-	-
\$1,000 under \$2,000.....	2,249,829	4,236,602	2,202,545	704,739	2,822,701	1,255,114	1,051,824	1,204,060	2,104,327	2,174,771	450,779	-	-
\$2,000 under \$3,000.....	3,258,272	4,444,396	2,023,515	1,044,938	2,822,701	1,777,098	428,078	354,201	61,884	2,172,989	5,389,826	-	-
\$3,000 under \$4,000.....	2,881,287	6,391,492	70,284	10,424	86,312	45,391	59,251	91,435	165,282	2,106,348	7,435,222	-	-
\$4,000 under \$5,000.....	2,194,123	6,124,951	20,869	31,929	23,444	45,391	59,251	91,435	165,282	2,106,348	7,435,222	-	-
\$5,000 under \$6,000.....	1,603,824	5,321,425	7,368	9,673	4,941	12,302	16,000	21,470	38,889	2,105,801	953,743	-	-
\$6,000 under \$7,000.....	1,107,019	5,273,904	-	-	-	-	8,267	-	-	124,545	420,118	466,719	4,139,247
\$7,000 under \$8,000.....	690,781	3,872,536	-	-	-	-	-	11,362	14,344	116,960	398,974	70,267	2,132,130
\$8,000 under \$9,000.....	462,842	2,985,422	-	-	-	-	-	-	-	38,076	19,290	102,174	-
\$9,000 under \$10,000.....	254,572	1,864,234	-	-	-	-	-	-	-	-	-	-	-
\$10,000 under \$15,000.....	408,026	3,764,597	-	-	-	-	-	-	-	-	-	-	-
\$15,000 under \$20,000.....	96,846	1,313,636	-	-	-	-	-	-	-	-	-	-	-
\$20,000 under \$30,000.....	86,360	1,942,478	-	-	-	-	-	-	-	-	-	-	-
\$30,000 under \$50,000.....	13,630	722,096	-	-	-	-	-	-	-	-	-	-	-
\$50,000 under \$100,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-
\$100,000 under \$500,000.....	4,660	438,801	10	7	1,504	16	2,578	13	4,088	62	8,139	53	6,766
\$500,000 under \$1,000,000.....	20	104,042	1	1	514	1	66	-	-	5	2,507	1	560
\$1,000,000 or more.....	121	245,249	-	-	-	-	-	-	-	1	4,303	1	1,561
Non-taxable returns.....	264,563	168,673	132,620	77,862	53,765	43,737	54,738	4,516	7,482	4,066	10,864	1,056	4,365

Adjusted gross income classes	Marginal tax rate classes—Continued												
	25 percent		28 percent		32 percent		36 percent		42 percent		45 percent		
	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.....	316,853	5,581,436	263,564	2,350,418	109,416	1,206,402	54,307	64,424	34,238	531,157	23,616	417,416	315,425
Taxable returns, total.....	316,601	5,579,635	263,390	2,348,726	109,313	1,203,342	54,304	64,357	34,171	531,144	23,616	417,416	315,425
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.....	59,376	430,232	316,553	1,907,374	96,151	1,064,117	41,304	41,304	-	-	-	-	-
\$15,000 under \$20,000.....	1,462	14,133	3,424	32,092	11,817	132,121	29,218	435,142	12,767	215,064	558	10,196	
\$20,000 under \$30,000.....	1,052	7,822	870	8,156	1,115	12,463	4,341	72,540	10,571	183,911	14,626	482,987	
\$30,000 under \$50,000.....	104	5,454	152	7,445	136	1,100	152	7,418	218	9,593	349	16,403	
\$50,000 under \$100,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-
\$100,000 under \$500,000.....	43	5,554	51	7,893	49	8,133	55	7,842	57	7,119	40	5,207	
\$500,000 under \$1,000,000.....	1	734	3	1,112	11	4,055	2	1,036	2	1,119	1	732	
\$1,000,000 or more.....	-	-	1	1,008	-	-	3	1,119	1	1,119	-	-	
Non-taxable returns.....	-	-	-	-	-	-	-	-	-	-	-	-	-

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

Table 24. —SEPARATE RETURNS OF HUSBANDS AND WIVES AND OF SINGLE PERSONS NOT HEAD OF HOUSEHOLD OR SURVIVING SPOUSE WITH TAXABLE INCOME: NUMBER OF RETURNS AND AMOUNT OF TAXABLE INCOME BY ADJUSTED GROSS INCOME CLASSES AND MARGINAL TAX RATE CLASSES—Continued

Adjusted gross income classes	Marginal tax rate classes—Continued											
	4# percent		50 percent		50 percent (alternative tax computation returns with capital gains tax only)		53 percent		55 percent		58 percent	
	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.....	10,701	239,877	18,423	477,600	152	57,755	20,276	412,859	7,921	306,255	4,200	253,479
Taxable returns, total.....	10,701	239,877	18,423	477,600	152	57,755	20,276	412,859	7,921	306,255	4,200	253,479
Under \$1,000.....	10,409	242,684	17,934	481,414	111	21,687	3,409	283,298	138	15,974	142	15,139
\$1,000 under \$2,000.....	250	10,814	511	20,651	13	8,795	157	36,197	5	2,953	4	2,351
\$2,000 under \$3,000.....	1	826	5	4,534	12	26,193	80	81,454	2	940	3	10,424
\$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 under \$500,000.....	-	-	-	-	-	-	-	-	-	-	-	-
\$500,000 under \$1,000,000.....	-	-	-	-	-	-	-	-	-	-	-	-
\$1,000,000 or more.....	-	-	-	-	-	-	-	-	-	-	-	-
Nontaxable returns.....	-	-	-	-	-	-	-	-	-	-	-	-

Adjusted gross income classes	Marginal tax rate classes—Continued											
	6# percent		6# percent		6# percent		6# percent		6# percent		6# percent	
	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.....	2,906	152,441	2,717	172,911	1,670	124,174	846	79,441	772	74,454	1,504	329,451
Taxable returns, total.....	2,875	151,963	2,700	172,042	1,670	124,174	846	79,441	772	74,454	1,504	329,451
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 \$25,000.....	-	-	-	-	-	-	-	-	-	-	-	-
\$25,000 under \$50,000.....	-	-	-	-	-	-	-	-	-	-	-	-
\$50,000 under \$100,000.....	-	-	-	-	-	-	-	-	-	-	-	-
\$100,000 under \$500,000.....	-	-	-	-	-	-	-	-	-	-	-	-
\$500,000 under \$1,000,000.....	-	-	-	-	-	-	-	-	-	-	-	-
\$1,000,000 or more.....	-	-	-	-	-	-	-	-	-	-	-	-
Nontaxable returns.....	-	-	-	-	-	-	-	-	-	-	-	-

See text for "Explanation of Classifications and Terms" and "Courses of Data, Description of the Sample, and Limitations of the Data."
 (*) An asterisk in a cell denotes that the estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.
 (N): Detail may not add to total because of rounding.

Table 25. — RETURNS OF HEADS OF HOUSEHOLD WITH TAXABLE INCOME: NUMBER OF RETURNS AND AMOUNT OF TAXABLE INCOME, BY ADJUSTED GROSS INCOME CLASSES AND MARGINAL TAX RATE CLASSES

Adjusted gross income classes	Marginal tax rate classes													
	14 percent		15 percent		18 percent		20 percent		25 percent		27 percent		31 percent	
	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.....	1,644,621	5,498,843	255,777	134,491	562,213	1,672,356	324,411	1,591,585	124,306	853,620	37,472	335,764	18,411	202,979
Taxable returns, total.....	1,637,034	5,472,354	249,333	132,312	562,213	1,672,356	324,411	1,591,585	124,306	842,610	37,472	335,764	18,411	202,979
Under \$1,000.....	2,423	330	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$1,000 under \$2,000.....	3,851	11,627	34,703	10,792	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$2,000 under \$3,000.....	134,066	123,897	104,616	31,547	53,169	121,756	121,756	121,756	(*)	(*)	(*)	(*)	(*)	(*)
\$3,000 under \$4,000.....	247,574	353,426	73,632	48,269	183,202	183,202	183,202	183,202	(*)	(*)	(*)	(*)	(*)	(*)
\$4,000 under \$5,000.....	285,190	631,236	77,931	14,985	184,724	496,682	184,724	184,724	(*)	(*)	(*)	(*)	(*)	(*)
\$5,000 under \$6,000.....	264,490	814,394	10,421	23,842	284,003	647,676	29,729	125,627	(*)	(*)	(*)	(*)	(*)	(*)
\$6,000 under \$7,000.....	222,510	879,544	(*)	6,070	14,017	292,813	124,064	570,034	(*)	(*)	(*)	(*)	(*)	(*)
\$7,000 under \$8,000.....	144,919	693,403	(*)	(*)	29,146	67,693	111,857	57,785	(*)	(*)	(*)	(*)	(*)	(*)
\$8,000 under \$9,000.....	89,700	443,204	(*)	(*)	1,946	33,129	17,712	20,498	(*)	(*)	(*)	(*)	(*)	(*)
\$9,000 under \$10,000.....	65,000	424,556	(*)	(*)	779	2,797	15,394	22,429	(*)	(*)	(*)	(*)	(*)	(*)
\$10,000 under \$20,000.....	93,364	709,223	(*)	(*)	(*)	(*)	5,084	28,626	(*)	(*)	(*)	(*)	(*)	(*)
\$15,000 under \$25,000.....	137,930	543,371	(*)	(*)	(*)	(*)	(*)	1,208	(*)	(*)	(*)	(*)	(*)	(*)
\$20,000 under \$30,000.....	157,869	341,709	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$30,000 under \$40,000.....	21,351	126,912	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$40,000 under \$50,000.....	712	32,314	2	277	3	942	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$50,000 under \$60,000.....	36	14,752	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$60,000 under \$1,000,000.....	7	12,392	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Non-taxable returns.....	751	9,439	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)

Adjusted gross income classes	Marginal tax rate classes—Continued													
	40 percent		43 percent		45 percent		46 percent		48 percent		50 percent			
	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.....	7,854	34,284	3,657	64,255	2,713	38,200	1,391	33,559	1,675	43,506	574	17,163	1,394	43,476
Taxable returns, total.....	7,854	34,284	3,657	64,255	2,713	38,200	1,391	33,559	1,675	43,506	574	17,163	1,394	43,476
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 under \$100,000.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$100,000 under \$500,000.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$500,000 under \$1,000,000.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$1,000,000 or more.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Non-taxable returns.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)

Source: as at end of table. See text for "Explanation," "Abbreviations and Terms" and "Sources of Data, Description of the Sample, and Limitations of the Data."

INDIVIDUAL/1965 • TAX COMPUTATION AND TAX RATES

Table 26. — INCOME TAX GENERATED AT EACH TAX RATE FOR ALL RETURNS AND RETURNS UNDER EACH OF THE THREE TAX RATE SCHEDULES

Tax rate	Returns with tax rate as marginal rate									Returns with an tax generated at tax rate		
	Number of returns	Adjusted gross income (Thousand dollars)	Total tax base (Thousand dollars)	Total income tax before credits (Thousand dollars)	Tax base taxed at marginal rate (Thousand dollars)	Tax generated at marginal rate (Thousand dollars)	Income tax after credits			Number of returns	Tax base taxed at tax rate (Thousand dollars)	Tax generated at tax rate (Thousand dollars)
							Total (Thousand dollars)	As a percent of— Adjusted gross income	Total tax base			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
ALL RETURNS												
Total.....	67,596,300	429,201,239	255,093,824	50,144,133	54,418,670	12,228,349	4,324,696	11.5	19.4	67,596,300	-	-
Returns with special tax computation ¹	843,568	12,104,889	9,241,608	2,525,410	-	-	2,462,100	20.4	26.7	843,568	-	-
0 Percent returns with no tax base ²	13,039,910	17,076,842	-	-	-	-	-	-	-	13,039,910	-	-
Returns with taxable income, total.....	53,707,821	400,014,510	245,852,216	47,618,721	54,418,670	12,228,749	47,061,597	11.8	19.1	53,707,821	245,852,216	47,726,804
14 percent.....	6,605,609	17,547,876	2,137,608	361,685	2,508,321	351,165	337,883	1.9	13.4	3,707,291	-2,173,401	1,902,346
15 percent.....	6,066,714	22,411,504	7,334,757	1,056,291	2,469,910	370,427	1,415,410	4.4	13.8	4,712,854	3,895,266	5,384,290
16 percent.....	6,283,694	30,462,308	13,164,738	1,954,161	2,740,015	438,402	1,904,683	6.3	14.5	41,094,968	32,207,648	1,153,224
17 percent.....	6,224,875	36,789,367	18,833,736	2,893,377	2,713,972	61,322	2,341,561	7.7	15.0	33,712,059	25,700,613	4,369,104
18 percent.....	562,213	2,993,453	1,672,376	267,273	546,849	98,374	265,454	8.9	15.9	1,099,214	1,620,538	291,697
19 percent.....	17,602,547	136,308,080	85,317,507	14,222,023	25,700,029	4,383,036	14,094,934	10.3	16.4	27,487,154	57,604,070	10,944,773
20 percent.....	32,411	2,343,141	1,581,921	271,220	282,771	6,354	276,474	11.5	17.1	53,301	54,071	141,590
22 percent.....	6,465,149	62,325,933	44,436,210	8,970,817	8,233,764	1,311,457	5,906,747	13.0	18.0	10,397,227	20,394,507	4,410,292
25 percent.....	1,937,937	27,159,409	20,751,936	4,085,959	2,456,631	614,118	4,647,125	14.9	14.7	3,645,072	8,229,057	2,057,264
27 percent.....	14,411	267,519	202,779	42,407	16,796	4,511	42,030	15.7	20.7	10,912	81,494	22,003
28 percent.....	671,908	12,409,869	9,699,272	2,086,450	945,721	264,802	2,055,942	16.6	21.2	1,706,329	4,455,968	1,247,671
31 percent.....	4,902	164,369	124,330	23,667	9,989	2,119	24,479	17.3	22.0	32,461	54,071	16,762
32 percent.....	329,497	7,611,520	6,310,324	1,400,199	491,760	17,365	1,340,899	18.1	22.8	1,056,920	2,777,237	946,316
35 percent.....	3,657	94,238	64,755	16,297	3,776	1,326	1,394	20.1	24.2	17,644	31,776	11,112
36 percent.....	197,513	5,434,941	4,367,857	1,097,709	308,137	110,336	1,664,306	20.0	24.8	723,696	2,111,120	760,003
39 percent.....	127,999	4,220,914	3,427,088	925,249	219,447	82,461	914,313	21.7	26.7	515,135	1,548,154	603,781
40 percent.....	1,713	46,728	38,200	10,757	1,547	634	19,354	22.2	27.1	11,073	20,182	8,073
41 percent.....	1,391	43,940	33,559	9,736	1,259	519	2,067	23.0	28.3	4,306	17,075	7,001
42 percent.....	87,644	3,241,965	2,665,213	758,703	143,211	60,167	742,297	23.1	28.3	357,139	1,158,127	495,679
43 percent.....	1,675	55,246	43,906	12,992	1,771	761	12,924	23.4	29.7	7,915	1,236	6,121
45 percent.....	62,724	2,678,177	2,190,082	670,258	104,900	47,160	664,316	24.7	30.2	306,317	43,769	421,096
46 percent.....	1,394	54,812	43,476	14,110	2,448	1,174	13,946	25.4	32.0	5,666	13,617	8,024
48 percent.....	47,972	2,326,984	1,919,287	623,344	82,437	39,570	619,152	26.6	32.3	242,200	743,865	359,458
50 percent.....	72,142	3,914,309	3,236,741	1,119,117	234,511	117,266	1,108,809	28.3	34.3	194,223	1,647,593	523,796
50 percent (alternative tax computation returns with capital gains tax only).....	30	31,041	308,247	154,122	308,247	154,124	153,291	43.7	49.7	30	308,247	154,124
50 percent (alternative tax computation returns with capital gains tax and normal tax and surtax).....	479,799	50,811,562	39,145,811	33,747,298	2,777,330	1,389,667	23,715,296	37.9	45.6	79,799	2,777,330	1,389,665
52 percent.....	341	18,315	14,886	3,524	377	146	5,426	29.6	36.5	2,361	5,608	2,916
53 percent.....	50,058	3,320,091	2,775,347	1,044,525	228,313	121,009	1,039,450	31.3	37.5	121,694	930,651	493,245
55 percent.....	27,183	2,149,781	1,804,674	733,697	121,132	66,623	722,615	33.6	40.0	71,636	552,890	304,090
56 percent.....	124	8,088	6,929	2,827	122	64	2,796	34.6	40.4	1,488	2,847	1,594
58 percent.....	14,446	1,374,816	1,147,034	493,286	67,856	34,316	487,753	35.5	42.5	44,329	358,336	207,847
59 percent.....	146	14,899	11,831	3,320	458	270	5,292	35.5	44.7	802	4,335	2,558
60 percent.....	8,297	880,837	733,701	329,314	37,810	22,686	326,122	37.0	44.4	29,031	236,544	141,926
61 percent.....	103	11,189	8,603	3,662	366	223	3,884	34.7	45.1	646	3,623	2,210
62 percent.....	7,770	993,956	824,017	387,786	55,245	34,252	384,237	38.7	46.6	21,276	261,846	162,345
63 percent.....	103	10,670	9,214	4,414	445	280	4,391	41.2	47.7	449	3,212	2,023
64 percent.....	4,217	632,461	515,790	253,980	30,332	19,413	251,350	39.7	48.7	13,493	172,373	110,319
66 percent.....	2,544	472,188	388,291	197,942	17,245	12,702	195,717	41.4	51.4	9,187	121,403	80,126
67 percent.....	46	8,304	6,798	3,640	470	315	3,620	43.6	53.3	153	2,610	1,749
68 percent.....	1,668	334,765	275,885	144,765	12,180	8,282	143,433	42.8	52.0	6,596	37,786	25,695
69 percent.....	1,003	222,050	177,719	95,443	7,509	5,179	94,875	42.7	53.4	4,929	67,385	46,446
70 percent.....	3,926	1,846,816	1,432,018	856,921	546,339	379,237	846,030	45.3	59.1	3,926	664,719	468,803

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

INDIVIDUAL/1965 • TAX COMPUTATION AND TAX RATES

Table 26. — 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 or marginal rate									Returns with tax rate separate		
	Number of returns	Adjusted gross income (Thousand dollars)	Total tax base (Thousand dollars)	Total income tax before credits (Thousand dollars)	Tax base taxed at marginal rate (Thousand dollars)	Tax generated at marginal rate (Thousand dollars)	Income tax after credits			Number of returns	Total tax base (Thousand dollars)	Tax generated at tax rate (Thousand dollars)
							Total (Thousand dollars)	As a percent of—	Total tax base			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
JOINT RETURNS AND RETURNS OF SURVIVING SPOUSE												
Total.....	39,905,774	337,997,859	193,434,674	39,350,344	42,137,601	9,440,858	48,774,431	11.1	19.5	39,905,774	-	-
Returns with special tax computation.....	566,666	10,638,137	8,226,117	2,250,497	-	-	2,148,304	20.1	26.1	566,666	-	-
0 Percent (returns with no tax base) ²	4,462,947	10,263,420	-	-	-	-	-	-	-	4,462,947	-	-
Returns with taxable income, total.....	33,996,195	316,997,302	191,213,577	36,990,480	42,137,601	9,440,858	46,626,127	11.5	19.1	33,996,195	191,213,577	1,307,671
14 percent.....	3,162,331	12,372,881	1,607,451	231,734	1,592,963	225,018	214,330	1.7	13.3	3,162,331	32,024,654	474,117
15 percent.....	3,696,181	18,447,840	5,624,134	310,781	1,917,693	287,619	274,149	4.2	13.8	3,696,181	24,715,140	341,143
16 percent.....	4,120,003	24,730,868	10,400,854	1,544,648	2,144,743	343,159	1,908,426	6.1	14.1	4,120,003	21,161,796	2,020,448
17 percent.....	4,936,973	31,765,900	17,933,098	2,441,634	2,294,477	390,911	2,401,739	7.6	15.1	4,936,973	21,933,516	3,333,194
18 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
19 percent.....	12,412,706	114,539,997	70,803,585	11,730,251	21,083,634	4,005,891	11,651,238	10.2	16.4	12,412,706	67,353,786	6,017,214
20 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
22 percent.....	3,853,938	17,723,674	36,498,544	6,691,802	6,103,209	1,342,706	6,640,472	12.8	17.9	3,853,938	14,967,654	3,214,379
25 percent.....	1,383,602	14,630,116	14,834,737	2,425,729	1,794,370	432,492	2,395,604	14.8	14.6	1,383,602	4,202,947	1,568,177
27 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
28 percent.....	408,344	9,486,741	7,343,855	1,480,020	721,134	201,918	1,960,231	16.4	21.2	408,344	3,976,117	1,409,313
31 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
32 percent.....	215,326	6,027,616	4,771,536	1,105,444	384,262	124,564	1,990,133	18.1	22.8	215,326	1,413,040	572,176
35 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
36 percent.....	130,236	4,317,480	3,460,364	870,182	244,476	88,047	870,464	14.4	24.8	130,236	1,727,731	624,193
39 percent.....	93,757	3,570,966	2,347,931	781,306	178,727	69,704	772,463	21.6	26.7	93,757	1,307,147	504,187
40 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
41 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
42 percent.....	63,446	4,730,361	2,227,797	638,536	120,138	50,458	630,366	23.1	28.3	63,446	391,400	417,400
43 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
45 percent.....	46,586	2,265,133	1,857,395	567,417	87,956	39,580	560,777	24.7	30.2	46,586	776,658	349,496
46 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
48 percent.....	36,328	1,986,759	1,640,622	433,364	69,946	33,574	528,210	26.6	32.2	36,328	613,724	244,492
50 percent.....	53,400	3,311,685	2,744,514	948,227	199,348	99,674	939,516	28.4	34.2	53,400	1,361,091	431,542
50 percent (alternative tax computation returns with capital gains tax only).....	359	276,676	246,641	123,319	246,641	123,321	126,794	44.4	44.8	359	246,641	123,321
50 percent (alternative tax computation returns with capital gains tax and normal tax and surtax).....	457,220	27,764,117	26,491,909	2,946,166	2,204,067	1,102,034	2,920,404	37.6	45.0	457,220	2,204,067	1,102,034
52 percent.....	36,580	2,789,810	2,339,504	884,017	144,613	103,145	876,064	31.4	37.5	36,580	747,859	391,365
53 percent.....	18,614	1,741,223	1,467,524	597,520	98,720	54,296	588,778	33.8	40.1	18,614	428,659	237,762
56 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
58 percent.....	9,723	1,080,392	907,033	389,772	53,167	30,837	386,421	35.8	42.6	9,723	266,453	154,543
59 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
60 percent.....	5,392	693,011	581,260	261,064	29,836	17,402	258,631	37.3	44.5	5,392	178,425	107,695
61 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
62 percent.....	4,959	772,357	643,164	302,802	43,518	26,981	300,251	38.9	46.7	4,959	191,980	119,628
63 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
64 percent.....	2,457	465,497	379,907	187,081	22,285	14,262	184,923	39.7	48.7	2,457	74,423	77,833
66 percent.....	1,946	358,410	296,386	151,027	14,409	9,510	144,417	41.7	50.4	1,946	82,813	54,656
67 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
68 percent.....	872	237,504	196,988	103,127	8,482	4,768	102,079	43.0	51.8	872	59,442	40,420
69 percent.....	546	154,428	123,842	66,815	5,215	3,542	66,091	42.8	53.4	546	45,255	31,226
70 percent.....	2,002	1,117,577	881,951	522,831	294,702	209,792	516,043	46.2	58.5	2,002	379,702	261,792

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

INDIVIDUAL/1965 • TAX COMPUTATION AND TAX RATES

Table 26.—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 (Thousand dollars)	Total tax base (Thousand dollars)	Total income tax before credits (Thousand dollars)	Tax base taxed at marginal rate (Thousand dollars)	Tax generated at marginal rate (Thousand dollars)	Income tax after credits			Number of returns	Tax base taxed at tax rate (Thousand dollars)	Tax generated at tax rate (Thousand dollars)
							Total (Thousand dollars)	As a percent of— Adjusted gross income	Total tax base			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
SEPARATE RETURNS OF HUSBANDS AND WIVES AND RETURNS OF SINGLE PERSONS												
Total.....	26,202,612	80,570,009	49,547,718	9,733,405	10,924,699	2,503,154	9,609,517	11.9	19.4	26,202,612	-	-
Returns with special tax computation ¹	274,227	1,264,740	887,990	238,534	-	-	234,003	18.5	26.4	274,227	-	-
0 Percent (returns with no tax base) ²	7,861,381	1,932,299	-	-	-	-	-	-	-	7,861,381	-	-
Returns with taxable income, total..	18,067,007	73,372,773	48,659,728	9,494,870	10,924,999	2,503,154	9,609,518	13.1	19.7	18,067,007	48,659,728	9,535,799
14 percent.....	3,187,500	11,418,229	783,665	110,960	781,210	109,370	1,805,051	2.4	13.5	3,187,500	8,221,253	1,150,975
15 percent.....	3,310,534	4,463,964	1,710,624	246,170	552,447	82,867	234,712	5.3	13.7	3,310,534	6,837,116	1,025,567
16 percent.....	1,872,077	4,604,348	2,328,131	345,423	449,663	71,946	332,632	7.2	14.3	1,872,077	5,797,204	927,553
17 percent.....	1,687,918	5,023,967	2,950,009	451,744	413,595	70,311	440,027	8.8	14.9	1,687,918	4,917,097	835,907
18 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
19 percent.....	5,189,342	21,768,084	15,013,922	2,491,772	1,616,395	877,115	2,463,696	11.3	16.4	5,189,342	12,250,285	2,327,554
20 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
22 percent.....	2,423,905	15,436,951	11,744,045	2,125,281	2,033,782	447,432	2,113,296	13.7	18.0	2,423,905	4,919,026	1,060,384
25 percent.....	816,863	7,078,706	5,581,436	1,094,594	668,042	167,011	1,087,564	15.4	19.5	816,863	1,926,478	455,119
27 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
28 percent.....	263,966	1,943,128	2,350,418	500,430	244,586	62,884	495,711	17.0	21.1	263,966	849,851	237,958
31 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
32 percent.....	109,416	1,487,666	1,204,403	277,063	10,467	31,350	273,324	18.4	22.7	109,416	504,382	161,402
35 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
36 percent.....	64,304	1,042,865	844,436	212,259	60,721	21,859	209,325	20.1	24.7	64,304	338,509	121,863
39 percent.....	34,238	649,448	531,157	143,941	31,700	12,363	141,850	21.8	26.7	34,238	241,009	93,994
40 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
41 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
42 percent.....	23,616	510,904	417,416	120,173	23,113	3,707	118,332	23.2	28.3	23,616	185,188	77,779
43 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
45 percent.....	15,564	389,992	315,525	77,330	16,223	7,300	96,268	24.7	30.5	15,564	147,170	66,227
46 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
48 percent.....	10,701	292,201	239,877	77,670	10,486	1,033	76,751	26.3	32.9	10,701	120,032	57,616
50 percent.....	18,423	983,880	477,644	167,682	34,785	17,392	164,131	28.1	34.4	18,423	180,197	90,099
50 percent (alternative tax computation: returns with capital gains tax only).....	152	69,682	57,755	28,877	57,755	28,877	28,596	41.0	49.5	152	57,755	28,877
50 percent (alternative tax computation: returns with capital gains tax and normal tax and surtax).....	420,876	51,856,174	51,496,248	5728,039	519,668	259,334	5721,389	38.9	48.2	420,876	514,668	259,834
52 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
53 percent.....	12,935	500,437	412,856	156,026	32,699	17,330	163,376	30.3	37.3	12,935	173,491	91,950
55 percent.....	7,981	371,040	306,155	123,821	21,809	11,444	121,718	32.8	39.2	7,981	113,692	62,531
56 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
58 percent.....	4,211	250,877	203,942	88,081	11,643	6,796	77,392	34.3	42.2	4,211	79,243	45,961
59 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
60 percent.....	4,906	187,826	152,441	68,250	7,974	4,785	67,491	35.1	44.3	4,906	88,118	34,871
61 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
62 percent.....	2,717	211,898	174,916	81,265	11,551	7,162	80,312	37.9	46.4	2,717	67,895	42,095
63 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
64 percent.....	1,670	152,964	124,174	61,097	7,517	4,811	60,715	39.3	48.9	1,670	47,163	30,184
66 percent.....	896	48,651	79,401	40,439	3,991	2,634	39,928	40.5	50.3	896	34,682	22,890
67 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
68 percent.....	772	91,570	74,494	39,249	3,517	2,392	38,769	42.6	52.3	772	26,483	18,009
69 percent.....	433	60,843	48,925	26,407	2,061	1,422	26,160	43.0	53.5	433	20,701	14,284
70 percent.....	1,364	702,552	528,411	320,306	231,094	161,766	317,441	45.2	60.0	1,364	277,594	194,316

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

INDIVIDUAL/1965 • TAX COMPUTATION AND TAX RATES

Table 26.—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 no tax generated at tax rate		
	Number of returns	Adjusted gross income (Thousand dollars)	Total tax base (Thousand dollars)	Total income tax before credits (Thousand dollars)	Tax base taxed at marginal rate (Thousand dollars)	Tax generated at marginal rate (Thousand dollars)	Income tax after credits			Number of returns	Tax base taxed at tax rate (Thousand dollars)	Tax generated at tax rate (Thousand dollars)
							Total (Thousand dollars)	As a percent of— Adjusted gross income	Total tax base			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
RETURNS OF HEAD OF HOUSEHOLD												
Total.....	1,887,912	10,633,373	6,106,419	1,164,785	1,366,074	284,736	1,161,34	10.9	19.0	1,897,414	-	-
Returns with special tax computation ¹	27,677	201,412	127,402	36,379	-	-	36,788	17.8	28.1	27,677	-	-
0 Percent (returns with no tax base) ²	215,612	380,724	-	-	-	-	-	-	-	215,612	-	-
Returns with taxable income, total.....	1,644,621	10,051,441	5,978,917	1,133,406	1,366,072	284,738	1,125,158	11.2	13.8	1,664,621	1,079,417	1,117,399
14 percent.....	255,777	756,766	134,491	18,492	134,147	18,781	18,900	2.4	13.8	1,664,621	1,424,994	219,619
15 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
16 percent.....	289,614	1,127,452	435,703	64,091	145,679	23,298	63,624	5.6	14.6	1,388,525	1,244,849	143,676
17 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
18 percent.....	562,213	2,973,453	1,673,336	267,273	567,449	98,377	265,954	8.9	15.7	1,049,214	1,627,338	241,675
19 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
20 percent.....	324,411	2,343,141	1,581,585	271,520	282,771	56,554	270,474	11.5	17.1	537,001	707,940	161,940
22 percent.....	124,306	1,165,308	843,620	153,734	96,774	21,299	153,019	13.1	18.1	212,590	273,340	60,750
25 percent.....	37,472	451,087	335,764	65,637	34,240	8,555	65,227	14.5	19.4	88,284	131,833	53,549
27 percent.....	18,411	267,919	202,979	42,407	16,706	4,511	42,030	15.7	20.7	50,812	71,494	20,682
28 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
31 percent.....	9,902	164,360	129,330	28,665	9,089	2,818	28,470	17.3	22.0	32,401	54,071	16,672
32 percent.....	4,854	96,039	74,285	17,684	4,531	1,450	17,432	18.2	23.4	24,699	39,495	14,796
35 percent.....	3,657	79,238	64,275	16,200	3,790	1,326	15,955	20.1	24.8	17,664	31,759	14,085
36 percent.....	2,969	74,046	58,057	15,467	2,858	1,029	14,919	20.1	25.7	13,988	24,881	9,893
39 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
40 percent.....	1,713	46,728	38,200	10,755	1,585	634	10,354	22.2	27.1	11,019	20,182	8,163
41 percent.....	1,391	40,940	33,559	9,736	1,259	516	4,665	23.6	28.8	4,306	17,075	7,001
42 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
43 percent.....	1,675	55,246	43,506	12,922	1,770	561	12,926	23.4	29.7	7,915	14,236	6,321
45 percent.....	573	23,053	17,163	5,511	621	280	5,470	23.7	31.9	6,240	11,941	5,701
46 percent.....	1,394	54,812	43,476	11,110	2,548	1,172	13,924	25.4	32.0	5,666	14,617	8,951
48 percent.....	943	48,025	39,186	14,311	2,006	963	14,192	29.6	36.2	4,273	15,309	7,348
50 percent.....	369	18,744	14,584	5,208	399	199	5,162	27.5	35.4	3,330	6,312	3,176
50 percent (alternative tax computation returns with capital gains tax only).....	19	4,683	3,852	1,926	3,952	1,926	1,920	41.0	49.8	19	3,852	1,926
50 percent (alternative tax computation returns with capital gains tax and normal tax and surtax).....	41,702	519,277	519,655	574,003	55,645	27,798	573,410	38.4	46.6	1,702	55,545	27,798
52 percent.....	341	18,315	14,886	5,524	377	196	5,426	29.6	36.5	2,961	5,608	2,646
53 percent.....	743	29,844	24,987	9,482	1,008	534	9,411	31.5	37.7	2,619	9,302	4,100
55 percent.....	558	37,518	30,946	12,356	1,603	881	12,119	32.3	39.1	2,076	10,534	5,777
56 percent.....	124	8,088	6,929	2,827	122	69	2,796	34.6	40.4	1,428	2,847	1,594
58 percent.....	62	43,547	36,059	15,432	3,040	1,763	15,334	35.2	42.5	1,364	12,660	7,343
59 percent.....	156	14,899	11,831	5,320	458	270	5,292	35.5	44.7	802	4,335	2,552
60 percent.....	-	-	-	-	-	-	-	-	-	-	-	-
61 percent.....	103	11,189	9,603	3,962	366	223	3,884	34.5	45.1	646	3,623	2,210
62 percent.....	43	9,702	7,938	3,719	176	109	3,673	37.4	46.3	543	1,972	1,223
63 percent.....	103	10,670	9,214	4,414	445	280	4,391	41.2	47.7	449	3,212	2,023
64 percent.....	90	14,400	11,710	5,802	531	340	5,712	39.7	48.8	346	3,996	2,301
65 percent.....	102	15,127	12,504	6,419	844	557	6,373	42.1	51.0	255	3,909	2,480
67 percent.....	46	8,304	6,798	3,640	470	315	3,620	43.6	53.3	153	2,610	1,764
68 percent.....	23	6,692	4,404	2,399	181	123	2,386	41.9	54.2	107	1,861	1,266
69 percent.....	24	6,779	4,951	2,771	230	158	2,624	38.7	53.0	84	1,430	926
70 percent.....	60	26,687	21,156	13,344	9,542	6,680	13,246	49.6	62.5	60	12,422	7,744

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

¹Includes returns with income averaging, fiscal year returns, and prior-year delinquent returns whether or not they had any tax base.

²Includes any calendar year and part year returns.

³This total is not the sum of the following tax rate classes because many returns have a tax base taxed at more than one rate.

⁴These returns are not included in the total because they already appear in the class which is their marginal normal tax and surtax rate.

⁵This amount is not included in the total for the reason stated in footnote 4.

NOTE: D-tail may not add to total because of rounding. A dash (-) in this table means "Not applicable."

CONTENTS

- A large proportion of the aged are nontaxable, 71
Older taxpayers report relatively low income, 71
Taxpayers with retirement income credit show a higher level of income than all aged taxpayers, 72
Investment income important to all aged taxpayers particularly those with retirement income credit, 72
Computation of retirement income credit, 73

Text tables

- 4.1 All returns, and returns with at least one age exemption Number, percent distribution and average tax savings, by income size, 72
4.2 Returns with retirement credit: Number, percent distribution and average credit, by income size, 72
4.3 Selected sources of income for all returns, returns with at least one age exemption, and returns with retirement income credit, 73

Charts

- 4A Returns with and without age exemptions, 71
48 Percentage distribution of sources of income, by type of return, 72

Basic tables

- 27 All returns with at least one taxpayer age 65 or over Sources of income and tax items, by income size, 74
28 Standard deduction returns with at least one taxpayer age 65 or over Adjusted gross income and tax items, by income size, 77
29 Itemized deduction returns with at least one taxpayer age 65 or over Adjusted gross income and tax items, by income size, 78
30 Returns with retirement income credit schedule: By method of computation and by income size, 79
31 Returns with retirement income credit Sources of income and tax items, by income size, 80
-

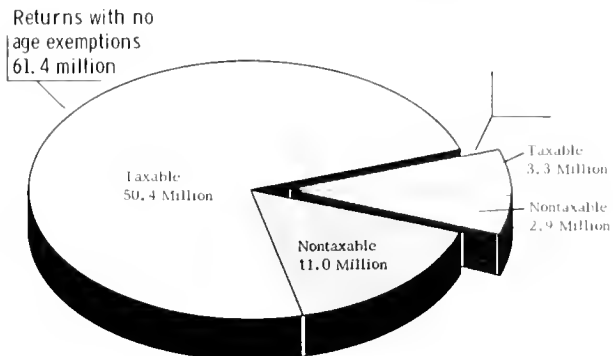
Returns with age exemptions constitute less than 10 percent of all returns, and returns with retirement income credit only 2 percent. These returns are of particular interest, however, because they represent taxpayers who benefit from special provisions of the tax law. In general, older taxpayers are considered to have lower income and higher expenses (notably medical expenses) than persons under 65, and are therefore given special tax consideration.

In 1965, the special tax treatment included an additional exemption of \$600 for each taxpayer age 65 or over (which in turn led to a higher minimum standard deduction), more liberal deductions for medical and dental expenses than afforded other taxpayers, the exclusion of all or part of the gain on the sale of personal residences, and more liberal treatment of retirement income for the purpose of computing a retirement income credit.

A LARGE PROPORTION OF THE AGED ARE NONTAXABLE

In 1965, 47 percent of the returns with at least one age exemption were nontaxable, as compared to 18 percent of

Chart 4A - Returns with and without Age Exemptions



all other returns. In general, this resulted from the low level of income received by elderly taxpayers, as well as the special provisions of the tax law.

Of the approximately 2.9 million nontaxable returns of the elderly, table 27 shows that 86 thousand had no adjusted gross income, and another 2.4 million had no taxable income after allowances for exemptions (including age exemptions) and personal deductions. Of the remaining 393 thousand returns, approximately 370 thousand had their tax liability wiped out by the retirement income credit, and the remaining 23 thousand became nontaxable after the application of credits other than that on retirement income.

OLDER TAXPAYERS REPORT RELATIVELY LOW INCOME

Table 4.1 shows the distribution by adjusted gross income class of returns filed by taxpayers age 65 and over. Close to half of these returns showed income under \$3,000; whereas, for returns filed by all age groups, one-third fell in that class. However, it should be noted that the aged may also receive amounts of Social Security and Railroad Retirement Act benefits. These amounts are not included in a taxpayer's income subject to tax and are not reflected in these tables.

The additional exemption reduces the taxable income of the aged, resulting in a corresponding reduction in taxes. The amount of the reduction depends upon the taxpayer's marginal tax rate. An estimate of tax savings for taxpayers in an income class can be calculated by multiplying the average amount of age exemptions by the marginal tax rate for the average taxable income in that income class. The calculation is performed separately for each of the tax rate schedules. Using this method of computation, table 4.1 shows that the average savings of \$250 for elderly taxpayers with \$10,000 or more of gross income is more than twice as great as the average tax savings for elderly taxpayers with income under \$5,000. However,

Table 4.1—ALL RETURNS AND RETURNS WITH AT LEAST ONE AGE EXEMPTION: NUMBER, PERCENT DISTRIBUTION, AND AVERAGE TAX SAVINGS FROM AGE EXEMPTIONS, BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	All returns		Returns with at least one age exemption	
	Number	Percent	Number	Percent
	(1)	(2)	(3)	(4)
Total.....	67,596,300	100.0	6,149,876	100.0
Under \$3,000.....	21,211,025	31.4	2,906,032	47.3
\$3,000 under \$5,000.....	11,806,326	17.5	1,229,849	20.0
\$5,000 under \$10,000.....	23,473,737	34.7	1,290,839	21.0
\$10,000 or more.....	11,105,211	16.4	723,156	11.8

Adjusted gross income classes	Returns with at least one age exemption—Continued			
	Average taxable income	Average amount of age exemptions	Average tax-savings from age exemptions ¹	
			Amount	Percent of adjusted gross income
	(Dollars)	(Dollars)	(Dollars)	(8)
	(5)	(6)	(7)	(8)
Total.....	3,236	773	135	2.3
Under \$3,000.....	103	765	109	7.1
\$3,000 under \$5,000.....	1,231	774	120	3.1
\$5,000 under \$10,000.....	3,705	773	146	2.1
\$10,000 or more.....	18,400	805	250	1.0

¹Value of average amount of age exemptions, computed at marginal tax rate for average taxable income. This computation was carried out separately for returns using each tax rate schedule.

when average tax savings are considered as a percentage of average income, the relative benefit is seen to be larger for taxpayers in the lower income classes.

TAXPAYERS WITH RETIREMENT INCOME CREDIT SHOW A HIGHER LEVEL OF INCOME THAN ALL AGED TAXPAYERS

In contrast to all returns and all returns with an age exemption, only 22 percent of the returns with retirement income credit had income under \$3,000. As shown in table 4.2, returns with retirement income credit were relatively heavily concentrated in the \$3,000 under \$5,000 income class. As in the case of returns with an age exemption, tax savings were directly related to size of income. The average retirement credit varied between \$61 at the lower income levels to \$145 at the higher levels. Relative savings were inversely related to size of income, showing a range between 2.7 percent at the lower level to 0.6 percent at the higher level.

The purpose of the retirement income credit is to equalize, to a certain extent, the tax treatment afforded the elderly retired on Social Security or Railroad Retirement Act pensions, and that of taxpayers with other types of retirement income. As in the case of Social Security, benefits under the retirement income credit are decreased by amounts of earned income for taxpayers who have not yet reached the age of 72. In 1965, the credit for taxpayers age 65 or over was limited to 15 percent of the lesser of--

Table 4.2—RETURNS WITH RETIREMENT INCOME CREDIT: NUMBER, PERCENT DISTRIBUTION, AND AVERAGE CREDIT, BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Number	Percent	Total credit	Average credit	Credit as percent of adjusted gross income
	(1)	(2)	(Thousand dollars)	(Dollars)	(5)
	(1)	(2)	(3)	(4)	(5)
Total.....	1,501,287	100.0	168,305	112	1.4
Under \$3,000.....	331,584	22.1	20,220	61	2.7
\$3,000 under \$5,000.....	477,960	31.8	49,973	105	2.7
\$5,000 under \$10,000.....	429,898	28.6	60,203	140	2.0
\$10,000 or more.....	261,845	17.4	37,909	145	0.6

1. Retirement income from pensions, annuities, dividends, interest, and gross rental income or

2. \$1,524 per taxpayer, reduced by amounts of earned income.

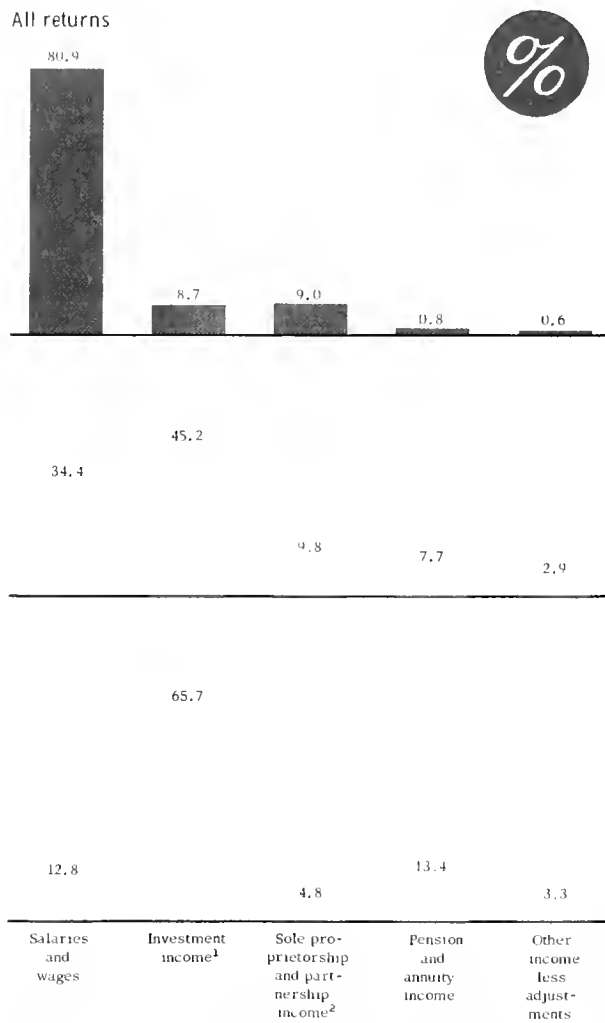
The retirement income credit was also available to taxpayers under 65 on their pensions and annuity income from public retirement systems. However, of the 1.5 million returns with retirement income credit filed, only 124 thousand or 8 percent were filed by persons under 65.

The 15 percent credit was a reduction from the 17 percent rate in 1964 and 20 percent rate prior to 1964. As a result, the amount of retirement income credit dropped in 1965 for the second year in a row. The amount claimed in 1965 was \$168 million, \$16 million less than in 1964 and \$44 million less than the amount reported in 1963.

INVESTMENT INCOME IMPORTANT TO ALL AGED TAXPAYERS PARTICULARLY THOSE WITH RETIREMENT INCOME CREDIT

As shown in chart 4B, wages and salaries constituted 81 percent of the income of all taxpayers, but only 34

Chart 4B - Percentage Distribution of Sources of Income, by Type of Return



¹Includes income less loss from rental property, royalties, sales of capital assets, dividends, and interest
²Includes income less loss from a business, profession, farm, or partnership

Table 4.3—SELECTED SOURCES OF INCOME FOR ALL RETURNS, RETURNS WITH AT LEAST ONE TAXPAYER AGE 65 OR OVER, AND RETURNS WITH RETIREMENT INCOME CREDIT

Item	All returns (Thousand dollars) (1)	Returns with at least one taxpayer age 65 or over		Returns with retirement income credit	
		Amount (Thousand dollars) (2)	Percent of income for all returns (3)	Amount (Thousand dollars) (4)	Percent of income for all returns (5)
Adjusted gross income less deficit.....	429,201,239	36,135,297	8.4	12,063,247	2.8
Salaries and wages (gross)....	367,156,062	12,441,218	3.6	1,740,727	0.4
Business or profession net profit and net loss.....	2,588,343	1,951,871	8.0	273,634	1.1
Farm net profit and net loss..	3,364,909	375,661	11.2	57,163	1.7
Partnership net profit and net loss.....	10,606,017	1,209,968	11.4	244,881	2.3
Sales of capital assets net gain and net loss.....	10,180,858	3,413,819	33.5	1,498,350	14.7
Dividends in adjusted gross income.....	12,960,570	6,380,863	49.2	3,490,344	26.9
Interest received.....	11,291,048	4,670,752	41.3	2,041,510	18.1
Rents net income and net loss.	2,454,447	1,605,627	65.4	758,841	30.9
Royalties net income and net loss.....	621,361	244,759	39.4	134,869	21.7
Pensions and annuities.....	3,968,265	2,767,022	77.5	1,618,567	45.3
All other sources, income and loss.....	5,553,852	1,216,576	21.9	431,177	7.8
Adjustments ¹	3,142,575	141,701	4.7	23,458	0.8

¹Includes sick pay exclusion, moving expense deduction, employee business expense deduction, and self-employed pension deduction.

percent of the income of elderly taxpayers and 13 percent of the income of those claiming the retirement income credit. Investment income constituted nearly one-half the income of all elderly taxpayers and nearly two-thirds the income of taxpayers with retirement income credit.

Although taxpayers age 65 and over accounted for only 8.4 percent of total adjusted gross income for all returns, table 4.3 shows that they accounted for a large proportion of the following kinds of income: pensions and annuities (77.5 percent), net rents (65.4 percent), dividends (49.2 percent), and interest (41.3 percent). Returns with retirement income credit, with only 2.8 percent of total adjusted gross income, had 45.3 percent of total income from pensions and annuities, 30.9 percent of the rents, and 26.9 percent of the dividends.

COMPUTATION OF RETIREMENT INCOME CREDIT

To be eligible for a credit on retirement income, a taxpayer must have had earned income of more than \$600 in each of any 10 years prior to the current year. If a husband and a wife, both of whom are 65 or over, file a joint return, they are eligible for an alternative computation. Under the general rule, as mentioned above, the base of the retirement income credit is limited to \$1,524 per taxpayer. Under the alternative computation, the amounts of retirement income accruing to the husband and the wife are pooled, and the upper limit of the base becomes \$2,286.

Of the 1.5 million returns with the retirement income credit, table 30 shows that 98 percent had a supporting schedule B outlining the credit computation. These returns were divided between the 1.4 million having the regular computation (labeled as "general rule" in the table) and less than 0.1 million having the alternative method computation. The average credit of the latter group (\$121) was slightly greater than that for the former group (\$111).

Almost 258 thousand (or 19 percent) 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 chose the "general rule" method because it afforded a larger credit, the average for the 258 thousand returns being \$144. 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 of computation (excluding returns with no Schedule B attached) totaled \$198 million. Since the retirement income credit could not exceed the income tax reduced by certain other credits, the actual credit was \$33 million lower than the tentative credit.

INDIVIDUAL/1965 • AGE 65 OR OVER: RETIREMENT INCOME CREDIT

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

Adjusted gross income classes	Number of returns	Number of exemptions	Adjusted gross income (Thousand dollars)	Salary and wages (gross)		Business or profession				Farm			
				Number of returns	Amount (Thousand dollars)	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)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
Grand total.....	6,149,876	18,694,146	136,139,400	2,828,185	12,441,118	602,485	2,180,444	95,142	264,573	361,780	652,856	184,438	277,194
Taxable returns, total.....	3,290,127	9,674,796	31,987,536	1,869,264	11,202,565	349,686	1,407,414	36,358	95,439	156,349	479,903	51,738	131,047
Under \$2,000.....	93,582	187,166	167,796	37,209	53,777	4,641	5,764	(*)	(*)	7,442	8,481	(*)	(*)
\$2,000 under \$3,000.....	355,421	761,794	841,340	156,356	312,343	24,780	26,773	1,030	1,456	15,271	22,740	3,563	3,372
\$3,000 under \$4,000.....	430,394	1,216,693	1,576,562	243,417	679,181	39,865	84,777	1,610	3,395	20,937	35,781	6,836	5,113
\$4,000 under \$5,000.....	484,343	1,337,244	1,968,321	263,085	961,407	37,351	95,614	1,961	1,456	20,932	47,854	7,106	8,479
\$5,000 under \$6,000.....	377,735	1,147,535	1,667,334	335,053	1,053,467	36,057	116,100	3,906	2,619	12,327	34,167	5,922	6,034
\$6,000 under \$7,000.....	320,123	993,897	1,467,446	311,736	1,137,734	27,315	89,273	3,177	1,171	11,457	27,220	5,018	7,465
\$7,000 under \$8,000.....	229,251	718,406	1,171,365	146,586	901,080	24,300	89,422	4,206	5,938	4,393	43,536	3,051	3,606
\$8,000 under \$9,000.....	179,366	564,300	1,506,227	112,805	752,970	11,563	86,411	2,788	1,465	6,671	28,947	2,175	1,955
\$9,000 under \$10,000.....	129,446	413,456	1,223,913	83,896	607,714	14,353	66,311			4,177	25,483	2,030	5,717
\$10,000 under \$15,000.....	346,177	1,111,648	4,180,309	201,071	1,862,426	46,136	297,210	1,563	11,617	18,857	64,117	5,047	13,256
\$15,000 under \$20,000.....	176,721	443,663	1,351,117	65,768	749,181	24,185	213,076	1,990	7,584	6,316	43,360	4,199	7,511
\$20,000 under \$30,000.....	180,431	600,363	1,546,128	82,430	1,283,619	32,938	423,891	1,990	17,171	6,073	63,078	4,934	24,951
\$30,000 under \$50,000.....	39,565	135,052	2,675,699	19,914	586,990	5,670	169,659	1,234	11,474	1,059	13,651	1,478	20,450
\$50,000 under \$100,000.....	13,684	40,154	1,327,935	6,733	313,907	1,551	65,917	780	17,426	367	6,782	138	18,536
\$100,000 under \$1,000,000.....	512	1,727	243,010	70	19,666	38	1,541	4	2,115	14	257	64	2,863
\$1,000,000 or more.....	251	842	534,039	142	8,749	33	4,169	32	5,741	8	256	38	2,122
Nontaxable returns, total.....	2,859,751	8,994,350	104,151,864	968,921	1,238,553	252,799	772,931	58,784	169,134	225,431	181,953	102,697	146,148
No adjusted gross income.....	85,569	258,395	213,787	10,296	25,671	1,399	1,997	1,664	6,213	(*)	(*)	35,076	84,363
Under \$600.....	230,524	637,743	714,265	7,136	29,022	13,357	1,332	5,008	3,649	4,985	15,678	13,544	11,762
\$600 under \$1,000.....	299,691	844,585	343,739	97,469	253,424	45,439	27,476	4,003	2,672	43,593	28,132	10,151	6,109
\$1,000 under \$1,500.....	1,222,918	3,407,990	1,796,960	438,715	467,057	66,371	89,761	5,833	6,764	26,117	70,395	20,644	14,349
\$1,500 under \$2,000.....	638,327	1,407,516	1,550,213	311,026	363,448	55,159	75,901	6,072	6,575	31,749	40,866	6,638	5,971
\$2,000 under \$3,000.....	237,244	819,476	1,809,371	75,586	155,740	15,300	29,732	3,321	6,559	7,763	16,754	3,603	3,618
\$3,000 under \$4,000.....	82,850	306,322	368,326	25,778	66,711	10,233	19,794	1,355	3,843	3,175	5,665	2,081	4,537
\$4,000 under \$5,000.....	62,608	223,234	312,631	15,224	55,454	5,282	21,559	811	7,559	3,144	7,331	2,300	15,539
Returns under \$5,000.....	4,135,881	11,873,370	9,284,150	1,646,566	6,924,505	363,651	473,896	64,610	129,168	287,915	311,477	118,084	149,531
Returns \$5,000 under \$10,000.....	1,290,839	4,035,346	8,431,266	994,413	6,597,110	122,401	469,405	13,660	15,739	45,915	163,571	20,170	27,823
Returns \$10,000 or more.....	723,156	2,361,930	17,924,561	377,306	4,947,543	116,933	1,245,683	15,372	79,666	27,950	197,807	15,784	69,840

Adjusted gross income classes	Partnership				Sales of capital assets				Ordinary gain from sales of depreciable property		Sales of property other than capital assets			
	Net profit		Net loss		Net gain		Net loss		Property		Net gain		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)	Number of returns	Amount (Thousand dollars)
(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	
Grand total.....	310,608	1,367,402	47,038	157,434	1,424,023	3,540,220	188,758	126,401	4,443	27,118	12,429	14,562	14,509	20,966
Taxable returns, total.....	156,744	1,292,655	26,541	75,621	957,618	2,124,439	126,297	84,776	4,460	21,710	6,207	11,211	7,946	10,308
Under \$2,000.....	1,825	3,571	-	-	16,802	7,924	(*)	(*)	-	-	-	-	-	-
\$2,000 under \$3,000.....	4,578	8,048	-	-	24,397	14,138	5,349	3,761	-	-	-	-	-	-
\$3,000 under \$4,000.....	10,901	21,981	3,666	3,620	92,760	63,341	8,140	5,145	1,631	1,727	1,258	813	1,722	544
\$4,000 under \$5,000.....	10,585	17,407	3,003	1,164	96,553	93,791	10,490	5,331						
\$5,000 under \$6,000.....	10,730	29,941			90,587	99,478	10,007	7,187	1,733	1,511				
\$6,000 under \$7,000.....	13,443	41,771			85,256	110,377	14,155	9,817	3,646	2,385				
\$7,000 under \$8,000.....	11,703	43,789	5,219	11,361	52,897	76,757	10,400	7,136						
\$8,000 under \$9,000.....	6,548	20,886			60,867	109,842	5,054	2,686	1,968	1,738	4,950	3,718	4,113	406
\$9,000 under \$10,000.....	5,944	27,591	5,730	6,151	45,191	83,522	4,846	2,976						
\$10,000 under \$15,000.....	21,602	117,428			140,217	312,779	21,116	14,844	4,792	4,720			1,168	1,898
\$15,000 under \$20,000.....	14,246	105,433	1,793	1,116	73,174	146,417	10,924	7,561	3,166	3,005	1,366	6,226	710	765
\$20,000 under \$30,000.....	31,774	407,222	4,410	13,527	113,597	600,506	18,343	13,354	4,724	3,196			1,370	1,808
\$30,000 under \$50,000.....	9,401	249,485	1,944	12,967	28,565	395,474	6,611	3,706	886	1,797	136	261	561	2,010
\$50,000 under \$100,000.....	3,246	177,327	1,139	15,087	11,054	558,139	1,397	1,145	466	1,371	91	388	362	2,234
\$100,000 under \$1,000,000.....	109	12,800	85	3,459	472	143,702	17	16	31	11	3	4	27	344
\$1,000,000 or more.....	39	8,474	52	3,629	229	299,943	16	13	17	78	1	1	13	99
Nontaxable returns, total.....	54,765	74,747	20,497	81,753	466,405	325,880	62,461	41,626	7,373	5,408	5,423	3,151	6,584	10,658
No adjusted gross income.....	(*)	(*)	1,948	21,954	17,511	38,430	3,277	5,537	(*)	(*)	299	177	1,803	8,208
Under \$600.....	2,631	967	3,907	3,158	24,352	10,553	6,089	3,585						
\$600 under \$1,000.....	5,731	3,486			37,242	13,638	4,604	3,830	1,548	715				
\$1,000 under \$2,000.....	20,853	22,493	4,034	3,375	163,121	65,224	15,011	10,820						
\$2,000 under \$3,000.....	12,801	17,885			109,296	66,411	11,324	7,674						
\$3,000 under \$4,000.....	4,226	7,389	5,053	4,535	71,038	50,416	8,886	6,028	3,564	1,917				
\$4,000 under \$5,000.....	4,102	7,445			22,090	18,321	3,438	2,354						
\$5,000 or more.....	3,518	13,478	1,496	13,731	21,735	73,176	3,170	2,392	454	192	731	1,617		
Returns under \$5,000.....	79,191	111,777	24,425	72,129	706,181	442,396	84,721	54,024	10,549	4,244	6,448	2,347	8,267	10,885
Returns \$5,000 under \$10,000.....	50,005	169,823	9,325	23,279	353,159	506,034	47,030	31,154	9,497	5,679	7,051	1,571	2,118	405
Returns \$10,000 or more.....	81,308	1,085,802	13,287	62,006	370,683	2,591,287	57,007	41,118	11,366	14,791	3,230	10,644	4,144	9,676

Footnotes at end of table. See text for "Explanations," "Classifications and Terms," and "Source of Data, Description of the Sample, and Limitation of the Data."

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

Adjusted gross income classes	Dividends in adjusted gross income		Interest received		Pensions and annuities (taxable portion)		Returns				Tax items			
	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Retirement		Dividends		Pensions		Tax items	
							Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)
(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	
Grand total.....	1,457,311	6,380,863	4,584,608	4,070,752	1,407,173	3,967,000	1,207,448	1,000,111	206,115	1,000,884	1,000,884	1,000,884	1,000,884	1,000,884
Taxable returns, total.....	1,283,502	5,258,177	2,612,304	3,403,829	773,816	1,959,907	604,094	1,236,642	14,901	6,903	4,214	10,666	6,903	11,301
Under \$1,000.....	14,706	1,814	64,427	38,706	14,937	16,979	1,154	17,782	(*)	(*)	(*)	(*)	(*)	(*)
\$1,000 under \$1,000.....	66,734	76,707	237,991	163,859	81,935	119,883	34,681	54,178	1,000	3,212	1,000	3,212	1,000	3,212
\$1,000 under \$2,000.....	116,701	111,361	332,100	267,963	110,742	175,054	36,003	81,004	14,901	3,945	3,945	14,901	3,945	14,901
\$2,000 under \$3,000.....	132,413	167,347	439,530	294,177	123,441	243,902	80,178	10,805	17,935	17,935	17,935	17,935	17,935	17,935
\$3,000 under \$4,000.....	117,838	177,603	387,838	253,469	80,544	185,608	70,958	104,111	18,335	7,615	7,615	18,335	7,615	18,335
\$4,000 under \$5,000.....	110,962	178,095	249,321	248,438	80,278	152,229	44,207	59,138	13,400	3,050	3,050	13,400	3,050	13,400
\$5,000 under \$6,000.....	81,011	168,833	185,291	184,718	44,213	116,418	44,418	88,407	13,344	3,113	3,113	13,344	3,113	13,344
\$6,000 under \$7,000.....	70,188	175,121	142,676	177,920	39,761	74,143	35,758	17,013	4,973	4,973	4,973	4,973	4,973	4,973
\$7,000 under \$8,000.....	61,335	139,765	113,902	136,559	25,628	73,014	26,298	42,821	4,828	2,997	2,997	4,828	2,997	4,828
\$8,000 under \$9,000.....	185,325	610,609	910,718	490,510	79,641	247,791	76,432	183,966	17,607	17,607	17,607	17,607	17,607	17,607
\$9,000 under \$10,000.....	99,511	463,999	138,003	281,520	33,696	103,400	33,909	108,386	9,447	3,555	3,555	9,447	3,555	9,447
\$10,000 under \$15,000.....	148,358	1,388,095	169,511	530,920	44,597	176,778	51,153	230,716	11,447	10,987	10,987	11,447	10,987	11,447
\$15,000 under \$20,000.....	36,406	876,113	37,482	197,947	8,973	48,344	10,818	78,476	2,461	3,821	3,821	2,461	3,821	2,461
\$20,000 under \$30,000.....	13,159	978,108	13,807	116,055	3,323	26,263	3,706	37,349	1,320	6,621	6,621	1,320	6,621	1,320
\$30,000 under \$50,000.....	502	143,867	476	9,577	131	1,199	110	1,236	90	944	944	90	944	90
\$50,000 or more.....	249	192,681	231	9,591	56	646	62	987	37	688	688	37	688	37
Nontaxable returns, total.....	571,909	522,689	1,942,304	1,266,922	633,358	1,007,097	673,312	548,764	117,914	33,353	71,177	41,218	33,353	71,177
No adjusted gross income.....	10,060	9,372	39,947	23,562	2,048	1,953	1,325	19,357	36,415	36,415	36,415	36,415	36,415	36,415
Under \$100.....	14,861	3,720	102,515	55,345	10,710	4,323	40,694	1,726	13,075	8,238	6,598	13,075	8,238	13,075
\$100 under \$1,000.....	24,049	9,363	157,669	93,765	25,943	15,867	75,785	46,791	11,971	3,926	3,926	46,791	3,926	46,791
\$1,000 under \$2,000.....	214,717	100,744	839,217	465,508	263,167	297,938	286,001	244,616	32,402	14,942	14,942	32,402	14,942	32,402
\$2,000 under \$3,000.....	148,358	101,186	493,016	351,579	228,870	350,826	167,420	151,267	25,573	15,449	15,449	25,573	15,449	25,573
\$3,000 under \$4,000.....	88,691	104,689	190,674	179,113	95,689	193,561	48,775	67,162	14,884	3,337	3,337	14,884	3,337	14,884
\$4,000 under \$5,000.....	26,998	49,294	69,091	75,591	41,250	111,840	24,704	31,464	(*)	3,428	3,428	(*)	3,428	(*)
\$5,000 or more.....	84,184	143,521	51,175	96,459	25,681	72,649	15,342	38,321	7,798	7,733	7,733	7,798	7,733	7,798
Returns under \$5,000.....	897,679	743,400	1,865,177	1,344,269	998,733	1,511,495	883,950	771,253	161,510	101,179	92,623	161,510	92,623	161,510
Returns \$5,000 under \$10,000.....	473,420	905,592	1,025,198	1,376,245	297,640	671,722	235,695	378,516	62,531	34,020	29,885	62,531	29,885	62,531
Returns \$10,000 or more.....	484,212	4,732,071	664,233	1,660,238	170,799	583,755	177,703	646,042	43,174	54,889	43,224	646,042	54,889	646,042

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

INDIVIDUAL/1965 • AGE 65 OR OVER: RETIREMENT INCOME CREDIT

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

Adjusted gross income classes	Tax credits—Continued				Income tax after credits (Thousand dollars) (59)	Tax from recomputed prior year investment credit		Self-employment tax		Tax withheld	
	Foreign taxes		Other			Number of returns (60)	Amount (Thousand dollars) (61)	Number of returns (62)	Amount (Thousand dollars) (63)	Number of returns (64)	Amount (Thousand dollars) (65)
	Number of returns (55)	Amount (Thousand dollars) (56)	Number of returns (57)	Amount (Thousand dollars) (58)							
Grand total.....	36,908	10,981	34,017	3,190	4,940,602	12,561	2,253	800,577	106,613	2,404,608	1,488,824
Taxable returns, total.....	35,497	10,281	29,008	3,077	4,940,602	10,423	2,079	464,739	84,106	1,753,605	1,422,711
Under \$2,000.....	-	-	-	-	2,354	-	-	9,970	739	31,467	3,894
\$2,000 under \$3,000.....	-	-	5,763	628	23,343	-	-	34,043	3,091	131,845	23,744
\$3,000 under \$4,000.....	-	-	-	-	63,687	-	-	53,963	6,767	217,214	59,515
\$4,000 under \$5,000.....	4,702	155	-	-	116,135	-	-	49,727	7,820	249,755	96,405
\$5,000 under \$6,000.....	-	-	-	-	140,235	2,900	326	47,164	8,312	221,860	108,548
\$6,000 under \$7,000.....	-	-	4,110	290	162,002	-	-	40,179	7,211	206,588	126,498
\$7,000 under \$8,000.....	-	-	-	-	151,497	-	-	33,460	6,288	143,065	103,468
\$8,000 under \$9,000.....	7,729	636	-	-	145,674	-	-	24,155	4,607	109,222	89,407
\$9,000 under \$10,000.....	-	-	6,163	277	128,212	-	-	20,149	4,241	81,911	75,949
\$10,000 under \$15,000.....	-	-	-	-	497,683	2,395	325	49,328	12,895	193,830	229,400
\$15,000 under \$20,000.....	3,429	467	3,365	270	343,758	1,236	206	31,244	7,496	62,046	99,096
\$20,000 under \$50,000.....	10,602	1,464	5,976	475	1,074,010	2,543	587	43,089	11,560	78,528	212,054
\$50,000 under \$100,000.....	5,388	1,807	2,357	358	805,350	886	300	9,422	2,237	19,247	122,289
\$100,000 under \$500,000.....	3,375	3,787	1,196	430	901,708	505	262	3,063	818	6,624	66,834
\$500,000 under \$1,000,000.....	173	874	50	36	146,920	36	25	91	22	263	3,161
\$1,000,000 or more.....	93	1,091	28	313	236,037	22	48	42	12	140	2,449
Nontaxable returns, total.....	(*)	(*)	5,010	111	-	2,138	176	335,837	22,507	651,004	66,113
No adjusted gross income.....	-	-	-	-	-	-	-	4,220	410	6,347	4,117
Under \$600.....	-	-	-	-	-	-	-	21,147	658	61,331	1,490
\$600 under \$1,000.....	-	-	-	-	-	-	-	2,322	2,489	72,871	3,554
\$1,000 under \$2,000.....	(*)	(*)	5,010	111	-	2,138	176	138,407	8,040	279,780	21,424
\$2,000 under \$3,000.....	-	-	-	-	-	-	-	69,369	826	142,817	17,555
\$3,000 under \$4,000.....	-	-	-	-	-	-	-	24,011	2,526	58,310	9,354
\$4,000 under \$5,000.....	-	-	-	-	-	-	-	8,929	1,667	17,830	4,137
\$5,000 or more.....	-	-	-	-	-	-	-	7,426	1,281	11,718	4,422
Returns under \$5,000.....	6,027	245	10,645	737	207,518	2,550	217	476,115	39,643	1,269,567	245,189
Returns \$5,000 under \$10,000.....	(*)	(*)	6,516	382	727,620	2,465	266	171,689	31,766	773,524	506,964
Returns \$10,000 or more.....	27,060	10,367	16,856	2,071	4,005,464	7,546	1,760	152,773	35,204	361,517	736,671

Adjusted gross income classes	Payments on 1965 declaration		Tax due at time of filing		Number of returns (70)	Amount (Thousand dollars) (71)	Overpayment				Credit on 1966 tax	
	Number of returns (66)	Amount (Thousand dollars) (67)	Number of returns (68)	Amount (Thousand dollars) (69)			Refund		Request		Number of returns (76)	Amount (Thousand dollars) (77)
							Number of returns (72)	Amount (Thousand dollars) (73)	Number of returns (74)	Amount (Thousand dollars) (75)		
Grand total.....	1,225,238	2,816,250	2,042,475	1,269,016	2,270,769	525,226	1,298,601	321,300	6,421	1,294	413,308	201,631
Taxable returns, total.....	1,118,073	2,782,423	1,746,285	1,251,151	1,537,796	436,492	1,209,718	341,941	6,007	1,206	360,610	187,348
Under \$2,000.....	1,776	318	62,198	2,160	30,359	3,280	27,926	3,155	-	-	(*)	(*)
\$2,000 under \$3,000.....	33,011	5,303	202,842	14,060	136,578	16,664	121,989	15,293	-	-	12,749	1,357
\$3,000 under \$4,000.....	80,186	17,668	230,895	27,701	217,955	32,431	188,529	29,163	-	-	29,628	3,107
\$4,000 under \$5,000.....	98,590	23,883	208,793	36,936	249,225	39,234	214,993	33,601	-	-	36,664	5,430
\$5,000 under \$6,000.....	102,657	41,001	163,546	35,171	211,382	36,158	180,625	20,702	4,563	855	34,635	6,339
\$6,000 under \$7,000.....	45,950	41,513	142,779	34,977	177,340	33,780	152,585	27,978	-	-	31,308	5,745
\$7,000 under \$8,000.....	80,072	46,839	105,097	34,240	124,169	26,593	100,643	19,912	-	-	26,450	6,511
\$8,000 under \$9,000.....	71,491	47,381	88,345	32,366	89,021	18,223	69,443	13,782	-	-	22,190	4,876
\$9,000 under \$10,000.....	50,000	41,920	72,837	26,650	56,608	12,052	41,838	5,724	-	-	16,014	3,328
\$10,000 under \$15,000.....	191,160	222,332	210,973	106,093	134,247	46,950	78,546	21,490	1,102	211	60,437	25,249
\$15,000 under \$20,000.....	101,061	191,376	93,764	85,987	42,772	25,010	16,226	7,182	(*)	(*)	29,216	17,808
\$20,000 under \$50,000.....	158,364	708,940	121,778	240,528	58,637	75,272	15,207	18,808	237	113	46,972	56,350
\$50,000 under \$100,000.....	37,240	541,575	28,362	180,358	11,581	36,292	4,021	7,715	-	-	9,340	28,583
\$100,000 under \$500,000.....	13,269	627,593	10,728	230,994	1,953	22,700	423	3,617	3	7	2,632	19,077
\$500,000 under \$1,000,000.....	505	92,854	437	53,188	74	2,139	13	438	-	-	66	1,801
\$1,000,000 or more.....	241	126,927	211	109,742	40	3,023	11	1,381	-	-	31	1,642
Nontaxable returns, total.....	107,167	32,829	296,292	18,465	733,130	94,736	688,883	80,360	(*)	(*)	52,698	14,286
No adjusted gross income.....	5,630	2,848	3,780	322	11,211	6,977	9,131	5,754	-	-	2,904	1,123
Under \$600.....	7,377	1,420	19,632	619	64,563	28,590	66,885	3,652	-	-	(*)	(*)
\$600 under \$1,000.....	6,060	811	60,243	2,376	73,046	4,253	73,335	3,833	-	-	3,362	420
\$1,000 under \$2,000.....	19,898	3,423	126,366	7,156	293,311	23,937	28,274	24,630	-	-	11,017	1,257
\$2,000 under \$3,000.....	23,052	7,306	57,685	4,624	159,841	21,592	159,111	13,393	-	-	12,936	2,198
\$3,000 under \$4,000.....	17,795	3,776	18,128	1,760	72,273	12,365	65,073	10,945	(*)	(*)	7,654	1,415
\$4,000 under \$5,000.....	10,605	3,590	6,028	893	26,177	7,299	20,688	5,392	(*)	(*)	6,297	1,822
\$5,000 or more.....	16,750	11,655	4,380	715	26,448	15,563	20,276	9,711	-	-	6,705	5,852
Returns under \$5,000.....	305,979	74,345	996,639	98,607	1,338,548	170,765	1,220,744	151,360	(*)	(*)	127,312	18,471
Returns \$5,000 under \$10,000.....	414,543	224,776	578,989	164,024	681,706	136,134	563,462	106,016	(*)	(*)	135,802	29,609
Returns \$10,000 or more.....	504,716	2,517,129	467,347	1,006,985	253,715	218,327	114,395	64,424	1,443	350	150,194	153,551

See text for "Explanation of Classifications and Terms" and "Sources of Data, Description of the Sample, and Limitations of the Data."
 (*) An asterisk in a cell denotes that the estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.
 1 Adjusted gross income less deficit.
 2 Deficit.
 3 Negative "over source."
 NOTE: Detail may not add to total because of rounding.

Table 2B — 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 standard deduction		Amount of standard deduction (Thousand dollars)	Adjusted gross income (Thousand dollars)	Exemptions (Thousand dollars)	Number of returns with no taxable income	Taxable income		Retirement income		Investment		Foreign taxes		Other		Income tax after credits (Thousand dollars)		Self-employment tax	
	(1)	(2)					(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Grand total.....	1,118,700	1,661,046	10,023,664	5,531,131	1,728,879	1,385,831	4,566,457	855,124	49,489	5,168	2,538	418	279	788,775	422,657	43,331				
Taxable returns, total.....	1,040,447	739,936	7,461,135	2,041,977	1,220,447	4,461,003	830,110	297,569	35,557	5,145	1,876	391	245	788,775	169,253	28,656				
Under \$1,000.....	65,726	25,670	117,010	77,824	18,832	16,511	1,434	5,949	146	(*)	(*)	(*)	(*)	1,750	8,230	632				
\$1,000 under \$2,000.....	182,832	76,463	51,065	451,510	205,665	275,887	41,290	53,785	5,638	275	58	58	58	14,426	20,430	1,959				
\$2,000 under \$3,000.....	205,665	711,663	838,455	317,795	186,728	421,437	65,551	52,772	5,918	1,923	365	365	365	35,316	27,727	3,479				
\$3,000 under \$4,000.....	186,728	94,048	838,455	317,795	186,728	421,437	65,551	52,772	5,918	1,923	365	365	365	59,178	19,148	3,117				
\$4,000 under \$5,000.....	137,557	77,824	75,424	237,402	137,557	439,518	70,639	36,149	5,375	3,498	401	401	401	64,853	16,967	3,126				
\$5,000 under \$6,000.....	105,631	52,806	781,467	221,828	105,631	481,771	82,586	29,077	3,833	4,288	601	601	601	74,151	14,345	2,617				
\$6,000 under \$7,000.....	76,164	56,541	566,845	133,281	76,164	370,021	64,044	14,563	1,461	3,708	235	235	235	64,498	13,572	2,613				
\$7,000 under \$8,000.....	64,986	54,797	533,468	116,364	64,986	370,309	65,018	2,404	1,885	300	300	300	300	61,997	8,897	1,831				
\$8,000 under \$9,000.....	45,330	42,828	429,038	85,878	45,330	300,389	53,189	3,561	1,885	286	286	286	286	50,332	6,961	1,522				
\$9,000 under \$10,000.....	46,610	46,378	1,150,566	180,761	46,610	873,269	164,975	25,199	3,763	5,877	888	888	888	160,286	19,456	4,308				
\$10,000 under \$11,000.....	23,572	23,522	402,081	44,522	23,572	334,047	71,907	7,028	1,888	2,907	657	657	657	76,148	7,555	2,042				
\$11,000 under \$12,000.....	15,864	15,864	429,504	27,866	15,864	375,083	101,713	4,079	610	6,549	853	853	853	100,264	5,614	1,331				
\$12,000 under \$13,000.....	430	429	60,659	1,810	430	57,714	33,172	240	40	357	183	183	183	42,441	316	81				
\$13,000 under \$14,000.....	139	137	20,460	451	139	20,073	9,724	52	7	34	23	23	23	2,655	35	8				
\$14,000 under \$15,000.....	1	1	522	1	1	520	256	-	-	-	-	-	-	256	-	-				
\$15,000 under \$16,000.....	1	1	1,345	1	1	1,344	669	-	-	-	-	-	-	669	-	-				
Non-taxable returns, total.....	1,068,251	931,060	8,462,529	3,489,154	1,208,432	103,453	15,016	161,145	13,733	6,981	1,324	(*)	(*)	(*)	253,403	14,675				
Under \$1,000.....	37,745	9,312	75,114	36,054	21,745	21,745	-	-	-	-	-	-	-	-	20,857	458				
\$1,000 under \$2,000.....	76,952	12,610	179,779	160,000	57,614	57,614	-	-	-	-	-	-	-	-	39,572	2,374				
\$2,000 under \$3,000.....	384,959	457,437	1,370,719	1,697,593	611,259	611,259	9,346	45,915	1,302	2,320	169	169	169	159,556	10,960	5,667				
\$3,000 under \$4,000.....	324,365	437,735	903,787	1,071,178	317,259	317,259	45,436	20,081	61,541	3,036	324	324	324	44,505	5,667	1,331				
\$4,000 under \$5,000.....	269,824	279,403	1,641,195	118,307	177,683	177,683	3,231	37,038	3,038	3,038	324	324	324	35,316	3,117	3,117				
\$5,000 under \$6,000.....	17,897	13,897	70,639	44,825	17,897	15,110	3,030	15,110	3,030	3,030	324	324	324	1,376	839	839				
\$6,000 or more.....	3,097	3,097	23,046	14,121	1,331	2,687	7,455	1,157	1,521	426	731	731	731	-	781	197				
Returns under \$5,000.....	35,136	1,717,967	4,937,028	4,461,188	1,707,548	1,707,548	925,738	1,040,077	316,999	27,720	18,463	1,708	1,39	113,943	328,156	53,664				
Returns \$5,000 under \$10,000.....	446,623	311,442	2,888,231	30,390	1,331	445,994	1,372,312	332,527	105,066	16,042	16,925	3,467	(*)	317,954	61,488	11,897				
Returns \$10,000 or more.....	136,874	139,606	1,356,815	587,546	136,874	1,062,407	372,520	36,649	5,227	11,781	693	16	955	384,238	33,033	7,770				

* Text for "Explanation of Classifications and Terms" and "Sources of Data, Description of Data, and Limitations of the Data."
 * An asterisk (*) denotes that the estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.

Table 29. — ITEMIZED DEDUCTION RETURNS WITH AT LEAST ONE TAXPAYER AGE 65 OR OVER—ADJUSTED GROSS INCOME, ITEMIZED DEDUCTIONS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Number of returns with itemized deductions (1)	Adjusted gross income (Thousand dollars) (2)	Total itemized deductions (Thousand dollars) (3)	Exemptions (Thousand dollars) (4)	Number of returns with no taxable income (5)	Taxable income (Thousand dollars) (6)	Income tax before credits (Thousand dollars) (7)	Retirement income				Tax credits				Income tax after credits (Thousand dollars) (12)	Self-employment tax (Thousand dollars) (13)				
								Number of returns (8)	Amount (Thousand dollars) (9)	Number of returns (10)	Amount (Thousand dollars) (11)	Number of returns (14)	Amount (Thousand dollars) (15)	Number of returns (16)	Amount (Thousand dollars) (17)			Number of returns (18)	Amount (Thousand dollars) (19)	Number of returns (20)	Amount (Thousand dollars) (21)
Grand total.....	2,942,606	23,747,401	4,803,501	3,763,887	652,265	21,094,536	4,229,889	100,062	89,991	17,861	14,835	33,682	34,370	10,563	28,672	4,911	4,151,827	373,700	62,818		
Taxable returns, total.....	2,089,679	17,846,818	3,763,887	3,763,887	-	17,846,818	4,229,889	100,062	89,991	17,861	14,835	33,682	34,370	10,563	28,672	4,911	4,151,827	285,486	59,448		
Under \$1,000.....	27,846	50,786	13,753	33,416	-	27,846	637	0	0	0	0	0	0	0	0	0	603	13,614	113		
\$1,000 under \$2,000.....	152,589	390,295	107,342	203,570	-	152,589	11,361	5,603	5,603	5,603	5,603	5,603	5,603	5,603	5,603	5,603	30,971	3,388	115		
\$2,000 under \$3,000.....	344,739	864,899	321,283	390,193	-	344,739	37,145	9,001	9,001	9,001	9,001	9,001	9,001	9,001	9,001	9,001	238	29,436	3,788		
\$3,000 under \$4,000.....	724,634	1,829,866	309,677	479,374	-	724,634	67,135	19,981	19,981	19,981	19,981	19,981	19,981	19,981	19,981	19,981	238	36,579	4,703		
\$4,000 under \$5,000.....	240,179	1,312,873	317,021	451,013	-	240,179	83,386	24,344	24,344	24,344	24,344	24,344	24,344	24,344	24,344	24,344	396	75,382	30,146		
\$5,000 under \$6,000.....	199,496	1,285,479	209,267	374,823	-	199,496	60,967	19,699	19,699	19,699	19,699	19,699	19,699	19,699	19,699	19,699	521	87,831	29,834		
\$6,000 under \$7,000.....	153,187	1,145,520	144,775	279,737	-	153,187	79,375	24,007	24,007	24,007	24,007	24,007	24,007	24,007	24,007	24,007	368	89,199	19,868		
\$7,000 under \$8,000.....	114,380	984,759	119,452	224,352	-	114,380	82,897	30,930	30,930	30,930	30,930	30,930	30,930	30,930	30,930	30,930	314	83,682	15,458		
\$8,000 under \$9,000.....	84,116	796,513	101,759	166,172	-	84,116	81,968	34,449	34,449	34,449	34,449	34,449	34,449	34,449	34,449	34,449	344	77,820	13,188		
\$9,000 under \$10,000.....	243,588	3,039,743	614,307	487,428	-	243,588	351,639	12,138	12,138	12,138	12,138	12,138	12,138	12,138	12,138	12,138	1,684	337,397	40,474		
\$10,000 under \$11,000.....	113,149	2,929,044	349,336	321,023	-	113,149	1,309,134	41,787	41,787	41,787	41,787	41,787	41,787	41,787	41,787	41,787	1,106	273,694	23,739		
\$11,000 under \$12,000.....	124,326	2,925,616	850,310	331,891	-	124,326	3,434,554	88,493	88,493	88,493	88,493	88,493	88,493	88,493	88,493	88,493	3,107	451	373,736		
\$12,000 under \$13,000.....	38,635	2,615,149	450,795	75,321	-	38,635	4,085,034	729,428	729,428	729,428	729,428	729,428	729,428	729,428	729,428	729,428	2,650	83,682	15,458		
\$13,000 under \$14,000.....	13,545	2,307,475	463,402	28,043	-	13,545	1,415,935	899,240	899,240	899,240	899,240	899,240	899,240	899,240	899,240	899,240	1,238	282,013	31,308		
\$14,000 under \$15,000.....	511	342,437	77,516	1,035	-	511	263,934	165	165	165	165	165	165	165	165	165	36	146,663	41		
\$15,000 under \$16,000.....	250	532,695	105,222	1,504	-	250	426,469	237,184	237,184	237,184	237,184	237,184	237,184	237,184	237,184	237,184	398	239,368	41		
Non-taxable returns, total.....	875,928	2,518,017	1,039,614	1,039,614	652,265	223,665	136,176	23,375	23,375	23,375	23,375	23,375	23,375	23,375	23,375	23,375	3,009	749	674	78,214	
Under \$1,000.....	12,778	4,753	9,985	21,372	12,778	12,778	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$1,000 under \$2,000.....	23,076	18,959	16,699	36,713	23,076	23,076	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$2,000 under \$3,000.....	263,988	420,771	229,170	374,159	340,845	23,044	3,613	509	509	509	509	509	509	509	509	509	22,541	2,726	115		
\$3,000 under \$4,000.....	185,371	648,446	307,207	454,315	209,604	63,358	25,558	3,594	3,594	3,594	3,594	3,594	3,594	3,594	3,594	3,594	61,162	18,115	1,080		
\$4,000 under \$5,000.....	69,162	390,545	149,433	139,265	27,172	67,027	45,411	6,535	6,535	6,535	6,535	6,535	6,535	6,535	6,535	6,535	276	24,864	2,160		
\$5,000 under \$6,000.....	56,591	488,885	389,858	120,180	26,346	32,245	36,320	4,228	4,228	4,228	4,228	4,228	4,228	4,228	4,228	4,228	749	18,355	1,944		
Retains under \$5,000.....	1,213,116	4,564,977	1,650,777	1,507,763	625,719	889,197	386,214	121,965	121,965	121,965	121,965	121,965	121,965	121,965	121,965	121,965	1,753	373,738	15,589		
Retains \$5,000 under \$10,000.....	844,509	5,832,755	1,449,720	1,017,403	44,181	824,348	4,806,534	254,344	254,344	254,344	254,344	254,344	254,344	254,344	254,344	254,344	778	4,556	988		
Retains \$10,000 or more.....	586,581	15,867,686	3,097,382	1,157,610	4,185	562,056	11,603,367	3,656,986	209,400	13,484	1,331	1,331	1,331	1,331	1,331	1,331	1,091	1,417,574	1,789		

See text for "Explanation of Classifications and Terms" and "Sources of Data, Description of the Sample, and Limitations of the Data." (*) An asterisk in a cell denotes that the estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate total.

Table 30.—RETURNS WITH RETIREMENT INCOME CREDIT: NUMBER OF RETURNS, BASE OF TENTATIVE CREDIT, TENTATIVE CREDIT, AND AMOUNT OF CREDIT, BY METHOD OF COMPUTATION AND BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	All returns with retirement income credit											
	Number of returns	Amount of credit (Thousand dollars)	Returns with no Schedule B attached		Returns with Schedule B attached				Taxpayers using the general rule method of computation			
			Number of returns	Amount (Thousand dollars)	Number of returns	Base of credit (Thousand dollars)	Tentative credit (Thousand dollars)	Actual amount of credit (Thousand dollars)	Number of returns	Base of credit (Thousand dollars)	Tentative credit (Thousand dollars)	Actual amount of credit (Thousand dollars)
Grand total.....	1,901,287	108,305	29,377	5,138	1,334,910	1,325,824	198,289	161,117	1,334,910	1,325,824	198,289	161,117
Taxable returns, total.....	1,099,171	131,867	19,174	1,227	1,080,911	867,803	1,09,911	179,743	1,080,911	867,803	1,09,911	179,743
Under \$1,000.....	-	-	-	-	-	-	-	-	-	-	-	-
\$1,000 under \$2,000.....	10,801	289	-	-	10,801	1,022	285	285	10,801	1,022	285	285
\$2,000 under \$3,000.....	110,067	5,004	5,304	569	107,773	44,962	6,707	6,707	107,773	44,962	6,707	6,707
\$3,000 under \$4,000.....	150,441	14,345	-	-	148,038	24,195	14,078	14,078	148,038	24,195	14,078	14,078
\$4,000 under \$5,000.....	100,887	17,933	3,302	377	104,513	118,340	17,684	17,684	100,887	118,340	17,684	17,684
\$5,000 under \$6,000.....	119,358	15,085	-	-	118,028	109,844	15,085	15,085	119,358	109,844	15,085	15,085
\$6,000 under \$7,000.....	100,453	13,796	-	-	98,424	91,177	13,639	13,639	100,453	91,177	13,639	13,639
\$7,000 under \$8,000.....	75,086	10,909	-	-	74,151	73,165	10,790	10,790	75,086	73,165	10,790	10,790
\$8,000 under \$9,000.....	54,729	7,789	5,133	453	54,439	51,924	7,565	7,565	54,729	51,924	7,565	7,565
\$9,000 under \$10,000.....	50,051	7,037	-	-	48,581	46,133	6,902	6,902	50,051	46,133	6,902	6,902
\$10,000 under \$15,000.....	123,405	17,863	3,000	380	120,910	116,812	17,487	17,487	123,405	116,812	17,487	17,487
\$15,000 under \$20,000.....	51,551	7,523	1,000	99	50,791	49,604	7,424	7,424	51,551	49,604	7,424	7,424
\$20,000 under \$50,000.....	67,052	4,477	1,000	190	65,408	62,067	4,298	4,298	67,052	62,067	4,298	4,298
\$50,000 under \$100,000.....	13,657	2,061	-	40	13,360	12,498	2,032	2,032	13,657	12,498	2,032	2,032
\$100,000 under \$500,000.....	5,001	732	-	13	4,911	5,018	710	709	5,001	5,018	710	709
\$500,000 under \$1,000,000.....	166	36	-	1	164	181	35	35	166	181	35	35
\$1,000,000 or more.....	86	13	-	1	85	91	13	13	86	91	13	13
Nontaxable returns, total.....	402,045	36,438	1,203	1,068	304,894	457,052	68,380	35,376	402,045	457,052	68,380	35,376
No adjusted gross income.....	-	-	-	-	-	-	-	-	-	-	-	-
Under \$600.....	-	-	-	-	-	-	-	-	-	-	-	-
\$600 under \$1,000.....	-	-	-	-	-	-	-	-	-	-	-	-
\$1,000 under \$2,000.....	80,888	4,774	(*)	(*)	79,395	89,208	4,682	4,682	80,888	89,208	4,682	4,682
\$2,000 under \$3,000.....	129,322	10,498	-	-	127,650	130,771	11,551	11,551	129,322	130,771	11,551	11,551
\$3,000 under \$4,000.....	106,351	10,178	3,419	463	104,754	129,026	10,304	9,936	106,351	114,342	10,841	10,139
\$4,000 under \$5,000.....	54,821	7,927	-	-	54,136	87,101	13,037	7,515	54,821	83,960	10,624	6,142
\$5,000 or more.....	30,747	4,812	1,376	355	29,371	51,085	7,650	5,258	30,747	41,361	6,161	4,153
Returns under \$5,000.....	809,944	70,193	13,763	1,376	795,321	665,266	90,482	68,810	809,944	665,266	90,482	68,810
Returns \$5,000 under \$10,000.....	429,398	60,203	7,173	971	422,718	412,333	61,671	58,133	429,398	412,333	61,671	58,133
Returns \$10,000 or more.....	261,345	37,909	5,435	841	256,410	248,253	37,136	37,368	261,345	248,253	37,136	37,368

Adjusted gross income classes	All returns with retirement income credit—Continued										
	Returns with Schedule B attached—Continued										
	Taxpayers eligible for alternative method						Taxpayers using the alternative method of computation				
	Number of returns	Base of credit under alternative method		Base of credit under general rule	Tentative credit	Actual amount of credit	Number of returns	Base of credit under general rule	Base of credit under alternative method	Tentative credit	Actual amount of credit
Number of returns		Amount (Thousand dollars)	(Thousand dollars)								
(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	
Grand total.....	257,878	70,079	44,893	303,628	45,470	37,945	119,550	62,997	118,108	17,645	14,478
Taxable returns, total.....	185,954	52,304	30,617	194,455	29,116	29,314	89,126	34,990	75,409	11,258	11,258
Under \$1,000.....	-	-	-	-	-	-	-	-	-	-	-
\$1,000 under \$2,000.....	-	-	-	-	-	-	-	-	-	-	-
\$2,000 under \$3,000.....	-	-	-	-	-	-	-	-	-	-	-
\$3,000 under \$4,000.....	5,722	(*)	(*)	1,518	227	227	5,172	1,182	5,005	299	227
\$4,000 under \$5,000.....	17,438	5,944	1,935	13,874	2,077	2,077	12,328	4,047	5,326	748	748
\$5,000 under \$6,000.....	28,628	8,973	4,367	22,986	3,305	3,305	11,811	5,328	7,984	1,471	1,471
\$6,000 under \$7,000.....	19,956	5,737	3,989	20,652	3,093	3,093	13,969	8,943	10,855	1,220	1,220
\$7,000 under \$8,000.....	21,043	8,222	4,378	13,942	3,579	3,579	9,332	5,765	8,782	1,313	1,313
\$8,000 under \$9,000.....	9,548	4,411	2,411	12,619	1,888	1,888	7,465	3,840	6,470	1,027	1,027
\$9,000 under \$10,000.....	10,768	5,118	2,411	15,407	2,307	2,307	4,991	3,305	3,171	624	624
\$10,000 under \$15,000.....	31,199	8,938	5,129	37,321	5,664	5,664	11,102	4,109	3,337	1,403	1,403
\$15,000 under \$20,000.....	13,136	3,379	2,458	16,897	2,528	2,528	5,138	1,442	4,110	617	617
\$20,000 under \$50,000.....	18,839	4,497	2,672	22,878	3,424	3,424	8,180	3,293	6,273	1,230	1,230
\$50,000 under \$100,000.....	4,162	1,015	574	5,006	753	753	2,930	1,131	1,450	244	244
\$100,000 under \$500,000.....	1,427	325	181	1,699	256	256	843	459	844	113	113
\$500,000 under \$1,000,000.....	33	9	8	42	7	7	47	27	53	8	8
\$1,000,000 or more.....	2	2	2	18	3	3	18	17	27	4	4
Nontaxable returns, total.....	73,926	17,776	14,277	109,173	16,356	8,033	30,422	23,908	42,699	6,386	3,224
No adjusted gross income.....	-	-	-	-	-	-	-	-	-	-	-
Under \$600.....	-	-	-	-	-	-	-	-	-	-	-
\$600 under \$1,000.....	-	-	-	-	-	-	-	-	-	-	-
\$1,000 under \$2,000.....	-	-	-	-	-	-	-	-	-	-	-
\$2,000 under \$3,000.....	(*)	-	-	(*)	(*)	(*)	-	-	-	-	-
\$3,000 under \$4,000.....	33,441	6,317	4,417	39,188	5,869	5,869	16,750	8,918	11,484	2,663	2,663
\$4,000 under \$5,000.....	29,490	9,113	8,522	42,494	6,367	6,367	9,710	7,786	16,131	4,413	4,413
\$5,000 or more.....	16,132	2,346	1,538	26,974	4,042	4,042	5,077	3,944	10,384	1,510	1,510
Returns under \$5,000.....	81,953	21,919	14,692	97,991	14,618	14,618	43,350	21,434	30,447	5,444	5,444
Returns \$5,000 under \$10,000.....	103,929	30,328	19,146	121,264	18,152	18,152	48,960	30,207	51,029	8,229	8,229
Returns \$10,000 or more.....	62,096	18,232	11,757	84,773	12,700	12,700	1,662	10,256	3,431	3,431	3,431

See text for "Explanation of Classifications and Terms" and "Sources of Data, Description of the Sample and Limitations of the Data."
 (*) An asterisk in a cell denotes that the estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate total.
 * Less than \$500.

INDIVIDUAL/1965 • AGE 65 OR OVER: RETIREMENT INCOME CREDIT

Table 31.—RETURNS WITH RETIREMENT INCOME CREDIT: SELECTED SOURCES OF INCOME AND LOSS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES

Table with 13 columns for Adjusted gross income classes (1-13) and rows for Grand total, Taxable returns, and Nontaxable returns, broken down by income ranges from \$0 to \$10,000 or more.

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

INDIVIDUAL/1965 • AGE 65 OR OVER: RETIREMENT INCOME CREDIT

Table 31.—RETURNS WITH RETIREMENT INCOME CREDIT: SELECTED SOURCES OF INCOME AND LOSS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES—Continued

Adjusted gross income classes	Returns				Returns				Total deductions (Thousand dollars)	Exemptions (Thousand dollars)	Taxable income		Total tax (Thousand dollars)		
	Net income		Net loss		Net income		Net loss				Number of returns	Amount (Thousand dollars)		Number of returns	Amount (Thousand dollars)
	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)							
(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)			
Grand total.....	483,236	404,114	67,086	44,213	60,771	136,413	1,207	1,866	2,034,926	2,964,864	1,711,251	1,243,126	1,222,122		
Taxable returns, total.....	286,307	687,644	92,547	34,234	47,267	124,400	1,207	1,866	2,031,664	1,823,664	1,044,101	1,174,407	1,363,466		
Under \$1,000.....	1	1	-	-	-	-	-	-	-	-	-	-	-		
\$1,000 under \$2,000.....	1	1	-	-	-	-	-	-	-	-	-	-	-		
\$2,000 under \$3,000.....	24,367	24,134	-	-	1	1,761	-	-	11,891	11,771	11,771	11,771	11,771		
\$3,000 under \$4,000.....	32,962	39,884	3,458	3,078	1,700	1,761	-	-	100,840	83,614	117,661	22,997	13,161		
\$4,000 under \$5,000.....	40,426	61,149	9,270	2,672	6,442	1,641	-	-	100,840	279,642	166,977	36,777	49,777		
\$5,000 under \$6,000.....	33,085	67,912	3,723	4,391	6,118	-	-	-	127,321	117,771	117,771	117,771	117,771		
\$6,000 under \$7,000.....	14,325	24,300	4,101	4,633	4,713	-	-	-	127,321	127,321	127,321	127,321	127,321		
\$7,000 under \$8,000.....	1,258	4,772	3,076	1,977	3,774	3,206	-	-	107,606	137,822	137,822	137,822	137,822		
\$8,000 under \$9,000.....	16,600	33,301	1,360	3,742	4,713	4,713	-	-	36,933	47,674	47,674	47,674	47,674		
\$9,000 under \$10,000.....	13,343	23,772	-	-	2,412	2,412	-	-	23,914	37,771	37,771	37,771	37,771		
\$10,000 under \$11,000.....	31,477	111,586	5,482	7,414	9,147	1,692	-	-	276,681	221,214	127,321	1,177,771	1,177,771		
\$11,000 under \$12,000.....	17,426	61,674	3,807	2,034	3,280	1,638	-	-	108,841	121,111	121,111	121,111	121,111		
\$12,000 under \$30,000.....	21,700	132,462	4,256	5,723	6,676	28,427	243	243	358,713	127,643	67,072	1,477,771	613,771		
\$30,000 under \$100,000.....	3,799	33,639	763	4,407	1,487	14,764	-	-	174,453	26,744	13,667	276,664	276,664		
\$100,000 under \$500,000.....	1,466	15,759	456	4,159	726	18,077	62	37	177,963	17,070	66,277	337,771	337,771		
\$500,000 under \$1,000,000.....	34	363	2	419	21	4,162	1	1	27,447	331	166	66,277	66,277		
\$1,000,000 or more.....	22	524	12	553	12	1,998	-	-	40,930	164	36	134,611	134,611		
Non-taxable returns, total.....	196,929	11,170	12,539	7,978	13,314	6,913	-	-	32,262	641,200	667,150	457,719	36,756		
Under \$600.....	-	-	-	-	-	-	-	-	-	-	-	-	-		
\$600 under \$1,000.....	-	-	-	-	-	-	-	-	24	1,198	-	1	-		
\$1,000 under \$2,000.....	21,486	16,427	-	-	-	-	-	-	31,677	39,423	39,423	16,426	2,476		
\$2,000 under \$3,000.....	34,161	29,070	5,366	1,730	6,300	2,967	-	-	74,723	167,487	127,827	71,432	14,711		
\$3,000 under \$4,000.....	22,700	31,711	4,607	2,667	3,811	1,167	-	-	32,894	201,327	107,351	70,721	14,136		
\$4,000 under \$5,000.....	16,874	17,476	2,568	648	726	495	-	-	70,332	116,541	47,221	13,177	1,747		
\$5,000 or more.....	4,837	21,632	-	-	726	1,877	-	-	81,867	67,323	39,547	33,337	6,474		
Returns under \$5,000.....	193,340	224,312	31,335	10,115	23,736	10,589	-	-	574,412	1,121,773	777,644	778,243	136,771		
Returns \$5,000 under \$10,000.....	111,470	220,624	18,252	10,950	16,399	31,646	-	-	603,642	608,300	424,845	1,397,511	466,074		
Returns \$10,000 or more.....	70,426	398,178	11,999	23,248	20,392	94,184	641	1,539	1,321,662	434,112	267,747	6,735,771	1,322,266		

See text for "Explanation of Classifications and Terms" and "Sources of Data, Description of the Sample, and Limitations of the Data."
 (*) An asterisk in a cell denotes that the estimate is not shown separately because of high sampling variability. However, the data are in the original report.
 NOTE: Detail may not add to total because of rounding.

CONTENTS

State data, 83
 Metropolitan areas, 87

Text tables
 5.1 Counties or cities comprising the 100 largest standard metropolitan statistical areas, 1965, 85
 5.2 Number of returns, income, and tax: 100 largest standard metropolitan statistical areas compared with all returns filed, 1965, 87

Charts
 5A California and New York as a percent of U. S., 83
 5B Small, medium and large metropolitan areas as a percent of total, 87
 5C Metropolitan areas as a percent of State totals, New York and California, 87

Basic tables
 32 Selected sources of income, taxable income, and income tax, by States, 89
 33 Adjusted gross income and tax items, by income size and States, 91
 34 Selected sources of income and tax items, by 100 largest metropolitan areas, 104
 35 Adjusted gross income and tax items, by income size and 100 largest metropolitan areas, 106

This section of the report presents individual income tax data for each of the States and the 100 largest standard metropolitan areas. Data for metropolitan areas appear for the fourth time. These areas, as shown in the map on the following page, are the 100 largest within the 50 States based on the 1960 census. The area boundaries conform to the Bureau of the Budget definitions for standard metropolitan statistical areas effective for 1965. Table 5.1 shows the counties or cities comprising the 100 largest areas for 1965, and also indicates any definitional changes from 1963.

State classifications are based on the district in which the taxpayer files his return. Most taxpayers filed their returns in the district in which they resided. Therefore, the State data generally reflect an accurate picture of taxpayers within each State. There were two exceptions that altered the accuracy of the State data slightly. (1) If a return was filed in the wrong district it was processed there unless there was an indication that estimated tax payments had been made to, or an elected credit was on record at, the proper district. In that case, the return was sent to the district or jurisdiction for processing. (2) If a taxpayer had someone outside his district prepare his return, sometimes the return bore the preparer's address and was filed and processed in the preparer's district rather than the taxpayer's. National totals in the State tables will differ slightly from those presented elsewhere in this report because of differences in sample weights.

The district in which the taxpayer filed and his post office address were the criteria upon which the return was classified for inclusion in a standard metropolitan

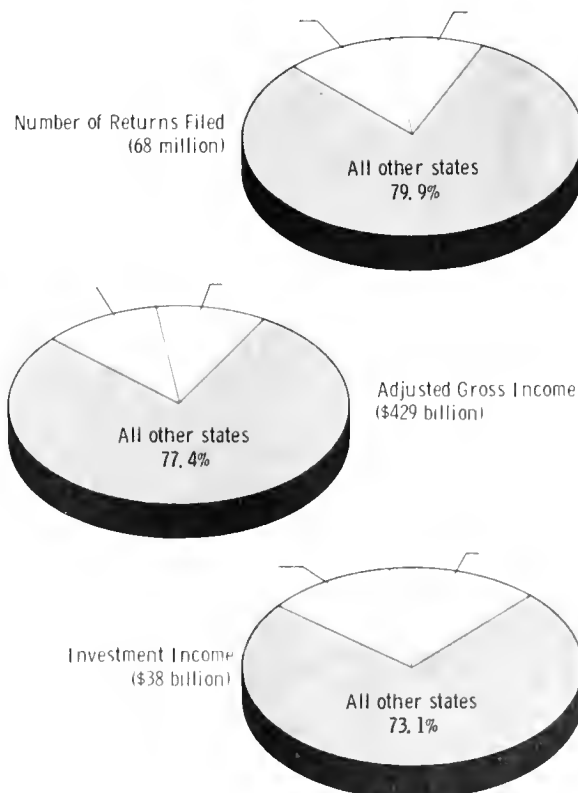
statistical area. The two exceptions mentioned in the previous paragraph also apply to standard metropolitan statistical area data.

STATE DATA

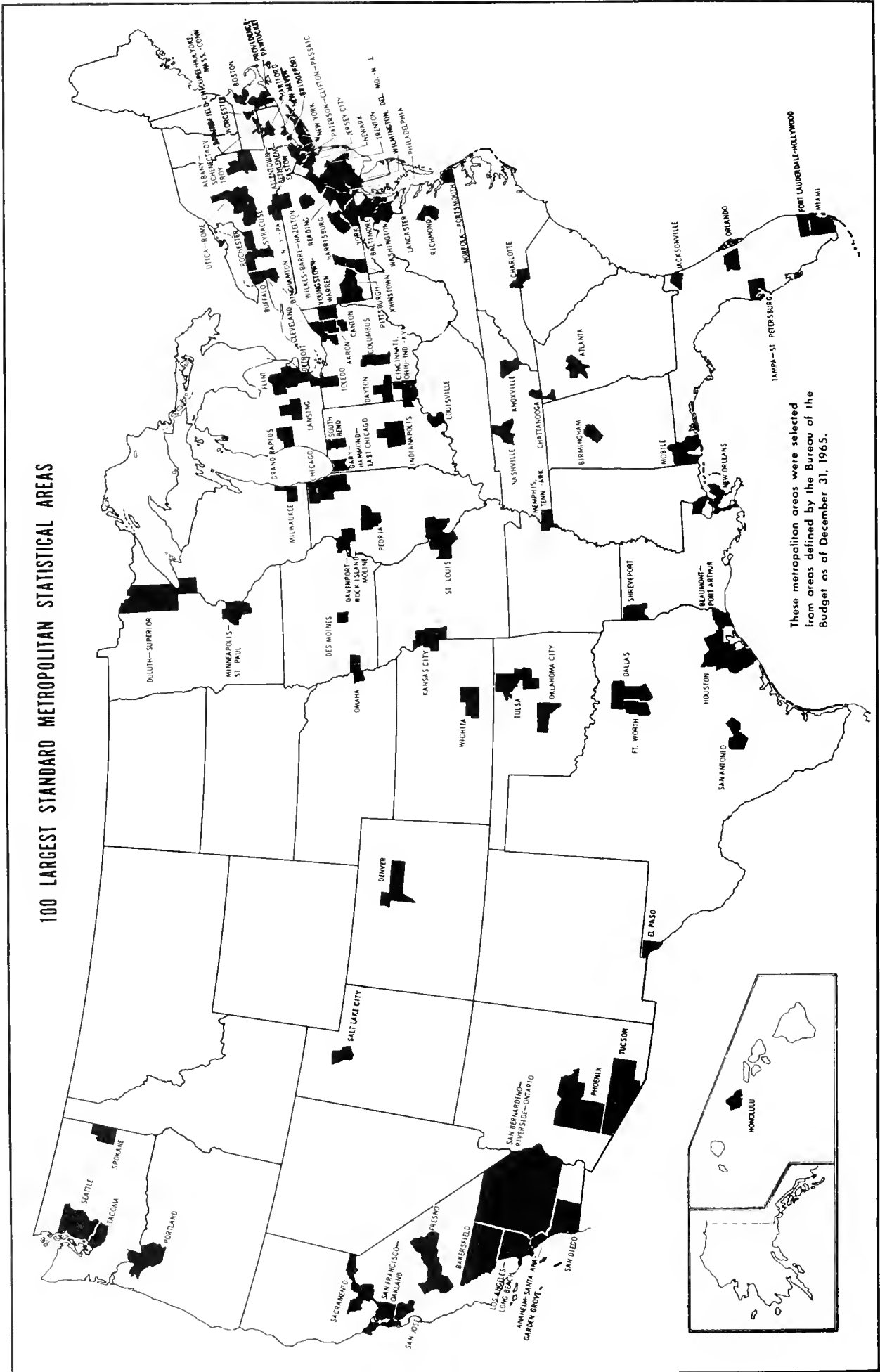
Salaries and wages comprised 80.9 percent of adjusted gross income nationally, and this proportion applied to most States. Only for Iowa, Nebraska, North Dakota, and South Dakota did this proportion fall below 70 percent. Shares of other sources of income did vary noticeably among the States. For example, farm income in North Dakota, South Dakota, and Iowa comprised from 9 to 15 percent of the total income for those States. In Delaware, gain from sales of capital assets and dividend income accounted for over 17 percent of total income.

New York and California accounted for 20.2 percent of the total number of returns filed. Chart 5A shows that taxpayers filing in these two States reported 22.6 percent of total adjusted gross income and 26.9 percent of total investment income which included interest, dividends, sales of capital assets, rents, and royalties.

Chart 5A -
 as a Percent of U.S. Total



100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS



These metropolitan areas were selected from areas defined by the Bureau of the Budget as of December 31, 1965.

Table 5.1—COUNTIES OR CITIES COMPRISING THE 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS, 1965

Table with 5 columns: Area title and definition, 1965 population, Area title and definition, 1965 population, Area title and definition, 1965 population. Rows list various metropolitan areas such as Akron, Ohio; Albany-Schenectady-Troy, N.Y.; Alhambra, California; Atlanta, Georgia; Bakersfield, California; Baltimore, Maryland; Birmingham, Alabama; Boston, Massachusetts; Buffalo, New York; Chicago, Illinois; Cincinnati, Ohio-Indiana-Kentucky; Cleveland, Ohio; Dallas, Texas; Denver, Colorado; Detroit, Michigan; Houston, Texas; Indianapolis, Indiana; Jacksonville, Florida; Kansas City, Missouri-Kansas; Los Angeles-Long Beach, California; Louisville, Kentucky-Indiana; Memphis, Tennessee-Alabama; Miami, Florida; Milwaukee, Wisconsin; Minneapolis-St. Paul, Minnesota-Wisconsin; New York, New York; Philadelphia, Pennsylvania; Phoenix, Arizona; Portland, Oregon; San Francisco-Oakland, California; St. Louis, Missouri; St. Paul, Minnesota; San Antonio, Texas; San Diego, California; Seattle-Tacoma, Washington; Springfield, Illinois; Tampa, Florida; Wichita, Kansas.

Footnotes at end of table.

INDIVIDUAL/1965 • STATE AND METROPOLITAN AREAS

Table 5.1—COUNTIES OR CITIES COMPRISING THE 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS, 1965—Continued

Area title and definition	1960 population	Area title and definition	1960 population	Area title and definition	1960 population
NEW HAVEN, CONNECTICUT	320,836	PROVIDENCE-PAWTUCKET, RHODE ISLAND-MASS.—Con.		TAMPA-ST. PETERSBURG, FLORIDA	772,453
New Haven County (part)	320,836	Washington County, Rhode Island (part)	22,421	Hillsborough County	397,788
New Haven city	152,048	Narragansett town	3,444	Pinellas County	374,665
Bethany town	2,384	North Kingstown town	18,977	TOLEDO, OHIO-MICHIGAN	630,647
Branford town	16,610	Bristol County, Massachusetts (part)	55,247	Lucas County, Ohio	456,931
East Haven town	21,388	Attleboro city	27,118	Wood County, Ohio	72,596
Guilford town	7,913	North Attleborough town	14,777	Monroe County, Michigan	101,120
Hamden town	41,056	Rehoboth town	4,953	TRENTON, NEW JERSEY	266,392
North Branford town	6,771	Seekonk town	8,399	Mercer County	266,392
North Haven town	8,547	Norfolk County, Massachusetts	27,799	TUCSON, ARIZONA	265,660
Orange town	43,002	Bellingham town	6,792	Pima County	265,660
West Haven town	5,182	Franklin town	10,390	TULSA, OKLAHOMA	418,974
Woodbridge town	907,123	Plainville town	3,210	Creek County	40,295
NEW ORLEANS, LOUISIANA	208,769	Wrentham town	6,685	Osage County	32,441
Jefferson Parish	627,525	Worcester County, Massachusetts (part)	9,130	Tulsa County	346,038
Orleans Parish	32,186	Blackstone town	1,567		
St. Bernard Parish	38,643	Millville town		UTICA-ROME, NEW YORK	330,771
St. Tammany Parish	10,634,633	READING, PENNSYLVANIA	275,424	Herkimer County	66,370
NEW YORK, NEW YORK	7,781,984	Berks County	275,424	Oneida County	264,401
New York City	1,424,215	RICHMOND, VIRGINIA	426,044		
Bronx County	2,627,319	Richmond city	217,958	WASHINGTON, D. C.—MARYLAND-VIRGINIA	2,001,897
New York County	1,698,281	Chesterfield County	71,197	Washington, D. C.	763,956
Queens County	1,809,278	Hanover County	27,550	Montgomery County, Maryland	340,928
Richmond County	221,911	Henrico County	117,339	Prince Georges County, Maryland	357,395
Nassau County	1,300,171	ROCHESTER, NEW YORK	732,588	Alexandria city, Virginia	91,023
Rockland County	136,803	Livingston County	44,053	Fairfax city, Virginia	13,585
Suffolk County	666,784	Monroe County	586,387	Falls Church city, Virginia	10,192
Westchester County	308,841	Orleans County	34,159	Arlington County, Virginia	163,401
NEWARK, NEW JERSEY	1,689,420	Wayne County	67,484	Fairfax County, Virginia	261,417
Essex County	923,545			WICHITA, KANSAS	381,626
Morris County	261,620	SACRAMENTO, CALIFORNIA	625,503	Butler County	38,395
Union County	504,255	Placer County	56,998	Sedgewick County	343,231
NORFOLK-PORTSMOUTH, VIRGINIA	578,507	Sacramento County	502,778	WILKES-BARRE-HAZELTON, PENNSYLVANIA	346,972
Cheapeake city	73,647	Yolo County	65,727	Lucerne County	346,972
Norfolk city	304,869	ST. LOUIS, MISSOURI-ILLINOIS	2,104,669	WILMINGTON, DELAWARE-MARYLAND-NEW JERSEY	414,565
Portsmouth city	114,773	St. Louis city, Missouri	750,026	New Castle County, Delaware	307,476
Virginia Beach city	85,218	Franklin County, Missouri	44,566	Cecil County, Maryland	48,408
		Jefferson County, Missouri	66,377	Salem County, New Jersey	58,711
OKLAHOMA CITY, OKLAHOMA	511,833	St. Charles County, Missouri	52,970	WORCESTER, MASSACHUSETTS	328,898
Canadian County	24,727	St. Louis County	507,532	Worcester County (part)	328,898
Cleveland County	47,600	Madison County, Illinois	324,689	Worcester city	186,587
Oklahoma County	439,806	St. Clair County, Illinois	262,500	Auburn town	14,047
OMAHA, NEBRASKA-IOWA	457,273	SALT LAKE CITY, UTAH	447,799	Berlin town	1,742
Douglas County, Nebraska	343,590	Davis County	654,760	Boylston town	2,367
Sarpy County, Nebraska	31,281	Salt Lake County	383,039	Brookfield town	1,751
Pottawattamie County, Iowa	83,102	SAN ANTONIO, TEXAS	716,168	East Brookfield town	1,533
ORLANDO, FLORIDA	313,487	Bexar County	557,151	Grafton town	10,627
Orange County	263,940	Guadalupe County	29,017	Holden town	10,117
Seminole County	54,547	SAN BERNARDINO-RIVERSIDE-ONTARIO, CALIFORNIA	809,782	Leicester town	9,177
		Riverside County	306,191	Millbury town	6,687
PATERSON-CLIFTON-PASSAIC, NEW JERSEY	1,186,873	San Bernardino County	503,591	Northborough town	10,800
Bergen County	780,255	SAN DIEGO, CALIFORNIA	1,033,011	Northbridge town	3,616
Passaic County	406,618	San Diego County	1,033,011	North Brookfield town	9,282
PEORIA, ILLINOIS	313,412	SAN FRANCISCO-OAKLAND, CALIFORNIA	2,648,762	Oxford town	2,399
Peoria County	189,044	Alameda County	408,209	Paxton town	16,622
Tazewell County	99,789	Contra Costa County	409,030	Shrewsbury town	7,838
Woodford County	24,379	Marin County	146,820	Spencer town	3,193
PHILADELPHIA, PENNSYLVANIA-NEW JERSEY	4,342,897	San Francisco County	740,316	Sterling town	3,638
Bucks County, Pennsylvania	308,967	San Mateo County	444,387	Upton town	3,127
Chester County, Pennsylvania	210,608	SAN JOSE, CALIFORNIA	642,315	Westborough town	9,599
Delaware County, Pennsylvania	553,154	Santa Clara County	642,315	West Boylston town	5,526
Montgomery County, Pennsylvania	16,682	SEATTLE, WASHINGTON	1,107,213		
Philadelphia County, Pennsylvania	2,002,512	King County	935,014	YORK, PENNSYLVANIA	290,242
Burlington County, New Jersey	224,499	Snohomish County	172,199	Adams County	51,906
Camden County, New Jersey	392,035	SHREVEPORT, LOUISIANA	281,481	York County	238,336
Gloster County, New Jersey	134,840	Bossier Parish	57,622	YOUNGSTOWN-WARREN, OHIO	509,006
PHOENIX, ARIZONA	663,510	Caddo Parish	223,859	Mahoning County, Delaware	300,480
Marietta County	663,510	SOUTH BEND, INDIANA	271,057	Trumbull County	208,526
PITTSBURGH, PENNSYLVANIA	2,409,435	Marshall County	32,443		
Allegheny County	1,628,587	St. Joseph County	238,614		
Beaver County	206,948	SPOKANE, WASHINGTON	278,333		
Washington County	217,271	Spokane County	278,333		
Westmoreland County	352,629	SPRINGFIELD-CHICOPEE-HOLYOKE, MASS.-CONN.	493,999		
PORTLAND, OREGON-WASHINGTON	821,897	Hampden County, Massachusetts (part)	422,254		
Clackamas County, Oregon	117,038	Chicopee city	61,553		
Multnomah County, Oregon	522,813	Holyoke city	52,689		
Washington County, Oregon	92,237	Springfield city	174,463		
Clark County, Washington	93,809	Westfield city	26,302		
PROVIDENCE-PAWTUCKET, RHODE ISLAND-MASS.	821,101	Agawam town	15,718		
Bristol County, Rhode Island	37,146	East Longmeadow town	10,284		
Barrington town	13,826	Hampden town	3,345		
Bristol town	14,570	Longmeadow town	10,565		
Warren town	8,750	Ludlow town	13,805		
Kent County, Rhode Island (part)	111,450	Monson town	6,712		
Warwick city	68,504	Palmer town	10,358		
Coventry town	15,432	Southwick town	5,139		
East Greenwich town	6,100	West Springfield town	24,924		
West Warwick town	21,414	Wilbraham town	7,387		
Newport County, Rhode Island (part)	2,267	Hampshire County, Massachusetts (part)	64,660		
Jamestown town	2,267	Northampton city	30,058		
Providence County, Rhode Island (part)	598,074	Easthampton town	12,326		
Central Falls city	19,858	Cranby town	4,221		
Cranston city	66,766	Hadley town	3,099		
East Providence city	41,955	South Hadley town	14,956		
Pawtucket city	81,001	Worcester County, Massachusetts (part)	3,383		
Providence city	207,498	Warrenton town	3,383		
Woonsocket city	47,080	Tolland County, Connecticut (part)	3,702		
Burrillville town	9,119	Somers town	3,702		
Cumberland town	18,792	SYRACUSE, NEW YORK	563,781		
Johnston town	17,160	Madison County	54,635		
Lincoln town	13,551	Onondaga County	423,028		
North Providence town	18,220	Oswego County	86,118		
North Smithfield town	7,632	TACOMA, WASHINGTON	321,590		
Smithfield town	9,442	Pierce County	321,590		

* Added for 1965.

METROPOLITAN AREAS

Table 5.2 summarizes and compares with United States totals data for the 100 largest standard metropolitan statistical areas. Taxpayers residing within these 100 largest metropolitan areas account for 56.4 percent of all returns filed and 62.5 percent of the adjusted gross income shown on all returns. Of the United States totals, returns from these 100 areas showed 63.1 percent of the salaries and wages, 71.5 percent of the dividend income, and 66.4 percent of the income tax after credits.

Table 5.2—NUMBER OF RETURNS, INCOME, AND TAX: 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS COMPARED WITH ALL RETURNS FILED [Taxable and nontaxable returns]

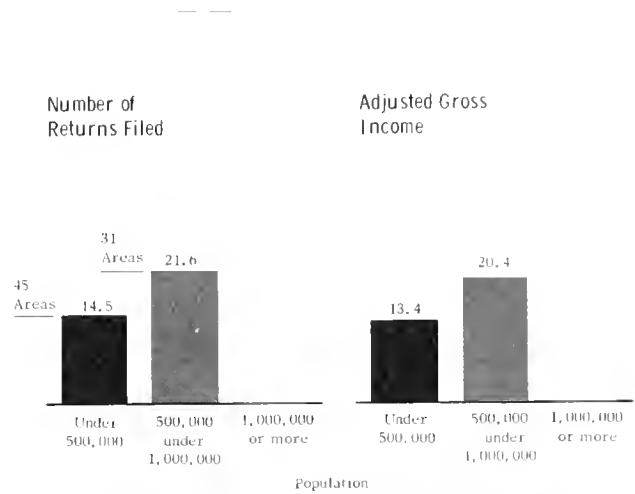
Item	Total for all returns filed	Returns for 100 largest standard metropolitan statistical areas	
		Number or amount	Percent of all returns
	(1)	(2)	(3)
Number of returns.....	67,596,300	38,158,035	56.4
Number of joint returns.....	39,303,498	21,502,876	54.4
Total number of exemptions.....	190,741,281	105,737,317	55.4
Number of exemptions other than age and blindness.....	182,707,885	101,297,526	55.4
	<i>(Thousand dollars)</i>		
Adjusted gross income less deficit.....	429,201,234	268,310,541	62.5
Salaries and wages.....	347,150,062	214,109,844	63.1
Business net profit and loss.....	24,588,343	14,478,025	58.9
Net gain and loss from sales of capital assets.....	10,180,852	6,659,092	65.4
Dividends in adjusted gross income.....	12,960,570	4,263,607	71.5
Interest received.....	11,296,048	7,356,543	65.1
Rent and royalties net income and loss.....	3,075,808	1,226,007	39.9
Partnership net profit and loss.....	10,606,017	6,197,212	58.4
Taxable income.....	255,082,124	164,498,581	64.5
Income tax after credits.....	49,529,695	32,890,622	66.4

The 100 largest standard metropolitan statistical areas include most of those areas with a 1960 population of one quarter million or more. As exhibited in chart 5B, taxpayers filing in the 24 metropolitan areas with a population of 1,000,000 or more accounted for about two-thirds

of the total number of returns filed and total adjusted gross income reported in all 100 largest metropolitan areas. Another 20 percent of the returns filed, and adjusted gross income, was reported by taxpayers residing in the 31 areas with a population of more than 500,000 but less than 1,000,000. Almost one-half of the 100 largest metropolitan areas, those with a population under 500,000, accounted for less than 15 percent of the returns filed and adjusted gross income.

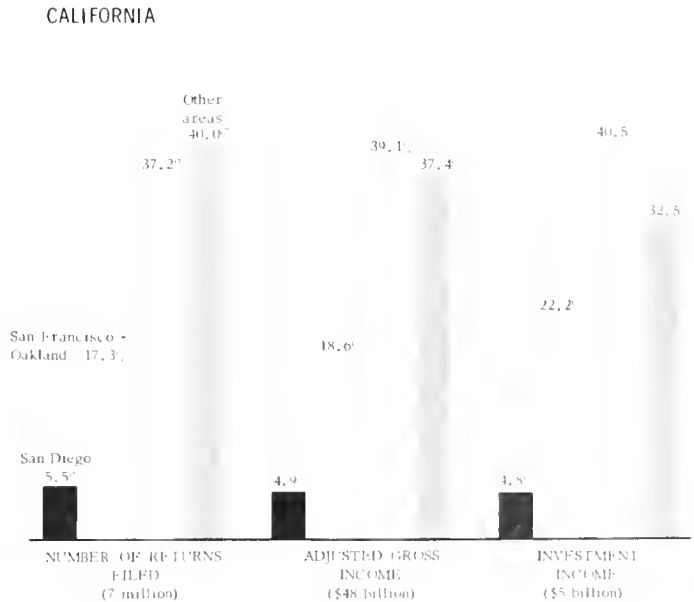
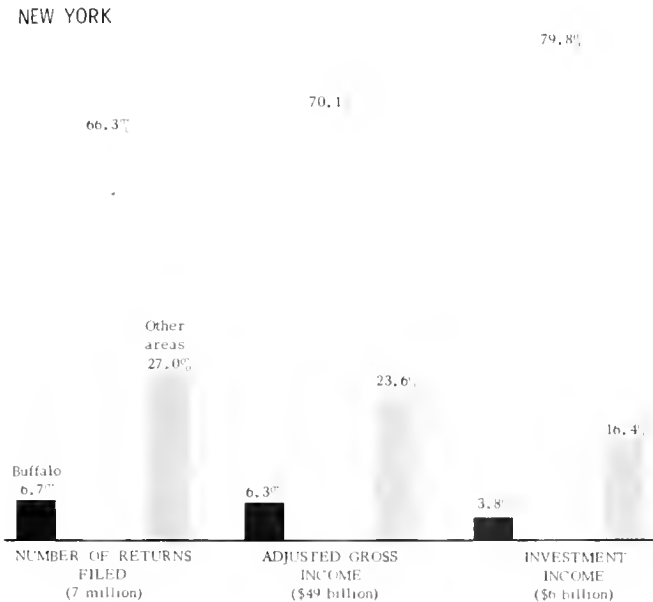
Chart 5B - Small, Medium, and Metropolitan Areas as a Percent of Total

100 largest standard metropolitan areas = 100 percent



NOTE: 100 Largest Standard Metropolitan Statistical Areas grouped according to their 1960 population.

Chart 5C - Metropolitan Areas of New York and California as a Percent of State Totals



Within such well populated States as New York and California, metropolitan areas accounted for large proportions of the State totals. Chart 5C shows that in New York, the New York City metropolitan area accounted for approximately two-thirds of the returns filed and of adjusted gross income. Buffalo accounted for another 6 percent of returns and income. In California, 60.0 percent of the returns filed and 62.6 percent of adjusted

gross income were reported in the three largest metropolitan areas, Los Angeles-Long Beach, San Francisco, and San Diego. Returns from these large metropolitan areas also showed a large proportion of investment income--83.6 percent of total investment income reported by New York taxpayers and 67.5 percent of the total investment income reported by California taxpayers.

INDIVIDUAL/1965 • STATE AND METROPOLITAN AREAS

Table 32.—SELECTED SOURCES OF INCOME, TAXABLE INCOME, AND INCOME TAX BY STATE

(Thousands and millions of dollars)

States	Number of returns	Adjusted taxable income (1964)	Salaries and wages (incl. tips)		Dividends and interest		Farm net profits and losses		Rental income		Total income	Total income tax
			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)
United States, total ¹	6,599,000	420,149,941	69,119,031	421,147,910	1,770,920	67,619,411	1,111,000	1,227,000	1,560,000	1,420,000	1,420,000	1,420,000
Alabama.....	289,600	1,100,114	88,000	1,012,114	1,000	1,000	0	0	0	0	0	0
Alaska.....	98,000	1,014,804	70,000	944,804	11,000	1,000	0	0	0	0	0	0
Arizona.....	40,400	1,000,000	40,000	960,000	0	0	0	0	0	0	0	0
Arkansas.....	10,000	1,000,000	10,000	990,000	0	0	0	0	0	0	0	0
California.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Colorado.....	100,000	1,000,000	100,000	999,000	0	0	0	0	0	0	0	0
Connecticut.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Delaware.....	10,000	1,000,000	10,000	990,000	0	0	0	0	0	0	0	0
District of Columbia.....	10,000	1,000,000	10,000	990,000	0	0	0	0	0	0	0	0
Florida.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Georgia.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Hawaii.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Idaho.....	100,000	1,000,000	100,000	999,000	0	0	0	0	0	0	0	0
Illinois.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Indiana.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Iowa.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Kansas.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Kentucky.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Louisiana.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Maine.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Maryland.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Massachusetts.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Michigan.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Minnesota.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Mississippi.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Missouri.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Montana.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Nebraska.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Nevada.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
New Hampshire.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
New Jersey.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
New Mexico.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
New York.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
North Carolina.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
North Dakota.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Ohio.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Oklahoma.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Oregon.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Pennsylvania.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Rhode Island.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
South Carolina.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
South Dakota.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Tennessee.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Texas.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Utah.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Vermont.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Virginia.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Washington.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
West Virginia.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Wisconsin.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Wyoming.....	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0
Other areas ²	1,000,000	1,000,000	1,000,000	999,000	0	0	0	0	0	0	0	0

Footnotes at end of table. Text for "Explanation of Classification and Terms" and "Source of Data" are on the back and front of the report.

Table 33.—ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND STATES

(Taxable and nontaxable returns)

Table with 12 columns: Adjusted gross income classes, Number of returns, Number of joint returns, Total exemptions, Taxable income, Income tax after credits, Number of returns, Number of joint returns, Adjusted gross income, Total exemptions, Taxable income, Income tax after credits, Total exemptions, Taxable income, Number of returns, Number of joint returns, Adjusted gross income, Total exemptions, Taxable income, Income tax after credits. Rows are categorized by state (Alabama, Arizona) and income class (No adjusted gross income, Under \$600, etc.).

See text for explanation of classification and terms and "0" error of data, Description of the sample, and limitations of the data.

Table 33.—ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND STATES.—Continued

(Taxable and nontaxable returns)

Table with multiple columns: Adjusted gross income classes, Number of returns, Total number of exemptions, Number of exemptions for age and blindness, Taxable income (Number of returns, Amount), Income tax after credits, Number of joint returns, Adjusted gross income, Number of joint returns, Number of exemptions, Total number of exemptions, Taxable income (Number of returns, Amount), Income tax after credits, Number of joint returns, Adjusted gross income, Number of exemptions, Total number of exemptions, Taxable income (Number of returns, Amount), Income tax after credits, Number of joint returns, Adjusted gross income. Rows are categorized by State (District of Columbia, Florida, Georgia, Hawaii).

Source: U.S. Internal Revenue Service, Statistics of Income for the Year 1965, "Classification and Terminology."

Table 33. —ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND STATES—Continued

Main data table with columns: Adjusted gross income classes, Number of returns, Joint returns, Adjusted gross income, Total exemptions, Number of other than age and blindness, Taxable income, Income tax after credits, Number of returns, Amount, Taxable income, Number of returns, Amount, Number of joint returns, Number of other than age and blindness, Adjusted gross income, Total exemptions, Number of other than age and blindness, Income tax after credits, Number of returns, Amount, Income tax after credits, Number of returns, Amount.

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

Table 33. — ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND STATES—Continued

Adjusted gross income classes	New Hampshire												New Mexico													
	Number of returns	Number of joint returns	Adjusted gross income (Thousand dollars)	Total number of exemptions	Number of exemptions other than age and blindness	Taxable income (Thousand dollars)	Income tax after credits (Thousand dollars)	Number of returns	Number of joint returns	Adjusted gross income (Thousand dollars)	Total number of exemptions	Number of exemptions other than age and blindness	Taxable income (Thousand dollars)	Income tax after credits (Thousand dollars)	Number of returns	Number of joint returns	Adjusted gross income (Thousand dollars)	Total number of exemptions	Number of exemptions other than age and blindness	Taxable income (Thousand dollars)	Income tax after credits (Thousand dollars)	Number of returns	Number of joint returns			
No adjusted gross income.....	1,710	1,199	1,155,294	45,193	3,234	721,055	135,534	1,43,018	253,911	131,556	1,417,913	679,016	649,741	203,403	841,030	202,453	156,144	-	-	-	-	-	-	-	-	
Under \$600.....	10,231	4,079	3,109	13,395	13,254	(*)	(*)	(*)	22,323	7,424	7,276	30,380	29,720	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
\$600 under \$1,000.....	6,992	2,530	5,230	10,604	10,512	784	784	784	28,240	10,377	10,377	10,801	11,961	17,930	10,248	17,930	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	
\$1,000 under \$2,000.....	12,013	4,090	21,397	24,307	23,012	5,516	5,516	5,516	22,420	10,377	10,377	10,801	11,961	17,930	10,248	17,930	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	
\$2,000 under \$3,000.....	14,718	5,921	30,904	36,753	36,470	13,391	13,391	13,391	30,544	11,895	11,895	12,391	13,391	17,930	10,248	17,930	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	
\$3,000 under \$4,000.....	13,390	5,512	31,490	38,793	38,793	10,883	10,883	10,883	31,490	10,883	10,883	11,895	12,391	17,930	10,248	17,930	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	
\$4,000 under \$5,000.....	12,319	7,079	30,478	36,789	36,789	10,810	10,810	10,810	30,478	10,810	10,810	11,895	12,391	17,930	10,248	17,930	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	
\$5,000 under \$6,000.....	9,876	7,504	26,686	26,686	26,686	9,676	9,676	9,676	26,686	9,676	9,676	10,810	11,895	17,930	10,248	17,930	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	
\$6,000 under \$7,000.....	9,621	7,168	26,737	33,112	32,971	9,621	9,621	9,621	26,737	9,621	9,621	10,810	11,895	17,930	10,248	17,930	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	
\$7,000 under \$8,000.....	12,509	11,172	31,004	44,785	44,785	12,509	12,509	12,509	31,004	12,509	12,509	11,895	12,391	17,930	10,248	17,930	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	
\$8,000 under \$9,000.....	26,127	24,280	88,919	148,956	148,956	26,024	26,024	26,024	88,919	26,024	26,024	12,391	12,391	17,930	10,248	17,930	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	
\$9,000 under \$10,000.....	3,894	3,813	110,023	175,516	175,516	3,894	3,894	3,894	110,023	3,894	3,894	12,391	12,391	17,930	10,248	17,930	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	
\$10,000 under \$15,000.....	497	414	32,738	1,744	1,744	497	497	497	32,738	497	497	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	
\$15,000 under \$20,000.....	134	114	22,442	465	465	132	132	132	22,442	132	132	465	465	465	465	465	465	465	465	465	465	465	465	465	465	465
\$20,000 under \$30,000.....	8	8	2,293	32	32	8	8	8	2,293	8	8	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
\$30,000 under \$50,000.....	4	3	4,961	13	13	4	4	4	4,961	4	4	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13
Returns under \$5,000.....	73,636	22,401	163,653	148,956	148,956	47,084	47,084	47,084	163,653	47,084	47,084	148,956	148,956	148,956	148,956	148,956	148,956	148,956	148,956	148,956	148,956	148,956	148,956	148,956	148,956	148,956
Returns \$5,000 under \$10,000.....	26,354	26,354	431,510	175,516	175,516	53,269	53,269	53,269	431,510	53,269	53,269	175,516	175,516	175,516	175,516	175,516	175,516	175,516	175,516	175,516	175,516	175,516	175,516	175,516	175,516	175,516
Returns \$10,000 or more.....	35,274	35,274	581,022	131,654	131,654	35,274	35,274	35,274	581,022	35,274	35,274	131,654	131,654	131,654	131,654	131,654	131,654	131,654	131,654	131,654	131,654	131,654	131,654	131,654	131,654	131,654
Total.....	2,098,570	1,497,654	18,660,958	7,338,252	7,338,252	2,278,925	2,278,925	2,278,925	18,660,958	2,278,925	2,278,925	7,338,252	7,338,252	7,338,252	7,338,252	7,338,252	7,338,252	7,338,252	7,338,252	7,338,252	7,338,252	7,338,252	7,338,252	7,338,252	7,338,252	7,338,252

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

Table 33.—ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND STATES—Continued

Adjusted gross income class	Number of returns	Number of joint returns	Adjusted gross income (Thousand dollars)	Total number of exemptions	Number of exemptions, age and blindness	Taxable income		Income tax after credits		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	4,074	1,175	5,116	17,928	17,928	1,911,970	1,911,970	541	224,271	4,074	14,167	4,074	14,167
Under \$5,000	2,064	614	7,116	17,928	17,928	1,911,970	1,911,970	541	224,271	2,064	14,167	2,064	14,167
\$5,000 under \$10,000	1,010	314	3,116	17,928	17,928	1,911,970	1,911,970	541	224,271	1,010	14,167	1,010	14,167
\$10,000 under \$15,000	1,000	246	3,444	17,928	17,928	1,911,970	1,911,970	541	224,271	1,000	14,167	1,000	14,167
\$15,000 under \$20,000	500	121	1,711	17,928	17,928	1,911,970	1,911,970	541	224,271	500	14,167	500	14,167
\$20,000 under \$25,000	500	121	1,711	17,928	17,928	1,911,970	1,911,970	541	224,271	500	14,167	500	14,167
\$25,000 under \$30,000	500	121	1,711	17,928	17,928	1,911,970	1,911,970	541	224,271	500	14,167	500	14,167
\$30,000 under \$35,000	500	121	1,711	17,928	17,928	1,911,970	1,911,970	541	224,271	500	14,167	500	14,167
\$35,000 under \$40,000	500	121	1,711	17,928	17,928	1,911,970	1,911,970	541	224,271	500	14,167	500	14,167
\$40,000 under \$45,000	500	121	1,711	17,928	17,928	1,911,970	1,911,970	541	224,271	500	14,167	500	14,167
\$45,000 under \$50,000	500	121	1,711	17,928	17,928	1,911,970	1,911,970	541	224,271	500	14,167	500	14,167
\$50,000 under \$55,000	500	121	1,711	17,928	17,928	1,911,970	1,911,970	541	224,271	500	14,167	500	14,167
\$55,000 under \$60,000	500	121	1,711	17,928	17,928	1,911,970	1,911,970	541	224,271	500	14,167	500	14,167
\$60,000 under \$65,000	500	121	1,711	17,928	17,928	1,911,970	1,911,970	541	224,271	500	14,167	500	14,167
\$65,000 under \$70,000	500	121	1,711	17,928	17,928	1,911,970	1,911,970	541	224,271	500	14,167	500	14,167
\$70,000 under \$75,000	500	121	1,711	17,928	17,928	1,911,970	1,911,970	541	224,271	500	14,167	500	14,167
\$75,000 under \$80,000	500	121	1,711	17,928	17,928	1,911,970	1,911,970	541	224,271	500	14,167	500	14,167
\$80,000 under \$85,000	500	121	1,711	17,928	17,928	1,911,970	1,911,970	541	224,271	500	14,167	500	14,167
\$85,000 under \$90,000	500	121	1,711	17,928	17,928	1,911,970	1,911,970	541	224,271	500	14,167	500	14,167
\$90,000 under \$95,000	500	121	1,711	17,928	17,928	1,911,970	1,911,970	541	224,271	500	14,167	500	14,167
\$95,000 under \$100,000	500	121	1,711	17,928	17,928	1,911,970	1,911,970	541	224,271	500	14,167	500	14,167
\$100,000 and over	500	121	1,711	17,928	17,928	1,911,970	1,911,970	541	224,271	500	14,167	500	14,167

Source: U.S. Department of the Treasury, Bureau of Economic Analysis, "The Federal and State Taxation of Individual Income."

Table 33. --ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND STATES --Continued

Table with multiple columns: Adjusted gross income classes, Number of returns, Adjusted gross income, Taxable income, Income tax after credits, Number of exemptions, Total number of exemptions, Number of joint returns, Taxable income, Income tax after credits, Number of exemptions, Total number of exemptions, Number of joint returns, Taxable income, Income tax after credits, Number of exemptions, Total number of exemptions, Number of joint returns. Sub-sections for Utah, Vermont, and Virginia.

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

INDIVIDUAL/1965 • STATE AND METROPOLITAN AREAS

Table 34.—SELECTED SOURCES OF INCOME, TAXABLE INCOME, AND INCOME TAX, BY 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS (Taxable and nontaxable returns)

Table with 12 columns: 100 largest standard metropolitan statistical areas, Number of returns, Adjusted gross income (less deficit) (Thousand dollars), Salary and wages (gross), Business net profit and loss, Farm net profit and loss, Partnership net profit and loss, and Net gain and net loss from sales of capital assets. Rows list 100 metropolitan areas such as Akron, Ohio; Albany-Schenectady-Troy, N.Y.; Allentown-Bethlehem-Easton, Pa.-N.J.; etc.

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

INDIVIDUAL/1965 • STATE AND METROPOLITAN AREAS

Table 35.—ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS

Table with 13 columns: Adjusted gross income class, and 12 columns for each of the 100 largest Standard Metropolitan Statistical Areas (SMSAs). Each column contains data on adjusted gross income, number of joint returns, total exemptions, taxable income, adjusted gross income, number of joint returns, total exemptions, taxable income, and income tax after credits. Areas include Akron, Ohio; Albany-Schenectady-Troy, New York; Allentown-Bethlehem-Easton, Pennsylvania-New Jersey; Anaheim-Santa Ana-Garden Grove, California; and Atlantic City-Long Beach, New Jersey.

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

Table 35 — ADMITTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS—Continued

Standard Metropolitan Statistical Area	Number of persons	Number of other tax payers	Adjusted gross income (Thousand dollars)	Number of exempting items	Taxable income (Thousand dollars)		Income tax after credits (Thousand dollars)	Number of persons	Number of other tax payers	Adjusted gross income (Thousand dollars)	Total number of exemptions	Taxable income (Thousand dollars)		Income tax after credits (Thousand dollars)
					Number of persons	Amount						Number of persons	Amount	
Buffalo, New York														
Total	49,422	263,762	13,077,001	1,306,951	1,253,641	386,351	4,404,821	123,424	77,478	186,693	34,564	591,327	101,416	
Under \$1,000	23,702	121,311	7,162	26,468	26,206	-	-	7,456	1,814	2,881	1,576	1,113	-	
\$1,000 to \$1,999	16,942	13,252	13,252	25,205	25,205	-	-	2,369	1,576	2,881	5,266	-	-	
\$2,000 to \$2,999	46,674	46,674	46,674	46,674	46,674	36,317	2,766	6,314	3,682	5,966	1,284	2,160	4,213	
\$3,000 to \$3,999	36,726	73,452	73,452	68,151	68,151	28,714	4,836	5,781	4,021	11,424	1,979	2,160	4,030	
\$4,000 to \$4,999	32,376	112,665	112,665	67,817	67,817	28,714	4,836	10,000	13,024	13,024	3,452	4,030	4,030	
\$5,000 to \$5,999	31,704	103,316	103,316	67,351	67,351	36,378	13,137	10,000	29,900	29,900	1,974	4,030	4,030	
\$6,000 to \$6,999	18,880	105,772	105,772	66,686	66,686	29,151	14,056	11,317	40,882	25,036	2,630	2,225	2,225	
\$7,000 to \$7,999	50,456	326,432	326,432	179,640	179,640	69,750	29,062	18,156	107,732	63,971	10,000	2,661	2,661	
\$8,000 to \$8,999	37,191	204,984	204,984	159,226	159,226	36,339	26,026	17,477	7,366	38,573	11,931	1,113	1,113	
\$9,000 to \$9,999	58,974	366,748	366,748	224,931	224,931	42,931	39,164	37,570	8,011	74,151	40,733	2,031	2,031	
\$10,000 to \$10,999	22,876	215,742	215,742	139,633	139,633	22,896	22,112	17,341	11,684	11,684	1,000	1,000	1,000	
\$11,000 to \$11,999	63,347	377,134	377,134	236,233	236,233	63,281	63,033	19,294	13,670	166,014	32,577	114,200	114,200	
\$12,000 to \$12,999	10,461	178,362	178,362	103,100	103,100	16,561	24,807	2,366	2,866	46,602	11,657	3,444	3,444	
\$13,000 to \$13,999	9,073	256,221	256,221	156,721	156,721	5,444	43,000	2,546	2,546	67,011	1,236	2,661	2,661	
\$14,000 to \$14,999	3,434	62,204	62,204	34,432	34,432	-	11,426	2,446	2,446	21,334	1,250	15,127	15,127	
\$15,000 to \$15,999	212	32,435	32,435	212	212	212	11,025	57	57	6,014	21	1,000	1,000	
\$16,000 to \$16,999	3	3,041	3,041	17	17	3	1,312	2	2	7,403	1	2	2	
\$17,000 to \$17,999	3	6,134	6,134	4	4	3	2,445	2	2	7,403	1	2	2	
\$18,000 to \$18,999	13,853	1,311,967	1,311,967	837,576	837,576	115,344	219,834	47,480	7,411	116,508	23,472	2,031	2,031	
\$19,000 to \$19,999	14,137	1,366,302	1,366,302	854,710	854,710	184,748	246,700	59,447	36,426	446,700	24,542	2,031	2,031	
\$20,000 to \$20,999	7,936	1,250,333	1,250,333	771,222	771,222	23,741	189,222	13,095	1,111	316,345	19,563	232,111	232,111	
Charlotte, North Carolina														
Total	119,012	747,240	18,111,774	336,516	324,952	91,754	4,787,462	97,400	11,491	1,992,478	244,868	324,952	1,000	
Under \$1,000	57,006	294,681	1,542	6,089	6,089	-	-	5,000	3,477	2,273	7,259	1,000	-	
\$1,000 to \$1,999	5,840	12,282	12,282	17,176	17,176	-	-	1,000	1,000	2,468	2,573	-	-	
\$2,000 to \$2,999	10,204	17,950	17,950	16,443	16,443	5,476	1,117	13,378	2,468	28,783	2,573	-		
\$3,000 to \$3,999	10,107	26,271	26,271	25,660	25,660	7,656	1,462	13,363	5,476	28,783	2,573	-		
\$4,000 to \$4,999	13,428	27,696	27,696	26,530	26,530	7,719	1,011	13,363	5,476	28,783	2,573	-		
\$5,000 to \$5,999	13,428	50,464	50,464	47,205	47,205	11,826	7,132	8,724	5,476	36,870	2,573	-		
\$6,000 to \$6,999	7,936	45,227	45,227	43,408	43,408	11,826	7,132	8,724	5,476	25,430	2,573	-		
\$7,000 to \$7,999	7,936	23,441	23,441	22,409	22,409	7,936	3,110	7,673	5,110	42,534	2,573	-		
\$8,000 to \$8,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
\$9,000 to \$9,999	7,936	31,401	31,401	30,463	30,463	7,936	3,001	7,673	5,110	33,665	2,573	-		
\$10,000 to \$10,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
\$11,000 to \$11,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
\$12,000 to \$12,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
\$13,000 to \$13,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
\$14,000 to \$14,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
\$15,000 to \$15,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
\$16,000 to \$16,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
\$17,000 to \$17,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
\$18,000 to \$18,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
\$19,000 to \$19,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
\$20,000 to \$20,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
Canton, Ohio														
Total	119,012	747,240	18,111,774	336,516	324,952	91,754	4,787,462	97,400	11,491	1,992,478	244,868	324,952	1,000	
Under \$1,000	57,006	294,681	1,542	6,089	6,089	-	-	5,000	3,477	2,273	7,259	1,000	-	
\$1,000 to \$1,999	5,840	12,282	12,282	17,176	17,176	-	-	1,000	1,000	2,468	2,573	-	-	
\$2,000 to \$2,999	10,204	17,950	17,950	16,443	16,443	5,476	1,117	13,378	2,468	28,783	2,573	-		
\$3,000 to \$3,999	10,107	26,271	26,271	25,660	25,660	7,656	1,462	13,363	5,476	28,783	2,573	-		
\$4,000 to \$4,999	13,428	27,696	27,696	26,530	26,530	7,719	1,011	13,363	5,476	28,783	2,573	-		
\$5,000 to \$5,999	13,428	50,464	50,464	47,205	47,205	11,826	7,132	8,724	5,476	36,870	2,573	-		
\$6,000 to \$6,999	7,936	45,227	45,227	43,408	43,408	11,826	7,132	8,724	5,476	25,430	2,573	-		
\$7,000 to \$7,999	7,936	23,441	23,441	22,409	22,409	7,936	3,110	7,673	5,110	42,534	2,573	-		
\$8,000 to \$8,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
\$9,000 to \$9,999	7,936	31,401	31,401	30,463	30,463	7,936	3,001	7,673	5,110	33,665	2,573	-		
\$10,000 to \$10,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
\$11,000 to \$11,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
\$12,000 to \$12,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
\$13,000 to \$13,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
\$14,000 to \$14,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
\$15,000 to \$15,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
\$16,000 to \$16,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
\$17,000 to \$17,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
\$18,000 to \$18,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
\$19,000 to \$19,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
\$20,000 to \$20,999	7,936	27,401	27,401	26,105	26,105	7,936	3,001	7,673	5,110	31,811	2,573	-		
Chattanooga, Tennessee-Knox														
Total	119,012	747,240	18,111,774	336,516	324,952	91,754	4,787,462	97,400	11,491	1,992,478	244,868	324,952	1,000	
Under \$1,000	57,006	294,681	1,542	6,089	6,089	-	-	5,000	3,477	2,273	7,259	1,000	-	
\$1,000 to \$1,999	5,840	12,282	12,282	17,176	17,176	-	-	1,000	1,000	2,468	2,573	-	-	
\$2,000 to \$2,999	10,204	17,950	17,950	16,443	16,443	5,476	1,117	13,378	2,468	28,783	2,573	-		
\$3,000 to \$3,999	10,107	26,271	26,271	25,660	25,660	7,656	1,462	13,363	5,476	28,783	2,573	-		
\$4,000 to \$4,999	13,428	27,696	27,696	26,530	26,530	7,719	1,011	13,363	5,476	28,783	2,573	-</		

Table 35. — ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS—Continued

Adjusted gross income classes	Number of returns	Number of joint returns	Adjusted gross income (Thousand dollars)	Total number of exemptions	Number of persons and addresses	Taxable income		Income tax after credits		Number of returns	Adjusted gross income (Thousand dollars)	Number of joint returns	Adjusted gross income (Thousand dollars)	Total number of exemptions	Number of persons and addresses	Taxable income		Income tax after credits			
						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.....	459,844	285,820	13,098,708	1,328,995	1,286,972	369,221	1,891,843	365,440	384,237	131,444	78,333	867,629	373,415	398,989	136,701	523,914	1,077,140	1,110,812	267,312		
Be adjusted gross income.....	3,511	(*)	518,647	9,950	8,150	-	-	-	-	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Under \$500.....	31,137	5,251	10,257	43,221	40,828	6,347	331	6,274	42	11,445	289	4,220	13,768	13,534	1,768	1,768	1,768	1,768	1,768	49,220	
\$500 under \$1,000.....	26,361	4,251	21,166	36,937	34,261	2,676	2,676	2,676	2,676	11,618	663	6,089	6,566	6,566	1,282	1,282	1,282	1,282	1,282	1,282	
\$1,000 under \$2,000.....	40,239	6,251	10,778	70,954	64,652	6,302	6,302	6,302	6,302	11,774	4,319	16,787	17,931	15,649	2,282	2,282	2,282	2,282	2,282	1,472	
\$2,000 under \$3,000.....	36,282	16,111	32,170	89,746	84,652	5,088	5,088	5,088	5,088	7,987	1,741	20,407	21,843	18,412	3,431	3,431	3,431	3,431	3,431	3,431	
\$3,000 under \$4,000.....	51,254	25,485	179,750	130,990	124,278	6,712	6,712	6,712	6,712	10,267	2,850	37,153	39,607	34,507	5,100	5,100	5,100	5,100	5,100	5,100	
\$4,000 under \$5,000.....	33,023	21,938	149,542	93,164	89,619	3,543	3,543	3,543	3,543	7,148	5,739	22,213	24,338	21,114	3,224	3,224	3,224	3,224	3,224	3,224	
\$5,000 under \$6,000.....	34,422	23,194	189,851	110,634	106,093	4,541	4,541	4,541	4,541	9,087	7,486	33,689	34,334	31,113	3,221	3,221	3,221	3,221	3,221	3,221	
\$6,000 under \$7,000.....	28,598	24,186	185,650	105,736	104,178	1,558	1,558	1,558	1,558	3,116	7,115	24,982	25,262	23,072	2,190	2,190	2,190	2,190	2,190	2,190	
\$7,000 under \$8,000.....	28,132	22,818	210,811	98,471	93,815	4,656	4,656	4,656	4,656	14,438	14,438	112,374	58,262	58,262	14,938	14,938	14,938	14,938	14,938	14,938	
\$8,000 under \$9,000.....	37,176	31,971	314,624	131,479	127,376	4,103	4,103	4,103	4,103	14,330	14,330	124,704	52,177	52,177	34,592	34,592	34,592	34,592	34,592	34,592	
\$9,000 under \$10,000.....	22,816	21,736	218,134	87,076	84,139	2,937	2,937	2,937	2,937	7,161	5,853	32,216	30,471	30,471	1,745	1,745	1,745	1,745	1,745	1,745	
\$10,000 under \$15,000.....	48,810	24,621	701,797	204,166	204,074	92	92	92	92	473	30,212	48	6,247	15	15	15	15	15	15	15	15
\$15,000 under \$20,000.....	13,478	13,643	246,152	54,982	53,821	1,161	1,161	1,161	1,161	1,161	3,344	56,244	11,653	11,653	11,653	11,653	11,653	11,653	11,653	11,653	11,653
\$20,000 under \$25,000.....	11,424	11,373	322,115	42,915	41,976	939	939	939	939	939	2,444	56,116	7,226	7,226	7,226	7,226	7,226	7,226	7,226	7,226	7,226
\$25,000 under \$30,000.....	1,204	1,222	107,816	5,211	5,189	22	22	22	22	22	24	26,627	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458
\$30,000 under \$40,000.....	20	20	78,224	1,728	1,522	206	206	206	206	206	48	6,247	15	15	15	15	15	15	15	15	15
\$40,000 under \$50,000.....	19	17	13,363	70	61	9	9	9	9	9	2	1,172	2	2	2	2	2	2	2	2	2
\$50,000 or more.....	6	6	16,326	18	17	1	1	1	1	1	6	9,822	6	6	6	6	6	6	6	6	6
Returns under \$5,000.....	221,305	57,108	1,518,963	573,382	554,138	184,244	184,244	184,244	184,244	59,428	1,110,029	29,632	3,905,855	1,979,432	2,011,411	36,976	36,976	36,976	36,976	36,976	36,976
Returns \$5,000 under \$10,000.....	147,424	123,426	1,118,152	540,753	514,152	26,601	26,601	26,601	26,601	51,263	1,000,000	1,979,432	3,905,855	1,979,432	2,011,411	36,976	36,976	36,976	36,976	36,976	36,976
Returns \$10,000 or more.....	30,105	27,285	1,469,593	314,959	299,813	15,146	15,146	15,146	15,146	23,311	218,119	36,526	1,000,000	36,526	36,526	36,526	36,526	36,526	36,526	36,526	36,526
Total.....	255,765	167,341	11,910,431	744,901	724,463	223,477	1,226,443	221,738	239,067	342,268	426,700	1,632,842	1,140,763	1,077,140	327,174	1,110,812	1,110,812	1,110,812	1,110,812	1,110,812	
Under \$500.....	11,961	3,982	3,982	13,544	12,741	803	803	803	803	803	2	1,176	23,191	23,191	23,191	23,191	23,191	23,191	23,191	23,191	23,191
\$500 under \$1,000.....	4,301	7,931	31,953	36,191	34,261	1,930	1,930	1,930	1,930	1,930	2	14,653	22,332	22,332	22,332	22,332	22,332	22,332	22,332	22,332	22,332
\$1,000 under \$2,000.....	21,266	31,363	44,221	59,746	54,652	5,089	5,089	5,089	5,089	5,089	86	39,102	62,829	62,829	62,829	62,829	62,829	62,829	62,829	62,829	62,829
\$2,000 under \$3,000.....	1,286	4,123	12,966	13,652	12,966	686	686	686	686	686	469,702	61,919	61,919	61,919	61,919	61,919	61,919	61,919	61,919	61,919	61,919
\$3,000 under \$4,000.....	1,570	6,426	17,215	35,076	31,563	3,513	3,513	3,513	3,513	3,513	16,573	136,241	11,912	11,912	11,912	11,912	11,912	11,912	11,912	11,912	11,912
\$4,000 under \$5,000.....	1,700	7,444	20,992	41,170	38,696	2,474	2,474	2,474	2,474	2,474	12,821	123,952	11,761	11,761	11,761	11,761	11,761	11,761	11,761	11,761	11,761
\$5,000 under \$6,000.....	1,104	11,044	116,832	99,426	94,627	4,795	4,795	4,795	4,795	4,795	14,431	13,304	27,821	27,821	27,821	27,821	27,821	27,821	27,821	27,821	27,821
\$6,000 under \$7,000.....	1,104	13,104	131,112	61,226	59,427	1,795	1,795	1,795	1,795	1,795	11,431	32,971	11,431	11,431	11,431	11,431	11,431	11,431	11,431	11,431	11,431
\$7,000 under \$8,000.....	1,104	12,104	120,112	61,226	59,427	1,795	1,795	1,795	1,795	1,795	11,431	32,971	11,431	11,431	11,431	11,431	11,431	11,431	11,431	11,431	11,431
\$8,000 under \$9,000.....	1,104	11,104	109,112	61,226	59,427	1,795	1,795	1,795	1,795	1,795	11,431	32,971	11,431	11,431	11,431	11,431	11,431	11,431	11,431	11,431	11,431
\$9,000 under \$10,000.....	1,104	10,104	98,112	61,226	59,427	1,795	1,795	1,795	1,795	1,795	11,431	32,971	11,431	11,431	11,431	11,431	11,431	11,431	11,431	11,431	11,431
\$10,000 under \$15,000.....	42,782	42,782	429,224	161,449	159,707	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742
\$15,000 under \$20,000.....	3,965	3,965	149,261	24,187	23,435	752	752	752	752	752	752	752	752	752	752	752	752	752	752	752	752
\$20,000 under \$25,000.....	1,350	1,350	151,314	21,123	20,371	752	752	752	752	752	752	752	752	752	752	752	752	752	752	752	752
\$25,000 under \$30,000.....	1,350	1,350	151,314	21,123	20,371	752	752	752	752	752	752	752	752	752	752	752	752	752	752	752	752
\$30,000 under \$40,000.....	1,350	1,350	151,314	21,123	20,371	752	752	752	752	752	752	752	752	752	752	752	752	752	752	752	752
\$40,000 under \$50,000.....	1,350	1,350	151,314	21,123	20,371	752	752	752	752	752	752	752	752	752	752	752	752	752	752	752	752
\$50,000 under \$75,000.....	1,350	1,350	151,314	21,123	20,371	752	752	752	752	752	752	752	752	752	752	752	752	752	752	752	752
\$75,000 under \$100,000.....	1,350	1,350	151,314	21,123	20,371	752	752	752	752	752	752	752	752	752	752	752	752	752	752	752	752
\$100,000 under \$150,000.....	1,350	1,350	151,314	21,123	20,371	752	752	752	752	752	752	752	752	752	752	752	752	752	752	752	752
\$150,000 or more.....	1,350	1,350	151,314	21,123	20,371	752	752	752	752	752	752	752	752	752	752	752	752	752	752	752	752
Returns under \$5,000.....	91,272	25,496	1,117,901	109,609	107,152	2,457	2,457	2,457	2,457	2,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457
Returns \$5,000 under \$10,000.....	1,673	24,316	73,512	34,701	34,261	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450
Returns \$10,000 or more.....	59,541	11,965																			

Table 35.—ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS—Continued

Adjusted gross income class	Number of persons	Number of exempt persons	Adjusted gross income (Thousand dollars)	Total exempt income (Thousand dollars)	Taxable income (Thousand dollars)	Income tax after credits (Thousand dollars)		Number of returns	Number of persons	Adjusted gross income (Thousand dollars)	Total exempt income (Thousand dollars)	Taxable income (Thousand dollars)	Income tax after credits (Thousand dollars)		
						Number of persons	Amount						Number of persons	Amount	
Total	154,146	98,112	11,208,764	440,937	133,724	154,452	154,452	151,555	44,364	11,000,615	420,231	374,964	122,427	593,264	117,711
Flint, Mich.															
0-10,000	10,470	1,324	57,110	33,779	10,400	3,467	3,467	1,324	1,324	53,741	23,554	30,187	5,913	28,274	5,913
10,000-15,000	1,871	7,593	79,477	10,891	11,891	11,891	11,891	11,891	11,891	67,586	39,796	27,790	11,403	56,187	11,403
15,000-20,000	3,311	14,307	124,000	13,311	13,311	13,311	13,311	13,311	13,311	110,689	42,486	68,203	14,524	96,159	14,524
20,000-25,000	4,429	7,499	157,413	14,429	14,429	14,429	14,429	14,429	14,429	142,984	47,451	95,533	15,711	128,244	15,711
25,000-30,000	3,114	1,255	124,453	13,314	13,314	13,314	13,314	13,314	13,314	111,140	37,457	73,683	12,711	100,972	12,711
30,000-35,000	2,171	2,154	94,769	4,000	4,000	4,000	4,000	4,000	4,000	90,769	14,474	76,295	8,271	82,524	8,271
35,000-40,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
40,000-45,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
45,000-50,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
50,000-55,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
55,000-60,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
60,000-65,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
65,000-70,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
70,000-75,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
75,000-80,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
80,000-85,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
85,000-90,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
90,000-95,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
95,000-100,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
Total	154,146	98,112	11,208,764	440,937	133,724	154,452	154,452	151,555	44,364	11,000,615	420,231	374,964	122,427	593,264	117,711
Presno, Ill.															
0-10,000	10,470	1,324	57,110	33,779	10,400	3,467	3,467	1,324	1,324	53,741	23,554	30,187	5,913	28,274	5,913
10,000-15,000	1,871	7,593	79,477	10,891	11,891	11,891	11,891	11,891	11,891	67,586	39,796	27,790	11,403	56,187	11,403
15,000-20,000	3,311	14,307	124,000	13,311	13,311	13,311	13,311	13,311	13,311	110,689	42,486	68,203	14,524	96,159	14,524
20,000-25,000	4,429	7,499	157,413	14,429	14,429	14,429	14,429	14,429	14,429	142,984	47,451	95,533	15,711	128,244	15,711
25,000-30,000	3,114	1,255	124,453	13,314	13,314	13,314	13,314	13,314	13,314	111,140	37,457	73,683	12,711	100,972	12,711
30,000-35,000	2,171	2,154	94,769	4,000	4,000	4,000	4,000	4,000	4,000	90,769	14,474	76,295	8,271	82,524	8,271
35,000-40,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
40,000-45,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
45,000-50,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
50,000-55,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
55,000-60,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
60,000-65,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
65,000-70,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
70,000-75,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
75,000-80,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
80,000-85,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
85,000-90,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
90,000-95,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
95,000-100,000	1,171	1,171	48,110	2,171	2,171	2,171	2,171	2,171	2,171	45,939	14,474	31,465	12,474	33,939	12,474
Total	154,146	98,112	11,208,764	440,937	133,724	154,452	154,452	151,555	44,364	11,000,615	420,231	374,964	122,427	593,264	117,711

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Statistical Abstract of the United States, 1966, Table 1101.

Table 35.—ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS—Continued

Adjusted gross income classes	[Taxable and nontaxable returns]																	
	Number of returns	Number of part returns	Adjusted gross income (Thousand dollars)	Total number of exemptions	Number of age and blindness exemptions	Taxable income (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Income tax after credits							
Gary-Hammond-East Chicago, Indiana																		
Total.....	205,458	117,917	3,442,071	664,109	597,700	1,762,267	900,420	175,980	185,041	160,783	3,265	1,050,144	471,724	467,923	133,777	596,608	131,013	114,964
No adjusted gross income.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$500.....	13,013	-	4,705	13,820	13,013	16,239	11,539	16,239	1,662	8,265	2,926	2,926	3,665	8,999	-	-	-	-
\$500 under \$1,000.....	10,857	-	8,893	12,445	12,445	16,239	11,539	16,239	1,662	5,305	4,13	4,13	6,665	6,665	-	-	-	-
\$1,000 under \$2,000.....	10,772	4,174	35,263	35,848	28,666	4,886	11,770	4,886	1,746	15,326	5,410	22,965	21,022	21,022	9,771	5,541	9,103	760
\$2,000 under \$3,000.....	10,327	-	26,912	15,731	12,846	7,064	11,770	7,064	1,746	13,066	5,410	22,965	21,022	21,022	10,858	13,251	11,876	3,192
\$3,000 under \$4,000.....	5,004	-	24,461	15,871	12,043	7,064	11,607	7,064	1,746	16,784	7,833	28,601	34,238	34,238	14,841	21,635	14,035	3,152
\$4,000 under \$5,000.....	10,715	-	48,663	21,555	10,309	26,488	10,309	10,309	4,373	12,263	3,182	23,156	23,156	23,156	31,588	31,588	11,302	5,150
\$5,000 under \$6,000.....	12,643	7,339	65,682	37,484	36,174	11,388	34,539	11,388	4,583	11,984	8,876	86,323	30,755	34,672	11,640	32,208	11,640	3,090
\$6,000 under \$7,000.....	13,573	8,893	102,338	43,076	42,678	11,388	63,728	11,388	4,583	20,712	13,082	133,581	77,923	78,668	19,240	63,042	19,240	10,003
\$7,000 under \$8,000.....	27,783	21,698	207,278	103,373	103,129	27,783	124,278	27,783	10,318	113,328	39,216	87,472	43,284	43,284	11,918	47,440	11,772	7,561
\$8,000 under \$9,000.....	17,783	13,692	113,748	59,213	59,129	17,783	67,252	17,783	10,318	113,328	39,216	87,472	43,284	43,284	11,918	47,440	11,772	7,561
\$9,000 under \$10,000.....	17,991	13,711	172,299	77,711	76,258	17,991	104,800	17,991	10,318	113,328	39,216	87,472	43,284	43,284	11,918	47,440	11,772	7,561
\$10,000 under \$15,000.....	35,207	33,246	312,303	136,456	135,936	35,207	208,304	35,207	19,145	21,375	20,712	231,562	85,926	84,707	21,375	164,233	21,375	28,485
\$15,000 under \$20,000.....	5,180	5,894	103,510	25,157	21,737	5,180	74,870	5,180	14,760	5,403	3,462	26,716	13,358	12,517	3,462	11,768	3,462	8,071
\$20,000 under \$30,000.....	5,229	3,157	94,846	15,188	14,188	5,229	67,913	5,229	18,560	4,800	2,478	34,777	11,707	11,327	3,462	63,145	2,880	15,360
\$30,000 under \$50,000.....	5,337	3,327	21,397	4,333	4,493	5,337	13,136	5,337	6,301	530	514	34,566	21,352	21,211	5,900	23,463	5,900	10,436
\$50,000 under \$100,000.....	49	47	6,646	187	174	49	5,922	49	2,739	110	102	17,875	446	462	109	15,650	109	7,457
\$100,000 under \$200,000.....	1	1	902	2	2	1	761	1	345	1	1	1,366	2	2	1	1,296	1	640
\$200,000 or more.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Returns under \$4,000.....	73,682	10,839	146,074	114,347	103,666	45,362	62,134	45,218	9,529	71,811	16,379	174,882	131,629	116,202	46,781	72,014	43,964	33,037
Returns \$4,000 under \$10,000.....	86,767	64,466	666,466	316,663	311,564	85,969	379,588	85,825	63,076	60,673	43,786	246,450	246,450	240,977	58,498	207,484	58,751	31,017
Returns \$10,000 or more.....	45,003	42,672	641,558	173,690	171,530	44,936	483,699	44,936	32,486	28,204	27,100	444,761	113,675	110,744	28,204	317,110	28,298	70,945
Harrisburg, Pennsylvania																		
Total.....	126,456	75,797	1,930,520	350,809	337,537	112,145	510,709	110,405	94,881	269,362	1,074,457	1,580,321	549,883	521,472	174,238	1,020,497	172,710	210,308
No adjusted gross income.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$500.....	7,052	-	3,514	8,148	7,052	10,235	6,116	10,235	872	9,969	3,485	3,485	11,965	11,216	-	-	-	-
\$500 under \$1,000.....	16,155	-	24,663	27,083	23,866	30,736	6,116	10,235	872	13,570	10,330	10,330	14,530	14,530	-	-	-	-
\$1,000 under \$2,000.....	5,496	1,177	13,435	11,849	10,753	4,328	4,371	3,524	584	15,936	1,564	27,677	27,677	22,630	9,877	5,381	9,877	766
\$2,000 under \$3,000.....	12,862	4,182	45,225	26,590	25,127	12,053	22,626	11,248	3,483	14,283	3,744	48,799	27,031	25,009	12,543	15,560	11,876	2,199
\$3,000 under \$4,000.....	11,809	5,205	51,634	23,569	22,277	11,596	31,688	11,596	3,483	14,283	3,744	48,799	27,031	25,009	12,543	15,560	11,876	2,199
\$4,000 under \$5,000.....	9,792	5,987	92,151	37,565	36,248	9,792	56,592	9,792	3,483	14,283	3,744	48,799	27,031	25,009	12,543	15,560	11,876	2,199
\$5,000 under \$6,000.....	12,786	6,512	71,850	31,514	31,222	12,786	42,763	12,786	7,016	14,342	4,209	79,255	33,040	30,599	13,678	49,156	13,678	8,267
\$6,000 under \$7,000.....	12,076	11,412	78,305	30,123	28,570	11,930	34,570	11,930	5,215	20,865	13,901	136,456	66,274	56,938	20,865	77,021	20,719	12,361
\$7,000 under \$8,000.....	8,718	5,787	65,968	22,349	21,911	8,718	43,490	8,718	7,395	20,938	13,315	156,987	62,205	60,724	26,938	95,838	26,938	16,191
\$8,000 under \$9,000.....	10,023	6,639	85,081	36,284	34,675	10,023	51,097	10,023	8,494	9,359	8,368	78,941	36,764	36,764	9,309	45,831	9,309	7,661
\$9,000 under \$10,000.....	9,792	8,987	92,151	37,565	36,248	9,792	56,592	9,792	3,483	6,868	4,867	66,059	23,631	22,004	6,868	41,274	6,868	7,246
\$10,000 under \$15,000.....	14,246	13,794	169,508	52,468	51,030	14,246	116,107	14,246	20,373	32,393	29,883	388,000	114,441	113,018	32,393	267,831	32,393	47,878
\$15,000 under \$20,000.....	3,109	3,042	14,799	15,060	14,825	3,109	36,825	3,109	7,065	8,369	7,836	141,325	33,224	32,287	8,369	102,132	8,369	19,822
\$20,000 under \$30,000.....	1,721	1,571	49,566	7,067	6,599	1,721	39,445	1,721	9,862	7,381	6,742	210,598	27,101	25,608	7,381	169,767	7,381	42,078
\$30,000 under \$50,000.....	245	230	15,927	899	863	245	13,857	245	4,972	949	862	62,610	3,751	3,448	949	51,927	949	18,906
\$50,000 under \$100,000.....	73	67	16,193	272	232	73	8,994	73	4,184	206	172	32,227	798	656	206	26,577	206	12,797
\$100,000 under \$200,000.....	2	2	2,548	7	4	2	2,146	2	1,067	11	8	7,749	40	32	11	6,050	11	3,279
\$200,000 or more.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Returns under \$4,000.....	53,666	15,764	137,629	97,262	89,805	39,375	64,826	37,766	10,017	86,730	17,293	198,812	154,573	139,392	53,370	86,079	51,890	13,263
Returns \$4,000 under \$10,000.....	53,394	13,337	393,356	177,633	174,179	53,248	225,511	53,248	37,442	72,362	44,660	517,695	215,913	207,029	71,657	369,120	71,511	51,726
Returns \$10,000 or more.....	13,397	13,706	295,335	75,713	73,353	19,397	217,372	19,397	47,422	49,310	53,805	843,811	179,327	175,051	49,310	623,298	49,310	145,318

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

Table 35 — ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS—Continued

Adjusted gross income classes	Number of returns	Number of joint returns	Adjusted gross income (Thousand dollars)	Total number of exemptions		Taxable income		Income tax after credits		Number of returns	Adjusted gross income (Thousand dollars)	Number of joint returns	Total number of exemptions	Number of other tax-able and blind persons	Taxable income (Thousand dollars)	Number of returns	Income tax after credits
				Number of other tax-able and blind persons	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)										
Honolulu, Hawaii																	
Total.....	186,437	95,580	1,254,091	517,802	151,103	751,872	150,192	149,108	543,144	343,634	13,697,660	1,610,754	11,566,131	47,401	2,247,424	34,407	455,25
No adjusted gross income.....	16,414	17,850	8,458	12,028	15,911	15,911	15,911	1,460	20,577	2,601	11,725	47,801	47,401	191	—	—	—
Under \$500.....	19,656	28,200	9,797	13,836	18,010	18,010	18,010	1,649	25,511	3,733	23,528	39,659	38,941	12	—	—	—
\$500 under \$1,000.....	12,941	24,024	32,791	41,336	53,778	53,778	53,778	3,521	37,822	11,426	96,037	95,454	78,316	16,301	32,272	36,982	4,361
\$1,000 under \$2,000.....	16,391	24,024	56,778	74,763	103,391	103,391	103,391	3,521	37,822	11,426	131,557	131,557	97,981	32,653	54,801	25,482	4,994
\$2,000 under \$3,000.....	11,725	41,743	53,314	74,763	103,391	103,391	103,391	3,521	37,822	11,426	217,098	159,499	156,566	41,663	90,950	41,313	14,104
\$3,000 under \$4,000.....	12,679	9,712	67,363	33,110	12,536	37,133	12,393	6,362	5,331	39,249	296,984	187,607	170,340	11,741	11,741	43,452	21,7
\$4,000 under \$5,000.....	11,143	3,476	34,474	39,493	11,159	39,493	11,159	9,440	3,476	26,243	421,982	118,739	117,771	33,713	11,583	33,111	13,619
\$5,000 under \$6,000.....	12,777	4,401	62,950	43,354	14,777	54,243	12,775	9,034	37,822	24,334	423,163	138,739	133,161	3,572	163,363	31,382	29,933
\$6,000 under \$7,000.....	13,410	10,924	112,104	53,128	13,410	62,224	13,410	10,274	37,352	37,663	324,428	118,263	154,172	34,374	184,611	39,382	31,427
\$7,000 under \$8,000.....	7,827	7,190	74,763	35,722	1,828	40,244	7,826	6,463	31,401	27,093	246,337	119,114	117,134	31,401	253,179	33,981	31,427
\$8,000 under \$9,000.....	28,513	26,747	345,425	118,346	117,122	215,133	28,513	38,391	0,125	65,131	851,005	455,454	242,226	73,608	71,911	170,938	110,324
\$9,000 under \$10,000.....	8,039	1,135	126,159	32,301	28,513	43,814	8,039	15,921	17,000	15,486	497,131	93,812	93,812	41,776	41,776	10,323	10,323
\$10,000 under \$15,000.....	3,493	1,436	133,996	19,223	3,493	77,978	3,493	13,991	11,654	11,654	324,434	64,154	64,154	263,103	263,103	11,654	11,654
\$15,000 under \$20,000.....	493	436	24,161	2,924	1,942	20,945	493	3,668	1,880	1,880	126,245	1,880	1,880	1,438	1,438	3,493	3,493
\$20,000 under \$25,000.....	3	78	14,379	349	41	10,937	91	637	637	15	10,726	53	53	12,411	12,411	15	15
\$25,000 under \$30,000.....	3	3	14,379	11	3	13,155	3	6,463	6,463	3	17,822	36	36	12,411	12,411	3	3
\$30,000 or more.....	87,753	14,776	1,163,734	153,364	92,461	78,116	51,693	12,087	243,802	87,919	1,000,111	153,364	153,364	1,000,111	1,000,111	87,919	87,919
Returns \$5,000 under \$15,000.....	47,942	42,972	422,225	197,456	192,797	233,604	97,581	43,265	197,654	163,964	1,423,125	707,162	676,443	1,423,125	1,423,125	163,964	163,964
Returns \$17,000 or more.....	39,234	34,234	548,133	169,366	169,439	459,152	50,939	75,761	170,826	84,491	1,726,531	311,233	304,173	1,726,531	1,726,531	84,491	84,491
Indianapolis, Indiana																	
Total.....	355,466	207,599	1,253,144	1,034,000	246,779	1,520,252	294,220	293,911	154,000	92,473	1,484,965	61,214	447,151	124,774	3,474	133,674	
No adjusted gross income.....	25,082	27,955	8,453	11,139	16,139	16,139	16,139	1,468	20,577	3,733	11,725	47,801	47,401	191	—	—	—
Under \$500.....	10,269	14,722	3,011	4,022	5,036	5,036	5,036	468	6,463	1,426	23,528	39,659	38,941	12	—	—	—
\$500 under \$1,000.....	38,729	7,232	56,676	63,637	84,793	84,793	84,793	7,232	18,010	11,426	96,037	95,454	78,316	16,301	32,272	36,982	4,361
\$1,000 under \$2,000.....	36,336	37,640	75,020	57,679	82,396	82,396	82,396	4,346	11,426	6,463	131,557	131,557	97,981	32,653	54,801	25,482	4,994
\$2,000 under \$3,000.....	14,776	5,640	62,452	44,911	61,479	61,479	61,479	4,767	15,111	1,426	217,098	159,499	156,566	41,663	90,950	41,313	14,104
\$3,000 under \$4,000.....	23,374	7,568	105,615	47,464	44,968	69,853	24,164	4,767	37,822	11,426	296,984	187,607	170,340	11,741	11,741	43,452	21,7
\$4,000 under \$5,000.....	47,923	14,593	179,476	89,440	47,923	81,464	25,191	12,314	11,632	42,651	421,982	118,739	117,771	33,713	11,583	33,111	13,619
\$5,000 under \$6,000.....	31,427	2,343	276,471	37,013	31,427	114,700	31,427	17,431	13,923	9,687	461,941	138,739	133,161	3,572	163,363	31,382	29,933
\$6,000 under \$7,000.....	26,114	23,113	174,447	42,138	46,116	110,416	26,114	17,431	11,131	13,923	424,938	138,739	133,161	3,572	163,363	31,382	29,933
\$7,000 under \$8,000.....	29,114	26,113	237,629	112,388	131,139	231,139	29,114	21,264	17,431	13,923	324,428	118,263	154,172	34,374	184,611	39,382	31,427
\$8,000 under \$9,000.....	41,719	12,714	282,487	117,741	117,741	241,164	41,719	25,623	15,111	17,431	497,131	93,812	93,812	41,776	41,776	10,323	10,323
\$9,000 under \$10,000.....	52,173	12,313	624,211	149,780	52,173	47,116	42,700	24,274	17,431	19,249	1,000,111	153,364	153,364	1,000,111	1,000,111	19,249	19,249
\$10,000 under \$15,000.....	17,431	4,623	177,473	33,337	10,425	13,376	10,425	4,623	3,476	3,476	423,163	138,739	133,161	3,572	163,363	31,382	29,933
\$15,000 under \$20,000.....	7,827	1,436	24,161	2,924	3,493	20,945	7,827	13,991	11,654	11,654	324,434	64,154	64,154	263,103	263,103	11,654	11,654
\$20,000 under \$25,000.....	3,493	436	14,379	349	41	10,937	3,493	6,463	6,463	15	10,726	53	53	12,411	12,411	15	15
\$25,000 or more.....	124	276	14,379	8	436	14,379	238	13,274	13,274	4	17,822	36	36	12,411	12,411	4	4
\$30,000 under \$35,000.....	3	3	14,379	3	3	13,155	3	6,463	6,463	3	17,822	36	36	12,411	12,411	3	3
\$35,000 or more.....	2	2	14,379	11	8	14,379	2	6,463	6,463	3	17,822	36	36	12,411	12,411	3	3
Returns \$5,000 under \$15,000.....	47,942	42,972	422,225	197,456	192,797	233,604	97,581	43,265	197,654	163,964	1,423,125	707,162	676,443	1,423,125	1,423,125	163,964	163,964
Returns \$17,000 or more.....	39,234	34,234	548,133	169,366	169,439	459,152	50,939	75,761	170,826	84,491	1,726,531	311,233	304,173	1,726,531	1,726,531	84,491	84,491
Baltimore, Md.																	
Total.....	355,466	207,599	1,253,144	1,034,000	246,779	1,520,252	294,220	293,911	154,000	92,473	1,484,965	61,214	447,151	124,774	3,474	133,674	
No adjusted gross income.....	25,082	27,955	8,453	11,139	16,139	16,139	16,139	1,468	20,577	3,733	11,725	47,801	47,401	191	—	—	—
Under \$500.....	10,269	14,722	3,011	4,022	5,036	5,036	5,036	468	6,463	1,426	23,528	39,659	38,941	12	—	—	—
\$500 under \$1,000.....	38,729	7,232	56,676	63,637	84,793	84,793	84,793	7,232	18,010	11,426	96,037	95,454	78,316	16,301	32,272	36,982	4,361
\$1,000 under \$2,000.....	36,336	37,640	75,020	57,679	82,396	82,396	82,396	4,346	11,426	6,463	131,557	131,557	97,981	32,653	54,801	25,482	4,994
\$2,000 under \$3,000.....	14,776	5,640	62,452	44,911	61,479	61,479	61,479	4,767	15,111	1,426	217,098	159,499	156,566	41,663	90,950	41,313	14,104
\$3,000 under \$4,000.....	23,374	7,568	105,615	47,464	44,968	69,853	24,164	4,767	37,822	11,426	296,984	187,607	170,340	11,741	11,741	43,452	21,7
\$4,000 under \$5,000.....	47,923	14,593	179,476	89,440	47,923	81,464	25,191	12,314	11,632	42,651	421,982	118,739	117,771	33,713	11,583	33,111	13,619
\$5,000 under \$6,000.....	31,427	2,343	276,471	37,013	31,427	114,700	31,427	17,431	13,923	9,687	461,941	138,739	133,161	3,572	163,363	31,382	29,933
\$6,000 under \$7,000.....	26,114	23,113	174,447	42,138	46,116	110,416	26,114	17,431	11,131	13,923	424,938	138,739	133,161	3,572	163,363	31,382	29,933
\$7,000 under \$8,000.....	29,114	26,113	237,629	112,388	131,139	231,139	29,114	21,264	17,431	13,923	324,428	118,263	154,172	34,374	184,611	39,382	31,427
\$8,000 under \$9,000.....	41,719	12,714	282,487	117,741	117,741	241,164	41,719	25,623	15,111	17,431	497,131	93,812					

Table 35 — ADJUSTED GROSS INCOME, EXEMPTIONS, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS—Continued

[Taxable and nontaxable items]

Adjusted gross income classes	Jersey City, New Jersey										Johnstown, Pennsylvania										Knoxville, Tennessee									
	Number of returns	Number of exempt persons	Adjusted gross income	Total number of exemptions	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount						
Total.....	247,455	113,579	1,443,503	600,978	210,493	341,264	208,392	173,469	36,211	60,337	1,665,111	234,596	70,702	269,202	69,909	66,761														
No adjusted gross income.....																														
Under \$600.....	14,695	15,789	15,924	15,789	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924						
\$600 under \$1,000.....	31,149	38,113	34,011	38,113	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011						
\$1,000 under \$2,000.....	21,182	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355						
\$2,000 under \$3,000.....	19,041	24,664	24,664	24,664	24,664	24,664	24,664	24,664	24,664	24,664	24,664	24,664	24,664	24,664	24,664	24,664	24,664	24,664	24,664	24,664	24,664	24,664	24,664	24,664						
\$3,000 under \$4,000.....	15,000	19,273	19,273	19,273	19,273	19,273	19,273	19,273	19,273	19,273	19,273	19,273	19,273	19,273	19,273	19,273	19,273	19,273	19,273	19,273	19,273	19,273	19,273	19,273						
\$4,000 under \$5,000.....	27,618	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666						
\$5,000 under \$6,000.....	25,397	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881						
\$6,000 under \$7,000.....	31,404	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881						
\$7,000 under \$8,000.....	22,110	29,886	29,886	29,886	29,886	29,886	29,886	29,886	29,886	29,886	29,886	29,886	29,886	29,886	29,886	29,886	29,886	29,886	29,886	29,886	29,886	29,886	29,886	29,886						
\$8,000 under \$9,000.....	12,000	16,077	16,077	16,077	16,077	16,077	16,077	16,077	16,077	16,077	16,077	16,077	16,077	16,077	16,077	16,077	16,077	16,077	16,077	16,077	16,077	16,077	16,077	16,077						
\$9,000 under \$10,000.....	12,239	16,089	16,089	16,089	16,089	16,089	16,089	16,089	16,089	16,089	16,089	16,089	16,089	16,089	16,089	16,089	16,089	16,089	16,089	16,089	16,089	16,089	16,089	16,089						
\$10,000 under \$15,000.....	24,864	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881						
\$15,000 under \$20,000.....	4,242	5,255	5,255	5,255	5,255	5,255	5,255	5,255	5,255	5,255	5,255	5,255	5,255	5,255	5,255	5,255	5,255	5,255	5,255	5,255	5,255	5,255	5,255	5,255						
\$20,000 under \$30,000.....	2,793	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881						
\$30,000 under \$100,000.....	266	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346						
\$100,000 under \$500,000.....	76	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95						
\$500,000 under \$1,000,000.....	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2						
\$1,000,000 or more.....	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2						
Returns \$5,000 under \$10,000.....	113,064	149,956	149,956	149,956	149,956	149,956	149,956	149,956	149,956	149,956	149,956	149,956	149,956	149,956	149,956	149,956	149,956	149,956	149,956	149,956	149,956	149,956	149,956	149,956						
Returns \$10,000 or more.....	32,240	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623						
Total.....	405,504	244,908	1,240,953	1,142,931	341,944	1,727,689	335,159	311,932	110,980	60,658	1,635,529	339,139	382,974	493,522	97,576	77,132														
No adjusted gross income.....																														
Under \$600.....	13,924	15,789	15,924	15,789	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924	15,924						
\$600 under \$1,000.....	31,149	38,113	34,011	38,113	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011	34,011						
\$1,000 under \$2,000.....	21,182	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355	27,355						
\$2,000 under \$3,000.....	24,880	32,664	32,664	32,664	32,664	32,664	32,664	32,664	32,664	32,664	32,664	32,664	32,664	32,664	32,664	32,664	32,664	32,664	32,664	32,664	32,664	32,664	32,664	32,664						
\$3,000 under \$4,000.....	26,505	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221						
\$4,000 under \$5,000.....	28,632	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666	37,666						
\$5,000 under \$6,000.....	33,840	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881	42,881						
\$6,000 under \$7,000.....	34,406	49,886	49,886	49,886	49,886	49,886	49,886	49,886	49,886	49,886	49,886	49,886	49,886	49,886	49,886	49,886	49,886	49,886	49,886	49,886	49,886	49,886	49,886	49,886						
\$7,000 under \$8,000.....	27,825	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221	37,221						
\$8,000 under \$9,000.....	32,875	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623	42,623						
\$9,000 under \$10,000.....	25,880	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881	33,881						
\$10,000 under \$15,000.....	39,323	52,623	52,623	52,623	52,623	52,623	52,623	52,623	52,623	52,623	52,623	52,623	52,623	52,623	52,623	52,623	52,623	52,623	52,623	52,623	52,623	52,623	52,623	52,623						
\$15,000 under \$20,000.....	11,978	14,246	14,246	14,246	14,246	14,246	14,246	14,246	14,246	14,246	14,246	14,246	14,246	14,246	14,246	14,246	14,246	14,246	14,246	14,246	14,246	14,246	14,246	14,246						
\$20,000 under \$30,000.....	8,927	11,246	11,246	11,246	11,246	11,246	11,246	11,246	11,246	11,246	11,246	11,246	11,246	11,246	11,246	11,246	11,246	11,246	11,246	11,246	11,246	11,246	11,246	11,246						
\$30,000 under \$100,000.....	1,249	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175						
\$100,000 under \$500,000.....	264	279	279	279	279	279	279	279	279	279	279	279	279	279	279	279	279	279	279	279	279	279	279	279						
\$500,000 under \$1,000,000.....	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2						
\$1,000,000 or more.....	2	2	2	2																										

Table 35.—ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS—Continued

Adjusted gross income class	Number of returns	Number of taxable returns	Adjusted gross income (Thousand dollars)	Total number of exempt persons	Number of exemptions other than age 60 blindness	Taxable income		Income tax after credits		Number of joint returns	Adjusted gross income (Thousand dollars)	Total number of other tax returns	Number of other tax returns	Taxable income		Income tax after credits
						Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)					Number of returns	Amount (Thousand dollars)	
Totals	1,762,263	633,907	169,073	2,067,107	279,734	99,422	434,713	82,133	91,669	1,762,263	211,784	2,125,994	2,125,994	4,248,111	2,125,994	27,374
Under \$500	7,260	1,388	3,413	14,107	1,111	-	-	-	-	7,260	1,779	2,121	2,121	-	-	-
\$500 under \$1,000	2,912	2,912	15,000	21,055	16,333	4,722	3,137	3,137	3,137	2,912	4,231	3,137	3,137	-	-	-
\$1,000 under \$1,500	5,116	2,343	20,142	15,765	8,771	7,020	8,771	1,420	1,420	5,116	9,892	7,020	7,020	-	-	-
\$1,500 under \$2,000	5,163	2,766	31,090	20,933	12,666	15,494	15,494	2,398	2,398	5,163	12,856	11,611	11,611	-	-	-
\$2,000 under \$2,500	1,765	912	50,796	31,371	13,691	39,311	13,691	6,967	6,967	1,765	17,077	13,691	13,691	-	-	-
\$2,500 under \$3,000	3,529	1,765	58,000	29,149	12,841	39,859	12,841	6,421	6,421	3,529	29,724	23,421	23,421	-	-	-
\$3,000 under \$3,500	1,765	1,765	63,000	30,000	12,841	39,859	12,841	6,421	6,421	1,765	29,724	23,421	23,421	-	-	-
\$3,500 under \$4,000	1,765	1,765	63,000	30,000	12,841	39,859	12,841	6,421	6,421	1,765	29,724	23,421	23,421	-	-	-
\$4,000 under \$4,500	1,765	1,765	63,000	30,000	12,841	39,859	12,841	6,421	6,421	1,765	29,724	23,421	23,421	-	-	-
\$4,500 under \$5,000	1,765	1,765	63,000	30,000	12,841	39,859	12,841	6,421	6,421	1,765	29,724	23,421	23,421	-	-	-
\$5,000 under \$5,500	1,765	1,765	63,000	30,000	12,841	39,859	12,841	6,421	6,421	1,765	29,724	23,421	23,421	-	-	-
\$5,500 under \$6,000	1,765	1,765	63,000	30,000	12,841	39,859	12,841	6,421	6,421	1,765	29,724	23,421	23,421	-	-	-
\$6,000 under \$6,500	1,765	1,765	63,000	30,000	12,841	39,859	12,841	6,421	6,421	1,765	29,724	23,421	23,421	-	-	-
\$6,500 under \$7,000	1,765	1,765	63,000	30,000	12,841	39,859	12,841	6,421	6,421	1,765	29,724	23,421	23,421	-	-	-
\$7,000 under \$7,500	1,765	1,765	63,000	30,000	12,841	39,859	12,841	6,421	6,421	1,765	29,724	23,421	23,421	-	-	-
\$7,500 under \$8,000	1,765	1,765	63,000	30,000	12,841	39,859	12,841	6,421	6,421	1,765	29,724	23,421	23,421	-	-	-
\$8,000 under \$8,500	1,765	1,765	63,000	30,000	12,841	39,859	12,841	6,421	6,421	1,765	29,724	23,421	23,421	-	-	-
\$8,500 under \$9,000	1,765	1,765	63,000	30,000	12,841	39,859	12,841	6,421	6,421	1,765	29,724	23,421	23,421	-	-	-
\$9,000 under \$9,500	1,765	1,765	63,000	30,000	12,841	39,859	12,841	6,421	6,421	1,765	29,724	23,421	23,421	-	-	-
\$9,500 under \$10,000	1,765	1,765	63,000	30,000	12,841	39,859	12,841	6,421	6,421	1,765	29,724	23,421	23,421	-	-	-
\$10,000 under \$10,999	1,765	1,765	63,000	30,000	12,841	39,859	12,841	6,421	6,421	1,765	29,724	23,421	23,421	-	-	-
Returns under \$10,000	1,765	1,765	63,000	30,000	12,841	39,859	12,841	6,421	6,421	1,765	29,724	23,421	23,421	-	-	-
Returns \$10,000 and over	1,765	1,765	63,000	30,000	12,841	39,859	12,841	6,421	6,421	1,765	29,724	23,421	23,421	-	-	-
Less: Adjusted gross income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exemptions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State and local taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charitable contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: Internal Revenue Service, Bureau of Economic Analysis, and Bureau of Economic Research. Data for 1965 are preliminary.

1. Exemptions include age 60, blindness, and other exemptions.

2. Taxable income is adjusted gross income less exemptions, state and local taxes, charitable contributions, capital gains, and other adjustments.

3. Income tax after credits is taxable income less state and local taxes, federal income tax credits, and other adjustments.

4. Number of other tax returns includes returns for estate, trust, and other non-individual taxpayers.

5. Taxable income for other tax returns is reported on Form 1041.

6. Income tax after credits for other tax returns is reported on Form 1041.

7. Total number of other tax returns includes returns for estate, trust, and other non-individual taxpayers.

8. Taxable income for other tax returns is reported on Form 1041.

9. Income tax after credits for other tax returns is reported on Form 1041.

10. Total number of other tax returns includes returns for estate, trust, and other non-individual taxpayers.

11. Taxable income for other tax returns is reported on Form 1041.

12. Income tax after credits for other tax returns is reported on Form 1041.

13. Total number of other tax returns includes returns for estate, trust, and other non-individual taxpayers.

14. Taxable income for other tax returns is reported on Form 1041.

15. Income tax after credits for other tax returns is reported on Form 1041.

16. Total number of other tax returns includes returns for estate, trust, and other non-individual taxpayers.

17. Taxable income for other tax returns is reported on Form 1041.

18. Income tax after credits for other tax returns is reported on Form 1041.

19. Total number of other tax returns includes returns for estate, trust, and other non-individual taxpayers.

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97. Total number of other tax returns includes returns for estate, trust, and other non-individual taxpayers.

98. Taxable income for other tax returns is reported on Form 1041.

99. Income tax after credits for other tax returns is reported on Form 1041.

100. Total number of other tax returns includes returns for estate, trust, and other non-individual taxpayers.

Table 35. —ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS—Continued

Adjusted gross income classes	[Taxable and nontaxable returns]																		
	Miami, Florida			Memphis, Tennessee-Arkansas			Milwaukee, Wisconsin			Minneapolis-Saint Paul, Minnesota									
	Number of returns	Number of joint returns	Adjusted gross income (Thousand dollars)	Total number of exemptions	Number of other than age and blindness	Income tax after credits (Thousand dollars)	Number of returns	Number of joint returns	Adjusted gross income (Thousand dollars)	Total number of exemptions	Number of other than age and blindness	Income tax after credits (Thousand dollars)	Number of returns	Number of joint returns	Adjusted gross income (Thousand dollars)	Total number of exemptions	Number of other than age and blindness	Income tax after credits (Thousand dollars)	
Total.....	222,943	121,339	11,327,044	642,374	625,525	171,153	173,051	764,394	171,153	154,200	377,107	214,006	12,229,393	1,025,641	968,172	286,329	1,257,224	280,423	259,058
No adjusted gross income.....																			
Under \$500.....	17,668	931	5,893	24,193	23,902	19,083	19,374	42,011	19,083	155,942	28,400	16,448	155,942	72,733	71,167	27,282	76,943	26,604	12,301
\$500 under \$1,000.....	10,037	1,345	8,181	16,762	15,503	17,416	17,416	46,031	17,416	10,405	24,565	20,884	159,972	89,964	86,814	24,271	71,498	14,022	17,221
\$1,000 under \$2,000.....	30,248	3,721	45,307	52,007	49,997	19,525	19,525	10,702	19,525	11,522	40,879	13,801	84,368	107,835	107,835	26,599	93,674	26,595	14,731
\$2,000 under \$3,000.....	19,334	7,208	48,974	52,424	49,997	12,603	12,603	13,092	12,603	1,942	12,946	10,428	118,486	43,979	43,832	14,102	118,486	14,102	11,843
\$3,000 under \$4,000.....	20,739	10,350	73,602	61,096	63,545	17,801	17,801	26,301	17,801	6,741	23,821	101,359	162,836	60,422	59,744	17,284	162,836	60,422	16,006
\$4,000 under \$5,000.....	21,284	12,825	84,838	66,805	63,545	18,705	18,705	43,010	18,705	6,352	32,487	20,157	144,896	94,180	94,180	30,377	144,896	94,180	16,006
\$5,000 under \$6,000.....	19,374	13,654	107,187	77,222	74,222	19,083	19,374	42,011	19,083	6,352	28,400	16,448	155,942	72,733	71,167	27,282	155,942	72,733	12,301
\$6,000 under \$7,000.....	17,559	10,887	112,470	47,680	46,400	17,416	17,416	46,031	17,416	10,405	24,565	20,884	159,972	89,964	86,814	24,271	159,972	89,964	17,221
\$7,000 under \$8,000.....	16,173	12,394	120,968	36,554	35,623	16,173	16,173	68,201	16,173	11,473	19,899	14,466	198,894	107,835	107,835	26,599	198,894	107,835	14,731
\$8,000 under \$9,000.....	8,475	8,475	73,293	35,718	34,572	8,475	8,475	38,208	8,475	6,017	14,102	10,368	118,486	43,979	43,832	14,102	118,486	43,979	11,843
\$9,000 under \$10,000.....	8,205	8,060	78,131	31,017	30,871	8,205	8,205	45,807	8,205	7,543	17,284	16,607	162,836	60,422	59,744	17,284	162,836	60,422	16,006
\$10,000 under \$15,000.....	22,597	21,372	268,448	79,475	78,445	22,476	22,597	177,555	22,476	31,223	31,223	28,427	372,612	113,300	109,961	31,010	372,612	113,300	41,943
\$15,000 under \$20,000.....	4,297	3,933	173,013	15,870	15,478	4,297	4,297	52,357	4,297	7,542	7,542	6,663	129,325	27,387	26,347	7,476	129,325	27,387	17,221
\$20,000 under \$25,000.....	4,731	4,184	138,591	17,134	15,755	4,731	4,731	111,229	4,731	10,359	10,359	14,221	299,210	42,018	39,689	10,222	299,210	42,018	56,830
\$25,000 under \$30,000.....	84	84	34,567	3,424	3,028	84	84	46,825	84	16,800	16,800	1,421	103,174	6,227	6,630	1,546	103,174	6,227	27,638
\$30,000 under \$50,000.....	133	138	22,844	571	512	152	152	19,221	152	9,069	363	304	60,743	1,397	1,187	356	60,743	1,397	22,218
\$50,000 or more.....	2	1	5,560	15	14	2	2	5,354	2	2,164	9	9	12,062	14	13	9	12,062	14	2,780
Returns under \$10,000.....	120,554	37,458	1,272,134	277,849	267,612	69,610	69,610	41,322	69,610	13,944	215,061	80,978	798,155	374,933	364,483	126,174	798,155	374,933	23,646
Returns \$10,000 or more.....	69,787	53,270	482,050	116,293	113,233	32,535	32,535	414,113	32,535	38,290	21,100	46,324	983,641	190,740	183,060	59,621	983,641	190,740	169,603
Total.....	430,124	264,850	13,474,088	1,400,726	1,332,196	412,333	412,333	2,136,250	412,333	405,290	995,144	340,576	14,225,274	1,683,327	1,614,768	506,259	2,480,497	503,082	483,972
No adjusted gross income.....																			
Under \$600.....	18,526	7,071	5,792	21,383	21,983	17,029	17,029	42,011	17,029	12,129	36,336	6,883	12,129	40,184	37,444	13,075	40,184	37,444	3,970
\$600 under \$1,000.....	15,121	13,189	15,121	27,532	25,914	24,554	24,554	15,346	24,554	1,340	45,698	9,511	22,117	30,734	29,386	36,267	236	30,734	2,502
\$1,000 under \$2,000.....	31,635	13,189	87,230	79,476	75,972	32,837	32,837	35,822	32,837	13,341	89,362	35,657	68,875	70,383	61,429	35,657	17,512	35,657	3,970
\$2,000 under \$3,000.....	31,397	9,853	159,075	62,418	58,764	28,887	28,887	57,824	28,887	8,058	51,141	11,520	133,767	89,232	84,667	47,484	133,767	89,232	7,995
\$3,000 under \$4,000.....	28,026	8,423	127,024	67,943	60,974	27,595	27,595	67,461	27,595	10,547	28,182	13,394	126,198	63,677	58,143	26,434	126,198	63,677	15,307
\$4,000 under \$5,000.....	38,647	20,465	213,388	107,635	104,801	37,024	37,024	123,097	37,024	20,213	46,183	25,333	255,438	123,078	110,783	64,484	255,438	123,078	21,870
\$5,000 under \$7,000.....	42,712	31,128	277,196	138,843	134,374	41,963	41,963	158,501	41,963	25,760	56,553	39,935	362,232	171,003	170,546	55,484	362,232	171,003	31,401
\$7,000 under \$8,000.....	46,706	37,418	350,226	160,719	154,069	46,963	46,963	197,487	46,963	34,363	47,633	38,487	354,769	177,694	174,542	55,854	354,769	177,694	31,401
\$8,000 under \$9,000.....	36,752	34,306	310,935	143,232	140,919	36,752	36,752	178,611	36,752	39,368	55,496	50,987	475,174	228,962	225,580	55,976	475,174	228,962	31,401
\$9,000 under \$10,000.....	35,682	35,682	358,625	140,519	139,279	37,736	37,736	217,403	37,736	36,196	35,948	32,485	337,791	136,240	135,559	35,968	337,791	136,240	31,401
\$10,000 under \$15,000.....	74,100	70,426	874,779	278,112	274,986	74,093	74,100	575,282	74,093	101,065	86,292	81,325	1,024,019	334,809	329,998	86,173	1,024,019	334,809	112,267
\$15,000 under \$20,000.....	15,535	14,796	263,224	47,853	46,466	15,535	15,535	189,075	15,535	36,498	15,689	15,130	370,617	62,365	61,889	182,445	370,617	62,365	34,514
\$20,000 under \$30,000.....	10,115	9,411	287,320	41,192	39,394	10,115	10,115	212,439	10,115	50,544	13,291	12,631	370,777	57,375	54,211	14,218	370,777	57,375	63,885
\$30,000 under \$50,000.....	1,508	1,370	98,557	5,918	5,457	1,503	1,503	77,431	1,503	27,432	1,973	1,816	130,649	8,565	8,036	11,973	130,649	8,565	35,597
\$50,000 under \$100,000.....	388	488	52,437	1,165	1,008	326	326	39,165	326	18,638	512	469	87,627	2,027	1,760	509	87,627	2,027	32,428
\$100,000 or more.....	1	4	3,009	18	11	5	5	3,126	5	1,718	14	13	10,667	8	8	16	10,667	8	4,099
Returns under \$5,000.....	175,919	39,481	1,383,941	325,509	308,832	108,279	108,279	1,069,132	108,279	25,509	239,019	42,226	1,523,383	376,212	342,670	150,646	1,523,383	376,212	36,224
Returns \$5,000 under \$10,000.....	202,553	159,405	1,530,339	690,938	674,042	199,840	199,840	873,100	199,840	143,890	242,344	187,228	1,791,284	839,834	817,033	237,997	1,791,284	839,834	156,171
Returns \$10,000 or more.....	101,652	96,164	1,579,807	384,206	377,322	101,577	101,577	1,097,018	101,577	235,891	117,781	110,992	1,410,507	465,860	455,065	117,586	1,410,507	465,860	117,468

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

Table 35.—ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS—Continued

Adjusted gross income classes	Number of returns	Number of joint returns	Adjusted gross income (Thousand dollars)	Total number of exemptions	Number of exemptions other than age and blindness	Taxable income		Income tax after credits		Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of exemptions	Number of other than age and blindness	Taxable income (Thousand dollars)	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)
						Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)										
Total	99,825	39,500	14,730,940	290,828	285,036	78,426	327,457	77,981	42,274	13,185	5,242	1,026,831	4,013,373	499,262	133,257	6,341,110	131,213	12,711	
Mobile, Alabama																			
No adjusted gross income.....	5,761	3,424	2,131	6,713	6,713	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$600.....	10,221	1,336	1,336	7,961	7,961	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$600 under \$1,000.....	10,822	2,906	2,906	18,441	18,441	8,241	3,164	8,093	734	19,981	1,009	4,700	16,709	16,422	13,476	1,621	42,236	1,311	
\$1,000 under \$2,000.....	13,384	6,980	20,225	23,815	23,815	10,991	18,093	3,785	74	18,478	6,626	37,115	37,115	37,115	17,124	32,244	17,124	1,134	
\$2,000 under \$3,000.....	11,671	7,512	31,342	40,740	40,740	10,667	17,232	10,833	2,827	18,356	7,152	37,938	37,938	37,938	17,421	34,511	17,421	1,119	
\$3,000 under \$5,000.....	6,822	5,433	37,384	13,270	13,270	6,822	21,332	9,822	3,426	19,457	3,426	74,119	74,119	74,119	35,422	13,447	13,447	1,447	
\$5,000 under \$7,000.....	6,985	4,193	46,908	20,301	20,301	8,322	4,622	5,822	4,622	15,310	15,310	111,198	111,198	111,198	16,611	26,356	16,611	1,447	
\$7,000 under \$10,000.....	6,298	3,208	46,020	11,387	11,387	6,298	5,253	6,298	3,434	10,911	3,434	82,245	82,245	82,245	17,913	46,264	17,913	1,447	
\$10,000 under \$20,000.....	7,242	3,006	73,416	13,721	13,721	3,746	23,062	9,289	4,330	19,933	9,289	42,163	42,163	42,163	16,963	24,994	16,963	1,447	
\$20,000 under \$30,000.....	1,483	1,006	118,493	36,320	36,320	9,233	76,536	9,833	13,431	14,948	14,948	177,554	177,554	177,554	17,913	61,612	17,913	1,447	
\$30,000 under \$50,000.....	1,345	1,030	35,701	7,660	7,660	2,121	25,606	2,121	3,784	3,145	3,145	84,145	84,145	84,145	14,948	118,227	14,948	1,447	
\$50,000 under \$100,000.....	183	168	12,004	702	652	183	4,263	1,193	3,068	3,068	3,068	110,745	110,745	110,745	3,068	27,188	3,068	1,447	
\$100,000 under \$500,000.....	-	-	8,127	210	179	4	6,301	54	3,238	137	137	22,135	22,135	22,135	137	19,662	137	1,447	
\$500,000 under \$1,000,000.....	-	-	-	-	-	-	-	-	-	2	2	6,439	6,439	6,439	2	3,171	2	1,447	
\$1,000,000 or more.....	-	-	-	-	-	-	-	-	-	2	2	3,439	3,439	3,439	2	2,171	2	1,447	
Returns \$1,000 under \$5,000.....	55,791	21,882	113,144	137,222	137,222	34,392	45,566	33,944	17,777	34,109	27,115	121,571	121,571	121,571	19,247	111,114	19,247	1,447	
Returns \$5,000 under \$10,000.....	27,136	24,600	212,431	98,483	97,103	45,177	121,427	29,999	14,474	57,747	57,747	140,876	140,876	140,876	29,999	103,534	29,999	1,447	
Returns \$10,000 or more.....	14,137	13,118	228,384	52,015	50,711	14,035	161,764	14,035	35,236	46,772	46,772	356,111	356,111	356,111	29,999	239,239	29,999	1,447	
New Haven, Connecticut																			
No adjusted gross income.....	13,126	73,950	1,464,193	3,240,499	3,051,001	115,425	617,132	114,491	122,374	334,086	190,444	12,078,761	10,193,700	468,236	252,724	1,149,260	25,772	25,772	
Under \$600.....	5,761	3,424	2,131	11,936	11,936	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$600 under \$1,000.....	10,221	1,336	1,336	7,961	7,961	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$1,000 under \$2,000.....	10,822	2,906	2,906	21,426	21,426	10,032	5,226	10,032	814	19,981	1,009	47,008	47,008	47,008	14,736	32,272	14,736	1,447	
\$2,000 under \$3,000.....	13,384	6,980	20,225	23,815	23,815	10,991	18,093	3,785	74	18,478	6,626	37,115	37,115	37,115	17,124	32,244	17,124	1,134	
\$3,000 under \$5,000.....	11,671	7,512	31,342	40,740	40,740	10,667	17,232	10,833	2,827	18,356	7,152	37,938	37,938	37,938	17,421	34,511	17,421	1,119	
\$5,000 under \$7,000.....	6,822	5,433	37,384	13,270	13,270	6,822	21,332	9,822	3,426	19,457	3,426	74,119	74,119	74,119	35,422	13,447	13,447	1,447	
\$7,000 under \$10,000.....	6,985	4,193	46,908	20,301	20,301	8,322	4,622	5,822	4,622	15,310	15,310	111,198	111,198	111,198	16,611	26,356	16,611	1,447	
\$10,000 under \$20,000.....	6,298	3,208	46,020	11,387	11,387	6,298	5,253	6,298	3,434	10,911	3,434	82,245	82,245	82,245	17,913	46,264	17,913	1,447	
\$20,000 under \$30,000.....	1,483	1,006	118,493	36,320	36,320	9,233	76,536	9,833	13,431	14,948	14,948	177,554	177,554	177,554	17,913	61,612	17,913	1,447	
\$30,000 under \$50,000.....	1,345	1,030	35,701	7,660	7,123	6,903	25,606	2,121	3,784	3,145	3,145	84,145	84,145	84,145	14,948	118,227	14,948	1,447	
\$50,000 under \$100,000.....	183	168	12,004	702	652	183	4,263	1,193	3,068	3,068	3,068	110,745	110,745	110,745	3,068	27,188	3,068	1,447	
\$100,000 under \$500,000.....	-	-	8,127	210	179	4	6,301	54	3,238	137	137	22,135	22,135	22,135	137	19,662	137	1,447	
\$500,000 under \$1,000,000.....	-	-	-	-	-	-	-	-	-	2	2	6,439	6,439	6,439	2	3,171	2	1,447	
\$1,000,000 or more.....	-	-	-	-	-	-	-	-	-	2	2	3,439	3,439	3,439	2	2,171	2	1,447	
Returns \$1,000 under \$5,000.....	55,791	21,882	113,144	137,222	137,222	34,392	45,566	33,944	17,777	34,109	27,115	121,571	121,571	121,571	19,247	111,114	19,247	1,447	
Returns \$5,000 under \$10,000.....	27,136	24,600	212,431	98,483	97,103	45,177	121,427	29,999	14,474	57,747	57,747	140,876	140,876	140,876	29,999	103,534	29,999	1,447	
Returns \$10,000 or more.....	14,137	13,118	228,384	52,015	50,711	14,035	161,764	14,035	35,236	46,772	46,772	356,111	356,111	356,111	29,999	239,239	29,999	1,447	
New Orleans, Louisiana																			
No adjusted gross income.....	13,126	73,950	1,464,193	3,240,499	3,051,001	115,425	617,132	114,491	122,374	334,086	190,444	12,078,761	10,193,700	468,236	252,724	1,149,260	25,772	25,772	
Under \$600.....	5,761	3,424	2,131	11,936	11,936	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$600 under \$1,000.....	10,221	1,336	1,336	7,961	7,961	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$1,000 under \$2,000.....	10,822	2,906	2,906	21,426	21,426	10,032	5,226	10,032	814	19,981	1,009	47,008	47,008	47,008	14,736	32,272	14,736	1,447	
\$2,000 under \$3,000.....	13,384	6,980	20,225	23,815	23,815	10,991	18,093	3,785	74	18,478	6,626	37,115	37,115	37,115	17,124	32,244	17,124	1,134	
\$3,000 under \$5,000.....	11,671	7,512	31,342	40,740	40,740	10,667	17,232	10,833	2,827	18,356	7,152	37,938	37,938	37,938	17,421	34,511	17,421	1,119	
\$5,000 under \$7,000.....	6,822	5,433	37,384	13,270	13,270	6,822	21,332	9,822	3,426	19,457	3,426	74,119	74,119	74,119	35,422	13,447	13,447	1,447	
\$7,000 under \$10,000.....	6,985	4,193	46,908	20,301	20,301	8,322	4,622	5,822	4,622	15,310	15,310	111,198	111,198	111,198	16,611	26,356	16,611	1,447	
\$10,000 under \$20,000.....	6,298	3,208	46,020	11,387	11,387	6,298	5,253	6,298	3,434	10,911	3,434	82,245	82,245	82,245	17,913	46,264	17,913	1,447	
\$20,000 under \$30,000.....	1,483	1,006	118,493	36,320	36,320	9,233	76,536	9,833	13,431	14,948	14,948	177,554	177,554	177,554	17,913	61,612	17,913	1,447	
\$30,000 under \$50,000.....	1,345	1,030	35,701	7,660	7,123	6,903	25,606	2,121	3,784	3,145	3,145	84,145	84,145	84,145	14,948	118,227	14,948	1,447	
\$50,000 under \$100,000.....	183	168	12,004	702	652	183	4,263	1,193	3,068	3,068	3,068	110,745	110,745	110,745	3,068	27,188	3,068	1,447	
\$100,000 under \$500,000.....	-	-	8,127	210	179	4	6,301	54	3,238	137	137	22,135	22,135	22,135	137	19,662	137	1,447	
\$500,000 under \$1,000,000.....	-	-	-	-	-	-	-	-	-	2	2	6,439	6,439	6,439	2	3,171	2	1,447	
\$1,000,000 or more.....	-	-	-	-	-	-	-	-	-	2	2	3,439	3,439	3,439	2	2,171	2	1,447	
Returns \$1,000 under \$5,000.....	55,791	21,882	113,144	137,222	137,222	34,392	45,566	33,944	17,777	34,109	27,115	121,571	121,571	121,571	19,247	111,114	19,247	1,447	
Returns \$5,000 under \$10,000.....	27,136	24,600	212,431	98,483	97,103	45,177	121,427	2											

Table 35 — ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS—Continued

Adjusted gross income classes	[Taxable and nontaxable returns]															
	Number of returns	Number of joint returns	Adjusted gross income (Thousand dollars)	Total number of exemptions	Number of exemptions other than age and blindness	Taxable income (Thousand dollars)	Number of returns	Number of joint returns	Adjusted gross income (Thousand dollars)	Total number of exemptions	Number of exemptions other than age and blindness	Number of returns	Number of joint returns	Taxable income (Thousand dollars)	Income tax after credits (Thousand dollars)	Amount (Thousand dollars)
New York, New York																
No adjusted gross income.....	4,546,345	2,255,107	134,278,160	11,773,222	11,117,024	3,375,338	21,156,505	3,857,885	4,575,910	68,733	37,411	1,509,022	1,171,372	579,117	3,407,950	11,981
Under \$600.....	212,712	4,635	67,744	237,131	230,774	34,339	2,115,7	34,337	40,182	40,182	9,117	43,237	43,032	—	—	—
\$600 under \$1,000.....	189,906	10,367	150,283	546,381	500,682	43,699	11,970	53,387	27,117	27,117	2,917	11,738	11,738	—	—	—
\$1,000 under \$2,000.....	376,341	50,539	306,989	659,478	600,660	58,818	11,970	109,866	57,413	57,413	3,719	84,583	84,583	—	—	—
\$2,000 under \$3,000.....	358,457	39,379	324,276	782,156	706,358	75,798	34,633	189,866	47,103	47,103	3,719	142,400	142,400	—	—	—
\$3,000 under \$4,000.....	454,733	123,767	1,826,258	7,986	360,352	381,311	678,411	385,341	1,047,413	34,800	1,900	1,800	1,800	—	—	—
\$4,000 under \$5,000.....	450,021	136,387	2,021,723	1,013,977	933,977	435,381	1,365,445	435,381	1,797,131	1,360	1,360	1,360	1,360	—	—	—
\$5,000 under \$6,000.....	385,824	183,286	2,134,634	992,223	926,346	379,329	1,151,137	379,329	1,530,463	4,433	13,470	1,500	1,500	—	—	—
\$6,000 under \$7,000.....	329,930	211,791	2,382,915	1,031,203	961,301	361,301	1,224,138	361,301	1,685,439	5,276	20,453	1,650	1,650	—	—	—
\$7,000 under \$8,000.....	289,203	171,904	2,150,713	877,523	823,281	283,802	1,224,137	283,802	1,508,044	3,726	14,133	1,480	1,480	—	—	—
\$8,000 under \$9,000.....	264,601	224,643	2,214,389	944,111	925,071	324,533	1,494,850	324,533	1,819,384	3,904	33,133	1,770	1,770	—	—	—
\$9,000 under \$10,000.....	240,014	193,720	2,276,378	939,149	928,443	340,014	1,384,132	339,367	1,723,501	4,131	33,138	1,800	1,800	—	—	—
\$10,000 under \$15,000.....	578,633	502,322	9,914,362	1,943,033	1,943,033	577,911	4,912,278	577,911	8,071,111	1,921	9,972	1,000,045	355,727	548,250	99,416	144,568
\$15,000 under \$20,000.....	153,810	136,890	4,618,436	539,458	517,459	153,481	1,840,592	153,481	2,694,072	3,743	29,372	543,942	11,803	119,115	31,843	39,648
\$20,000 under \$30,000.....	131,546	134,153	4,380,173	554,024	535,963	131,163	3,204,131	159,788	3,774,226	3,471	23,559	70,896	17,652	10,956	17,471	27,881
\$30,000 under \$50,000.....	26,423	23,202	1,769,834	99,454	97,574	26,318	1,346,405	37,070	1,783,477	4,521	3,307	231,900	1,371	134,031	3,521	6,973
\$50,000 under \$100,000.....	8,544	7,198	1,453,478	30,002	26,207	8,470	1,088,415	9,474	1,103,889	13	644	11,428	6,335	718	13	536
\$100,000 under \$1,000,000.....	352	284	237,986	1,172	969	348	93,322	348	93,322	13	6	11,862	43	15	7,866	7
\$1,000,000 or more.....	124	91	295,043	420	350	116	188,902	116	108,819	7	6	11,862	22	7	8,460	7
Returns under \$9,000.....	3,049,201	441,389	15,154,391	3,887,373	3,450,283	1,374,136	5,205,622	1,374,136	8,403,104	382,924	55,332	7,011,443	508,801	66,826	318,972	187,702
Returns \$9,000 under \$10,000.....	1,577,702	1,010,121	11,454,499	1,663,355	1,620,563	1,563,323	6,622,622	1,563,323	10,103,276	328,824	147,621	1,676,576	633,660	225,110	900,953	423,640
Returns \$10,000 or more.....	919,442	803,467	17,662,310	3,213,404	3,099,999	917,857	14,350,621	217,442	31,276,371	162,417	151,858	597,672	980,792	18,781	1,146,065	164,981
North-Farmersville, Virginia																
No adjusted gross income.....	185,575	114,338	1,095,972	527,827	528,658	15,397	610,366	150,185	11,4621	15,500	11,780	289,100	561,001	184,684	675,618	12,803
Under \$600.....	8,029	4,983	2,364	8,858	8,858	—	—	—	—	—	—	—	—	—	—	—
\$600 under \$1,000.....	10,583	8,305	8,305	16,973	16,821	—	—	—	—	—	—	—	—	—	—	—
\$1,000 under \$2,000.....	17,630	14,630	29,912	36,450	31,530	13,444	9,313	13,387	976	1,256	10,065	10,065	—	—	—	—
\$2,000 under \$3,000.....	17,521	3,799	45,127	43,777	37,490	13,606	15,633	13,606	6,844	13,561	8,000	10,140	4,930	1,978	1,978	778
\$3,000 under \$4,000.....	19,707	7,597	68,542	52,219	52,289	17,222	25,517	16,722	3,531	15,364	11,306	67,582	31,932	1,868	1,868	4,838
\$4,000 under \$5,000.....	19,948	13,303	87,661	68,430	66,965	13,443	34,137	16,743	5,347	15,362	11,921	5,330	4,941	1,617	1,617	5,141
\$5,000 under \$6,000.....	17,799	10,365	37,658	55,648	54,334	17,123	48,321	17,123	8,701	1,670	13,706	10,984	4,963	1,690	1,690	1,849
\$6,000 under \$7,000.....	16,053	11,810	104,005	56,333	54,868	15,901	52,488	16,901	8,452	1,362	10,682	10,682	3,935	1,362	1,362	2,331
\$7,000 under \$8,000.....	8,810	8,002	66,418	34,453	34,453	8,810	35,760	8,659	5,681	10,102	8,266	34,983	30,446	1,410	1,410	5,880
\$8,000 under \$9,000.....	13,608	14,951	113,080	51,875	51,218	13,608	68,366	13,608	11,048	1,013	10,970	42,261	42,261	1,913	1,913	10,700
\$9,000 under \$10,000.....	9,279	9,059	87,558	34,183	34,526	9,279	51,797	9,279	8,470	8,603	7,806	33,460	33,460	9,603	44,839	7,331
\$10,000 under \$15,000.....	17,751	16,371	110,925	63,998	63,667	17,751	140,282	17,751	24,357	24,357	21,402	31,386	21,402	21,386	21,386	30,201
\$15,000 under \$20,000.....	3,299	3,164	55,197	19,325	19,325	3,299	37,398	3,299	1,183	3,473	3,613	16,347	16,347	3,473	3,473	4,084
\$20,000 under \$30,000.....	2,874	2,723	82,400	10,895	10,266	2,874	63,488	2,874	1,313	1,313	1,313	15,357	15,357	3,410	3,410	3,869
\$30,000 under \$50,000.....	353	312	22,518	1,199	1,110	353	18,688	353	6,742	4,749	4,682	1,361	1,449	499	499	5,674
\$50,000 under \$100,000.....	56	48	8,167	196	167	56	6,106	56	3,112	30	80	368	331	99	1,045	39
\$100,000 or more.....	1	1	4,280	3	2	1	2,712	1	1,394	0	0	1,304	4	2	2	514
Returns under \$9,000.....	95,712	29,033	424,965	2,5764	2,12,711	63,134	82,251	63,134	1,428	109,324	42,382	2,074,640	2,074,640	76,226	76,226	111,581
Returns \$9,000 under \$10,000.....	64,549	52,187	470,719	233,492	238,400	64,723	2,577,843	64,723	1,055	61,770	57,366	2,070,000	2,070,000	250,404	250,404	349,790
Returns \$10,000 or more.....	24,319	23,118	383,388	87,971	87,547	24,319	3,702,272	24,319	58,544	4,825	39,145	111,260	111,260	342,382	342,382	30,682

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

INDIVIDUAL/1965 • STATE AND METROPOLITAN AREAS

Table 35 — ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS—Continued

All adjusted gross income classes	Number of private returns	Number of other than age and blindness	Adjusted gross income (Thousand dollars)	Taxable income		Income tax after credits		Taxable income		Income tax after credits				
				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.....	821,720	4,339,193	10,865,580	2,173	218,203	4,339,193	1,313,111	1,697,707	807,313	776,268	211,992	932,870	209,105	177,825
No adjusted gross income.....	3,999													
Under \$500.....	80,105	2,139	29,938	88,307	84,497	88,307	10,749	19,372	21,767	21,661	10,368	128	3,492	18
\$500 under \$1,000.....	144,209	1,618	49,724	159,749	147,883	159,749	11,307	19,372	21,767	21,661	10,368	128	3,492	18
\$1,000 under \$1,500.....	130,668	17,971	193,309	220,083	184,537	220,083	82,133	139,372	159,911	159,911	37,983	9,725	17,983	1,403
\$1,500 under \$2,000.....	136,584	29,687	325,624	374,658	324,658	374,658	102,017	189,925	39,403	33,986	15,124	19,471	15,124	2,491
\$2,000 under \$2,500.....	136,906	44,753	545,036	627,278	545,036	627,278	137,886	260,672	107,907	92,408	35,653	34,563	21,097	6,183
\$2,500 under \$3,000.....	139,673	65,320	628,476	740,256	628,476	740,256	137,886	260,672	107,907	92,408	35,653	34,563	21,097	6,183
\$3,000 under \$3,500.....	151,203	99,568	828,566	962,370	828,566	962,370	152,784	299,351	139,351	139,351	23,384	52,958	19,717	8,288
\$3,500 under \$4,000.....	144,209	97,042	935,234	1,084,242	935,234	1,084,242	142,883	285,890	139,351	139,351	23,384	52,958	19,717	8,288
\$4,000 under \$4,500.....	138,603	110,112	1,025,972	1,165,083	1,025,972	1,165,083	137,886	260,672	107,907	92,408	35,653	34,563	21,097	6,183
\$4,500 under \$5,000.....	80,300	78,415	769,827	848,587	769,827	848,587	80,300	137,886	137,886	137,886	13,682	13,682	10,218	10,218
\$5,000 under \$10,000.....	80,891	71,813	765,349	2,971,997	2,971,997	2,971,997	80,743	78,632	139,351	139,351	23,384	52,958	19,717	8,288
\$10,000 under \$15,000.....	194,482	181,339	2,314,479	705,405	692,632	705,405	1,523,513	1,94,281	31,318	31,318	129,628	33,100	244,016	42,243
\$15,000 under \$20,000.....	144,209	147,071	1,800,863	1,722,910	1,637,910	1,722,910	1,523,513	1,94,281	31,318	31,318	129,628	33,100	244,016	42,243
\$20,000 under \$25,000.....	37,828	34,772	1,067,086	1,418,119	1,391,296	1,418,119	2,623,231	2,623,231	17,913	17,913	6,272	74,638	9,272	25,008
\$25,000 under \$30,000.....	4,805	4,343	317,771	18,815	16,998	18,815	47,788	47,788	2,677	2,677	718	38,301	718	13,549
\$30,000 under \$500,000.....	1,206	1,036	200,098	4,380	3,760	4,380	163,426	163,426	2,912	2,912	145	19,692	145	9,319
\$500,000 under \$1,000,000.....	39	37	26,633	148	124	148	11,067	11,067	12	12	2	1,196	2	621
\$1,000,000 or more.....	19	8	21,134	33	13	33	8,301	8,301	6	6	2	2,968	2	1,601
Returns under \$5,000.....	702,472	163,643	1,748,971	1,316,604	1,204,788	1,316,604	484,505	116,378	140,415	51,255	312,733	290,534	78,859	16,259
Returns \$5,000 under \$10,000.....	610,004	424,976	1,366,553	1,977,071	1,934,573	1,977,071	603,337	405,549	30,332	70,136	318,417	86,240	339,655	37,337
Returns \$10,000 or more.....	285,253	265,121	4,748,056	1,020,913	285,253	1,020,913	285,062	731,155	45,154	-2,316	714,237	44,893	485,383	106,778
Pittsburgh, Pennsylvania														
Total.....	732,123	452,338	15,064,555	2,087,014	1,997,921	625,453	3,156,293	612,134	327,185	182,801	893,424	274,043	1,389,577	268,172
No adjusted gross income.....	3,499													
Under \$500.....	33,491	1,852	9,787	38,729	35,495	38,729	1,133	2,017	23,217	23,217	26,536	25,735	144	144
\$500 under \$1,000.....	29,654	23,221	23,221	43,636	39,078	43,636	1,133	2,017	7,434	7,434	10,506	8,436	2	2
\$1,000 under \$1,500.....	63,679	14,671	198,363	89,053	43,377	89,053	43,377	22,572	26,895	6,732	39,431	40,937	17,374	8,529
\$1,500 under \$2,000.....	55,123	19,504	139,855	115,314	100,083	115,314	40,391	59,424	28,193	7,698	69,437	55,221	21,240	20,187
\$2,000 under \$2,500.....	57,085	22,443	198,975	133,662	125,700	133,662	51,643	13,802	33,313	6,714	82,132	43,927	21,483	21,340
\$2,500 under \$3,000.....	59,934	34,165	272,592	172,172	163,196	172,172	56,328	20,135	29,340	15,912	133,452	79,508	26,671	26,524
\$3,000 under \$3,500.....	61,414	40,897	331,322	170,570	142,402	170,570	60,389	30,344	29,029	15,537	161,089	67,550	60,677	28,600
\$3,500 under \$4,000.....	80,457	58,795	525,453	283,956	281,262	283,956	79,353	47,899	29,722	22,833	193,771	93,250	106,476	29,064
\$4,000 under \$4,500.....	71,332	58,229	532,688	242,329	238,210	242,329	71,332	51,253	22,848	18,448	169,543	79,816	76,826	24,283
\$4,500 under \$5,000.....	50,060	43,814	423,078	180,293	177,864	180,293	53,060	260,341	21,848	18,413	185,480	72,844	112,664	21,648
\$5,000 under \$10,000.....	40,548	36,573	385,347	138,826	138,826	138,826	250,531	41,548	21,390	19,863	201,807	80,245	118,980	21,247
\$10,000 under \$15,000.....	89,290	83,239	1,042,622	315,260	304,539	315,260	77,749	89,285	44,711	42,933	529,064	163,293	350,431	44,661
\$15,000 under \$20,000.....	16,100	16,942	310,600	68,111	66,552	68,111	230,705	18,100	9,042	8,351	152,288	33,555	112,753	9,042
\$20,000 under \$25,000.....	15,282	13,740	431,555	57,167	52,256	57,167	34,836	7,464	6,286	5,742	217,860	29,774	170,107	7,424
\$25,000 under \$50,000.....	2,598	2,327	172,849	9,978	9,978	9,978	1,640	5,760	9,133	3,420	59,996	3,460	49,333	908
\$50,000 under \$100,000.....	569	493	94,381	2,012	1,703	2,012	76,631	564	196	198	31,453	760	26,808	196
\$100,000 under \$500,000.....	14	12	9,200	45	36	45	3,914	19	4	2	6,527	11	5,899	4
\$500,000 or more.....	21	16	28,162	72	62	72	35,761	14	4	4	6,782	15	6,046	4
Returns under \$5,000.....	302,457	97,312	1,731,557	620,466	560,104	620,466	208,867	194,692	139,945	38,136	131,306	268,801	89,178	23,684
Returns \$5,000 under \$10,000.....	359,812	236,268	2,424,783	1,050,045	996,770	1,050,045	311,692	213,468	182,300	59,094	584,286	237,569	527,068	85,374
Returns \$10,000 or more.....	115,855	115,291	2,128,070	430,246	439,246	430,246	1,968,250	521,762	227,927	229,257	1,007,460	230,917	721,875	66,245
Portland, Oregon-Washington														
Total.....	732,123	452,338	15,064,555	2,087,014	1,997,921	625,453	3,156,293	612,134	327,185	182,801	893,424	274,043	1,389,577	268,172
No adjusted gross income.....	3,499													
Under \$500.....	33,491	1,852	9,787	38,729	35,495	38,729	1,133	2,017	23,217	23,217	26,536	25,735	144	144
\$500 under \$1,000.....	29,654	23,221	23,221	43,636	39,078	43,636	1,133	2,017	7,434	7,434	10,506	8,436	2	2
\$1,000 under \$1,500.....	63,679	14,671	198,363	89,053	43,377	89,053	43,377	22,572	26,895	6,732	39,431	40,937	17,374	8,529
\$1,500 under \$2,000.....	55,123	19,504	139,855	115,314	100,083	115,314	40,391	59,424	28,193	7,698	69,437	55,221	21,240	20,187
\$2,000 under \$2,500.....	57,085	22,443	198,975	133,662	125,700	133,662	51,643	13,802	33,313	6,714	82,132	43,927	21,483	21,340
\$2,500 under \$3,000.....	59,934	34,165	272,592	172,172	163,196	172,172	56,328	20,135	29,340	15,912	133,452	79,508	26,671	26,524
\$3,000 under \$3,500.....	61,414	40,897	331,322	170,570	142,402	170,570	60,389	30,344	29,029	15,537	161,089	67,550	60,677	28,600
\$3,500 under \$4,000.....	80,457	58,795	525,453	283,956	281,262	283,956	79,353	47,899	29,722	22,833	193,771	93,250	106,476	29,064
\$4,000 under \$4,500.....	71,332	58,229	532,688	242,329	238,210	242,329	71,332	51,253	22,848	18,448	169,543	79,816	76,826	24,283
\$4,500 under \$5,000.....	50,060	43,814	423,078	180,293	177,864	180,293	53,060	260,341	21,848	18,413	185,480	72,844	112,664	21,648
\$5,000 under \$10,000.....	40,548	36,573	385,347	138,826	138,826	138,826	250,531	41,548	21,390	19,863	201,807	80,245	118,980	21,247
\$10,000 under \$15,000.....	89,290	83,239	1,042,622	315,260	304,539	315,260	77,749	89,285	44,711	42,933	529,064	163,293	350,431	44,661
\$15,000 under \$20,000.....	16,100	16,942	310,600	68,111	66,552	68,111	230,705	18,100	9,042	8,351	152,288	33,555	112,753	9,042
\$20,000 under \$25,000.....	15,282	13,740	431,555	57,167	52,256	57,167	34,836	7,464	6,286	5,742	217,860	29,774	170,107	7,424
\$25,000 under \$50,000.....	2,598	2,327	172,849	9,978	9,978	9,978								

Table 35. —ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS—Continued

Adjusted gross income classes	Number of returns	Number of joint returns	Income tax after credits		Number of returns	Amount (Thousand dollars)	Number of exemptions other than age and blindness	Taxable income		Number of joint returns	Amount (Thousand dollars)	Number of exemptions other than age and blindness	Income tax after credits		Number of returns	Amount (Thousand dollars)	Number of exemptions other than age and blindness	Taxable income		Number of joint returns	Amount (Thousand dollars)	Number of exemptions other than age and blindness	Income tax after credits	
			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.....	310,295	174,235	1,475,198	25,480	1,138,636	256,112	218,455	103,656	64,675	1,653,801	277,403	283,391	427,125	27,347	76,175									
Providence-Fawcett-Warwick, Rhode Island-Massachusetts																								
Under \$600.....	16,713	9,317	4,929	(*)	(*)	(*)	(*)	6,957	(*)	487	3,365	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$600 under \$1,000.....	34,310	20,374	10,100	(*)	(*)	(*)	(*)	10,100	(*)	5,050	5,050	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$1,000 under \$1,500.....	27,123	16,345	8,172	(*)	(*)	(*)	(*)	8,172	(*)	4,086	4,086	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$1,500 under \$2,000.....	32,105	19,840	10,920	(*)	(*)	(*)	(*)	10,920	(*)	5,460	5,460	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$2,000 under \$2,500.....	32,986	16,679	14,331	(*)	(*)	(*)	(*)	14,331	(*)	7,165	7,165	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$2,500 under \$3,000.....	29,533	18,152	15,635	(*)	(*)	(*)	(*)	15,635	(*)	7,817	7,817	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$3,000 under \$3,500.....	24,641	15,072	12,561	(*)	(*)	(*)	(*)	12,561	(*)	6,280	6,280	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$3,500 under \$4,000.....	28,957	15,882	13,244	(*)	(*)	(*)	(*)	13,244	(*)	6,622	6,622	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$4,000 under \$4,500.....	15,172	15,172	15,172	(*)	(*)	(*)	(*)	15,172	(*)	15,172	15,172	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$4,500 under \$5,000.....	18,354	17,355	16,929	(*)	(*)	(*)	(*)	16,929	(*)	16,929	16,929	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$5,000 under \$5,500.....	29,678	27,793	34,916	(*)	(*)	(*)	(*)	34,916	(*)	34,916	34,916	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$5,500 under \$6,000.....	4,884	4,884	4,884	(*)	(*)	(*)	(*)	4,884	(*)	4,884	4,884	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$6,000 under \$6,500.....	5,114	5,114	5,114	(*)	(*)	(*)	(*)	5,114	(*)	5,114	5,114	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$6,500 under \$7,000.....	763	763	763	(*)	(*)	(*)	(*)	763	(*)	763	763	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$7,000 under \$7,500.....	180	180	180	(*)	(*)	(*)	(*)	180	(*)	180	180	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$7,500 under \$8,000.....	3	3	3	(*)	(*)	(*)	(*)	3	(*)	3	3	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$8,000 under \$8,500.....	3	3	3	(*)	(*)	(*)	(*)	3	(*)	3	3	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$8,500 under \$9,000.....	135,165	43,288	138,999	(*)	(*)	(*)	(*)	138,999	(*)	138,999	138,999	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Returns under \$9,000.....	134,437	42,634	137,224	(*)	(*)	(*)	(*)	137,224	(*)	137,224	137,224	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Returns \$9,000 under \$15,000.....	43,634	37,614	66,775	(*)	(*)	(*)	(*)	66,775	(*)	66,775	66,775	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$100,000 under \$100,000.....																								
\$100,000 under \$1,000,000.....																								
\$1,000,000 or more.....																								
Rochester, New York																								
Total.....	160,964	93,284	1,158,757	133,310	731,357	133,310	149,485	313,432	176,322	1,417,176	840,772	840,772	1,417,176	21,561	1,417,176	1,417,176	1,417,176	1,417,176	1,417,176	1,417,176	1,417,176	1,417,176	1,417,176	1,417,176
Under \$600.....	7,537	4,537	2,100	(*)	(*)	(*)	(*)	2,100	(*)	1,050	1,050	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$600 under \$1,000.....	6,579	3,579	1,514	(*)	(*)	(*)	(*)	1,514	(*)	757	757	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$1,000 under \$1,500.....	14,131	8,131	4,065	(*)	(*)	(*)	(*)	4,065	(*)	2,032	2,032	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$1,500 under \$2,000.....	13,931	7,931	3,965	(*)	(*)	(*)	(*)	3,965	(*)	1,982	1,982	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$2,000 under \$2,500.....	7,531	4,531	2,265	(*)	(*)	(*)	(*)	2,265	(*)	1,132	1,132	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$2,500 under \$3,000.....	11,111	6,611	3,305	(*)	(*)	(*)	(*)	3,305	(*)	1,652	1,652	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$3,000 under \$3,500.....	11,687	6,687	3,343	(*)	(*)	(*)	(*)	3,343	(*)	1,671	1,671	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$3,500 under \$4,000.....	7,423	4,423	2,211	(*)	(*)	(*)	(*)	2,211	(*)	1,105	1,105	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$4,000 under \$4,500.....	13,857	8,857	4,428	(*)	(*)	(*)	(*)	4,428	(*)	2,214	2,214	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$4,500 under \$5,000.....	3,543	3,543	3,543	(*)	(*)	(*)	(*)	3,543	(*)	3,543	3,543	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$5,000 under \$5,500.....	11,111	11,111	11,111	(*)	(*)	(*)	(*)	11,111	(*)	11,111	11,111	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$5,500 under \$6,000.....	23,857	23,857	23,857	(*)	(*)	(*)	(*)	23,857	(*)	23,857	23,857	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$6,000 under \$6,500.....	3,543	3,543	3,543	(*)	(*)	(*)	(*)	3,543	(*)	3,543	3,543	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$6,500 under \$7,000.....	3,543	3,543	3,543	(*)	(*)	(*)	(*)	3,543	(*)	3,543	3,543	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$7,000 under \$7,500.....	673	673	673	(*)	(*)	(*)	(*)	673	(*)	673	673	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$7,500 under \$8,000.....	126	126	126	(*)	(*)	(*)	(*)	126	(*)	126	126	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$8,000 under \$8,500.....	2	2	2	(*)	(*)	(*)	(*)	2	(*)	2	2	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
\$8,500 or more.....	2	2	2	(*)	(*)	(*)	(*)	2	(*)	2	2	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Returns under \$9,000.....	134,437	42,634	137,224	(*)	(*)	(*)	(*)	137,224	(*)	137,224	137,224	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Returns \$9,000 under \$15,000.....	43,634	37,614	66,775	(*)	(*)	(*)	(*)	66,775	(*)	66,775	66,775	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)

See text for "Explanation," "across," "in," and "Form" and "2," "3," "4," "5," "6," "7," "8," "9," "10," "11," "12," "13," "14," "15," "16," "17," "18," "19," "20," "21," "22," "23," "24," "25," "26," "27," "28," "29," "30," "31," "32," "33," "34," "35," "36," "37," "38," "39," "40," "41," "42," "43," "44," "45," "46," "47," "48," "49," "50," "51," "52," "53," "54," "55," "56," "57," "58," "59," "60," "61," "62," "63," "64," "65," "66," "67," "68," "69," "70," "71," "72," "73," "74," "75," "76," "77," "78," "79," "80," "81," "82," "83," "84," "85," "86," "87," "88," "89," "90," "91," "92," "93," "94," "95," "96," "97," "98," "99," "100," "101," "102," "103," "104," "105," "106," "107," "108," "109," "110," "111," "112," "113," "114," "115," "116," "117," "118," "119," "120," "121," "122," "123," "124," "125," "126," "127," "128," "129," "130," "131," "132," "133," "134," "135," "136," "137," "138," "139," "140," "141," "142," "143," "144," "145," "146," "147," "148," "149," "150," "151," "152," "153," "154," "155," "156," "157," "158," "159," "160," "161," "162," "163," "164," "165," "166," "167," "168," "169," "170," "171," "172," "173," "174," "175," "176," "177," "178," "179," "180," "181," "182," "183," "184," "185," "186," "187," "188," "189," "190," "191," "192," "193," "194," "195," "196," "197," "198," "199," "200," "201," "202," "203," "204," "205," "206," "207," "208," "209," "210," "211," "212," "213," "214," "215," "216," "217," "218," "219," "220," "221," "222," "223," "224," "225," "226," "227," "228," "229," "230," "231," "232," "233," "234," "235," "236," "237," "238," "239," "240," "241," "242," "243," "244," "245," "246," "247," "248," "249," "250," "251," "252," "253," "254," "255," "256," "257," "258," "259," "260," "261," "262," "263," "264," "265," "266," "267," "268," "269," "270," "271," "272," "273," "274," "275," "276," "277," "278," "279," "280," "281," "282," "283," "284," "285," "286," "287," "288," "289," "290," "291," "292," "293," "294," "295," "296," "297," "298," "299," "300," "301," "302," "303," "304," "305," "306," "307," "308," "309," "310," "311," "312," "313," "314," "315," "316," "317," "318," "319," "320," "321," "322," "323," "324," "325," "326," "327," "328," "329," "330," "331," "332," "333," "334," "335," "336," "337," "338," "339," "340," "341," "342," "343," "344," "345," "346," "347," "348," "349," "350," "351," "352," "353," "354," "355," "356," "357," "358," "359," "360," "361," "362," "363," "364," "365," "366," "367," "368," "369," "370," "371," "372," "373," "374," "375," "376," "377," "378," "379," "380," "381," "382," "383," "384," "385," "386," "387," "388," "389," "390," "391," "392," "393," "394," "395," "396," "397," "398," "399," "400," "401," "402," "403," "404," "405," "406," "407," "408," "409," "410," "411," "412," "413," "414," "415," "

Table 35.—ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS—Continued
 (Taxable and nontaxable returns)

Adjusted gross income classes	Number of returns	Number of joint returns	Adjusted gross income (Thousand dollars)	Total number of exemptions	Taxable income		Number of returns	Adjusted gross income (Thousand dollars)	Number of exemptions	Total number of exemptions	Number of other than blind and deaf	Taxable income		Income tax after credits
					Number of returns	Amount (Thousand dollars)						Number of returns	Amount (Thousand dollars)	
Sacramento, California														
Total.....	227,145	14,401	11,707,422	67,731	135,403	1,047,000	154,764	132,565	212,034	2,131,371	2,423,425	67,314	3,314,093	67,047
Under \$500.....	4,653	1,313	211,034	7,352	-	-	-	-	1,797	3,624	3,375	-	-	-
\$500 under \$1,000.....	1,368	-	7,345	12,330	-	-	-	2,783	2,783	3,012	53,926	-	38	6,121
\$1,000 under \$2,000.....	5,176	-	31,668	38,654	12,084	2,069	11,101	11,174	21,351	13,982	13,982	6,135	38	9,021
\$2,000 under \$3,000.....	1,364	3,996	37,259	30,068	11,153	13,423	11,024	2,067	6,412	12,572	11,556	1,416	26,451	50,211
\$3,000 under \$4,000.....	1,635	3,136	27,122	26,286	9,378	3,004	3,004	11,919	11,919	11,919	11,919	2,331	69,392	11,881
\$4,000 under \$5,000.....	14,873	4,396	66,312	37,450	14,226	31,421	13,161	4,356	6,391	24,322	17,121	4,304	111,536	11,731
\$5,000 under \$6,000.....	14,908	1,984	82,210	44,978	14,110	27,434	15,312	7,484	6,874	36,431	10,301	4,384	204,587	67,481
\$6,000 under \$7,000.....	18,147	13,022	120,500	61,544	17,002	28,337	17,002	10,689	24,958	24,124	24,077	1,387	266,391	71,764
\$7,000 under \$8,000.....	18,919	14,096	112,636	62,829	17,161	31,041	15,764	9,933	26,459	26,459	26,459	1,469	306,980	74,469
\$8,000 under \$9,000.....	15,210	12,776	120,755	64,136	14,273	26,895	14,273	8,659	21,437	22,024	22,024	1,311	306,681	57,373
\$9,000 under \$10,000.....	14,722	14,355	139,150	53,643	14,322	31,176	14,322	8,392	13,376	13,376	13,376	1,466	284,451	67,761
\$10,000 under \$15,000.....	44,167	22,507	531,059	169,056	167,313	366,452	141,187	5,133	113,245	166,719	410,005	113,173	592,869	113,124
\$15,000 under \$20,000.....	11,613	11,438	197,801	124,477	11,613	163,263	11,613	27,434	20,316	57,411	77,223	21,761	274,742	21,761
\$20,000 under \$25,000.....	3,776	3,654	101,302	31,470	3,764	132,103	3,764	14,612	19,246	47,759	69,308	16,286	308,674	16,286
\$25,000 under \$50,000.....	421	561	41,341	2,953	621	23,926	621	12,835	21,436	17,815	10,362	4,095	14,207	2,625
\$50,000 under \$100,000.....	32	27	11,022	333	32	13,312	32	6,907	628	2,351	2,064	627	24,161	27
\$100,000 under \$500,000.....	3	2	1,654	11	3	1,754	3	567	13	13,013	52	13	11,090	6,093
\$500,000 under \$1,000,000.....	3	2	1,654	11	3	1,754	3	567	13	13,013	52	13	11,090	6,093
Returns under \$9,000.....	24,571	23,173	1,624,563	175,024	43,307	63,907	43,307	7,484	37,000	77,113	67,160	21,300	341,084	21,300
Returns \$9,000 under \$10,000.....	80,282	66,229	591,950	272,986	79,170	314,762	72,372	10,612	31,516	2,342,338	1,021,348	1,284,990	316,338	316,338
Returns \$10,000 or more.....	12,221	59,994	952,300	231,080	65,236	652,026	65,236	136,153	154,861	2,452,662	558,050	1,894,612	1,784,594	154,726
San Antonio, Texas														
Total.....	166,864	103,305	11,064,466	577,052	489,042	575,964	1,414,446	1,074,982	367,703	133,542	1,348,256	186,273	767,839	178,744
Under \$500.....	5,736	-	2,483	13,384	-	-	-	-	21,246	22,741	42,741	-	-	-
\$500 under \$1,000.....	3,831	7,510	7,425	10,501	7,387	21	6,657	38	15,343	22,843	21,939	-	-	-
\$1,000 under \$2,000.....	23,638	6,343	32,144	36,500	16,210	16,210	18,210	1,038	43,746	11,554	11,554	17,765	3,530	17,765
\$2,000 under \$3,000.....	15,224	6,343	45,344	36,092	19,284	17,984	17,984	2,006	31,714	11,684	11,684	17,765	3,530	17,765
\$3,000 under \$4,000.....	8,323	3,441	22,614	18,226	13,930	13,930	13,930	2,152	21,423	20,957	20,957	23,638	30,014	23,638
\$4,000 under \$5,000.....	10,516	7,693	47,542	27,928	16,056	23,045	10,356	3,551	26,715	17,612	17,612	17,624	48,794	17,624
\$5,000 under \$6,000.....	13,166	8,396	71,117	42,800	39,795	39,127	43,423	7,074	12,072	67,479	45,210	15,268	28,984	9,124
\$6,000 under \$7,000.....	12,501	9,639	78,539	44,382	11,714	39,367	11,714	6,247	13,834	167,326	104,528	19,482	67,309	19,482
\$7,000 under \$8,000.....	20,046	18,170	146,931	91,103	79,810	79,810	11,234	11,721	17,157	38,781	39,781	10,157	38,268	10,157
\$8,000 under \$9,000.....	3,789	8,421	82,089	36,760	3,142	37,498	3,142	6,456	13,907	112,665	95,137	13,507	72,110	13,507
\$9,000 under \$10,000.....	9,620	9,620	60,809	43,908	43,908	46,146	9,620	1,988	17,936	1,577	1,577	15,306	15,306	15,306
\$10,000 under \$15,000.....	19,620	14,920	226,682	87,613	40,072	146,781	174,228	27,224	18,221	225,475	69,364	18,621	157,766	18,621
\$15,000 under \$20,000.....	4,227	3,979	71,769	47,474	4,227	47,474	4,227	2,596	4,596	77,783	16,821	4,596	57,471	4,596
\$20,000 under \$25,000.....	3,159	3,013	37,224	14,284	3,092	15,194	3,092	1,881	3,156	107,132	14,369	3,156	26,693	3,156
\$25,000 under \$50,000.....	3,352	3,441	23,163	1,484	352	14,944	352	6,611	316	17,077	1,770	316	24,687	316
\$50,000 under \$100,000.....	15	57	8,530	261	65	7,245	65	3,215	136	22,267	462	136	19,446	136
\$100,000 under \$500,000.....	3	1	2,482	12	3	2,482	3	1,152	2	3,152	2	2	2,516	2
\$500,000 or more.....	1	1	2,640	4	1	2,640	1	1,847	3	3,152	3	2	2,743	2
Returns under \$9,000.....	76,226	22,136	1,566,601	131,767	61,026	88,930	1,026	7,382	146,122	133,159	322,553	52,683	113,967	52,683
Returns \$9,000 under \$10,000.....	65,122	54,824	472,430	242,671	62,371	228,977	62,371	30,034	217,876	277,568	275,441	69,939	333,926	69,939
Returns \$10,000 or more.....	37,515	26,322	351,556	116,573	27,345	488,957	27,345	136,545	103,255	1,024,657	387,011	27,631	395,866	27,631

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

INDIVIDUAL/1965 • STATE AND METROPOLITAN AREAS

Table 35.—ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS—Continued

Adjusted gross income classes	Seattle-Everett, Washington										Spokane, Washington																			
	Income tax after credits					Taxable income					Total number of exemptions					Number of exemptions other than age and blindness					Taxable income					Income tax after credits				
	Number of returns	Number of joint returns	Adjusted gross income (Thousand dollars)	Number of exemptions	Number of exemptions other than age and blindness	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)					
Total.....	429,641	254,050	13,152,715	1,206,634	1,161,467	363,273	2,002,999	363,938	383,269	66,591	38,602	193,276	183,631	178,122	52,691	220,876	52,043	44,432												
No. adjusted gross income.....	2,419	(*)	12,983	5,795	5,521	-	-	-	-	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)					
Under \$600.....	22,900	7,211	28,017	25,862	25,862	(*)	(*)	(*)	(*)	3,571	3,377	3,239	3,239	3,377	3,239	3,239	3,239	3,239	3,239	3,239	3,239	3,239	3,239	3,239						
\$600 under \$1,000.....	47,841	11,771	62,259	62,531	62,531	37,519	21,988	37,519	31,132	10,705	3,603	16,122	20,832	19,190	4,536	1,877	4,536	4,536	4,536	4,536	4,536	4,536	4,536	4,536						
\$1,000 under \$3,000.....	22,789	7,136	56,843	56,843	56,843	15,936	13,238	15,936	13,238	7,918	2,647	10,803	13,136	11,845	7,983	9,434	7,983	7,983	7,983	7,983	7,983	7,983	7,983	7,983						
\$3,000 under \$5,000.....	29,177	6,627	102,055	102,055	102,055	27,481	24,214	27,481	24,214	7,444	6,232	26,327	36,406	16,968	7,013	11,590	7,013	7,013	7,013	7,013	7,013	7,013	7,013	7,013						
\$5,000 under \$7,000.....	25,137	11,146	114,763	114,763	114,763	23,492	61,628	23,492	9,961	3,684	4,223	16,466	16,466	9,223	3,684	8,030	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684						
\$7,000 under \$9,000.....	24,688	13,425	135,464	135,464	135,464	23,875	77,466	23,875	12,121	3,611	3,611	19,288	19,288	13,884	6,281	3,611	3,611	3,611	3,611	3,611	3,611	3,611	3,611	3,611						
\$9,000 under \$15,000.....	32,792	18,918	212,472	212,472	212,472	90,087	125,962	90,087	20,794	7,763	7,763	31,247	31,247	22,820	4,906	11,450	4,906	4,906	4,906	4,906	4,906	4,906	4,906	4,906						
\$15,000 under \$20,000.....	44,011	38,174	332,294	332,294	332,294	162,614	180,152	162,614	44,011	17,174	17,174	31,021	31,021	15,542	4,174	15,774	4,174	4,174	4,174	4,174	4,174	4,174	4,174	4,174						
\$20,000 under \$30,000.....	36,174	31,209	305,261	305,261	305,261	129,664	178,645	129,664	29,378	4,765	4,765	41,966	41,966	17,629	4,965	21,614	4,965	4,965	4,965	4,965	4,965	4,965	4,965	4,965						
\$30,000 under \$50,000.....	27,683	24,431	261,373	261,373	261,373	99,168	160,771	99,168	26,984	2,374	2,374	23,895	23,895	10,287	2,374	13,218	2,374	2,374	2,374	2,374	2,374	2,374	2,374	2,374						
\$50,000 under \$100,000.....	70,114	66,522	841,311	841,311	841,311	284,490	563,649	284,490	99,469	7,191	7,191	86,276	86,276	24,712	7,191	58,781	7,191	7,191	7,191	7,191	7,191	7,191	7,191	7,191						
\$100,000 under \$200,000.....	17,579	16,629	299,878	299,878	299,878	17,579	31,270	17,579	42,327	1,159	1,159	19,719	19,719	3,768	1,159	14,876	1,159	1,159	1,159	1,159	1,159	1,159	1,159	1,159						
\$200,000 under \$300,000.....	10,614	10,102	286,632	286,632	286,632	40,890	106,641	40,890	53,378	1,004	1,004	31,303	31,303	3,473	1,004	25,488	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004						
\$300,000 under \$500,000.....	1,202	1,108	79,654	79,654	79,654	1,202	24,796	1,202	24,796	237	196	15,505	15,505	911	237	12,803	237	237	237	237	237	237	237	237						
\$500,000 under \$1,000,000.....	253	225	41,544	41,544	41,544	298	36,104	298	17,240	69	55	10,901	10,901	221	69	9,185	69	69	69	69	69	69	69	69						
\$1,000,000 or more.....	5	3	3,432	3,432	3,432	5	2,640	5	1,551	1	1	522	522	7	1	496	7	7	7	7	7	7	7	7						
Returns under \$5,000.....	163,913	33,342	130,985	277,608	277,608	105,771	156,078	105,771	24,087	36,759	9,994	182,332	182,332	68,521	65,558	30,930	22,864	22,864	22,864	22,864	22,864	22,864	22,864	22,864						
Returns \$5,000 under \$10,000.....	169,343	126,177	1,246,883	532,342	532,342	163,728	724,696	163,728	115,638	20,172	19,742	147,717	147,717	81,095	79,598	68,136	20,172	20,172	20,172	20,172	20,172	20,172	20,172	20,172						
Returns \$10,000 or more.....	94,773	84,261	1,259,847	376,764	376,764	94,773	1,123,123	94,773	240,344	9,660	8,866	164,223	164,223	53,865	52,978	121,610	9,655	9,655	9,655	9,655	9,655	9,655	9,655	9,655						
Total.....	90,016	51,321	1,612,122	267,111	251,427	75,799	378,626	75,799	72,782	100,169	60,448	1,908,890	277,933	262,584	78,166	356,113	77,353	65,185												
No. adjusted gross income.....	6,114	7,443	24,690	7,443	7,443	(*)	(*)	(*)	(*)	8,031	4,314	2,833	2,833	9,107	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)						
Under \$600.....	3,877	5,636	10,610	5,636	5,636	3,733	1,282	3,733	1,877	13,864	4,314	3,372	3,372	4,185	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)						
\$600 under \$1,000.....	7,263	12,123	18,431	12,123	12,123	7,263	4,962	7,263	4,437	9,274	4,314	21,136	21,136	17,375	7,028	3,079	6,362	6,362	6,362	6,362	6,362	6,362	6,362	6,362						
\$1,000 under \$3,000.....	4,525	7,334	14,431	7,334	7,334	4,525	5,862	4,525	4,437	5,344	2,374	23,938	23,938	18,394	8,187	8,204	8,187	8,187	8,187	8,187	8,187	8,187	8,187	8,187						
\$3,000 under \$5,000.....	11,525	23,296	39,707	23,296	23,296	10,753	17,144	10,753	24,669	3,777	3,112	20,373	20,373	14,368	3,097	6,073	3,097	3,097	3,097	3,097	3,097	3,097	3,097	3,097						
\$5,000 under \$7,000.....	5,751	14,298	26,342	14,298	14,298	5,751	14,162	5,751	4,269	3,777	3,112	16,748	16,748	16,113	15,810	3,865	4,171	4,171	4,171	4,171	4,171	4,171	4,171	4,171						
\$7,000 under \$9,000.....	6,794	13,331	37,210	23,876	23,876	6,794	17,392	6,794	24,671	3,567	3,567	35,734	35,734	12,245	6,230	22,394	6,230	6,230	6,230	6,230	6,230	6,230	6,230	6,230						
\$9,000 under \$15,000.....	8,477	17,167	55,821	28,792	28,792	8,477	31,231	8,477	4,848	13,313	10,158	79,128	79,128	33,348	12,513	45,694	12,513	12,513	12,513	12,513	12,513	12,513	12,513	12,513						
\$15,000 under \$20,000.....	9,672	8,219	71,402	33,387	33,387	9,672	42,863	9,672	7,058	5,817	5,817	63,232	63,232	26,340	8,255	41,162	8,255	8,255	8,255	8,255	8,255	8,255	8,255	8,255						
\$20,000 under \$30,000.....	4,841	4,186	40,617	19,222	19,222	4,841	24,036	4,841	3,876	6,738	6,738	62,985	62,985	26,646	7,403	37,322	7,403	7,403	7,403	7,403	7,403	7,403	7,403	7,403						
\$30,000 under \$50,000.....	4,647	4,647	43,834	21,783	21,783	4,647	24,304	4,647	4,180	6,661	6,661	62,997	62,997	25,596	6,661	39,236	6,661	6,661	6,661	6,661	6,661	6,661	6,661	6,661						
\$50,000 under \$100,000.....	12,067	11,949	143,418	48,421	48,421	12,067	97,032	12,067	19,391	9,866	9,866	115,365	115,365	39,259	9,866	76,750	9,866	9,866	9,866	9,866	9,866	9,866	9,866	9,866						
\$100,000 under \$200,000.....	2,619	2,619	45,365	9,540	9,540	2,619	34,339	2,619	6,651	1,833	1,833	30,414	30,414	7,381	1,833	22,524	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833						
\$200,000 under \$300,000.....	1,758	1,686	6,794	6,794	6,794	1,758	4,552	1,758	11,021	1,260	1,260	42,362	42,362	5,672	1,260	34,198	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260						
\$300,000 under \$500,000.....	322	296	21,121	1,274	1,274	322	18,097	322	6,512	404	404	13,744	13,744	941	404	11,368	404	404	404	404	404	404	404	404						
\$500,000 under \$1,000,000.....	37	31	6,440	128	128	37	6,187	37	2,605	31	26	4,719	4,719	104	31	4,127	31	31	31	31	31	31	31	31						
\$1,000,000 or more.....	1	1	534	3	3	1	360	1	221	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
Returns under \$5,000.....	38,779	11,188	193,064	73,935	73,935	25,187	39,214	25,187	9,107	45,641	14,807	187,650	187,650	69,703	89,703	23,785	23,785	23,785	23,785	23,785	23,785	23,785	23,785	23,785						
Returns \$5,000 under \$10,000.....	34,432	29,550	248,884	127,040	127,040	33,767	139,646	33,767	22,734	41,010	32,941	304,136	304,136	120,843	120,843	1														

Table 35.—ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS—Continued

Adjusted gross income classes	Number of returns	Number of joint returns	Adjusted gross income (Thousand dollars)	Taxable income		Income tax after credits		Number of returns	Number of exemptions other than age and blindness	Total number of exemptions		Number of returns	Number of joint returns	Adjusted gross income (Thousand dollars)	Total number of exemptions	Number of joint returns	Number of exemptions other than age and blindness	Number of returns	Number of joint returns	Taxable income (Thousand dollars)	Income tax after credits (Thousand dollars)
				Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)														
Springfield-Holyoke-Massachusetts-Correction																					
Total.....	171,165	99,207	11,117,807	448,154	143,130	692,237	141,562	129,454	13,421	113,897	561,134	11,253,897	531,159	159,117	1,367,884						
Not adjusted gross income.....																					
Under \$600.....	10,240		3,726	11,111					13,511		13,511										
\$600 under \$1,000.....	3,624		2,956	3,769					13,511		13,511										
\$1,000 under \$1,500.....	16,041	7,156	22,759	23,959					18,735	6,612	25,347										
\$1,500 under \$2,000.....	16,424		39,311	36,911					18,735		25,473										
\$2,000 under \$2,500.....	16,081		37,815	37,992					18,735		25,473										
\$2,500 under \$3,000.....	10,887		48,152	46,953					18,735		25,473										
\$3,000 under \$3,500.....	14,850		81,335	80,107					18,735		25,473										
\$3,500 under \$4,000.....	17,951		117,188	116,889					18,735		25,473										
\$4,000 under \$4,500.....	12,624		131,555	131,516					18,735		25,473										
\$4,500 under \$5,000.....	11,711		103,959	103,959					18,735		25,473										
\$5,000 under \$5,500.....	11,711		111,590	111,590					18,735		25,473										
\$5,500 under \$6,000.....	11,711		111,590	111,590					18,735		25,473										
\$6,000 under \$6,500.....	11,711		111,590	111,590					18,735		25,473										
\$6,500 under \$7,000.....	11,711		111,590	111,590					18,735		25,473										
\$7,000 under \$7,500.....	11,711		111,590	111,590					18,735		25,473										
\$7,500 under \$8,000.....	11,711		111,590	111,590					18,735		25,473										
\$8,000 under \$8,500.....	11,711		111,590	111,590					18,735		25,473										
\$8,500 under \$9,000.....	11,711		111,590	111,590					18,735		25,473										
\$9,000 under \$9,500.....	11,711		111,590	111,590					18,735		25,473										
\$9,500 under \$10,000.....	11,711		111,590	111,590					18,735		25,473										
\$10,000 under \$10,500.....	11,711		111,590	111,590					18,735		25,473										
\$10,500 under \$11,000.....	11,711		111,590	111,590					18,735		25,473										
\$11,000 under \$11,500.....	11,711		111,590	111,590					18,735		25,473										
\$11,500 under \$12,000.....	11,711		111,590	111,590					18,735		25,473										
\$12,000 under \$12,500.....	11,711		111,590	111,590					18,735		25,473										
\$12,500 under \$13,000.....	11,711		111,590	111,590					18,735		25,473										
\$13,000 under \$13,500.....	11,711		111,590	111,590					18,735		25,473										
\$13,500 under \$14,000.....	11,711		111,590	111,590					18,735		25,473										
\$14,000 under \$14,500.....	11,711		111,590	111,590					18,735		25,473										
\$14,500 under \$15,000.....	11,711		111,590	111,590					18,735		25,473										
\$15,000 under \$15,500.....	11,711		111,590	111,590					18,735		25,473										
\$15,500 under \$16,000.....	11,711		111,590	111,590					18,735		25,473										
\$16,000 under \$16,500.....	11,711		111,590	111,590					18,735		25,473										
\$16,500 under \$17,000.....	11,711		111,590	111,590					18,735		25,473										
\$17,000 under \$17,500.....	11,711		111,590	111,590					18,735		25,473										
\$17,500 under \$18,000.....	11,711		111,590	111,590					18,735		25,473										
\$18,000 under \$18,500.....	11,711		111,590	111,590					18,735		25,473										
\$18,500 under \$19,000.....	11,711		111,590	111,590					18,735		25,473										
\$19,000 under \$19,500.....	11,711		111,590	111,590					18,735		25,473										
\$19,500 under \$20,000.....	11,711		111,590	111,590					18,735		25,473										
\$20,000 under \$20,500.....	11,711		111,590	111,590					18,735		25,473										
\$20,500 under \$21,000.....	11,711		111,590	111,590					18,735		25,473										
\$21,000 under \$21,500.....	11,711		111,590	111,590					18,735		25,473										
\$21,500 under \$22,000.....	11,711		111,590	111,590					18,735		25,473										
\$22,000 under \$22,500.....	11,711		111,590	111,590					18,735		25,473										
\$22,500 under \$23,000.....	11,711		111,590	111,590					18,735		25,473										
\$23,000 under \$23,500.....	11,711		111,590	111,590					18,735		25,473										
\$23,500 under \$24,000.....	11,711		111,590	111,590					18,735		25,473										
\$24,000 under \$24,500.....	11,711		111,590	111,590					18,735		25,473										
\$24,500 under \$25,000.....	11,711		111,590	111,590					18,735		25,473										
\$25,000 under \$25,500.....	11,711		111,590	111,590					18,735		25,473										
\$25,500 under \$26,000.....	11,711		111,590	111,590					18,735		25,473										
\$26,000 under \$26,500.....	11,711		111,590	111,590					18,735		25,473										
\$26,500 under \$27,000.....	11,711		111,590	111,590					18,735		25,473										
\$27,000 under \$27,500.....	11,711		111,590	111,590					18,735		25,473										
\$27,500 under \$28,000.....	11,711		111,590	111,590					18,735		25,473										
\$28,000 under \$28,500.....	11,711		111,590	111,590					18,735		25,473										
\$28,500 under \$29,000.....	11,711		111,590	111,590					18,735		25,473										
\$29,000 under \$29,500.....	11,711		111,590	111,590					18,735		25,473										
\$29,500 under \$30,000.....	11,711		111,590	111,590					18,735		25,473										
\$30,000 under \$30,500.....	11,711		111,590	111,590					18,735		25,473										
\$30,500 under \$31,000.....	11,711		111,590	111,590					18,735		25,473										
\$31,000 under \$31,500.....	11,711		111,590	111,590					18,735		25,473										
\$31,500 under \$32,000.....	11,711		111,590	111,590					18,735		25,473										
\$32,000 under \$32,500.....	11,711		111,590	111,590					18,735		25,473										
\$32,500 under \$33,000.....	11,711		111,590	111,590					18,735		25,473										
\$33,000 under \$33,500.....	11,711		111,590	111,590					18,735		25,473										
\$33,500 under \$34,000.....	11,711		111,590	111,590					18,735		25,473										

Table 35.—ADJUSTED GROSS INCOME, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY ADJUSTED GROSS INCOME CLASSES AND 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS—Continued

Adjusted gross income classes	Tulsa, Okla.—Machighen										Tulsa, Okla.—Pawnee									
	Number of returns	Number of joint returns	Adjusted gross income (Thousand dollars)	Taxable income		Income tax after credits		Total number of exemptions	Number of other than age and illness	Number of returns	Number of joint returns	Adjusted gross income (Thousand dollars)	Taxable income		Income tax after credits					
				Amount	Number of returns	Amount	Number of returns						Amount	Number of returns	Amount	Number of returns				
Total	228,527	176,110	1,532,669	652,317	191,771	183,736	119,054	65,323	121,426	309,042	2,052,827	101,116	204,900	100,467	1,547,171					
No adjusted gross income	14,230	10,825	-	-	-	-	10,045	-	-	-	-	-	-	-	-					
Under \$500	8,825	6,570	4,360	15,471	15,471	15,471	10,045	-	-	-	-	-	-	-	-					
\$500 under \$1,000	22,825	17,070	32,333	31,930	16,137	12,243	6,818	-	-	-	-	-	-	-	-					
\$1,000 under \$2,000	19,105	14,507	44,458	39,147	13,233	2,886	11,845	6,200	-	-	-	-	-	-	-					
\$2,000 under \$3,000	16,487	12,507	56,873	36,987	14,736	3,552	11,845	4,154	-	-	-	-	-	-	-					
\$3,000 under \$5,000	16,195	12,000	73,698	49,576	17,760	5,654	11,054	4,154	-	-	-	-	-	-	-					
\$5,000 under \$6,000	20,920	15,676	114,676	65,977	19,919	4,233	13,086	8,401	-	-	-	-	-	-	-					
\$6,000 under \$7,000	20,928	15,211	137,840	88,928	29,272	12,250	10,250	8,401	-	-	-	-	-	-	-					
\$7,000 under \$8,000	15,978	11,362	120,242	60,001	19,973	16,836	7,380	5,410	-	-	-	-	-	-	-					
\$8,000 under \$9,000	19,521	16,850	165,552	67,515	19,521	16,193	8,767	6,517	-	-	-	-	-	-	-					
\$9,000 under \$10,000	14,853	13,839	138,815	52,185	14,853	15,024	7,380	6,584	-	-	-	-	-	-	-					
\$10,000 under \$15,000	29,243	23,220	346,340	112,933	37,243	40,751	15,644	14,004	-	-	-	-	-	-	-					
\$15,000 under \$20,000	4,637	3,437	78,086	17,186	16,542	11,993	3,057	3,057	-	-	-	-	-	-	-					
\$20,000 under \$50,000	5,020	3,771	137,369	20,376	19,073	26,147	2,942	2,942	-	-	-	-	-	-	-					
\$50,000 under \$100,000	645	472	42,126	2,604	2,451	13,353	362	311	-	-	-	-	-	-	-					
\$100,000 under \$500,000	145	124	26,680	91	439	16,363	36	20	-	-	-	-	-	-	-					
\$500,000 under \$1,000,000	5	3	3,205	18	13	1,598	5	2	-	-	-	-	-	-	-					
\$1,000,000 or more	2	2	4,774	6	4,682	2,138	7	2	-	-	-	-	-	-	-					
Returns under \$5,000	97,010	71,983	239,425	167,460	61,644	14,142	67,250	10,534	-	-	-	-	-	-	-					
Returns \$5,000 under \$10,000	91,820	74,977	679,165	334,511	109,253	43,914	29,756	33,739	-	-	-	-	-	-	-					
Returns \$10,000 or more	39,695	34,131	657,589	154,246	111,782	166,411	49,057	19,860	-	-	-	-	-	-	-					
Total	228,527	176,110	1,532,669	652,317	191,771	183,736	119,054	65,323	121,426	309,042	2,052,827	101,116	204,900	100,467	1,547,171					
No adjusted gross income	14,230	10,825	-	-	-	-	10,045	-	-	-	-	-	-	-	-					
Under \$600	7,111	5,327	2,616	7,398	7,398	7,398	5,972	-	-	-	-	-	-	-	-					
\$600 under \$1,000	7,106	5,304	6,161	3,865	3,865	3,865	3,865	-	-	-	-	-	-	-	-					
\$1,000 under \$2,000	7,126	5,318	9,580	12,881	4,771	4,771	3,750	-	-	-	-	-	-	-	-					
\$2,000 under \$3,000	10,653	7,977	26,157	26,082	24,364	12,163	13,237	6,311	-	-	-	-	-	-	-					
\$3,000 under \$4,000	7,408	5,604	15,523	14,930	12,760	3,752	13,389	6,584	-	-	-	-	-	-	-					
\$4,000 under \$5,000	6,704	5,074	30,752	24,730	14,257	11,111	13,386	6,584	-	-	-	-	-	-	-					
\$5,000 under \$6,000	4,087	3,050	20,340	17,098	10,667	7,135	10,686	7,824	-	-	-	-	-	-	-					
\$6,000 under \$7,000	7,064	5,304	27,257	27,003	17,989	14,136	11,110	12,424	-	-	-	-	-	-	-					
\$7,000 under \$8,000	4,797	3,686	17,427	16,405	10,828	4,757	11,503	9,194	-	-	-	-	-	-	-					
\$8,000 under \$9,000	3,217	2,483	26,343	17,651	15,141	4,757	10,777	10,777	-	-	-	-	-	-	-					
\$9,000 under \$10,000	3,420	2,600	32,649	14,228	14,222	2,827	6,139	6,139	-	-	-	-	-	-	-					
\$10,000 under \$15,000	3,095	2,272	107,826	34,112	33,422	9,997	17,023	16,429	-	-	-	-	-	-	-					
\$15,000 under \$20,000	1,626	1,226	27,912	9,012	1,626	3,528	3,528	3,528	-	-	-	-	-	-	-					
\$20,000 under \$30,000	2,570	2,122	72,466	24,110	4,914	13,737	3,772	3,772	-	-	-	-	-	-	-					
\$30,000 under \$50,000	244	202	164,797	93,936	49,044	44,511	4,511	541	-	-	-	-	-	-	-					
\$50,000 under \$100,000	65	54	11,016	237	211	67	162	138	-	-	-	-	-	-	-					
\$100,000 under \$500,000	4	1	2,604	10	8	1,226	3	3	-	-	-	-	-	-	-					
\$500,000 under \$1,000,000	3	3	4,569	10	6	2,417	6	4	-	-	-	-	-	-	-					
\$1,000,000 or more	3	3	4,569	10	6	2,417	6	4	-	-	-	-	-	-	-					
Returns under \$5,000	44,276	34,532	186,616	119,616	69,530	3,026	66,926	24,407	-	-	-	-	-	-	-					
Returns \$5,000 under \$10,000	26,626	21,762	192,581	94,512	29,430	15,411	54,243	46,747	-	-	-	-	-	-	-					
Returns \$10,000 or more	13,607	12,280	243,113	50,246	15,607	16,974	25,148	23,952	-	-	-	-	-	-	-					

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

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. Returns with deficit and those on which income and loss were even 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.

Principal source of income

The principal source of income was the largest single source of income included by taxpayers in their adjusted gross income. Losses were not considered in determining principal source.

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.

Standard metropolitan statistical areas

A taxpayer's post office address and the district in which he filed were the basis for a return's inclusion in a standard metropolitan statistical area. There are 100 standard metropolitan areas included in this publication. These 100 areas are those, within the 50 States, having the largest population based on the 1960 Census and conforming to the 1965 definitions for standard metropolitan statistical areas developed by the Bureau of the Budget.

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.

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.

EXPLANATION OF TERMS

Adjusted gross income

Adjusted gross income was gross income from all sources subject to income tax minus (1) ordinary 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 any net short-term capital loss, (12) net operating loss deduction, (13) contributions to a retirement fund by the self-employed, (14) reasonable expenses incurred in moving from old residence to new residence at new place of employment, and (15) any other deductions or exclusions from gross income.

A deficit in adjusted gross income occurred when the deductions allowed for above exceeded the gross income.

Adjusted taxable income

Adjusted taxable income as used for income averaging was taxable income plus any income earned outside the

United States or within U. S. possessions that was excluded from taxable income, less the following items.

(1) One-half the amount by which net long-term capital gain exceeded net short-term capital loss.

(2) Net income attributable to interests in property received by gift, request, devise, or inheritance, if the interest in the property was received in the computation year or a base period year and if such income exceeded \$3,000 in the computation year.

(3) The amount by which wagering gains exceeded wagering losses.

(4) Amounts of excessive or premature distributions to owner employees from self-employed retirement plans.

Adjustments

Adjustments to gross income included sick pay exclusion, self-employed pension deduction, employee business expenses, and employee moving expenses.

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 \$52,000 on joint returns and returns of surviving spouse, \$38,000 on returns of heads of household, or \$26,000 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.

Alternative method of computing retirement income credit

A husband and wife, both of whom were over 65, were eligible to use an alternative method of computing the base for retirement income credit if they filed a joint return. Under the alternative method, amounts of retirement income were pooled, with \$2,286 serving as the upper limit. This limit was applicable even though only one of the taxpayers had retirement income. For further explanation see "General rule for computing retirement income credit," "Base of retirement income credit," and "Retirement income credit."

Average base period capital gain net income

Average base period capital gain net income is one-fourth the sum of one-half excess net long-term capital gain over net short-term capital loss for the four base period years. For the purpose of computing average base period capital gain net income, one-half excess long-term gain over short-term loss cannot exceed adjusted taxable income for the year computed with capital gain net income included.

Base of retirement income credit

For a taxpayer under 65 years of age, the base of retirement income credit included only income from pensions and annuities under public retirement systems which were included in adjusted gross income. The base was limited to \$1,524 reduced by any earned income in excess of \$900 and any amounts received from social security, railroad retirement, or other tax-exempt pensions.

For a taxpayer 65 years of age or older, the base of retirement income credit included pensions and annuities, interest, and dividends included in adjusted gross income and any gross rents. The base was limited, per taxpayer, to \$1,524 (\$2,286 on a joint return if both husband and wife were 65 or over) reduced by an applicable proportion of earned income received in excess of \$1,200 and any amounts from social security, railroad retirement, or other tax-exempt pensions. For taxpayers 72 years of age or over the maximum base did not have to be reduced by any earned income received.

For further explanation see "General rule for computing retirement income credit," "Alternative method for computing retirement income credit," and "Retirement income credit."

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, depletion, 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.

Additional information on business receipts and expenditures can be found in *Statistics of Income--U. S. Business Tax Returns*.

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 1960-1963, (2) any short-term capital loss carryover from 1964, and (3) 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, (2) any capital gain dividends received from regulated investment companies, and (3) any long-term capital loss carryover from 1964 to obtain the net long-term gain or loss.

Short-term capital loss carryover.--This carryover was that portion of the net capital loss sustained in the four-year period prior to 1964 and any net short-term loss sustained in 1964, which the taxpayer had been unable to offset against either his capital gains or the \$1,000 maximum deduction for net capital loss. The carryover was reported with and treated as a short-term capital loss in the current year, although prior to 1964 some of the loss may have been long-term.

Long-term capital loss carryover.--This carryover was that portion of net long-term loss in 1964 which the taxpayer was unable to offset against either his net short-term gain or the \$1,000 maximum deduction for net capital loss in computing adjusted gross income. If both a net short-term loss and net long-term loss were incurred, the net short-term loss was to be offset first against the limit of \$1,000 in determining the carryover. (See definition of "net loss from sales of capital assets" for the new treatment of capital losses carried over from 1964.)

For additional information on capital gains and losses, by asset type, see *Statistics of Income--1962, Supplemental Report, Sales of Capital Assets Reported on Individual Income Tax Returns*.

Capital gain dividends

Includes long-term capital gain designated by corporations registered under the Investment Company Act of 1940, either distributed as dividends or undistributed and retained by the corporation and long-term capital gain designated by unincorporated trusts and associations operating real estate investment trusts or mutual funds.

Any dividend which represents a distribution to shareholders of the net long-term capital gain realized by regulated investment companies or mutual funds is designated as such by the company in a written notice mailed to the shareholders within 45 days after the close of its taxable year.

In addition, any net long-term gain which is not distributed is also designated. The taxpayer is entitled to a credit of 25 percent of such amounts, since this is the amount of tax paid by the company and deemed paid by the taxpayer.

Credit on 1966 tax

This credit, requested on Forms 1040, was that part of the overpayment on 1965 tax which the taxpayer specifically requested be credited to his estimated income tax for 1966.

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.

Dividend exclusions from adjusted gross income

Up to \$100 of eligible dividends per taxpayer could be excluded from adjusted gross income. Up to \$200

could be excluded on joint returns if both husband and wife received eligible dividends, each excluding up to \$100 against his respective dividend income. Prior to 1964 the dividend exclusion was \$50 of eligible dividends per taxpayer (up to \$100 on a joint return). For a further explanation of eligible dividends see *Domestic and foreign dividends*.

Dividends in adjusted gross income

Dividends in adjusted gross income consists of dividends eligible for exclusion less the dividend exclusion plus any dividends not eligible for the exclusion. For further explanation see *Domestic and foreign dividends and Dividend exclusion*.

Domestic and foreign dividends

Domestic and foreign dividends were comprised of:

1. Dividends eligible for exclusion consisting of--

(a) Dividends from fully taxable domestic corporations received directly, or as beneficiary of income from estates or trusts, or as a partner's share of untaxed partnership net profit, together with

(b) the distribution of earnings of a sole proprietor who elected to be taxed as a corporation or a partner's share of such distribution from a partnership that elected to be so taxed.

2. Dividends not eligible for exclusion consisting of dividends from such corporations as--

(a) foreign corporations, China Trade Act corporations, exempt farmer's cooperatives, real estate investment trusts, and

(b) corporations doing business in possessions of the United States, if 80 percent or more of their gross income is derived from U. S. possessions and 50 percent or more from the active conduct of a business in U. S. possessions.

Additional information on some of these corporations can be found in *Statistics of Income--Corporation Income Tax Returns*. Information on exempt farmer's cooperatives can be found in *Statistics of Income Supplemental Report--Farmer's Cooperative Income Tax Returns*.

Domestic and foreign dividends does not include capital gain dividends from regulated investment companies or nontaxable distributions such as distributions of stocks or stock rights, return of capital, or liquidation distributions. Also excluded are dividends reported on Form 1040A (not more than \$200 per return) and such so-called dividends as dividends on deposits or withdrawal accounts in mutual savings banks, cooperative banks, savings and loan associations, and credit unions.

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, such as work clothes, union dues, and employment agency fees, were not deductible in the computation of adjusted gross income, but were deductible as an itemized deduction in the computation of taxable income.

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.

Additional information on Farm receipts and expenditures can be found in *Statistics of Income--U. S. Business Tax Returns*.

Foreign tax credit

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.

General rule for computing retirement income credit

Under the general rule for computing retirement income credit, the maximum base was limited to \$1,524 per taxpayer. Therefore, on a joint return, if husband and wife each had retirement income and both had the maximum base of \$1,524, their total base would be \$3,048. For further discussion, see "Alternative method for computing retirement income credit," "Base of retirement income credit," and "Retirement income credit."

Income averaging

The income averaging computation permits a part of an unusually large amount of taxable income to be taxed

in lower brackets, thus resulting in a reduction of the over-all amount of tax due. An eligible individual may choose this computation if his averagable income for the year is more than \$3,000. Averagable income is the amount by which adjusted taxable income exceeds 133-1/3 percent of average base period income (the average of taxable income with certain adjustments, for the 4 preceding tax years). Briefly, the income averaging computation operates to tax a part of the unusually large amount of income (the averagable income) at the same lower tax rate which applies to the first one-fifth of such averagable income.

The income averaging computation may be applied to all types of taxable income but cannot be applied to the one-half excess of net long-term capital gain over net short-term capital gain, income from gifts or inheritances, or wagering income. See schedule G in section 8.

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 1965 and those for 1965), before such amounts were reduced by tax credits. Tax before credits did not include the self-employment tax.

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.

Investment tax credit

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. The credit was limited to the lesser of (1) tax liability or (2) \$25,000 plus 25 percent of the tax liability over that amount. Before

computing the limitation, tax liability was reduced by the foreign tax credit and the retirement income credit.

Itemized deductions

Only the total of nonbusiness deductions, allowed against adjusted gross income and itemized on 1040 returns, is presented this year. Total deductions included contributions, interest paid, taxes, medical deduction, and other authorized deductions for which no specific line or schedule was provided on the return form, such as casualty losses, loss from theft, alimony payments, child care, and amortization of bond premium; expenses connected with the taxpayer's employment, for example, dues to unions or professional societies, cost of tools for the job, and fees to employment agencies; allowable expenses of the taxpayer in connection with his employer's business which were in excess of the reimbursed amounts deducted from gross salaries; and expenses, in excess of the employer's reimbursement, incurred for education undertaken to maintain or improve skills required to perform duties in present employment status.

Marginal tax rates

The marginal tax rate was the highest tax rate applied to a portion of a taxpayer's tax base. For a discussion and example of calculation see the section "Tax computation and tax rates."

Moving expense deduction

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.

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.

One-third base period taxable income

One-third base period taxable income is one-third the sum of adjusted taxable income, including any wagering income, for the previous four tax years. This amount was reported by a taxpayer on his income averaging schedule and was used to compute averagable income. In general, averagable income was the basis for determining the tax on schedule G.

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. Section 1245 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.

Section 1250 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 for one year or less, the entire depreciation (not the excess over straight-line) was treated as ordinary income.

Other capital distributions

These amounts are, generally, distributions by corporations to stockholders which are not out of earnings and profits, but which represent a return of capital. Such distributions are nontaxable to the extent they do not exceed the taxpayer's basis in his stock. To the extent that such distributions exceed the stockholder's basis, they are treated as a short-term or long-term capital gains depending on the length of the time the stock was held. Return of partnership capital may, to some extent, be reflected in these amounts and is treated similarly.

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, 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 interest, dividends, and any other income in adjusted gross income (not exceeding \$200 per return) reported on Form 1040A returns.

Other tax credits

"Other tax credits" included (1) the credit for tax-free covenant bonds, but allowed only if nonbusiness deductions were itemized and (2) 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 credit for tax-free covenant bonds springs from the fact that corporations are required generally to withhold 2 percent of the interest owing on covenant bonds issued prior to 1934 if a bond contained a provision under which the corporation agreed to pay any portion of the tax imposed on the bond holder with reference to such interest.

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.

Included in "Other tax credits" in 1964 was the dividends received credit. The Revenue Act of 1964 provided for the final elimination of this credit in 1965.

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 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.

Additional information for partnerships can be found in *Statistics of Income--U. S. Business Tax Returns*.

Payments on 1965 declaration of estimated income tax

Such payments were reported on returns, Form 1040. The payments received with the 1965 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 1964 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.

Rent net income or loss

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 and was determined by deducting from gross rents amounts 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 amount.

Retirement income credit

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 less 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 15 percent for 1965 (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 the credit for tax withheld at source of tax-free covenant bonds and the foreign tax credit.

Royalty net income or loss

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. Income from royalties when combined with income from rents will not be comparable with income from rents and royalties for years prior to 1960 because of the different procedure used in obtaining a net amount.

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 years prior to 1964, salaries and wages were reported net of excludable sick pay and certain expenses connected with employment that was deductible from total salaries and wages. In addition, salaries and wages not in excess of \$200 per return and not subject to withholding, reported on Form 1040A, were included in "Other sources of income."

Sales of property other than capital assets, net gain or loss

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. 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.

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 1965 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 employee. 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 1965 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. Amounts received as disability payments from both public and private disability plans are eligible for sick pay exclusion after the first 30 days of such disability.

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

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, using the larger of the two methods explained above was computed.

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 deduction 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) Form 1040A

returns and (2) those Form 1040 returns with adjusted gross income under \$5,000 on which the tax table was used. There was no line item provided on the Form 1040A for reporting taxable income.

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 either the 10 percent standard deduction based on the midpoint or the minimum standard deduction of \$200 for unmarried persons or \$100 for married persons filing separate returns plus \$100 for each exemption and, (3) allowing \$600 for each exemption claimed. This formula produced the amount of taxable income upon which the taxpayer's tax was based.

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 either 10 percent of the total income as standard deduction or using the minimum standard deduction as explained above, both 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 base

For returns with normal tax and surtax, tax base is taxable income. For returns with alternative tax computation, the tax base is either (1) taxable income, when that amount exceeded one-half excess long-term gain, or (2) one-half excess long-term gain when that amount equaled or exceeded taxable income.

Tax due at time of filing

The 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.

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 second step of a two-step reduction in income tax rates, provided for in the Revenue Act of 1964, became effective in 1965. The new rates ranged from 14 percent to 70 percent of taxable income. In 1964, these rates ranged from 16 percent to 77 percent of taxable income.

Prior to 1964, the rates ranged from 20 percent to 91 percent. The first bracket rate of 20 percent 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 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 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.

Tax savings under income averaging

In this report the amount of tax savings is the difference between the tax resulting from the income averaging computation, usually shown on schedule G, and the amount of tax that would result if the regular tax rates were applied to the unaveraged taxable income. If this computation results in no tax saving it is assumed that the return does not qualify for income averaging.

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 taxpayments. 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. 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.

Tentative retirement credit

Tentative credit equalled 15 percent of the retirement income credit base. This was a reduction, in line with general tax reduction provided by the Revenue Act of 1964, from the 17 percent applying in 1964 and the 20 percent applying previous to 1964.

Actual retirement credit was equal to the lesser of the tentative credit or income tax reduced by (1) the credit for tax withheld at the source on tax free covenant bonds, (2) the foreign tax credit, and (3) the credit for partially tax-exempt interest.

Total deductions

Includes personal deductions, both standard and itemized.

Type of taxpayment

Taxpayers made prepayments toward their tax liability through tax withheld from wages and payments on 1965 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 a separate table, 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.

CONTENTS

Sources of data, 141
 Description of the sample and limitations of the data, 142
 Description of the sample, 142
 Sample selection, 142
 Method of estimation, 142
 Limitations of the data, 142
 Sampling variability, 142
 Response and other nonsampling errors, 144
 Text tables
 7.1 Number of returns by form of return: 1964 and 1965, 141
 7.2 Number of individual income tax returns filed, number in sample, and the prescribed rate by sampling stratum, 1965, 142
 7.3 Relative sampling variability: Selected items, by adjusted gross income classes, 143
 7.4 Relative sampling variability: Selected items, by State, 144, 145
 7.5 Relative sampling variability: Estimated number of returns, 145

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 1966 in the service centers and 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 1965 regardless of when filed. Most of the returns represented in this publication are for the current tax year and are filed by taxpayers with calendar-year accounting periods. A small number of prior year delinquent and noncalendar year returns are also included. All returns with an accounting period ending prior to January 1, 1965, are classed as prior year delinquents and were subject to tax rates different from the 1965 tax rates established by the "Revenue Act of 1964." Non-calendar year returns had an accounting period beginning in 1964 and ending in 1965. These returns were subject to both stages of the tax rate changes outlined in the "Revenue Act of 1964."

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 1965. 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 is a two-page form with supplementary schedules. If an individual's income was entirely from salaries and wages, taxable dividends, interest or miscellaneous income reported on line 7 of page 2, he needed to file the principal two pages only. Individuals who had income from sources other than those listed above were required to report that income on supplementary schedules.

Table 7.1 presents a comparison of the number of returns for the current year with those for 1964 by form of return filed, size of adjusted gross income, and type of deduction reported. Forms 1040 for 1965 numbered

Table 7.1—NUMBER OF RETURNS BY FORM OF RETURN: 1964 AND 1965
 (Taxable and nontaxable returns)

Form of return, type of deduction and income group	1964	1965	Change, 1964 to 1965
	(1)	(2)	(3)
Grand total.....	65,275,601	67,576,000	+2,300,399
With standard deduction.....	32,133,643	39,327,339	+7,193,696
With itemized deduction.....	26,909,591	27,971,496	+1,061,905
With no adjusted gross income.....	622,367	277,165	-345,202
Standard deduction returns on which the table was used.....	26,250,877	28,441,373	+2,190,496
Form 1040A			
Total.....	17,686,145	18,377,701	+691,556
With standard deduction, total.....	17,686,145	18,377,701	+691,556
Adjusted gross income under \$5,000.....	12,777,143	15,305,845	+2,528,702
Adjusted gross income \$5,000 or more.....	4,909,002	3,071,856	-1,837,146
Form 1040			
Total.....	47,689,456	49,198,299	+1,508,843
Adjusted gross income under \$5,000.....	12,777,143	15,305,845	+2,528,702
Adjusted gross income \$5,000 under \$1,000.....	12,777,143	15,305,845	+2,528,702
Adjusted gross income \$1,000 or more.....	34,912,313	33,892,454	-1,019,859
With standard deduction, total.....	34,912,313	33,892,454	-1,019,859
Adjusted gross income under \$5,000.....	12,777,143	15,305,845	+2,528,702
Adjusted gross income \$5,000 under \$1,000.....	12,777,143	15,305,845	+2,528,702
Adjusted gross income \$1,000 or more.....	22,135,170	18,586,609	-3,548,561
With itemized deduction, total.....	22,135,170	18,586,609	-3,548,561
Adjusted gross income under \$5,000.....	12,777,143	15,305,845	+2,528,702
Adjusted gross income \$5,000 under \$1,000.....	12,777,143	15,305,845	+2,528,702
Adjusted gross income \$1,000 or more.....	9,358,027	3,280,764	-6,077,263
With no adjusted gross income.....	622,367	277,165	-345,202

49.2 million, an increase of 1.5 million returns over 1964. Forms 1040A numbered 18.4 million, an increase of 692 thousand returns over 1964.

The standard deduction was elected on 39.3 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 26.4 million returns of taxpayers using the optional tax table for 1965, an increase of 485 thousand returns over the 1964 total.

DESCRIPTION OF THE SAMPLE AND LIMITATIONS OF THE DATA

Description of the Sample

The data presented for individual income tax returns for 1965 are estimates based on a stratified sample of all Forms 1040 and 1040A filed in the succeeding year. The total sample consisted of 419,065 returns, about 0.61 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, and by the 59 district offices and the Office of International Operations Washington, D. C. The sample design was adapted to fit the regular return sorting and grouping procedures employed by district offices and regional service centers 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. These sample strata are described in the stub of Table 7.2. Also shown in Table 7.2 is the number of returns filed in each stratum, the number of returns sampled, and the prescribed sampling rate.

The sample was obtained by withdrawing returns from each stratum in accordance with the sampling rate for that stratum. In six of the seven IRS regions, selection of the sample was based on the account number of the return. On a pilot basis, and for the first time, selection for the sample in the other region was based on an individual's social security number.

Method of estimation

Estimates for all returns filed were determined by multiplying the sample data by "weighting factors" obtained by dividing the total number of returns filed in each sampling stratum by the number of sample returns received from that stratum. For instance, the "weighting factor" of 667.94 for Form 1040A returns was obtained by dividing the total number of returns filed, 18,556,139, by the number of returns in the sample, 27,781. The primary sources of data on total number of returns in each sampling stratum were counts made and submitted by the district offices or regional service centers showing the number of Form 1040 and 1040A returns filed during the calendar year 1966.

A comparison of the estimated number of returns shown in the national tables of this report with the number of returns reported filed, as shown in Table 7.2, will disclose slight differences. These differences occur for the following reasons: (1) an estimated 759,000 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.

Limitations of the Data

Sampling variability

The *relative* sampling variability is the sampling variability expressed as a percent of the estimate and can be used to determine the precision of an estimate. For example, a relative sampling variability at the one standard deviation level of 7 percent may be considered as an estimate of a range in percent which would not be exceeded in two out of three estimates based on similar sampling systems.

The data from returns showing adjusted gross income of \$100,000 or more are generally not subject to sampling variability since all such returns were included in the sample. However, the estimates from returns showing adjusted gross income under \$100,000 are subject to sampling variability.

Tables 7.3 and 7.4 show the relative sampling variability for selected items. Table 7.5 shows the relative sampling variability that can be associated with any frequency estimate in general. While tables 7.3 and 7.4 provide measures of the relative sampling variability for specific frequencies or amounts based on the standard statistical formula, Table 7.5 provides "upper limit" measures of the relative sampling variability based on a special formula. It provides, for any specific frequency estimate, a percent that is somewhat higher than that which would have been yielded by the standard formula.

Use of Table 7.5 to provide an upper limit for the relative sampling variability may be illustrated by the following example. If an item occurs on an estimated 15,000

Table 7.2—NUMBER OF INDIVIDUAL INCOME TAX RETURNS FILED, NUMBER IN SAMPLE, AND THE PRESCRIBED RATE BY SAMPLING STRATUM, 1965

Sampling stratum	Number of returns filed	Number of returns in sample	Weighting factor	Prescribed sampling rate
	(1)	(2)	(3)	(4)
Total all returns.....	68,355,360	419,065	-	-
Form 1040A.....	18,556,139	27,781	667.94	15/10,000
Form 1040, adjusted gross income—				
Under \$10,000:				
Nonbusiness.....	30,890,923	46,613	662.71	15/10,000
Schedule C and F.....	7,762,760	2,151	145.02	7/1,000
\$10,000 under \$50,000 nonbusiness.....	8,569,462	126,974	67.49	2/100
\$10,000 under \$30,000, Schedules C and F.....	1,920,664	37,763	50.86	2/10
\$50,000 under \$100,000 nonbusiness.....	100,055	19,221	5.21	2/10
\$30,000 under \$100,000, Schedules C and F.....	303,087	68,790	5.16	2/10
\$100,000 and over:				
Nonbusiness.....	25,585	25,485	1.00	1/1
Schedules C and F.....	23,776	20,776	1.00	1/1
Prior year delinquent:				
Adjusted gross income under \$50,000.....	405,696	3,198	126.86	1/100
Adjusted gross income \$50,000 and over.....	413	213	1.00	1/1

Table 7.3—RELATIVE SAMPLING VARIABILITY AT THE ONE STANDARD DEVIATION LEVEL: TOTAL NUMBER OF RETURNS, ADJUSTED GROSS INCOME, AND SELECTED ITEM BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	Farm income		Nonfarm income		Dividend income		Interest income		Rental income	
	Number	Relative sampling variability (Percent)	Amount (Thousand dollars)	Relative sampling variability (Percent)	Amount (Thousand dollars)	Relative sampling variability (Percent)	Amount (Thousand dollars)	Relative sampling variability (Percent)	Amount (Thousand dollars)	Relative sampling variability (Percent)
	1	2	3	4	5	6	7	8	9	10
Total.....	67,364,412	1.00	11,267,426	1.00	11,267,426	1.00	11,267,426	1.00	11,267,426	1.00
No adjusted gross income.....	197,372	1.00	1,000,000	1.00	1,000,000	1.00	1,000,000	1.00	1,000,000	1.00
Under \$600.....	4,128,890	1.13	1,328,890	1.00	1,328,890	1.00	1,328,890	1.00	1,328,890	1.00
\$600 under \$1,000.....	3,284,827	1.31	2,734,827	1.00	2,734,827	1.00	2,734,827	1.00	2,734,827	1.00
\$1,000 under \$2,000.....	2,217,128	1.57	1,817,128	1.00	1,817,128	1.00	1,817,128	1.00	1,817,128	1.00
\$2,000 under \$3,000.....	1,612,777	1.72	1,322,777	1.00	1,322,777	1.00	1,322,777	1.00	1,322,777	1.00
\$3,000 under \$4,000.....	1,018,771	1.87	818,771	1.00	818,771	1.00	818,771	1.00	818,771	1.00
\$4,000 under \$5,000.....	707,970	1.97	567,970	1.00	567,970	1.00	567,970	1.00	567,970	1.00
\$5,000 under \$6,000.....	500,000	2.00	400,000	1.00	400,000	1.00	400,000	1.00	400,000	1.00
\$6,000 under \$7,000.....	367,000	2.09	297,000	1.00	297,000	1.00	297,000	1.00	297,000	1.00
\$7,000 under \$8,000.....	279,000	2.19	229,000	1.00	229,000	1.00	229,000	1.00	229,000	1.00
\$8,000 under \$9,000.....	217,000	2.29	177,000	1.00	177,000	1.00	177,000	1.00	177,000	1.00
\$9,000 under \$10,000.....	167,000	2.39	137,000	1.00	137,000	1.00	137,000	1.00	137,000	1.00
\$10,000 under \$15,000.....	1,247,000	1.01	1,147,000	1.00	1,147,000	1.00	1,147,000	1.00	1,147,000	1.00
\$15,000 under \$25,000.....	1,361,000	1.00	1,261,000	1.00	1,261,000	1.00	1,261,000	1.00	1,261,000	1.00
\$25,000 under \$50,000.....	1,303,000	1.00	1,203,000	1.00	1,203,000	1.00	1,203,000	1.00	1,203,000	1.00
\$50,000 under \$100,000.....	194,000	1.00	184,000	1.00	184,000	1.00	184,000	1.00	184,000	1.00
\$100,000 under \$500,000.....	83,000	1.00	73,000	1.00	73,000	1.00	73,000	1.00	73,000	1.00
\$500,000 under \$1,000,000.....	3	1.00	3	1.00	3	1.00	3	1.00	3	1.00
\$1,000,000 or more.....	3	1.00	3	1.00	3	1.00	3	1.00	3	1.00
Returns under \$1,000.....	3,612,370	1.00	3,512,370	1.00	3,512,370	1.00	3,512,370	1.00	3,512,370	1.00
Returns \$1,000 under \$10,000.....	2,347,173	1.00	2,247,173	1.00	2,247,173	1.00	2,247,173	1.00	2,247,173	1.00
Returns \$10,000 or more.....	111,187	1.00	101,187	1.00	101,187	1.00	101,187	1.00	101,187	1.00

Adjusted gross income classes	Farm net profit		Nonfarm net profit		Dividend net profit		Interest net profit		Rental net profit	
	Amount (Thousand dollars)	Relative sampling variability (Percent)	Amount (Thousand dollars)	Relative sampling variability (Percent)	Amount (Thousand dollars)	Relative sampling variability (Percent)	Amount (Thousand dollars)	Relative sampling variability (Percent)	Amount (Thousand dollars)	Relative sampling variability (Percent)
	11	12	13	14	15	16	17	18	19	20
Total.....	11,267,426	1.00	11,267,426	1.00	11,267,426	1.00	11,267,426	1.00	11,267,426	1.00
No adjusted gross income.....	1,000,000	33.82	1,000,000	1.00	1,000,000	31.96	1,000,000	22.11	1,000,000	41.10
Under \$600.....	28,000	4.14	28,000	1.00	28,000	4.14	28,000	4.14	28,000	4.14
\$600 under \$1,000.....	21,000	3.17	21,000	12.23	21,000	12.23	21,000	12.23	21,000	12.23
\$1,000 under \$2,000.....	31,117	2.41	31,117	7.20	31,117	7.20	31,117	7.20	31,117	7.20
\$2,000 under \$3,000.....	343,360	2.77	343,360	7.00	343,360	7.00	343,360	7.00	343,360	7.00
\$3,000 under \$4,000.....	429,102	3.12	429,102	6.73	429,102	6.73	429,102	6.73	429,102	6.73
\$4,000 under \$5,000.....	688,111	3.29	688,111	6.02	688,111	6.02	688,111	6.02	688,111	6.02
\$5,000 under \$6,000.....	854,000	3.92	854,000	6.11	854,000	6.11	854,000	6.11	854,000	6.11
\$6,000 under \$7,000.....	1,012,000	4.22	1,012,000	8.24	1,012,000	8.24	1,012,000	8.24	1,012,000	8.24
\$7,000 under \$8,000.....	1,301,000	4.41	1,301,000	8.04	1,301,000	8.04	1,301,000	8.04	1,301,000	8.04
\$8,000 under \$9,000.....	1,612,000	4.62	1,612,000	4.36	1,612,000	4.36	1,612,000	4.36	1,612,000	4.36
\$9,000 under \$10,000.....	2,077,000	6.27	2,077,000	11.73	2,077,000	11.73	2,077,000	11.73	2,077,000	11.73
\$10,000 under \$15,000.....	754,000	2.47	754,000	1.32	754,000	1.32	754,000	1.32	754,000	1.32
\$15,000 under \$25,000.....	1,352,000	4.48	1,352,000	4.91	1,352,000	4.91	1,352,000	4.91	1,352,000	4.91
\$25,000 under \$50,000.....	1,303,000	3.67	1,303,000	7.41	1,303,000	7.41	1,303,000	7.41	1,303,000	7.41
\$50,000 under \$100,000.....	184,000	4.76	184,000	5.77	184,000	5.77	184,000	5.77	184,000	5.77
\$100,000 under \$500,000.....	73,000	1.47	73,000	1.84	73,000	1.84	73,000	1.84	73,000	1.84
\$500,000 under \$1,000,000.....	3	1.00	3	1.00	3	1.00	3	1.00	3	1.00
\$1,000,000 or more.....	3	1.00	3	1.00	3	1.00	3	1.00	3	1.00
Returns under \$1,000.....	1,767,000	1.39	1,767,000	4.32	1,767,000	4.32	1,767,000	4.32	1,767,000	4.32
Returns \$1,000 under \$10,000.....	1,767,000	2.09	1,767,000	3.36	1,767,000	3.36	1,767,000	3.36	1,767,000	3.36
Returns \$10,000 or more.....	1,624,426	1.16	1,624,426	1.27	1,624,426	1.27	1,624,426	1.27	1,624,426	1.27

Adjusted gross income classes	Sales of capital assets (Net loss)		Dividends (Net loss)		Interest received		Rental income		Rental net profit	
	Amount (Thousand dollars)	Relative sampling variability (Percent)	Amount (Thousand dollars)	Relative sampling variability (Percent)	Amount (Thousand dollars)	Relative sampling variability (Percent)	Amount (Thousand dollars)	Relative sampling variability (Percent)	Amount (Thousand dollars)	Relative sampling variability (Percent)
	21	22	23	24	25	26	27	28	29	30
Total.....	482,426	1.92	12,967,426	1.00	11,267,426	1.00	11,267,426	1.00	11,267,426	1.00
No adjusted gross income.....	33,000	17.40	68,000	21.45	68,000	11.40	68,000	13.40	68,000	17.00
Under \$600.....	2,000	1.00	11,651	15.49	11,651	6.48	11,651	6.48	11,651	6.48
\$600 under \$1,000.....	2,000	20.96	37,152	11.00	37,152	7.00	37,152	7.00	37,152	7.00
\$1,000 under \$2,000.....	34,303	10.99	1,01,528	7.79	1,01,528	2.74	1,01,528	2.74	1,01,528	11.00
\$2,000 under \$3,000.....	41,000	8.79	251,944	8.79	251,944	1.00	251,944	1.00	251,944	11.00
\$3,000 under \$4,000.....	41,369	7.71	367,786	6.25	367,786	1.00	367,786	1.00	367,786	11.00
\$4,000 under \$5,000.....	47,000	4.33	743,123	6.83	743,123	1.00	743,123	1.00	743,123	6.83
\$5,000 under \$6,000.....	57,000	1.79	1,011,117	1.65	1,011,117	3.72	1,011,117	3.72	1,011,117	11.00
\$6,000 under \$7,000.....	67,116	2.36	377,122	7.00	377,122	3.43	377,122	3.43	377,122	11.00
\$7,000 under \$8,000.....	62,000	1.81	334,431	1.96	334,431	3.43	334,431	3.43	334,431	11.00
\$8,000 under \$9,000.....	52,000	11.14	317,42	8.76	317,42	1.00	317,42	1.00	317,42	11.00
\$9,000 under \$10,000.....	47,000	1.70	287,210	8.63	287,210	1.00	287,210	1.00	287,210	11.00
\$10,000 under \$15,000.....	167,000	1.00	1,281,386	1.73	1,281,386	1.73	1,281,386	1.73	1,281,386	1.73
\$15,000 under \$25,000.....	78,000	2.02	884,000	2.04	884,000	1.73	884,000	1.73	884,000	1.73
\$25,000 under \$50,000.....	122,000	4.13	3,097,330	1.73	3,097,330	1.73	3,097,330	1.73	3,097,330	1.73
\$50,000 under \$100,000.....	184,000	1.76	2,017,367	1.13	2,017,367	1.11	2,017,367	1.11	2,017,367	1.11
\$100,000 under \$500,000.....	73,000	1.32	1,083,333	1.15	1,083,333	1.22	1,083,333	1.22	1,083,333	1.22
\$500,000 under \$1,000,000.....	3	1.00	3	1.00	3	1.00	3	1.00	3	1.00
\$1,000,000 or more.....	3	1.00	3	1.00	3	1.00	3	1.00	3	1.00
Returns under \$1,000.....	21,000	4.77	1,160,337	3.13	1,160,337	1.00	1,160,337	1.00	1,160,337	1.00
Returns \$1,000 under \$10,000.....	21,000	4.11	1,043,779	3.63	1,043,779	1.73	1,043,779	1.73	1,043,779	1.73
Returns \$10,000 or more.....	32,323	1.13	1,764,316	1.63	1,764,316	1.00	1,764,316	1.00	1,764,316	1.00

* An asterisk in a cell denotes that the estimate is based on a sample with high sampling variability. However, the data are not subject to sampling variability since the returns in this class were sampled at 100 percent. † Adjusted gross income less deficit. ‡ Deficit.

Table 7.4--RELATIVE SAMPLING VARIABILITY AT THE ONE STANDARD DEVIATION LEVEL: TOTAL NUMBER OF RETURNS, SELECTED SOURCES OF INCOME AND TAX BY STATES

State	All returns		Adjusted gross income		Salaries and wages (net)		Business profit or loss		Farm profit or loss		Partnership profit or loss	
	Number	Relative sampling variability (Percent)	Amount (Thousand dollars)	Relative sampling variability (Percent)	Amount (Thousand dollars)	Relative sampling variability (Percent)	Amount (Thousand dollars)	Relative sampling variability (Percent)	Amount (Thousand dollars)	Relative sampling variability (Percent)	Amount (Thousand dollars)	Relative sampling variability (Percent)
Alabama.....	9,652	0.27	5,100,114	1.12	4,356,243	1.36	298,844	4.47	(*)	(*)	133,390	17.52
Alaska.....	78,534	0.87	8,233,824	2.73	553,227	3.10	44,392	12.28	(*)	(*)	16,572	19.91
Arizona.....	497,464	0.37	2,890,731	1.44	2,331,259	2.00	163,056	6.27	(*)	(*)	71,842	14.24
Arkansas.....	547,028	0.41	2,495,671	1.63	1,911,994	2.12	167,797	5.26	58,444	14.73	92,114	9.90
California.....	6,778,232	0.22	47,212,608	0.35	39,114,150	0.46	2,912,974	1.00	(*)	(*)	1,227,860	3.21
Colorado.....	682,637	0.47	4,196,115	1.29	3,359,317	1.64	288,636	4.11	(*)	(*)	117,533	7.04
Connecticut.....	1,095,037	0.17	8,219,177	0.90	6,591,986	1.17	457,697	3.00	(*)	(*)	151,207	6.33
Delaware.....	172,651	1.64	1,415,488	2.55	1,032,308	3.36	60,844	9.22	(*)	(*)	(*)	(*)
District of Columbia.....	302,734	3.92	1,968,280	3.28	1,547,630	3.90	82,401	3.03	1,035	22.02	20,743	20.20
Florida.....	1,918,677	0.28	11,115,341	0.79	8,705,322	1.13	644,287	3.77	(*)	(*)	263,904	10.20
Georgia.....	1,404,697	0.24	7,550,408	1.04	6,367,473	1.15	417,646	3.10	35,217	20.36	160,374	24.76
Hawaii.....	257,466	0.62	1,589,418	1.92	1,133,973	2.37	74,016	8,845	27,94	27.94	37,475	12.12
Idaho.....	225,667	0.50	1,220,433	2.20	937,804	3.01	94,492	8.01	42,096	16.47	40,794	14.23
Illinois.....	4,076,425	0.05	28,371,425	0.44	21,371,004	0.60	1,567,203	1.25	418,401	4.13	116,783	3.84
Indiana.....	1,717,323	0.23	10,949,114	0.76	9,009,821	0.95	648,492	2.70	204,441	5.74	244,537	4.92
Iowa.....	441,641	0.06	3,543,153	1.03	3,091,760	1.24	456,574	3.74	900,234	3.59	230,423	6.48
Kansas.....	751,701	0.38	4,273,255	1.14	3,155,401	1.71	377,062	5.33	193,482	7.90	152,167	6.06
Kentucky.....	937,468	0.30	4,852,468	1.13	3,967,449	1.44	356,945	4.11	51,175	2.55	127,471	5.88
Louisiana.....	940,633	0.31	5,404,072	1.10	4,447,736	1.37	330,216	4.18	(*)	(*)	101,728	5.75
Maine.....	354,140	0.32	1,774,430	1.89	1,442,858	2.47	127,694	6.13	17,128	14.22	45,577	15.84
Maryland.....	1,377,564	0.27	7,473,043	1.00	6,494,344	1.18	459,344	3.34	(*)	(*)	165,636	6.84
Massachusetts.....	2,114,628	0.09	13,394,374	0.67	10,993,623	0.92	777,083	2.91	(*)	(*)	180,905	5.54
Michigan.....	2,945,955	0.05	20,954,119	0.53	17,480,032	0.68	1,144,771	2.11	58,371	16.50	41,875	3.80
Minnesota.....	1,434,813	0.07	7,442,467	0.93	6,896,427	1.25	404,788	3.04	193,829	6.41	212,140	5.27
Mississippi.....	512,377	0.51	2,471,370	1.57	1,957,446	2.13	103,754	5.13	(*)	(*)	114,397	11.23
Missouri.....	1,587,277	0.07	8,313,330	0.84	7,064,321	1.07	592,164	2.49	12,114	4.78	255,444	5.34
Montana.....	234,997	0.80	1,330,382	2.53	991,194	3.54	6,497	4.16	58,428	14.25	68,691	15.55
Nebraska.....	532,555	-	2,860,672	1.54	1,974,943	2.33	207,563	5.41	229,248	6.34	104,697	11.72
Nevada.....	164,444	0.69	1,131,294	2.25	761,152	2.81	47,184	12.44	(*)	(*)	31,244	18.64
New Hampshire.....	253,911	0.45	1,437,913	2.23	1,145,452	2.80	91,461	10.23	(*)	(*)	15,934	15.61
New Jersey.....	2,698,570	0.21	12,711,457	0.54	11,327,113	0.72	860,172	2.21	(*)	(*)	421,064	9.77
New Mexico.....	366,378	0.61	1,948,691	2.04	1,426,094	2.43	47,139	9.20	(*)	(*)	23,238	23.94
New York.....	5,354,162	0.16	48,689,441	0.36	38,429,417	0.44	2,124,240	1.74	21,861	34.67	1,272,090	5.41
North Carolina.....	1,517,241	0.27	7,819,631	1.00	6,723,674	1.17	401,261	3.44	35,675	8.21	164,311	8.77
North Dakota.....	217,642	0.31	1,066,440	2.24	782,972	3.12	47,578	3.61	162,478	5.44	45,562	11.55
Ohio.....	3,575,602	0.15	24,083,311	0.50	20,087,355	0.63	1,432,762	1.87	146,692	7.91	446,634	3.86
Oklahoma.....	791,000	0.32	4,244,422	1.22	3,324,959	1.63	207,413	5.07	60,276	15.32	114,969	10.02
Oregon.....	622,441	0.36	4,240,184	1.20	3,357,117	1.62	305,493	4.44	24,197	27.41	18,511	7.05
Pennsylvania.....	4,257,086	0.15	26,077,544	0.44	22,115,449	0.62	1,442,794	2.01	35,773	22.72	494,872	3.43
Rhode Island.....	343,725	0.39	2,369,013	1.73	1,731,128	2.16	111,277	4.47	(*)	(*)	32,730	11.65
South Carolina.....	716,111	0.33	3,595,455	1.40	3,074,360	1.62	277,184	4.04	19,207	23.94	75,133	15.82
South Dakota.....	232,871	-	1,041,446	2.54	785,139	4.17	72,170	1.91	104,773	2.02	46,797	13.55
Tennessee.....	1,182,634	0.31	6,222,033	1.00	5,070,306	1.27	479,773	2.74	32,634	24.61	228,621	8.73
Texas.....	3,231,538	0.15	25,391,368	0.74	21,236,674	0.91	1,236,131	2.44	47,422	21.24	430,240	17.44
Utah.....	312,238	0.21	1,893,734	1.99	1,411,111	2.34	111,611	4.47	(*)	(*)	57,310	18.14
Vermont.....	150,495	0.64	760,277	2.49	575,152	4.14	111,133	12.7	(*)	(*)	14,422	19.13
Virginia.....	1,415,931	0.27	8,400,447	0.85	7,173,447	1.06	387,993	3.77	(*)	(*)	170,574	6.22
Washington.....	1,171,531	0.24	7,937,836	0.92	6,744,141	1.20	439,444	3.73	17,557	13.72	204,344	6.70
West Virginia.....	343,444	0.62	2,435,970	1.68	1,833,113	2.04	178,853	5.34	(*)	(*)	54,464	10.63
Wisconsin.....	1,501,543	0.04	9,112,444	0.40	7,376,093	1.14	607,844	3.00	147,701	6.54	193,296	5.52
Wyoming.....	117,493	1.09	643,861	3.77	481,328	4.21	14,451	11.21	(*)	(*)	21,607	16.39
Other areas.....	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

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

returns with adjusted gross income under \$10,000, then the relative sampling variability for this estimate would be expected to be less than the figure of 21 percent shown in column 1 opposite 15,000.

Frequencies and amounts considered subject to excessive sampling variability are not shown in the tables, although they are reflected in the appropriate totals. Where sampling variability was judged to be excessive, data in particular cells have been deleted or have been combined for a group of cells. The data were combined in such a manner that the combined sampling variability was not excessive. Where deletions were made in tables, the applicable cells are noted with an asterisk (*). Where combinations of data were made, the combined totals are presented alongside the bracketed cells to which they relate.

Response and other nonsampling errors

In processing returns for collection purposes and, later, in processing the sample of such returns for

statistical purposes, several steps were taken to reduce taxpayer-reporting errors and other errors introduced in data processing operations. Over 90 percent of all individual returns filed during 1966 were mathematically 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.

Table 7.4--RELATIVE SAMPLING VARIABILITY AT THE ONE STANDARD DEVIATION LEVEL: TOTAL NUMBER OF RETURNS, SELECTED SOURCES OF INCOME AND TAX BY STATES--Continued

State	Sale of capital assets net gain or loss		Dividend, interest, and other income		Interest received		Profit or loss from business or profession		Rents		Income from retirement	
	Amount (Thousand dollars)	Relative sampling variability (Percent)	Amount (Thousand dollars)	Relative sampling variability (Percent)	Amount (Thousand dollars)	Relative sampling variability (Percent)	Amount (Thousand dollars)	Relative sampling variability (Percent)	Amount (Thousand dollars)	Relative sampling variability (Percent)	Amount (Thousand dollars)	Relative sampling variability (Percent)
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Alabama.....	11,432	10.6	77,622	2.58	21,127	4.02	36,317	12.98	2,749,222	1.1	3,447	1.1
Alaska.....	1*	..	..	..	..	..	..	..	..	..	..	..
Arizona.....	40,724	8.34	21,137	9.22	8,441	8.15	..	..	1,252,272	2.28	3,156	1.1
Arkansas.....	15,229	11.07	22,119	10.22	13,751	10.56	54,703	13.77	1,127,186	2.28	222,722	2.58
California.....	1,518,267	2.47	1,202,761	2.19	1,249,117	1.98	..	..	22,226,667	..	17,222	..
Colorado.....	105,111	8.77	107,281	7.32	107,281	5.92	..	..	2,271,222	1.12	..	..
Connecticut.....	215,822	3.77	426,222	4.27	212,222	3.27	2,113	14.17	1,222,222	1.27	2,113	1.27
Delaware.....	103,431	2.82	142,127	3.77	12,222	14.32	..	..	1,222,222	..	..	..
District of Columbia.....	..	..	11,330	7.93	..	7.8	15,222	20.24	1,222,222	3.4	22,222	..
Florida.....	402,222	4.17	22,222	4.62	412,222	4.12	..	..	1,222,222	1.12	1,222,222	..
Georgia.....	126,222	7.07	102,222	4.97	122,222	6.58	42,222	17.23	2,222,222	1.02	22,222	1.12
Hawaii.....	22,222	8.13	32,222	9.72	31,411	10.49	11,222	21.22	1,222,222	2.22	1,222,222	..
Idaho.....	12,222	14.12	12,222	12.42	32,222	12.42	12,222	27.11	1,222,222	2.22	1,222,222	..
Illinois.....	642,222	2.58	222,222	2.52	702,222	2.37	222,222	4.22	12,222,222	0.22	222,222	..
Indiana.....	122,222	6.12	22,222	9.72	22,222	3.22	..	..	1,222,222	1.12	1,222,222	..
Iowa.....	137,222	5.22	22,222	4.22	122,222	5.02	12,222	12.22	2,222,222	1.12	1,222,222	..
Kansas.....	92,017	7.22	22,222	8.12	122,222	5.72	122,222	10.72	2,222,222	1.12	222,222	..
Kentucky.....	72,022	6.82	112,222	6.82	32,222	6.72	..	..	1,222,222	1.12	42,222	..
Louisiana.....	112,222	6.37	102,222	8.22	102,222	5.22	122,222	2.12	2,222,222	1.12	1,222,222	..
Maine.....	22,222	9.22	22,222	11.22	42,222	11.22	..	..	1,222,222	2.22	1,222,222	..
Maryland.....	122,222	5.37	22,222	1.22	122,222	4.37	52,222	12.22	2,222,222	1.12	1,222,222	..
Massachusetts.....	222,222	3.22	22,222	3.22	322,222	3.12	122,222	12.22	2,222,222	1.12	2,222,222	..
Michigan.....	322,222	4.22	22,222	2.22	422,222	2.22	22,222	12.22	2,222,222	1.12	2,222,222	..
Minnesota.....	122,222	5.22	12,222	4.22	112,222	5.22	42,222	12.22	1,222,222	1.12	1,222,222	..
Mississippi.....	22,222	12.12	22,222	11.12	22,222	8.22	..	..	1,222,222	2.22	2,222,222	..
Missouri.....	222,222	7.22	22,222	4.22	232,222	4.22	22,222	12.22	2,222,222	1.12	1,222,222	..
Montana.....	40,222	12.22	22,222	12.22	40,222	12.22	..	..	1,222,222	3.22	1,222,222	..
Nebraska.....	22,222	12.22	22,222	12.22	22,222	12.22	..	..	1,222,222	2.22	2,222,222	..
Nevada.....	22,222	12.22	22,222	12.22	22,222	12.22	..	..	1,222,222	2.22	2,222,222	..
New Hampshire.....	22,222	12.22	22,222	12.22	22,222	12.22	..	..	1,222,222	2.22	2,222,222	..
New Jersey.....	222,222	4.22	22,222	3.22	222,222	2.22	42,222	12.22	2,222,222	1.12	2,222,222	..
New Mexico.....	42,222	12.22	22,222	12.22	42,222	12.22	..	..	1,222,222	2.22	1,222,222	..
New York.....	1,422,222	2.22	222,222	2.22	1,422,222	2.22	1,422,222	2.22	22,222,222	0.22	2,222,222	..
North Carolina.....	122,222	5.22	22,222	4.22	122,222	5.22	22,222	12.22	2,222,222	1.12	1,222,222	..
North Dakota.....	22,222	12.22	22,222	12.22	22,222	12.22	..	..	1,222,222	2.22	2,222,222	..
Ohio.....	422,222	2.22	222,222	3.22	522,222	2.22	122,222	12.22	12,222,222	0.22	2,222,222	..
Oklahoma.....	112,222	7.22	22,222	6.22	112,222	6.22	22,222	12.22	2,222,222	1.12	2,222,222	..
Oregon.....	102,222	7.22	22,222	6.22	102,222	6.22	22,222	12.22	2,222,222	1.12	2,222,222	..
Pennsylvania.....	422,222	3.22	222,222	3.22	422,222	3.22	102,222	12.22	12,222,222	0.22	2,222,222	..
Rhode Island.....	32,222	12.22	22,222	12.22	32,222	12.22	..	..	1,222,222	2.22	2,222,222	..
South Carolina.....	92,222	11.22	22,222	12.22	92,222	11.22	22,222	12.22	1,222,222	1.12	2,222,222	..
South Dakota.....	40,222	12.22	22,222	12.22	40,222	12.22	..	..	1,222,222	2.22	2,222,222	..
Tennessee.....	112,222	6.22	112,222	7.02	112,222	6.12	22,222	12.22	2,222,222	1.12	2,222,222	..
Texas.....	522,222	2.22	222,222	3.22	522,222	2.22	322,222	12.22	12,222,222	0.22	2,222,222	..
Utah.....	32,222	12.22	22,222	12.22	32,222	12.22	..	..	1,222,222	2.22	2,222,222	..
Vermont.....	22,222	12.22	22,222	12.22	22,222	12.22	..	..	1,222,222	2.22	2,222,222	..
Virginia.....	122,222	7.22	22,222	6.22	122,222	6.22	22,222	12.22	2,222,222	1.12	2,222,222	..
Washington.....	122,222	7.22	112,222	7.22	122,222	7.22	22,222	12.22	2,222,222	1.12	2,222,222	..
West Virginia.....	22,222	12.22	22,222	12.22	22,222	12.22	..	..	1,222,222	2.22	2,222,222	..
Wisconsin.....	122,222	7.22	22,222	6.22	122,222	6.22	22,222	12.22	2,222,222	1.12	2,222,222	..
Wyoming.....	22,222	12.22	22,222	12.22	22,222	12.22	..	..	1,222,222	2.22	2,222,222	..
Other areas.....	22,222	12.22	22,222	12.22	22,222	12.22	..	..	1,222,222	2.22	2,222,222	..

See text for "Explanation of Abbreviations and Terms" and "Data, Description, and Limitations of the Data."
 (*) An asterisk in a cell denotes that the estimate is not available separately because of high sampling variability. However, the data are included in the appropriate totals.
 † Deficit.
 ‡ Not available.

Table 7.5--RELATIVE SAMPLING VARIABILITY AT THE ONE STANDARD DEVIATION LEVEL OF ESTIMATED NUMBER OF RETURNS, 1965 (Taxable and nontaxable returns)

Estimated number of returns	Relative sampling variability of returns		
	Under \$10,000	\$10,000 to \$25,000	\$25,000 and over
	1	2	3
	(Percent)		
1,000.....	11	12	12
2,000.....	11	12	12
3,000.....	11	12	12
4,000.....	11	12	12
5,000.....	11	12	12
6,000.....	11	12	12
7,000.....	11	12	12
8,000.....	11	12	12
9,000.....	11	12	12
10,000.....	11	12	12
11,000.....	11	12	12
12,000.....	11	12	12
13,000.....	11	12	12
14,000.....	11	12	12
15,000.....	11	12	12
16,000.....	11	12	12
17,000.....	11	12	12
18,000.....	11	12	12
19,000.....	11	12	12
20,000.....	11	12	12
21,000.....	11	12	12
22,000.....	11	12	12
23,000.....	11	12	12
24,000.....	11	12	12
25,000.....	11	12	12
26,000.....	11	12	12
27,000.....	11	12	12
28,000.....	11	12	12
29,000.....	11	12	12
30,000.....	11	12	12
31,000.....	11	12	12
32,000.....	11	12	12
33,000.....	11	12	12
34,000.....	11	12	12
35,000.....	11	12	12
36,000.....	11	12	12
37,000.....	11	12	12
38,000.....	11	12	12
39,000.....	11	12	12
40,000.....	11	12	12
41,000.....	11	12	12
42,000.....	11	12	12
43,000.....	11	12	12
44,000.....	11	12	12
45,000.....	11	12	12
46,000.....	11	12	12
47,000.....	11	12	12
48,000.....	11	12	12
49,000.....	11	12	12
50,000.....	11	12	12

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 for internal use only, containing an 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 1965 returns that were filed after December 31, 1966. It was felt that the characteristics of 1965 returns filed after 1966 could best be represented by previous year delinquent returns filed during 1966. As can be seen in table 7.2, the number of delinquent returns filed during 1966 was 406,000.

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.

An intensive system of sample management and control was used to insure the selection of the prescribed



Form 1040A: Individual Income Tax Return, 147
 Form 1040: Individual Income Tax Return, 155
 Schedule B, Income and Credits, 157
 Schedule C, Profit (or Loss) from Business
 or Profession, 179

Form 1040: Schedule D, Gains and Losses from Sales
 or Exchanges of Property, 184
 Schedule F, Farm Income and
 Expense, 187
 Schedule G, Income Averaging, 192

Form 1040A U.S. Individual Income Tax Return (Less than \$10,000 total income) **1965**

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:	
Home address (Number and street or rural route)		3. Wife's number, if joint return		<input type="checkbox"/> a. Single;	
City, town or post office, State and Postal ZIP code				<input type="checkbox"/> b. Married filing joint return (even if only one had income);	
				<input type="checkbox"/> c. Married filing separately — If your husband or wife is also filing a return give his or her first name and social security number.	

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

Enter the name & address used on your return for 1964 (If the same as above, write "Same.") If none filed, give reason. If changing from separate to joint or joint to separate returns, enter 1964 names and addresses.

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 ▶	
6. Interest and dividends	Yours ▶	
	Wife's ▶	
7. Total income (add items 5 and 6)	▶	
8. Tax from Tax Table or 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, & 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 →

Regular	65 or over	Blind	Enter number of exemptions checked ▶▶▶
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Yours	<input type="checkbox"/>	<input type="checkbox"/>	
Wife	<input type="checkbox"/>	<input type="checkbox"/>	

13. First names of your dependent children who lived with you _____ Enter number ▶

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. ▶

Your present employer	Wife's present employer
City and State where employed	City and State where employed

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

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

Sign here ▶ _____ Date _____

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

1965

1965

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 1965 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, phone 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 Wage and Tax 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 subject to withholding tax and not more than \$200 total of dividends, interest, and other wages, 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 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 1964, 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.

An enlisted man may exclude all service compensation for each month in which he served in a combat zone and each month for which he was hospitalized as a result of such service. For this purpose service

for any part of a month is considered a full month. A commissioned officer may exclude up to \$200 a month of such compensation. Forms W-2 issued for 1965 by the Armed Forces early in 1965 will, in most cases, include combat pay. Forms W-2 issued after that time should not include these payments. If there is any doubt as to whether the amount shown on your Form W-2 includes the nontaxable amount, contact the pay office which issued the form. If you are reporting less income on page 1, item 5, Form 1040A, than is shown on your Form W-2, attach a statement to your return showing how the exclusion was figured.

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, 1966, but not later than April 15, 1966.

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 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 an overpayment of less than \$1 will be refunded only upon separate application to your District Director.

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, or 7, 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.

Instructions—Form 1040A (1965)

PAGE 1

- (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 I, 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. Example: Husband and wife filing joint return claiming 4 dependent children. Minimum standard deduction is \$800 (\$200 plus \$100 for each of 6 exemptions). 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. To use the minimum standard deduction both must use it and both must compute their tax.

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 1965 Forms W-2. If an amount appears on Form W-2 in the box captioned "Other compensation paid in 1965" add this amount to the amount shown in the box captioned "Wages paid subject to withholding in 1965" and enter the total on page 1, item 5. Also include in this item wages for which you did not receive a Form W-2. If you lose a Form W-2, ask your employer for a new one. If you cannot furnish a Form W-2, 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 1965.

MARRIED COUPLE:

MARITAL STATUS.—If married at the end of 1965, you are considered married for the entire year. If divorced or legally separated on or before the end of 1965, 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 1965 return, you should consider changing your Withholding Exemption Certificate (Form W-4).

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 at most 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.

INSTRUCTIONS FOR PREPARING FRONT OF FORM 1040A—Continued

PAGE 3

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 tax 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, 1965.

⑬ ⑭ Enter in item 13 the first names and the total number of your dependent children who lived with you during 1965.

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 1965 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 on the back of Form 1040A above the signature. However, if your employer's payments are more than your expenses or you wish to claim a deduction for 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)

1965

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

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

Enter the name & address used on your return for 1964 (If the same as above, write "Same.") If none filed, give reason. If changing from separate to joint or joint to separate returns, enter 1964 names and addresses.

5 Enter total wages, salaries, tips, etc. Enclose Forms W-2, Copy B. If not shown on enclosed Forms W-2 attach explanation.
6 Interest and dividends
7 Total income (add items 5 and 6)
8 Tax from Tax Table or 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

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.

Apply refund to: U.S. Savings Bonds, & 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: Yourself, Wife, Regular, 65 or over, Blind. Enter number of exemptions checked.

13 First names of your dependent children who lived with you. Enter number.

14 DEPENDENTS OTHER THAN THOSE CLAIMED IN ITEM 13. Table with columns: (a) NAME, (b) Relationship, (c) Months lived in your home, (d) Did dependent have income of \$600 or more?, (e) Amount YOU furnished for dependent's support, (f) Amount furnished by OTHERS.

15. TOTAL EXEMPTIONS FROM ITEMS 12, 13, AND 14 ABOVE

Your present employer, City and State where employed, Wife's present employer, City and State where employed

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

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

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

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. Table with columns: If the amount on line 5 is: Over, But not over; Enter on line 6.

If you are married taxpayers filing a joint return, use this tax rate schedule. Table with columns: If the amount on line 5 is: Over, But not over; Enter on line 6.

PAGE 6

TAX TABLE B—FOR MARRIED PERSONS FILING JOINT RETURNS

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—		Your tax is—				
\$0	\$1,600	\$0	\$0	\$2,800	\$2,825	\$172	\$72	\$0	\$0	\$0
1,600	1,625	2	0	2,825	2,850	176	75	0	0	0
1,625	1,650	5	0	2,850	2,875	179	79	0	0	0
1,650	1,675	9	0	2,875	2,900	183	82	0	0	0
1,675	1,700	12	0	2,900	2,925	187	86	0	0	0
1,700	1,725	16	0	2,925	2,950	191	89	0	0	0
1,725	1,750	19	0	2,950	2,975	194	93	0	0	0
1,750	1,775	23	0	2,975	3,000	198	96	0	0	0
1,775	1,800	26	0	3,000	3,050	204	102	4	0	0
1,800	1,825	30	0	3,050	3,100	211	109	11	0	0
1,825	1,850	33	0	3,100	3,150	219	116	18	0	0
1,850	1,875	37	0	3,150	3,200	226	123	25	0	0
1,875	1,900	40	0	3,200	3,250	234	130	32	0	0
1,900	1,925	44	0	3,250	3,300	241	137	39	0	0
1,925	1,950	47	0	3,300	3,350	249	144	46	0	0
1,950	1,975	51	0	3,350	3,400	256	151	53	0	0
1,975	2,000	54	0	3,400	3,450	264	159	60	0	0
2,000	2,025	58	0	3,450	3,500	271	166	67	0	0
2,025	2,050	61	0	3,500	3,550	279	174	74	0	0
2,050	2,075	65	0	3,550	3,600	286	181	81	0	0
2,075	2,100	68	0	3,600	3,650	294	189	88	0	0
2,100	2,125	72	0	3,650	3,700	302	196	95	0	0
2,125	2,150	75	0	3,700	3,750	310	204	102	4	0
2,150	2,175	79	0	3,750	3,800	318	211	109	11	0
2,175	2,200	82	0	3,800	3,850	326	219	116	18	0
2,200	2,225	86	0	3,850	3,900	334	226	123	25	0
2,225	2,250	89	0	3,900	3,950	342	234	130	32	0
2,250	2,275	93	0	3,950	4,000	350	241	137	39	0
2,275	2,300	96	0	4,000	4,050	358	249	144	46	0
2,300	2,325	100	2	4,050	4,100	365	256	151	53	0
2,325	2,350	103	5	4,100	4,150	372	264	159	60	0
2,350	2,375	107	9	4,150	4,200	379	271	166	67	0
2,375	2,400	110	12	4,200	4,250	386	279	174	74	0
2,400	2,425	114	16	4,250	4,300	394	286	181	81	0
2,425	2,450	117	19	4,300	4,350	401	294	189	88	0
2,450	2,475	121	23	4,350	4,400	408	302	196	95	0
2,475	2,500	124	26	4,400	4,450	415	310	204	102	4
2,500	2,525	128	30	4,450	4,500	422	318	211	109	11
2,525	2,550	131	33	4,500	4,550	430	326	219	116	18
2,550	2,575	135	37	4,550	4,600	437	334	226	123	25
2,575	2,600	138	40	4,600	4,650	444	342	234	130	32
2,600	2,625	142	44	4,650	4,700	451	350	241	137	39
2,625	2,650	146	47	4,700	4,750	459	358	249	144	46
2,650	2,675	149	51	4,750	4,800	467	366	256	151	53
2,675	2,700	153	54	4,800	4,850	474	374	264	159	60
2,700	2,725	157	58	4,850	4,900	482	382	271	166	67
2,725	2,750	161	61	4,900	4,950	490	390	279	174	74
2,750	2,775	164	65	4,950	5,000	497	398	286	181	81
2,775	2,800	168	68							

TAX TABLE C—FOR MARRIED PERSONS FILING SEPARATE RETURNS

This table is designed to enable married persons filing separate returns to figure their tax choosing either the 10% or minimum standard deduction. However, it uses the 10% deduction, then both must use it. If one asks the Internal Revenue Service to figure his tax, then the other must do the same or use the 10% 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.

Table with columns for 'If your total income is-' and 'And the number of exemptions is-' (1-7). Rows list income brackets (e.g., \$0-\$675, \$700-\$725) and corresponding tax amounts for various exemption counts.

Form 1040

U.S. Individual Income Tax Return

1965

for the year January 1-December 31, 1965 or other taxable year beginning 1965, ending 19 US Treasury Department-Internal Revenue Service

First name and initial, Last name, Home address, City, town or post office, and State, Postal ZIP code, Your social security number, Your occupation & present employer, Wife's number, If joint return, Wife's occupation & present employer

Filing Status—check one: 1a Single, 1b Married filing joint return, 1c Married filing separately, 1d Unmarried Head of Household, 1e Surviving widow(er) w. h dependent child. Exemptions Regular 65 or over Blind: 2a Yourself, 2b Wife, 3a First names of your dependent children, 3b Number of other dependents, 4 Total exemptions claimed

Income 5 Wages, salaries, tips, etc. If not shown on attached Forms W-2 attach explanation. 6 Other income (from page 2, Part II, line 9). 7 Total (add lines 5 and 6). 8 Adjustments (from page 2, Part III, line 5). 9 Total income (subtract line 8 from line 7)

Tax Computation: 10 Tax Table—If you do not itemize deductions and line 9 is less than \$5,000, find your tax from tables in instructions. Do not use lines 11 a, b, c, or d. Enter tax on line 12. 11 Tax Rate Schedule— 11a If you itemize deductions, enter total from page 2, Part IV. If you do not itemize deductions, and line 9 is \$5,000 or more enter the larger of: (1) 10 percent of line 9 or; (2) \$200(\$100 if married and filing separate return) plus \$100 for each exemption claimed on line 4, above. The deduction computed under (1) or (2) is limited to \$1,000 (\$500 if married and filing separate return). 11b Subtract line 11a from line 9. 11c Multiply total number of exemptions on line 4, above, by \$600. 11d Subtract line 11c from line 11b. Enter balance on this line. (Figure your tax on this amount by using tax rate schedule on page 11 of instructions.) Enter tax on line 12.

Tax Credits Payments: 12 Tax (from either Tax Table, see line 10, or Tax Rate Schedule, see line 11). 13 Total credits (from page 2, Part V, line 5). 14 Income tax (subtract line 13 from line 12). 15 Self-employment tax (Schedule C-3 or F-1). 16 Total tax (add lines 14 and 15). 17a Total Federal income tax withheld (attach Forms W-2). 17b 1965 Estimated tax payments (Include 1964 overpayment allowed as a credit) (Office where paid). 17c Total (add lines 17a and 17b).

Tax Due or Refund: 18 If payments (line 17c) are less than tax (line 16), enter Balance Due. Pay in full with this return. 19 If payments (line 17c) are larger than tax (line 16) enter Overpayment. 20 Amount of line 19 you wish credited to 1966 Estimated Tax. 21 Subtract line 20 from 19. Apply to: U.S. Savings Bonds, with excess refunded or Refund only

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. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

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. Address. Date.

Attach Copy B of Form W-2 here

Please print or type

Attach Check or Money Order here

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

Form 1040 1965 Page 2

(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 page 1, line 3b >>>> 					

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. Give details in lines 1a through 1d		

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

1a Qualifying dividends (name of payer)

.....

.....

Total qualifying

1b Subtract \$100. If joint return see instructions	
1c Balance (but not less than zero)	

1d Nonqualifying dividends (name of payer)

.....

Total nonqualifying

2 Total dividends (add lines 1c and 1d) >>>>	
--	--

3 Interest (name of payer)

.....

Total interest income >>>>

4 Pensions and annuities, rents and royalties, partnerships, & 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 page 1 line 6, >>>>	
--	--

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 page 1, line 8	

EXPENSE ACCOUNT INFORMATION—If you had an expense allowance or charged expenses to your employer, check here 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 (See note above)	
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.—Cash—including checks, money orders, etc. (itemize)

.....

1 Total cash contributions	
2 Other than cash (see instructions for required statement). Enter total of such items here	
3 Total contributions (add lines 1 and 2—see instructions for limitations)	

Taxes.—Real estate

State and local gasoline	\$
General sales	\$
State and local income	\$
Personal property	\$
Total taxes >>>>	

Interest expense.—Home mortgage

Other (itemize)

Total interest expense >>>>

Other deductions.—(see page 9 of instructions)

.....

Total other deductions >>>>

TOTAL DEDUCTIONS (for page 1, line 11a) >>>>

PART V. Credits

1 Retirement income credit (Schedule B)	
2 Investment credit (Form 3468)	
3 Foreign tax credit (Form 1116)	
4 Tax-free covenant bonds credit	
5 Total credits (add lines 1 through 4). Enter here and on page 1, line 13	

SCHEDULE B (Form 1040) <small>U.S. Treasury Department Internal Revenue Service</small>	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	1965
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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		4. Amount received this year		
2. Expected return		5. Amount excludable (line 4 multiplied by line 3)		
3. Percentage of income to be excluded (line 1 divided by line 2)	%	6. Taxable portion (excess of line 4 over line 5)		
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)		4. Amount received this year		
2. Cost received tax-free in post years		5. Taxable portion (excess, if any, of line 4 over line 3)		

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				
2. Net income (or loss) from rents and royalties (column 2 less sum of columns 3, 4, and 5)				

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 page 2, Part II, line 4, 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 (%) of 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							



Schedule B (Form 1040) 1965

Page 2

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 1965? (Widows or widowers see instructions, page B-3)

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 on page 1, line 9, Form 1040

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

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

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 15% of line 7(a) or 15% of line 7(b), whichever is greater

LIMITATION ON RETIREMENT INCOME CREDIT

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

10. Less: Total of any amounts shown on page 2, Part V, lines 3 and 4, Form 1040

11. Subtract line 10 from line 9

12. Credit. Enter here and on page 2, Part V, line 1, 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 1965.

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 on page 1, line 9, Form 1040, and gross rents included in Part II, column 2 of this schedule

2. Maximum amount of retirement income for credit computation 2,286 00

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	B
	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
1. Retirement income for taxable year:		
2. Maximum amount of retirement income for credit computation	1,524 00	1,524 00
3. Deduct:		
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)		
8. Tentative credit		
9. Amount of tax shown on page 1, line 12, Form 1040		
10. Less: Total of any amounts shown on page 2, Part V, lines 3 and 4, Form 1040		
11. Subtract line 10 from line 9		
12. Credit		

	A—WIFE	B—HUSBAND
1. Retirement income of both husband and wife from pensions and annuities, interest, and dividends included on page 1, line 9, Form 1040, and gross rents included in Part II, column 2 of this schedule		
2. Maximum amount of retirement income for credit computation		
3. Deduct:		
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 Special Message for Taxpayers

Every year more than 60 million individuals demonstrate their faith in America by filing income tax returns. The season has rolled around again and we are sending you this package of forms and instructions to help you do this.

There have been no basic changes in the law and therefore you will find few differences from last year's forms. One exception is that the recent "medicare" legislation added physicians to all of the other business and professional people who pay a "self-employment" tax along with their income tax, in order to qualify for social security benefits.

We have tried to make this year's form easier to read and more attractive by using more modern type and arrangement. Also, we have rearranged the tax tables in the instructions to make it easier for you to find the correct tax.

Our automatic data processing system has continued its steady progress and this year more returns will be processed electronically than ever before. This system promises more uniform application of our tax laws.

More improvements also have been made in the use of information from payers of dividends, interest, and other income so as to lessen mistakes in reporting such items. It has been very gratifying to see how much improvement has been made by citizens as they have become better acquainted with these responsibilities. Other points that need your special attention are:

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

COPY YOUR SOCIAL SECURITY NUMBER exactly as it appears on your account card.

BE SURE TO FILL OUT EACH ITEM on the form which applies to you. Please be accurate and follow the instructions.

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

BE SURE TO SIGN YOUR RETURN.

BE SURE TO FILE EARLY—before the April 15 deadline. A hastily prepared return may have errors.

We appreciate your efforts toward good compliance and we are proud of this Nation's record in this area. If you have any questions, please write or call your nearest district office.



Commissioner of Internal Revenue

Instructions for Preparing Your Federal Income Tax Return Form 1040 for 1965



INTERNAL
REVENUE
SERVICE

INSTRUCTIONS FORM 1040 (1965)

2

IMPORTANT NEW FEATURES

For 1965.—State sales tax tables showing acceptable levels of deductible sales tax are provided on pages 15, 16, and 17. State gasoline tax rates are also listed on page 9.

Information relating to the pay exclusion for Servicemen in Vietnam is contained on page 3 of these instructions.

For 1966.—The amount of wages subject to FICA (social security) tax is increased from \$4,800 to \$6,600 beginning in January 1966. The increase in FICA (social security) tax, to provide for hospital coverage and other benefits will be effective January 1, 1966.

The maximum amount of self-employment income has been increased from \$4,800 to \$6,600 for years ending after December 31, 1965. Appropriate changes should be made to Schedule C-3 and Schedule F-1 by self-employed individuals whose taxable year ends after December 31, 1965 and before December 31, 1966.

In general, cash tips received by an employee on and after January 1, 1966, amounting to \$20 or more in a month must be reported to the employer on a monthly basis. Such tips are considered wages and are subject to employee FICA (social security) tax at 4.2 percent and to income tax withholding.

Since Federal tax on gasoline used after June 30, 1965, on a farm and for other nonhighway purposes will now be allowed as a credit against tax on your income tax return for taxable years beginning after June 30, 1965, rather than refunded as heretofore, such anticipated amounts may be taken into consideration in making your 1966 income tax estimate. Federal tax on lubricating oil used after December 31, 1965, for any purpose other than in a highway motor vehicle, may also be claimed in the same manner.

HOW TO USE FORM 1040

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.

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 subject to withholding tax 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 exemption claimed in item 15 on the back of your Form 1040A. Example: Husband and wife filing joint return claiming 4 dependent children. Minimum

standard deduction is \$800 (\$200 plus \$100 for each of 6 exemptions).

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.

GENERAL INSTRUCTIONS**3****WHO MUST FILE A TAX RETURN**

Every citizen or resident of the United States—whether an adult or minor—who had \$600 or more income in 1965 must file; if 65 or over, \$1,200 or more.

A person with income of less than these amounts should file a return to get a refund if tax was withheld. Generally, a married person with income less than her (his) own personal exemption will get the smaller tax or larger refund by filing a joint return with husband or wife.

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 addresses of District Directors' Offices see page 10. 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.

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.

MEMBERS OF ARMED FORCES

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

An enlisted man may exclude all service compensation for each month for which he served in a combat zone and each month for which he was hospitalized as a result of such service. For this purpose service for any part of a month is considered a full month. A commissioned officer may exclude up to \$200 a month of such compensation. Forms W-2 issued for 1965 by the Armed Forces early in 1965 will, in most cases, include combat pay. Forms W-2 issued after that time should not include these payments. If there is any doubt as to whether the amount shown on your Form W-2 includes the nontaxable amount, contact the pay office which issued the form. If you are reporting less income on page 1, line 5, Form 1040, than is shown on your Form W-2, attach a statement to your return showing how the exclusion was figured.

WHERE TO GET FORMS

As far as practical, the forms are mailed directly to taxpayers. Additional

forms may be obtained from any Internal Revenue Service office, and also at most banks and some post offices.

HOW TO PAY

The balance of tax shown to be due on page 1, line 18, 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," page 1, line 1c 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—page 1, line 11a(2), 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," page 1, line 1c 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 on page 1, line 2.

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

4

GENERAL INSTRUCTIONS—Continued

as a surviving husband or wife in the signature area of the return. If a refund is due, attach Form 1310, State-

ment of Claimant to Refund Due on Behalf of Deceased Taxpayer. You may also be entitled to the benefits of

a joint return for the 2 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 the cost of maintaining as your home a household which during the entire year, except for temporary absence, was occupied as the principal place of abode and as a member of such household by (1) any related person other

than your unmarried child or stepchild (see list in upper left corner of page 5) 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 11.

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 return were being 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 tax refunds.
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.

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.).

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 Social Security benefits.

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, 1965. Your age is determined on the day before your actual birthday and, thus, if your 65th birthday was on January 1, 1966, you get the additional exemption for age on your return for 1965.

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 was not the dependent of 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—one, if she was neither blind nor 65 or over; two, if she was either blind or 65 or over; three, if she was both blind and 65 or over.

In Case of Death.—If your wife or husband died during 1965, 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 first names and the total number of your dependent children who lived with you during 1965.

Enter on line 3b the total number of dependents from page 2, Part I, line 3 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 of support on page 5), 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:

INSTRUCTIONS FOR PAGE 1 OF FORM 1040—Continued

5

Child*	Stepbrother	Son-in-law
Stepchild	Stepsister	Daughter-in-law
Mother	Stepmother	The following if
Father	Stepfather	related by blood:
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.

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. If an amount appears on Form W-2 in the box captioned "Other compensation paid in 1965," add this amount to the amount shown in the box captioned "Wages paid subject to withholding in 1965" and include the total with other payments reported on this line. Also include wages for which you did not receive a Form W-2. 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.

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.

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 II are to be used to figure your tax. Be sure to use the right schedule. See page 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 1965 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 excep-

6

INSTRUCTIONS FOR PAGE 1 OF FORM 1040—Continued

tions 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 20.—To properly claim the credit shown on line 20 file Form 1040-ES, Declaration of Estimated Income Tax for 1966, and enter this amount on line 7 of the estimate form.

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 return. 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 1966 declarations until January 15, 1967.

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 1966 income tax return. See instructions for line 17c.

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 in item A, above line 1a, the gross amount of dividends and other distributions received by you as a shareholder, either directly or through a nominee or other intermediary. Do not include any amount paid to you as a distribution in liquidation.

Enter in item B, above line 1a, the total of any capital gain dividends and nontaxable distributions included in item A. An example of this is an amount designated by a paying corporation as a return of capital.

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 in Part I, line 8 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 up to \$100 of dividends received from qualifying domestic corporations.

If a joint return is filed and both hus-

band 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.

If you received qualifying dividends through a fiduciary or partnership see paragraph for dividends received credit on page 10.

Taxable dividends from the following corporations, which do not qualify for the dividends received exclusion 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 on line 8. Income reported on this line must be identified as to its source. Report here amounts received as alimony, separate maintenance, prizes and

INSTRUCTIONS FOR PAGE 2 OF FORM 1040—Continued

7

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 1965, 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 1965 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 1965, 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 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 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 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 reimbursement and the amount of the deductible expenses. Enter any excess reimbursement on page 2, Part II, line 8 of your return and enter any excess expenses on page 2, Part III, line 2 of your return. However, if the reimbursement was included on Form W-2 by your employer and the reimbursement is included on page 1, line 5, of your return, merely attach a list of your deductible expenses and enter the total on page 2, Part III, line 2.

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 on page 2, Part IV 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

8

INSTRUCTIONS FOR PAGE 2 OF FORM 1040—Continued

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 depreciation has been claimed

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 other professional practitioners
Drugs or medicines
Hospitals
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
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

using a method other than straight line (or where additional first-year depreciation has been claimed).

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. See "Note" below.

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 page 2, Part II, line 8.

(2) If the expenses exceed the payments, the excess expenses for travel and transportation, meals and lodging, and

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.

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:

(1) The taxpayer and his wife if EITHER is 65 years of age or over;

(2) 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, page 2, Part IV.

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

"Outside Salesman," may be deducted on page 2, Part III, line 3. If you itemize deductions the unreimbursed portion of *Other business expenses* may be deducted on page 2, Part IV, under "Other deductions"; or

(3) If the expenses equaled the payments, no further entry is required on the form.

Note: If, however, the reimbursement was included on Form W-2 by your employer and the reimbursement is included on page 1, line 5, of your return, attach a statement containing the information set forth under the caption "Additional Information" on page 7 and enter the total expense on page 2, Part III, line 3.

CONTRIBUTIONS

If you itemize deductions, you can deduct gifts to:

(1) religious, charitable, educational, scientific or literary organizations, and organizations for the prevention of cruelty to children and animals, unless the organization is operated for personal profit, 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; 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 cash (checks, money orders, etc.) 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

16-78800-1

INSTRUCTIONS FOR PAGE 2 OF FORM 1040—Continued

9

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 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, CARE
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, hemophilia, 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
Labor 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.

If part or all of the cost of your automobile tags is based on the value of your automobile, then such amount is deductible as personal property tax.

If you had any other deductible tax which does not fit one of the five categories shown, for example, "stock transfer tax," describe the tax and list amount in the space below "Personal property" and include amount in "Total taxes."

Average general sales tax tables for many States are provided in these instructions. 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.

You may figure the deduction for State gasoline tax by multiplying the number of gallons by the applicable tax rates which follow:

Alabama 7¢	Kansas 5¢
Alaska 8¢	Kentucky 7¢
Arizona 6¢, after	Louisiana 7¢
July 19, 7¢	Maine 7¢
Arkansas 6.5¢, after	Maryland 7¢
June 9, 7.5¢	Massachusetts 5.5¢,
California 7¢, except	after May 12, 6.5¢
8¢ from March 31	Michigan 6¢
to September 1	Minnesota 6¢
Colorado 6¢, after	Mississippi 7¢
July 31, 7¢	Missouri 5¢
Connecticut 6¢	Montana 6¢
Delaware 6¢, after	Nebraska 7¢, after
July 31, 7¢	March 31, 7.5¢
Dist. of Columbia 6¢	Nevada 6¢ (Clark
Florida 7¢	and Washoe
Georgia 6.5¢	Counties 7¢, after
Hawaii 5¢ (Hawaii	July 31)
County 8¢)	New Hampshire 7¢
Idaho 6¢	New Jersey 6¢
Illinois 5¢	New Mexico 6¢
Indiana 6¢	New York 6¢
Iowa 6¢, after	North Carolina 7¢
June 30, 7¢	North Dakota 6¢

Ohio 7¢	Texas 5¢
Oklahoma 6.58¢	Utah 6¢
Oregon 6¢	Vermont 6.5¢
Pennsylvania 7¢	Virginia 7¢
Rhode Island 7¢	Washington 7.5¢
South Carolina 7¢	West Virginia 7¢
South Dakota 6¢	Wisconsin 6¢
Tennessee 7¢	Wyoming 5¢

Note: Above rates from information available as of September 1.

Deduct business Federal taxes, or any taxes paid in connection with a business or profession 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 Children 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:

- 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

- 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 on page 1, line 9, exceeds \$6,000. *This limita-*

10

INSTRUCTIONS FOR PAGE 2 OF FORM 1040—Continued

tion 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 on page 1, line 9, 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 willful 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 showing details of each casualty.

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:

(a) Maintaining or improving skills required in your employment or other trade or business, or

(b) 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 pages 7 and 8 for 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 on page 2, Part III.

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**DIVIDENDS RECEIVED CREDIT**

Generally, the 2-percent dividends received credit is no longer applicable. However, you are entitled to the dividends received credit on qualifying dividends you received through a fiduciary or partnership which were paid to the fiduciary or partnership on or before December 31, 1964. This credit is the smallest of the following amounts (a) 2 percent of such dividends included on page 2, Part II, line 1c, Form 1040; (b) tax shown on page 1, line 12, Form 1040, less foreign tax credit; or (c) 2 percent of taxable income. Taxable income means (a) if tax is computed, the amount shown on page 1, line 11d, Form 1040, or (b) if tax table is used, the amount shown on page 1, line 9, Form 1040, less the standard deduction and the deduction for exemptions (\$600 multiplied by the number of exemptions claimed on page 1, line 4, Form 1040). If you are entitled to the credit, write "Dividends Received Credit" in the space directly below the heading "Part V Credits," show the credit in the amount column, and include it in the total on line 5.

ADDRESSES 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. Use street address only if shown.

¹ 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.
² DELAWARE—Wilmington, Del., 19802.
³ DISTRICT OF COLUMBIA—Baltimore, Md., 21202.
¹ FLORIDA—Jacksonville, Fla., 32202.
¹ 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.
² MARYLAND—Baltimore, Md., 21202.

MASSACHUSETTS—Boston, Mass., 02115.
MICHIGAN—Detroit, Mich., 48226.
MINNESOTA—St. Paul, Minn., 55101.
¹ MISSISSIPPI—Jackson, Miss., 39202.
MISSOURI—St. Louis, Mo., 63101.
MONTANA—Helena, Mont., 59601.
NEBRASKA—Omaha, Nebr., 68102.
NEVADA—Reno, Nev., 89502.
NEW HAMPSHIRE—Portsmouth, N.H., 03801.
² NEW JERSEY—Newark, N.J., 07102.
NEW MEXICO—Albuquerque, N. Mex., 87101.
NEW YORK—Brooklyn, N.Y., 11201; 120 Church Street, New York, N.Y., 10007; Albany, N.Y., 12210; Buffalo, N.Y., 14202.
¹ NORTH CAROLINA—Greensboro, N.C., 27401.
NORTH DAKOTA—Fargo, 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.
² PENNSYLVANIA—Philadelphia, Pa., 19108; Pittsburgh, Pa., 15222.
PUERTO RICO—Director of International Operations, Internal Revenue Service, 1105 Fernandez Juncos Avenue, San Juan, P.R., 00907.

RHODE ISLAND—Providence, R.I., 02907.
² SOUTH CAROLINA—Columbia, S.C., 29201.
SOUTH DAKOTA—Aberdeen, S. Dak., 57401.
¹ TENNESSEE—Nashville, Tenn., 37203.
TEXAS—Austin, Tex., 78701; Dallas, Tex., 75201.
UTAH—Salt Lake City, Utah, 84110.
VERMONT—Burlington, Vt., 05402.
² VIRGINIA—Richmond, Va., 23240.
VIRGIN ISLANDS—Permanent residents: Department of Finance, Tax Department, Charlotte Amalie, St. 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.
¹ Please mail refund returns to Internal Revenue Service Center, 4800 Buford Highway, Chamblee, Ga., 30005.
² Please mail refund returns to Internal Revenue Service Center, 11601 Roosevelt Blvd., Philadelphia, Pa., 19154.

TAX RATE SCHEDULES

11

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..... 14% of the amount on line 11d.

Over—	But not over—		of excess over—
\$500	— \$1,000....	\$70, plus 15%	— \$500
\$1,000	— \$1,500....	\$145, plus 16%	— \$1,000
\$1,500	— \$2,000....	\$225, plus 17%	— \$1,500
\$2,000	— \$4,000....	\$310, plus 19%	— \$2,000
\$4,000	— \$6,000....	\$690, plus 22%	— \$4,000
\$6,000	— \$8,000....	\$1,130, plus 25%	— \$6,000
\$8,000	— \$10,000...	\$1,630, plus 28%	— \$8,000
\$10,000	— \$12,000...	\$2,190, plus 32%	— \$10,000
\$12,000	— \$14,000...	\$2,830, plus 36%	— \$12,000
\$14,000	— \$16,000...	\$3,550, plus 39%	— \$14,000
\$16,000	— \$18,000...	\$4,330, plus 42%	— \$16,000
\$18,000	— \$20,000...	\$5,170, plus 45%	— \$18,000

If the amount on line 11d, page 1, is: *Enter on line 12, page 1:*

Over—	But not over—		of excess over—
\$20,000	— \$22,000...	\$6,070, plus 48%	— \$20,000
\$22,000	— \$26,000...	\$7,030, plus 50%	— \$22,000
\$26,000	— \$32,000...	\$9,030, plus 53%	— \$26,000
\$32,000	— \$38,000...	\$12,210, plus 55%	— \$32,000
\$38,000	— \$44,000...	\$15,510, plus 58%	— \$38,000
\$44,000	— \$50,000...	\$18,990, plus 60%	— \$44,000
\$50,000	— \$60,000...	\$22,590, plus 62%	— \$50,000
\$60,000	— \$70,000...	\$28,790, plus 64%	— \$60,000
\$70,000	— \$80,000...	\$35,190, plus 66%	— \$70,000
\$80,000	— \$90,000...	\$41,790, plus 68%	— \$80,000
\$90,000	— \$100,000..	\$48,590, plus 69%	— \$90,000
\$100,000	.....	\$55,490, plus 70%	— \$100,000

Schedule II. MARRIED TAXPAYERS FILING JOINT RETURNS and CERTAIN WIDOWS AND WIDOWERS (See page 4).

If the amount on line 11d, page 1, is: *Enter on line 12, page 1:*

Not over \$1,000..... 14% of the amount on line 11d.

Over—	But not over—		of excess over—
\$1,000	— \$2,000....	\$140, plus 15%	— \$1,000
\$2,000	— \$3,000....	\$290, plus 16%	— \$2,000
\$3,000	— \$4,000....	\$450, plus 17%	— \$3,000
\$4,000	— \$8,000....	\$620, plus 19%	— \$4,000
\$8,000	— \$12,000...	\$1,380, plus 22%	— \$8,000
\$12,000	— \$16,000...	\$2,260, plus 25%	— \$12,000
\$16,000	— \$20,000...	\$3,260, plus 28%	— \$16,000
\$20,000	— \$24,000...	\$4,380, plus 32%	— \$20,000
\$24,000	— \$28,000...	\$5,660, plus 36%	— \$24,000
\$28,000	— \$32,000...	\$7,100, plus 39%	— \$28,000
\$32,000	— \$36,000...	\$8,660, plus 42%	— \$32,000
\$36,000	— \$40,000...	\$10,340, plus 45%	— \$36,000

If the amount on line 11d, page 1, is: *Enter on line 12, page 1:*

Over—	But not over—		of excess over—
\$40,000	— \$44,000...	\$12,140, plus 48%	— \$40,000
\$44,000	— \$52,000...	\$14,060, plus 50%	— \$44,000
\$52,000	— \$64,000...	\$18,060, plus 53%	— \$52,000
\$64,000	— \$76,000...	\$24,420, plus 55%	— \$64,000
\$76,000	— \$88,000...	\$31,020, plus 58%	— \$76,000
\$88,000	— \$100,000..	\$37,980, plus 60%	— \$88,000
\$100,000	— \$120,000..	\$45,180, plus 62%	— \$100,000
\$120,000	— \$140,000..	\$57,580, plus 64%	— \$120,000
\$140,000	— \$160,000..	\$70,380, plus 66%	— \$140,000
\$160,000	— \$180,000..	\$83,580, plus 68%	— \$160,000
\$180,000	— \$200,000..	\$97,180, plus 69%	— \$180,000
\$200,000	.....	\$110,980, plus 70%	— \$200,000

Schedule III. Unmarried (or legally separated) taxpayers who qualify as HEAD OF HOUSEHOLD (See page 4).

If the amount on line 11d, page 1, is: *Enter on line 12, page 1:*

Not over \$1,000..... 14% of the amount on line 11d.

Over—	But not over—		of excess over—
\$1,000	— \$2,000....	\$140, plus 16%	— \$1,000
\$2,000	— \$4,000....	\$300, plus 18%	— \$2,000
\$4,000	— \$6,000....	\$660, plus 20%	— \$4,000
\$6,000	— \$8,000....	\$1,060, plus 22%	— \$6,000
\$8,000	— \$10,000...	\$1,500, plus 25%	— \$8,000
\$10,000	— \$12,000...	\$2,000, plus 27%	— \$10,000
\$12,000	— \$14,000...	\$2,540, plus 31%	— \$12,000
\$14,000	— \$16,000...	\$3,160, plus 32%	— \$14,000
\$16,000	— \$18,000...	\$3,800, plus 35%	— \$16,000
\$18,000	— \$20,000...	\$4,500, plus 36%	— \$18,000
\$20,000	— \$22,000...	\$5,220, plus 40%	— \$20,000
\$22,000	— \$24,000...	\$6,020, plus 41%	— \$22,000
\$24,000	— \$26,000...	\$6,840, plus 43%	— \$24,000
\$26,000	— \$28,000...	\$7,700, plus 45%	— \$26,000
\$28,000	— \$32,000...	\$8,600, plus 46%	— \$28,000
\$32,000	— \$36,000...	\$10,440, plus 48%	— \$32,000
\$36,000	— \$38,000...	\$12,360, plus 50%	— \$36,000

If the amount on line 11d, page 1, is: *Enter on line 12, page 1:*

Over—	But not over—		of excess over—
\$38,000	— \$40,000...	\$13,360, plus 52%	— \$38,000
\$40,000	— \$44,000...	\$14,400, plus 53%	— \$40,000
\$44,000	— \$50,000...	\$16,520, plus 55%	— \$44,000
\$50,000	— \$52,000...	\$19,820, plus 56%	— \$50,000
\$52,000	— \$64,000...	\$20,940, plus 58%	— \$52,000
\$64,000	— \$70,000...	\$27,900, plus 59%	— \$64,000
\$70,000	— \$76,000...	\$31,440, plus 61%	— \$70,000
\$76,000	— \$80,000...	\$35,100, plus 62%	— \$76,000
\$80,000	— \$88,000...	\$37,580, plus 63%	— \$80,000
\$88,000	— \$100,000..	\$42,620, plus 64%	— \$88,000
\$100,000	— \$120,000..	\$50,300, plus 66%	— \$100,000
\$120,000	— \$140,000..	\$63,500, plus 67%	— \$120,000
\$140,000	— \$160,000..	\$76,900, plus 68%	— \$140,000
\$160,000	— \$180,000..	\$90,500, plus 69%	— \$160,000
\$180,000	.....	\$104,300, plus 70%	— \$180,000

12

1965 TAX TABLES FOR PERSONS WITH INCOMES UNDER \$5,000 WHO DO NOT ITEMIZE DEDUCTIONS ON THEIR RETURNS

If you checked as your filing status on page 1, Form 1040

Line 1a use —————> TAX TABLE A—For Single Persons
 Line 1b, 1d, or 1e use —————> TAX TABLE B—For Married Persons Filing Joint Returns and Unmarried Head of Household
 Line 1c use —————> TAX TABLE C—For Married Persons Filing Separate Returns

Tables A and B reflect the lowest tax after considering both the 10 percent standard deduction and the minimum standard deduction. Table C shows the tax based on either the 10 percent or the minimum standard deduction.

TAX TABLE A—FOR SINGLE PERSONS

Read down the income columns below until you find the line covering the total income (page 1, line 9, 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	\$236	\$124	\$23	\$0	\$0	\$0
900	925	2	0	0	2,475	2,500	240	128	26	0	0	0
925	950	5	0	0	2,500	2,525	244	132	30	0	0	0
950	975	9	0	0	2,525	2,550	248	136	33	0	0	0
975	1,000	12	0	0	2,550	2,575	253	139	37	0	0	0
1,000	1,025	16	0	0	2,575	2,600	257	143	40	0	0	0
1,025	1,050	19	0	0	2,600	2,625	261	147	44	0	0	0
1,050	1,075	23	0	0	2,625	2,650	265	151	47	0	0	0
1,075	1,100	26	0	0	2,650	2,675	270	155	51	0	0	0
1,100	1,125	30	0	0	2,675	2,700	274	159	54	0	0	0
1,125	1,150	33	0	0	2,700	2,725	278	163	58	0	0	0
1,150	1,175	37	0	0	2,725	2,750	282	167	61	0	0	0
1,175	1,200	40	0	0	2,750	2,775	287	171	65	0	0	0
1,200	1,225	44	0	0	2,775	2,800	291	175	68	0	0	0
1,225	1,250	47	0	0	2,800	2,825	295	179	72	0	0	0
1,250	1,275	51	0	0	2,825	2,850	299	183	76	0	0	0
1,275	1,300	54	0	0	2,850	2,875	304	187	79	0	0	0
1,300	1,325	58	0	0	2,875	2,900	308	191	83	0	0	0
1,325	1,350	61	0	0	2,900	2,925	312	195	87	0	0	0
1,350	1,375	65	0	0	2,925	2,950	317	199	91	0	0	0
1,375	1,400	68	0	0	2,950	2,975	322	203	94	0	0	0
1,400	1,425	72	0	0	2,975	3,000	327	207	98	0	0	0
1,425	1,450	76	0	0	3,000	3,050	333	213	104	4	0	0
1,450	1,475	79	0	0	3,050	3,100	342	221	111	11	0	0
1,475	1,500	83	0	0	3,100	3,150	350	229	119	18	0	0
1,500	1,525	87	0	0	3,150	3,200	359	238	126	25	0	0
1,525	1,550	91	0	0	3,200	3,250	367	246	134	32	0	0
1,550	1,575	94	0	0	3,250	3,300	376	255	141	39	0	0
1,575	1,600	98	0	0	3,300	3,350	385	263	149	46	0	0
1,600	1,625	102	2	0	3,350	3,400	393	272	157	53	0	0
1,625	1,650	106	5	0	3,400	3,450	402	280	165	60	0	0
1,650	1,675	109	9	0	3,450	3,500	410	289	173	67	0	0
1,675	1,700	113	12	0	3,500	3,550	419	297	181	74	0	0
1,700	1,725	117	16	0	3,550	3,600	427	306	189	81	0	0
1,725	1,750	121	19	0	3,600	3,650	436	315	197	89	0	0
1,750	1,775	124	23	0	3,650	3,700	444	324	205	96	0	0
1,775	1,800	128	26	0	3,700	3,750	453	334	213	104	4	0
1,800	1,825	132	30	0	3,750	3,800	462	343	221	111	11	0
1,825	1,850	136	33	0	3,800	3,850	470	353	229	119	18	0
1,850	1,875	139	37	0	3,850	3,900	479	362	238	126	25	0
1,875	1,900	143	40	0	3,900	3,950	487	372	246	134	32	0
1,900	1,925	147	44	0	3,950	4,000	496	381	255	141	39	0
1,925	1,950	151	47	0	4,000	4,050	504	390	263	149	46	0
1,950	1,975	155	51	0	4,050	4,100	513	399	272	157	53	0
1,975	2,000	159	54	0	4,100	4,150	521	407	280	165	60	0
2,000	2,025	163	58	0	4,150	4,200	530	416	289	173	67	0
2,025	2,050	167	61	0	4,200	4,250	538	424	297	181	74	0
2,050	2,075	171	65	0	4,250	4,300	547	433	306	189	81	0
2,075	2,100	175	68	0	4,300	4,350	556	442	315	197	89	0
2,100	2,125	179	72	0	4,350	4,400	564	450	324	205	96	0
2,125	2,150	183	76	0	4,400	4,450	573	459	334	213	104	4
2,150	2,175	187	79	0	4,450	4,500	581	467	343	221	111	11
2,175	2,200	191	83	0	4,500	4,550	590	476	353	229	119	18
2,200	2,225	195	87	0	4,550	4,600	598	484	362	238	126	25
2,225	2,250	199	91	0	4,600	4,650	607	493	372	246	134	32
2,250	2,275	203	94	0	4,650	4,700	615	501	381	255	141	39
2,275	2,300	207	98	0	4,700	4,750	624	510	391	263	149	46
2,300	2,325	211	102	2	4,750	4,800	633	519	400	272	157	53
2,325	2,350	215	106	5	4,800	4,850	641	527	410	280	165	60
2,350	2,375	219	109	9	4,850	4,900	650	536	419	289	173	67
2,375	2,400	223	113	12	4,900	4,950	658	544	429	297	181	74
2,400	2,425	227	117	16	4,950	5,000	667	553	438	306	189	81
2,425	2,450	231	121	19								

TAX TABLE B—MARRIED FILING JOINTLY*—OR—UNMARRIED HEAD OF HOUSEHOLD

13

Read down the income columns below until you find the line covering the total income (page 1, line 9, 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 And you are—		3 And you are—		4 And you are—		5 And you are—		6 If 7 or more there is no tax
								An un-married head of a household	A married couple filing jointly	An un-married head of a household	A married couple filing jointly	An un-married head of a household	A married couple filing jointly	An un-married head of a household	A married couple filing jointly	
		Your tax is—					Your tax is—									
\$0	\$900	\$0	\$0	\$0	\$2,450	\$2,475	\$230	\$121	\$121	\$23	\$23	\$0	\$0	\$0	\$0	\$0
900	925	2	0	0	2,475	2,500	234	124	124	26	26	0	0	0	0	0
925	950	5	0	0	2,500	2,525	238	128	128	30	30	0	0	0	0	0
950	975	9	0	0	2,525	2,550	242	131	131	33	33	0	0	0	0	0
975	1,000	12	0	0	2,550	2,575	246	135	135	37	37	0	0	0	0	0
1,000	1,025	16	0	0	2,575	2,600	250	138	138	40	40	0	0	0	0	0
1,025	1,050	19	0	0	2,600	2,625	254	142	142	44	44	0	0	0	0	0
1,050	1,075	23	0	0	2,625	2,650	258	146	146	47	47	0	0	0	0	0
1,075	1,100	26	0	0	2,650	2,675	262	150	149	51	51	0	0	0	0	0
1,100	1,125	30	0	0	2,675	2,700	266	154	153	54	54	0	0	0	0	0
1,125	1,150	33	0	0	2,700	2,725	270	158	157	58	58	0	0	0	0	0
1,150	1,175	37	0	0	2,725	2,750	274	162	161	61	61	0	0	0	0	0
1,175	1,200	40	0	0	2,750	2,775	278	166	164	65	65	0	0	0	0	0
1,200	1,225	44	0	0	2,775	2,800	282	170	168	68	68	0	0	0	0	0
1,225	1,250	47	0	0	2,800	2,825	286	174	172	72	72	0	0	0	0	0
1,250	1,275	51	0	0	2,825	2,850	290	178	176	75	75	0	0	0	0	0
1,275	1,300	54	0	0	2,850	2,875	294	182	179	79	79	0	0	0	0	0
1,300	1,325	58	0	0	2,875	2,900	298	186	183	82	82	0	0	0	0	0
1,325	1,350	61	0	0	2,900	2,925	302	190	187	86	86	0	0	0	0	0
1,350	1,375	65	0	0	2,925	2,950	307	194	191	89	89	0	0	0	0	0
1,375	1,400	68	0	0	2,950	2,975	311	198	194	93	93	0	0	0	0	0
1,400	1,425	72	0	0	2,975	3,000	316	202	198	96	96	0	0	0	0	0
1,425	1,450	75	0	0	3,000	3,050	322	208	204	102	102	4	4	0	0	0
1,450	1,475	79	0	0	3,050	3,100	330	216	211	109	109	11	11	0	0	0
1,475	1,500	82	0	0	3,100	3,150	338	224	219	116	116	18	18	0	0	0
1,500	1,525	86	0	0	3,150	3,200	346	232	226	123	123	25	25	0	0	0
1,525	1,550	89	0	0	3,200	3,250	354	240	234	130	130	32	32	0	0	0
1,550	1,575	93	0	0	3,250	3,300	363	248	241	137	137	39	39	0	0	0
1,575	1,600	96	0	0	3,300	3,350	371	256	249	144	144	46	46	0	0	0
1,600	1,625	100	2	0	3,350	3,400	379	264	256	152	151	53	53	0	0	0
1,625	1,650	103	5	0	3,400	3,450	387	272	264	160	159	60	60	0	0	0
1,650	1,675	107	9	0	3,450	3,500	395	280	271	168	166	67	67	0	0	0
1,675	1,700	110	12	0	3,500	3,550	403	288	279	176	174	74	74	0	0	0
1,700	1,725	114	16	0	3,550	3,600	411	296	286	184	181	81	81	0	0	0
1,725	1,750	117	19	0	3,600	3,650	419	305	294	192	189	88	88	0	0	0
1,750	1,775	121	23	0	3,650	3,700	427	314	302	200	196	95	95	0	0	0
1,775	1,800	124	26	0	3,700	3,750	435	323	310	208	204	102	102	4	4	0
1,800	1,825	128	30	0	3,750	3,800	444	332	318	216	211	109	109	11	11	0
1,825	1,850	131	33	0	3,800	3,850	452	341	326	224	219	116	116	18	18	0
1,850	1,875	135	37	0	3,850	3,900	460	350	334	232	226	123	123	25	25	0
1,875	1,900	138	40	0	3,900	3,950	468	359	342	240	234	130	130	32	32	0
1,900	1,925	142	44	0	3,950	4,000	476	368	350	248	241	137	137	39	39	0
1,925	1,950	146	47	0	4,000	4,050	484	376	358	256	249	144	144	46	46	0
1,950	1,975	150	51	0	4,050	4,100	492	384	365	264	256	152	151	53	53	0
1,975	2,000	154	54	0	4,100	4,150	500	392	372	272	264	160	159	60	60	0
2,000	2,025	158	58	0	4,150	4,200	508	400	379	280	271	168	166	67	67	0
2,025	2,050	162	61	0	4,200	4,250	516	408	386	288	279	176	174	74	74	0
2,050	2,075	166	65	0	4,250	4,300	525	417	394	296	286	184	181	81	81	0
2,075	2,100	170	68	0	4,300	4,350	533	425	401	305	294	192	189	88	88	0
2,100	2,125	174	72	0	4,350	4,400	541	433	408	314	302	200	196	95	95	0
2,125	2,150	178	75	0	4,400	4,450	549	441	415	323	310	208	204	102	102	4
2,150	2,175	182	79	0	4,450	4,500	557	449	422	332	318	216	211	109	109	11
2,175	2,200	186	82	0	4,500	4,550	565	457	430	341	326	224	219	116	116	18
2,200	2,225	190	86	0	4,550	4,600	573	465	437	350	334	232	226	123	123	25
2,225	2,250	194	89	0	4,600	4,650	581	473	444	359	342	240	234	130	130	32
2,250	2,275	198	93	0	4,650	4,700	589	481	451	368	350	248	241	137	137	39
2,275	2,300	202	96	0	4,700	4,750	597	489	459	377	358	256	249	144	144	46
2,300	2,325	206	100	2	4,750	4,800	606	498	467	386	366	264	256	152	151	53
2,325	2,350	210	103	5	4,800	4,850	614	506	474	395	374	272	264	160	159	60
2,350	2,375	214	107	9	4,850	4,900	622	514	482	404	382	280	271	168	166	67
2,375	2,400	218	110	12	4,900	4,950	630	522	490	413	390	288	279	176	174	74
2,400	2,425	222	114	16	4,950	5,000	638	530	497	422	398	296	286	184	181	81
2,425	2,450	226	117	19												

* This table may also be used by certain widows or widowers who qualify for special tax rates.

14

TAX TABLE C—FOR MARRIED PERSONS FILING SEPARATE RETURNS

This table is designed to enable married persons filing separate returns to figure their tax choosing either the 10% or minimum standard deduction. However, if one uses the 10% deduction, then both must use it.

Read down the income columns below until you find the line covering the total income (page 1, line 9, Form 1040). Then read across to the appropriate column headed by the number corresponding to the number of your exemptions, this is your tax.

Table with columns for 'If your total income is—' and 'And the number of exemptions is—'. It contains a grid of tax amounts for various income levels and exemption counts.

STATE SALES TAX TABLES

15

If you itemize your deductions these amounts may be used to determine the general sales tax to be entered on page 2, Part IV. However, if you are able to establish that you paid a larger amount, you are, of course, entitled to deduct that amount. Local sales taxes have been included only in the California and Illinois tables. They may be claimed for Alabama, Arizona, and Colorado by adding to the figure in the table an amount based on the ratio between the local and State sales tax rates (taking into consideration the number of months that the taxes have been in effect. Gasoline taxes are not included in these tables (see page 9 of the instructions for gasoline tax rates). Sales taxes for purchase of automobiles are also not included in these tables and they should be added, if applicable. The sales tax table for North Dakota could not be completed in time for this printing. It will be available at local Internal Revenue Offices.

Income as shown on line 9, page 1, Form 1040	Alabama					Arizona					Arkansas					California					Colorado					Connecticut					District of Columbia								
	Family Size (Persons) Over					Family Size (Persons) Over					Family Size (Persons) Over					Family Size (Persons) Over					Family Size (Persons) Over					Family Size (Persons) Over					Family Size (Persons) Over								
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4
Under \$1,000	\$23	\$26	\$33	\$35	\$35	\$18	\$24	\$25	\$32	\$32	\$32	\$19	\$21	\$26	\$27	\$27	\$14	\$17	\$18		\$19	\$15	\$21	\$21	\$27	\$27	\$27	\$9	\$10	\$10			\$13	\$13	\$17	\$18	\$18		
\$1,000-1,499	29	34	43	45	45	22	31	32	40	40	40	25	28	34	36	36	20	24	25	26		20	27	28	34	34	34	13	15	15			17	18	23	24	24		
\$1,500-1,999	36	42	53	57	57	27	38	40	48	48	48	30	35	42	45	45	26	30	32	33		24	33	34	41	41	41	17	20	20			21	23	28	30	30		
\$2,000-2,499	42	50	62	67	67	32	44	46	55	55	56	35	41	50	53	54	31	36	39	40		28	38	40	48	48	48	21	24	25			25	28	33	36	36		
\$2,500-2,999	48	57	70	77	77	36	49	52	61	61	63	40	47	56	61	62	36	42	45	46		32	43	45	53	54	55	25	28	30			29	32	38	41	42		
\$3,000-3,499	53	64	78	86	87	40	54	58	67	67	70	44	53	62	68	70	41	47	51	52		35	47	50	58	60	61	29	32	35			33	36	43	46	47		
\$3,500-3,999	58	71	85	94	96	43	59	63	72	73	77	48	58	68	75	77	46	52	57	58		38	51	55	63	66	67	33	36	39			36	40	47	51	52		
\$4,000-4,499	63	77	92	102	105	46	63	68	77	79	83	52	63	74	81	84	50	57	63	64		41	55	60	68	71	73	37	40	43			39	44	51	56	57		
\$4,500-4,999	68	83	99	110	113	49	67	73	82	85	89	56	68	80	87	91	54	62	68	69		44	59	64	72	76	78	41	44	47			42	48	55	61	62		
\$5,000-5,499	72	89	106	118	121	52	71	78	87	90	95	59	73	85	93	97	58	67	73	74		47	63	68	76	81	83	45	48	51			45	51	59	65	67		
\$5,500-5,999	76	95	112	125	129	55	75	82	91	95	101	62	77	90	99	103	62	72	78	79		50	67	72	80	86	88	49	52	55			48	54	63	69	71		
\$6,000-6,499	80	100	118	132	137	58	79	86	95	100	106	65	81	95	105	109	66	76	83	84		53	70	76	84	91	93	52	56	59			51	57	67	73	75		
\$6,500-6,999	84	105	124	139	144	61	83	90	99	105	111	68	85	100	111	115	70	80	88	89		56	73	80	88	95	98	55	60	63			54	60	71	77	79		
\$7,000-7,499	88	110	130	146	151	64	87	94	103	110	116	71	89	105	117	121	74	84	93	94		58	76	84	92	99	103	58	64	67			57	63	74	81	83		
\$7,500-7,999	92	115	136	153	158	67	90	98	107	115	121	74	93	109	122	127	78	88	98	99		60	79	88	96	103	108	61	68	71			59	66	77	85	87		
\$8,000-8,499	96	120	141	159	165	69	93	102	111	120	126	77	97	113	127	133	82	92	103	104		62	82	92	99	107	113	64	71	75			61	69	80	89	91		
\$8,500-8,999	99	125	146	165	172	71	96	106	114	124	131	80	101	117	132	138	86	96	107	109		64	85	95	102	111	117	67	74	79			63	72	83	93	95		
\$9,000-9,499	102	130	151	171	179	73	99	110	117	128	136	82	105	121	137	143	89	100	111	113		66	88	98	105	115	121	70	77	82			65	75	86	96	99		
\$9,500-9,999	105	134	156	177	185	75	102	113	120	132	140	84	109	125	142	148	92	104	115	117		68	91	101	108	119	125	73	80	85			67	78	89	99	103		
\$10,000-10,999	110	141	163	186	195	78	106	119	125	139	147	88	114	131	149	156	97	110	122	123		71	95	106	112	124	131	78	85	91			70	82	94	104	109		
\$11,000-11,999	117	150	173	198	203	82	112	126	131	147	156	93	122	139	158	166	104	118	131	132		75	100	112	118	132	139	85	92	98			75	88	100	111	116		
\$12,000-12,999	123	159	182	209	220	86	118	132	137	155	164	98	129	146	167	176	111	125	140	141		79	105	118	124	139	147	91	98	105			79	94	106	118	123		
\$13,000-13,999	129	168	191	220	232	90	123	138	143	162	172	103	136	153	176	186	118	132	148	149		83	110	124	129	146	155	97	105	112			83	100	112	125	130		
\$14,000-14,999	135	176	200	231	244	94	128	144	149	169	180	108	142	160	185	195	125	139	156	157		87	115	130	134	153	162	103	111	119			87	106	117	131	137		
\$15,000-15,999	141	184	209	241	256	98	133	150	154	176	188	112	148	167	193	204	131	146	164	165		91	120	136	139	160	169	109	117	126			91	111	122	137	144		
\$16,000-16,999	147	192	217	251	267	102	138	156	159	183	196	116	154	174	201	213	137	153	172	173		95	125	142	144	166	176	115	123	133			95	116	127	143	151		
\$17,000-17,999	152	200	225	261	278	106	143	162	164	190	203	120	160	181	209	222	143	160	180	181		98	129	147	149	172	183	121	129	140			99	121	132	149	158		
\$18,000-18,999	157	207	233	271	289	109	148	168	169	197	210	124	166	187	217	231	149	166	188	188		101	133	152	154	178	190	127	135	146			103	126	137	156	164		
\$19,000-19,999	162	214	241	280	300	112	153	174	174	204	217	128	172	193	225	239	155	172	195	195		104	137	157	159	184	197	132	141	152			106	131	142	160	170		
\$20,000 and over	167	221	249	289	311	115	157	179	179	210	224	132	177	199	233	247	161	178	202	202		107	141	162	163	190	203	137	147	158			109	136	147	165	176		

Income as shown on line 9, page 1, Form 1040	Florida					Georgia					Hawaii					Idaho					Illinois					Indiana						
	Family Size (Persons) Over					Family Size (Persons) Over					Family Size (Persons) Over					Family Size (Persons) Over					Family Size (Persons) Over					Family Size (Persons) Over						
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5		
Under \$1,000	\$9	\$13	\$13	\$13		\$21	\$24	\$30	\$32	\$32	\$34	\$44	\$45	\$50	\$50	\$9	\$12	\$12	\$16	\$16	\$16	\$22	\$29	\$33	\$41	\$41	\$41	\$13	\$17	\$19	\$23	\$23
\$1,000-1,499	13	18	19	19		27	32	39	42	42	43	55	57	63	63	11	15	15	20	20	20	28	37	42	51	51	51	17	22	24	29	29
\$1,500-1,999	17	23	24	24		33	39	47	52	52	53	66	70	77	77	14	18	19	24	24	24	35	46	51	61	61	61	21	27	30	35	35
\$2,000-2,499	21	28	29	29		38	46	55	61	61	61	76	80	89	89	16	21	23	28	28	28	41	54	60	71	71	73	24	32	35	41	41
\$2,500-2,999	25	32	34	34		43	52	63	69	69	69	85	90	100	100	18	24	26	31	31	32	47	61	69	80	80	84	27	36	40	46	46
\$3,000-3,499	29	36	39	39		48	58	70	77	77	76	93	100	111	111	20	27	29	34	34	36	52	68	77	88	89	94	30	40	44	50	51
\$3,500-3,999	33	40	44	44		52	64	76	84	84	83	101	108	120	121	22	30	32	37	37	39	57	74	84	95	98	103	33	44	48	54	56
\$4,000-4,499	37	44	48	48		56	69	82	91	91	90	109	116	129	130	24	32	35	40	40	42	62	80	91	102	106	112	36	47	52	58	61
\$4,500-4,999	41	48	52	52		60	74	88	97	98	96	116</																				

16

STATE SALES TAX TABLES

If you itemize your deductions these amounts may be used to determine the general sales tax to be entered on page 2, Part IV. However, if you are able to establish that you paid a larger amount, you are, of course, entitled to deduct that amount. Local sales taxes, may be claimed for Louisiana, Mississippi, New Mexico, and New York by adding to the figure in the table an amount based on the ratio between the local and State sales tax rates taking into consideration the number of months that the taxes have been in effect. Gasoline taxes are not included in these tables (see page 9 of the instructions for gasoline tax rates). Sales taxes for purchase of automobiles are also not included in these tables and they should be added, if applicable.

Table with columns for Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, and Michigan. Each column contains a grid of sales tax amounts based on income and family size.

Table with columns for Mississippi, Missouri, Nevada, New Mexico, New York, and North Carolina. Each column contains a grid of sales tax amounts based on income and family size.

The sales tax table for North Dakota could not be completed in time for this printing. It will be available at local Internal Revenue Offices.

STATE SALES TAX TABLES

17

If you itemize your deductions these amounts may be used to determine the general sales tax to be entered on page 2, Part IV. However, if you are able to establish that you paid a larger amount, you are, of course, entitled to deduct that amount. Local sales taxes have been included only in the Utah table. They may be claimed for Tennessee and Wyoming by adding to the figure in the table an amount based on the ratio between the local and State sales tax rates taking into consideration the number of months that the taxes have been in effect. Gasoline taxes are not included in these tables (see page 9 of the instructions for gasoline tax rates). Sales taxes for purchase of automobiles are also not included in these tables and they should be added, if applicable.

Income as shown on line 9, page 1, Form 1040	Ohio					Oklahoma					Pennsylvania					Rhode Island					South Carolina					South Dakota					Tennessee					
	Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)										
	1 & 2	3 & 4	5	Over 5	Over 5	1	2	3 & 4	5	Over 5	4 or under	5	Over 5	5	5	Over 5	1 & 2	3	4	5	Over 5	1	2	3 & 4	5	Over 5	1	2	3	4	5	Over 5	1	2	3 & 4	5
Under \$1,000	\$8	\$10	\$10	\$10	\$13	\$14	\$17	\$18	\$18	\$14	\$22	\$22	\$14	\$17	\$22	\$22	\$20	\$23	\$28	\$30	\$30	\$16	\$20	\$21	\$25	\$25	\$25	\$21	\$22	\$28	\$29	\$29				
\$1,000-1,499	12	14	14	14	17	19	23	24	24	20	29	29	19	23	29	29	26	30	36	39	39	20	26	27	32	32	32	26	29	36	38	38				
\$1,500-1,999	16	19	19	19	21	23	28	30	30	26	36	36	24	29	36	37	32	37	45	48	48	24	31	34	39	39	40	32	36	44	47	47				
\$2,000-2,499	19	23	23	23	24	27	33	35	36	32	43	43	29	35	42	44	37	44	52	56	56	28	36	40	45	45	47	37	43	51	55	56				
\$2,500-2,999	22	27	27	27	27	31	37	40	41	37	49	49	34	41	48	50	42	50	59	64	64	32	41	45	51	51	54	42	49	58	63	64				
\$3,000-3,499	25	31	31	31	30	35	41	45	46	42	55	55	39	46	54	56	46	56	66	72	72	35	46	50	57	57	61	46	55	65	70	72				
\$3,500-3,999	28	35	35	35	33	39	45	50	51	47	61	61	44	51	59	62	50	61	72	79	79	38	50	55	62	63	67	50	60	71	77	79				
\$4,000-4,499	31	39	39	39	36	42	49	54	56	52	67	67	49	56	64	68	54	66	78	86	86	41	54	60	67	68	73	54	65	77	84	86				
\$4,500-4,999	34	42	43	43	38	45	53	58	60	57	72	72	53	61	69	74	58	71	84	93	93	44	58	64	71	73	79	58	70	82	90	93				
\$5,000-5,499	37	45	47	47	40	48	57	62	64	62	77	77	57	66	74	79	62	76	89	99	100	47	62	68	75	78	84	62	75	87	96	100				
\$5,500-5,999	40	48	51	51	42	51	60	66	68	67	82	82	61	71	78	84	65	81	94	105	107	50	65	72	79	83	89	65	80	92	102	106				
\$6,000-6,499	43	51	55	55	44	54	63	70	72	72	87	87	65	75	82	89	68	86	99	111	113	53	68	76	83	88	94	68	85	97	108	112				
\$6,500-6,999	46	54	59	59	46	57	66	74	76	76	92	92	69	79	86	94	71	90	104	116	119	55	71	80	87	93	99	71	89	102	114	118				
\$7,000-7,499	49	57	62	63	48	60	69	78	80	80	97	97	73	83	90	99	74	94	109	121	125	57	74	84	91	97	104	74	93	107	120	124				
\$7,500-7,999	52	60	65	67	50	63	72	82	84	84	101	101	77	87	94	104	77	98	114	126	131	59	77	88	95	101	109	77	97	112	125	130				
\$8,000-8,499	55	63	68	71	52	66	75	85	88	88	105	105	81	91	98	108	80	102	118	131	137	61	80	92	99	105	114	80	101	116	130	136				
\$8,500-8,999	58	66	71	74	54	69	78	88	92	92	109	109	85	95	102	112	83	106	122	136	143	63	83	95	102	109	119	83	105	120	135	142				
\$9,000-9,499	60	69	74	77	56	71	81	91	95	96	113	113	89	99	106	116	86	110	126	141	148	65	86	98	105	113	123	85	109	124	140	147				
\$9,500-9,999	62	72	77	80	58	73	83	94	98	100	117	117	92	103	110	120	89	114	130	146	153	67	89	101	108	117	127	87	113	128	145	152				
\$10,000-10,999	66	76	82	85	60	76	87	99	103	107	123	123	97	109	115	127	93	119	136	153	161	70	93	106	113	123	133	92	118	135	152	160				
\$11,000-11,999	71	82	89	92	64	81	92	105	110	115	131	133	104	117	122	135	98	127	144	162	172	74	98	112	119	130	142	97	125	143	161	170				
\$12,000-12,999	76	88	96	99	68	86	97	111	117	123	139	142	111	124	129	143	103	134	152	171	182	78	103	118	125	137	150	102	132	151	170	180				
\$13,000-13,999	81	94	102	106	71	91	102	117	123	130	147	151	118	131	136	151	108	141	160	180	192	82	108	124	131	144	158	107	139	158	179	190				
\$14,000-14,999	86	99	108	113	74	96	107	123	129	137	154	160	125	138	143	159	113	148	167	189	202	86	113	130	137	151	166	112	146	165	188	200				
\$15,000-15,999	91	104	114	120	77	100	112	129	135	144	161	169	132	145	149	166	117	154	174	197	211	89	118	136	142	158	174	116	153	172	196	209				
\$16,000-16,999	96	109	120	127	80	104	117	134	141	151	168	177	139	152	155	173	121	160	181	205	220	92	123	142	147	165	181	120	159	179	204	218				
\$17,000-17,999	101	114	126	133	83	108	121	139	147	158	175	185	145	159	161	180	125	166	187	213	229	95	127	147	152	172	188	124	165	186	212	227				
\$18,000-18,999	106	119	132	139	86	112	125	144	153	165	182	193	151	166	167	187	129	172	193	221	238	98	131	152	157	178	195	128	171	192	220	236				
\$19,000-19,999	111	124	138	145	88	116	129	149	159	172	189	201	157	173	173	194	133	178	199	228	247	101	135	157	162	184	202	132	177	198	228	245				
\$20,000 and over	115	129	144	151	90	120	133	154	165	179	196	209	163	179	179	201	137	184	205	235	256	104	139	162	167	190	209	136	183	204	236	254				

Income as shown on line 9, page 1, Form 1040	Texas					Utah					Washington					West Virginia					Sales Tax Deduction	Wyoming						
	Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)						Family Size (Persons)						
	1 & 2	3 & 4	5	Over 5	Over 5	1	2	3	4	5	Over 5	1	2	3	4	5	Over 5	1	2	3 & 4		5	Over 5	1	2	3	4	5
Under \$1,000	\$7	\$10	\$10	\$10	\$23	\$31	\$31	\$40	\$40	\$40	\$25	\$32	\$33	\$43	\$43	\$43	\$18	\$20	\$26	\$27	\$27	\$6	\$14	\$19	\$19	\$25	\$25	\$25
\$1,000-1,499	10	13	14	14	30	40	40	51	51	51	32	42	43	54	54	54	24	27	34	36	36	8	18	24	25	31	31	31
\$1,500-1,999	13	16	18	18	37	49	50	61	61	61	39	52	53	66	66	66	29	34	42	45	45	11	22	29	30	37	37	37
\$2,000-2,499	16	19	21	21	44	57	59	70	70	70	46	61	63	76	76	76	34	40	49	53	53	14	25	33	35	42	42	43
\$2,500-2,999	19	22	24	24	50	64	67	79	79	79	52	69	72	85	85	85	39	46	56	61	61	17	28	37	40	47	47	48
\$3,000-3,499	21	25	27	27	55	71	75	86	86	88	58	77	80	94	94	96	43	51	62	68	68	19	31	41	44	52	52	53
\$3,500-3,999	23	28	30	30	60	78	82	93	94	97	64	84	88	102	103	106	47	56	68	75	75	21	34	45	48	56	57	58
\$4,000-4,499	25	31	33	33	65	84	89	100	102	106	69	91	96	109	112	115	51	61	74	81	82	23	36	49	50	62	62	63
\$4,500-4,999	27	34	36	36	70	90	96	107	109	114	74	97	103	116	121	124	55	66	79	87	88	25	38	52	56	64	67	68
\$5,000-5,499	29	36	39	39	74	96	103	113	116	122	79	103	110	123	129	133	59	71	84	93	94	27	40	55	60	68	71	73
\$5,500-5,999	31	38	42	42	78	101	109	119	123	130	84	109	117	130	137	142	63	76	89	99	100	29	42	58	64	71	75	77
\$6,000-6,499	33	40	45	45	82	106	115	125	130	137	89	115	124	136	145	150	66	80	94	105	106	31	44	61	67	74	79	81
\$6,500-6,999	35	42	47	48	86	111	121	131	137	144	93	121	131	142	153	158	69	84	99	110	112	33	46	64	70	77	83	85
\$7,000-7,499	37	44	49	50	90	116	126	136	144	151																		

B-1**INSTRUCTIONS FOR SCHEDULE B (Form 1040)**

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. Nei-

B-2

ther type of income is eligible for the dividends 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.

Alternative Depreciation Guidelines and Rules.—Revenue Procedure 62-21, dated July 12, 1962 (supplemented by Revenue Procedure 65-13), 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.

B-3

Part V

RETIREMENT INCOME CREDIT

You may qualify for this credit which is generally 15 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 is \$2,286 for taxpayers who file joint returns (both 65 years of age or over) but who would otherwise be 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.

In computing the limitation on the retirement income credit, you should include the amount of any Dividends Received Credit with other amounts to be subtracted on line 10 of the computation schedule.

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, 1966 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 copies at 50 cents per copy

TAX GUIDE FOR SMALL BUSINESS, 1966 Edition. Published annually, this tax guide answers, in plain layman's language, the Federal tax questions of Corporations, Partnerships, and Sole Proprietors. 160 pages with illustrations. Catalog No. T 22.19/2:Sm 1/965 copies at 50 cents per copy

To: Supt. of Documents
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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))

1965

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; product
(See separate instructions) (For example: retail—hardware; wholesale—tobacco; services—legal; manufacturing—furniture, etc.)

B. Business name **C.** Employer Identification Number

D. Business location (Number and street or rural route) (City or post office) (State)

E. Indicate method of accounting: (1) cash; (2) accrual; (3) other.

1. Gross receipts or gross sales \$.....	Less: Returns and allowances \$.....	\$.....
2. Inventory at beginning of year (If different than last year's closing inventory attach explanation)		
3. Merchandise purchased \$....., less cost of any items withdrawn from business for personal use \$.....		
4. Cost of labor (do not include salary paid to yourself)		
5. Material and supplies		
6. Other costs (explain in Schedule C-1)		
7. Total of lines 2 through 6		
8. Inventory at end of this year		
9. Cost of goods sold (line 7 less line 8)		
10. Gross profit (subtract line 9 from line 1)		

OTHER BUSINESS DEDUCTIONS

11. Depreciation (explain in Schedule C-2)		
12. Taxes on business and business property (explain in Schedule C-1)		
13. Rent on business property		
14. Repairs (explain in Schedule C-1)		
15. Salaries and wages not included on line 4 (exclude any paid to yourself)		
16. Insurance		
17. Legal and professional fees		
18. Commissions		
19. Amortization (attach statement)		
20. Retirement plans, etc. (other than your share—see separate instructions)		
21. Interest on business indebtedness		
22. Bad debts arising from sales or services		
23. Losses of business property (attach statement)		
24. Depletion of mines, oil and gas wells, timber, etc. (attach schedule)		
25. Other business expenses (explain in Schedule C-1)		
26. Total of lines 11 through 25		
27. Net profit (or loss) (subtract line 26 from line 10). Enter here; in Schedule C-3, line 1; and on page 2, Part II, line 5, Form 1040		

SCHEDULE C-1. EXPLANATION OF LINES 6, 12, 14, AND 25

Line No.	Explanation	Amount	Line No.	Explanation	Amount
		\$			\$



Schedule C (Form 1040) 1965

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.

Table with 8 columns: 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. Includes rows for 1. Total additional first-year depreciation, 2. Totals, 3. Less: Amount of depreciation claimed elsewhere in Schedule C, and 4. Balance.

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."

Table with 3 columns: Name, Expense account, Salaries and Wages. Row 1: Owner.....XXXXXXXXXXXXXXXXX. Rows 2-5 are blank.

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

ADDITIONAL INFORMATION

- 1. 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.
2. Are you liable for filing Forms 1096 and 1099 or 1087 for the calendar year 1965? (See last paragraph of separate instructions for Schedule C.) YES NO. If "Yes," where were they filed?

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.	1965
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NOTE.—Fiscal year taxpayers see "Important New Features" on page 2 of Form 1040 Instructions.

- ▶ 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 in Schedule C (Form 1040), line 27 (Enter combined amount if more than one business).....				
2. Add to net profit (or subtract from net loss) losses of business property shown in Schedule C, line 23.....				
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 page 1, line 15, Form 1040.....				

Do not detach e59-16-78803-1

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	1965
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Indicate year covered by this return (even though income was received only in part of year): A. Calendar year 1965 <input type="checkbox"/> ; or other taxable year beginning, 1965, 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	
PRINT OR TYPE HOME ADDRESS (number and street or rural route)	
(City or post office, State, and Postal ZIP code)	
F. ENTER AMOUNT FROM LINE 6	\$
G. ENTER AMOUNT FROM LINE 8, 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 carried 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 regardless of age and even though the individual is receiving social security benefits. If you have filed Form 4029, Application for Exemption from Tax on Self-employment Income, Claim for Refund, and Waiver of Benefits, do not file Schedule C-3; however, write "Exempt—Form 4029" to the left of the entry space on the self-employment tax line, page 1 of Form 1040.

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 is subject to the self-employment tax for taxable years ending on or after December 31, 1965.

Ministers, members of religious orders, and Christian Science practitioners.—Duly ordained, commissioned, 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 provisions of the law which permit these forms under certain conditions to be filed to cover ministers, 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, together with a dated and signed statement indicating that you desire to be covered under the Social Security Act, and then file Form 2031 as promptly as possible.

Ministers and members of religious orders who desire coverage shall in addition to their other items of income include for the purpose of determining net earnings from self-employment (but not for income tax purposes) the rental value of a parsonage or allowance for the rental value of the parsonage, and the value of meals and lodging furnished 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, Puerto Rico, Guam, American Samoa, or the Virgin Islands by a foreign government, an instrumentality wholly owned by a foreign government, or an international organization which is organized under the International Organizations Immunities Act, is subject to the social security self-employment tax. These employees should report their income from such employment on line 5(e), of this Schedule, compute their self-employment tax, and file the schedule with their Form 1040. In item B of Schedule SE, enter "Employee of foreign government, etc."

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 reported on separate Schedule C (Form 1040) that should not be taken into account in figuring your self-employment income.

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 (fees, salaries, etc.) from the performance of service as: (a) a public official, including a notary public; (b) an employee or employee representative under the railroad retirement system; or (c) an employee (except as indicated above).

Note.—The income of an employee over the age of 18 from the sale of newspapers or magazines to an ultimate consumer is subject to the self-employment tax if the income consists of retained profits from such sales.

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 sharefarmer. These amounts should be reported in Schedule B (Form 1040), Part II. However, rental income from a farm is not excluded if the rental arrangement provides for material participation by the landlord and he does 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 to the occupant, such as rooms in hotels,

boarding houses, apartment houses furnishing hotel services, 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 on page 2, Part II, 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 page 2, Part II, line 8, Form 1040.

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 file in and file only one Schedule C-3, including Schedule SE, for any one year.

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 27 of each separate Schedule C should be entered on page 2, Part II, line 5, Form 1040, and the aggregate self-employment tax (line 11) Schedule C-3 should be entered on page 1, line 15, Form 1040.

COMMUNITY INCOME.—For the purpose of computing net earnings from self-employment, if any of the income from a trade or business is community income, all the income from such trade or business is considered the income of the husband unless the wife exercises substantially all the management and control of the trade or business, in which case all of such income is considered the income of the wife. (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 page 2, Part II, line 5, 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 partnership, like other partnerships, the distributive share of each should be entered in Schedule B (Form 1040), Part III, 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 1(b), 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. Your local post office 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.

U. S. Treasury Department Internal Revenue Service

INSTRUCTIONS FOR SCHEDULE C (FORM 1040)—1965

If you owned a business, or practiced a profession, fill in Schedule C and enter the net profit (or loss) on page 2, Part II, line 5 Form 1040. If you had more than one business, or husband and wife had separate businesses, a separate Schedule C must be completed for each business. Farmers should use separate Schedule F (Form 1040).

Income from any trade or business is subject to the social security self-employment tax, unless specifically excluded. See page 2 of Schedule C-3 (Form 1040). If you have filed Form 4029, Application for Exemption from Tax on Self-employment Income, Claim for Refund, and Waiver of Benefits, do not file Schedule C-3; however, write "Exempt—Form 4029" to the left of the entry space on the self-employment tax line, page 1 of Form 1040.

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

Accounting Methods and Records.—Two of the principal methods of accounting which may be used are the "cash method" and the "accrual method." Other methods are permissible, such as, completed contract, percentage of completion, etc. Any of these methods or a combination of methods may be used provided that the method or methods used properly reflect your income. However, unless you keep books of account your return must be on the "cash method."

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

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

Item A—Principal business activity and product.—Give the one business activity that accounts for the largest percentage of gross income included on page 1, line 1, of Schedule C. State the broad field of business activity as well as the product or service, for example "wholesale—drugs," "retail—apparel," etc.

Item D—Business location.—Do not use home address as business address unless business is actually conducted from home. Enter street address rather than box numbers.

Line 1—Gross receipts or gross sales.—Enter gross receipts or sales from your trade or business, including finance reserve income, discounts received, sale of scrap, etc. **Returns and allowances.**—Enter such items as returned sales, rebates, and allowances from the sale price or service charge.

Installment sales.—If you use the installment method of reporting income from sales, you must attach to your return a schedule showing separately for the years 1962, 1963, 1964, and 1965 the following: (a) gross sales; (b) cost of goods sold; (c) gross profits; (d) percentage of profits to gross sales; (e) amounts collected; and (f) gross profits on amounts collected.

COST OF GOODS SOLD

Lines 2-9.—If you are engaged in a trade or a business in which the production, purchase, or sale of merchandise is an income producing factor, you must take inventories of merchandise and materials on hand at the beginning and end of the taxable year in order to reflect the gross profits correctly. The method properly adopted for the first year in which inventory is taken must be continued unless permission to change is secured from the Commissioner of Internal Revenue, Washington, D.C., 20224. Application for permission to change the method of valuing inventories should be made on Form 3115 and filed with the Commissioner within 90 days after the beginning of the taxable year in which it is desired to effect a change.

OTHER BUSINESS DEDUCTIONS

Line 11—Depreciation and obsolescence.—You may deduct a reasonable allowance for exhaustion, wear and tear, and obsolescence of property used in the trade or business. For additional information regarding depreciation, see the instructions for Form 1040. The depreciation instructions discuss the alternative stand-

ards and procedures for use in determining depreciation under Revenue Procedures 62-21 and 65-13. While not mandatory, the adoption of these procedures will, in most cases, prove to be to the taxpayer's advantage.

If a deduction is claimed on account of depreciation, fill in Schedule C-2. In case obsolescence is included in this deduction, state separately amount claimed and basis upon which it is computed.

Line 14—Repairs.—You may deduct the cost of incidental repairs, including labor, supplies, and other items, which do not add to the value or appreciably prolong the life of the property. Expenditures for restoring or replacing property are not deductible, since such expenditures are chargeable to capital accounts or to depreciation reserve depending on how depreciation is charged on your books.

Line 19—Amortization.—If you elect to amortize an emergency facility and have a certificate of necessity, a statement of the pertinent facts should be filed with your return. (See section 168 of the Internal Revenue Code.)

For the election to amortize research or experimental expenditures, see section 174 of the Code.

For the election to amortize trademark or trade name expenditures, see section 177 of the Code.

Line 20—Retirement plans, etc. (other than your share).—Enter deduction 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 this line. If the plan includes you as a self-employed individual, enter your share on page 2, Part III, line 4, Form 1040 and attach Form 2950SE. For other plans attach Form 2950 (optional in the first year—see instructions for that form).

Line 22—Bad debts arising from sales or services.—Include debts, or portions thereof, arising from sales or professional services that have been included in income, which have been definitely ascertained to be worthless; or such reasonable amount as has been added within the taxable year to a reserve for bad debts. A debt which is deducted as bad and which reduces your tax must, if subsequently collected, be returned as income for the year in which collected.

Line 23—Losses of business property.—You may deduct losses of business property by fire, storm, or other casualty, or theft, if not compensated by insurance or otherwise and not made good by repairs claimed as a deduction. Attach a statement showing a description of the property, date acquired, cost, subsequent improvements, depreciation allowed or allowable since acquisition, insurance, salvage value, and deductible loss.

Line 24—Depletion of mines, oil and gas wells, timber, etc.—If a deduction is claimed on account of depletion, Form M (mines and other natural deposits), Form O (oil and gas), or Form T (timber), should be submitted with your return. If complete valuation data have been filed with questionnaire in previous years, then file with your return information necessary to bring depletion schedule up to date.

Line 25—Other business expenses.—Include all ordinary and necessary business expenses for which no space is provided in the schedule. Do not include cost of business equipment or furniture, expenditures for replacements, or for permanent improvements to property, or personal living and family expenses.

Automobile Expenses, Special Rule.—See page 8 of the Form 1040 instructions for optional method of computing deductible automobile expenses.

Net operating loss deduction.—Any net operating loss deduction should be entered in Part II, line 8, (Form 1040).

Expense account information.—Expense account allowance means (a) amounts, other than compensation, received as advances or reimbursements, and (b) amounts paid by or for you for expenses incurred by or on behalf of yourself or your employees, including all amounts charged through any type of credit card, for which a deduction is claimed in this schedule.

However, this term does not include amounts paid for (i) the purchase of goods for resale or use in your business, and (b) incidental expenses, such as the purchase of office supplies or for local transportation in connection with an errand. You should maintain records to substantiate entertainment expenditures.

Information returns.—You may be required to file information returns for certain salaries, fees, compensation, interest, rents, royalties, annuities, pensions, and foreign items. For more detailed information see instructions on Form 1096.

SCHEDULE D (Form 1040)

U.S. Treasury Department—Internal Revenue Service

GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY

1965

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

Table with 7 columns: a. Kind of property and how acquired, b. Date acquired, c. Date sold, d. Gross sales price, e. Depreciation allowed, f. Cost or other basis, g. Gain or loss. Includes lines 1-4 for short-term gains and losses.

Long-term capital gains and losses—assets held more than 6 months

Table with 7 columns: a. Kind of property and how acquired, b. Date acquired, c. Date sold, d. Gross sales price, e. Depreciation allowed, f. Cost or other basis, g. Gain or loss. Includes lines 5-13 for long-term gains and losses.

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.



Table with 5 columns: a. Kind of property and how acquired, b. Date acquired, c. Date sold, d. Gross sales price, e. Cost or other basis. Includes lines 1-3 for depreciable property gains.

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 Part II, line 3.....						
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 in Part IV, line 3.....						

Part IV—TOTAL GAINS OR LOSSES FROM SALE OR EXCHANGE OF PROPERTY

1. Net gain (or loss) from Part I, line 12 or 13.....	
2. Total ordinary gain from Part II, line 2.....	
3. Net gain (or loss) from Part III, line 3.....	
4. Total net gain (or loss), combine lines 1, 2, and 3. Enter here and on page 2, Part II, line 6, 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 \$26,000, or (b) a joint return, or as a surviving husband or wife, with taxable income exceeding \$52,000, or (c) as a head of household with taxable income exceeding \$38,000.

1. Enter the amount from page 1, line 11d, Form 1040	
2. Enter amount from Part I, line 11, 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 11 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 page 1, line 11d, Form 1040, enter this alternative tax on page 1, line 12, 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 includible in his inventory if on hand at the close of the taxable year;
- (b) property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business;
- (c) property used in the trade or business of a character which is subject to the allowance for depreciation provided in section 167;
- (d) real property used in the trade or business of the taxpayer;
- (e) certain government obligations issued on or after March 1, 1941, at a discount, payable without interest and maturing at a fixed date not exceeding one year from date of issue;
- (f) certain copyrights, literary, musical, or artistic compositions, etc.; or
- (g) accounts and notes receivable acquired in the ordinary course of trade or business for services rendered or from the sale of property referred to in (a) or (b) above.

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 1236 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 tax under section 501(a), are paid to the employee in one taxable year, an amount 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, communications, 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 depreciation prior to July 1, 1963, and in column f-2 depreciation after June 30, 1963.

(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 Part II, line 3						
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 in Part IV, line 3.....						

Part IV—TOTAL GAINS OR LOSSES FROM SALE OR EXCHANGE OF PROPERTY

1. Net gain (or loss) from Part I, line 12 or 13.....
2. Total ordinary gain from Part II, line 2.....
3. Net gain (or loss) from Part III, line 3.....
4. Total net gain (or loss), combine lines 1, 2, and 3. Enter here and on page 2, Part II, line 6, 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 \$26,000, or (b) a joint return, or as a surviving husband or wife, with taxable income exceeding \$82,000, or (c) as a head of household with taxable income exceeding \$38,000.

1. Enter the amount from page 1, line 11d, Form 1040
2. Enter amount from Part I, line 11, 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 11 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 page 1, line 11d, Form 1040, enter this alternative tax on page 1, line 12, Form 1040 and write "Alternative" to left of entry.....

INSTRUCTIONS (Continued from reverse side of original)

Column i 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 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. 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:

- (a) within 1 year after (or before) the sale, you purchase another residence and use it as your principal residence; or
- (b) 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 10, 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. Capital losses retain their character as either short-term or long-term when carried over to the succeeding year. To the extent the net capital losses are deducted from ordinary income, the net short-term capital loss must be considered as deducted 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.

Losses on small business stock.—If you had a loss on section 1244 stock which would (but for that section) be treated as a loss from the sale or exchange of a capital asset, it shall be treated as a loss from the sale or exchange of an asset which is not a capital asset to the extent provided in that section.

**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

1965

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	3. Amount
Cattle		\$	Eggs		\$	Mdse. rec'd for produce
Sheep			Meat products			Machine work
Swine			Poultry, dressed			Breeding fees
Poultry			Wool			Wood and lumber
Bees			Honey			Other forest products
Grain			Sirup and sugar			Patronage dividends, rebates or refunds
Hay			Other (specify):			Agricultural program pay- ments
Cotton						Other (specify):
Tobacco						
Vegetables						
Fruits and nuts						
Dairy products						
Total of columns 1, 2, and 3. Enter here and in Part IV, line 1 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, in Part IV, line 2 below)		\$	\$	\$

PART III. FARM EXPENSES FOR TAXABLE YEAR (see separate 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)

F

Items	1. Amount	Items	2. Amount	Items	3. Amount
Labor hired	\$	Veterinary, medicine	\$	Retirement plans, etc. (other than your share— See instructions)	\$
Repairs, maintenance		Gasoline, fuel, oil		Other (specify):	
Interest		Storage, warehousing			
Feed purchased		Taxes			
Seed, plants purchased		Insurance			
Fertilizers, lime		Utilities			
Machine hire		Rent of farm, pasture			
Supplies purchased		Freight, trucking			
Breeding fees		Conservation expenses			
Total of columns 1, 2, and 3. Enter here and in Part IV, line 4 below (cash method), or page 2, Part VII, line 6 (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	\$
8. Net farm profit (or loss) (subtract line 7 from line 3). Enter here and on page 2, Part II, line 7, 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 instructions, Schedule F-1 (Form 1040))

Schedule F (Form 1040) 1965

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.

Table with 8 columns: 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. Includes line 1 for total additional first-year depreciation and line 2 for total depreciation.

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.)

Table with 7 main columns: Description (Kind of livestock, crops, or other products); On hand at beginning of year (Quantity, Inventory value); Purchased during year (Quantity, Amount paid); Raised during year (Quantity); Consumed or lost during year (Quantity); Sold during year (Quantity, Amount received); On hand at end of year (Quantity, Inventory value). Includes a Totals row at the bottom.

PART VII. SUMMARY OF INCOME AND DEDUCTIONS—ACCRUAL METHOD

Summary table with 10 rows: 1(a), (b), (c) Inventory, sales, and other farm income; 2. Total; 3. Inventory at beginning of year; 4. Cost of livestock and products purchased during year; 5. Gross profits; 6. Farm expenses; 7. Depreciation; 8. Other farm deductions; 9. Total deductions; 10. Net farm profit (or loss).

* Use this amount for optional method of computing net earnings from self-employment (See line 3, Schedule F-1 (Form 1040)) 16-78870-1

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)	1965
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NOTE.—Fiscal year taxpayers see "Important New Features" on page 2 of Form 1040 instructions.

- ▶ 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 in Schedule C-3 (Form 1040) on line 5(d).

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) Schedule F, page 1, line 8 (cash method), or page 2, line 10 (accrual method)	\$
(b) Farm partnerships	\$
2. Net earnings from self-employment from farming. Add lines 1 (a) and (b)	\$
Computation Under Optional Method	
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 from Schedule F, Part IV, line 3 (cash method), or Part VII, line 5 (accrual method), plus the distributive share of 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	\$ 4,800 00
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	\$
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 page 1, line 15, Form 1040	\$

Do not detach c59-10-78870-1

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	1965
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Indicate year covered by this return (even though income was received only in part of year): Calendar year 1965 <input type="checkbox"/> or other taxable year beginning _____ 1965, ending _____ A. 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 ➔ 	
E. 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..... \$

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. If you have filed Form 4029, Application for Exemption from Tax on Self-employment Income, Claim for Refund, and Waiver of Benefits, do not file Schedule F-1; however, write "Exempt—Form 4029" to the left of the entry space on the self-employment tax line, page 1 of Form 1040.

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 page 2, Part II, line 5 or 7, Form 1040, and the combined self-employment tax should be entered on page 1, line 15, 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 Schedules 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 page 2, Part II, line 5 or line 7, 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 page 1, line 1(b), 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 page 2, Part II, line 8, 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)—1965

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

Under this method include in 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 amounts paid during the taxable year plus deductions such as depreciation, etc.

ACCUAL METHOD

Under this method, the gross profits are obtained 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. Under this method you may value inventories according to the "farm-price method," which provides for the valuation of inventories at market price less direct cost of disposition, in addition to other methods. 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 B (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.

Patronage 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.

Patronage dividends received in the form of nonqualified 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).

Income from farming is subject to the social security self-employment tax. See page 2 of Schedule F-1 (Form 1040). If you have filed Form 4029, Application for Exemption from Tax on Self-employment Income, Claim for Refund, and Waiver of Benefits, do not file Schedule F-1; however, write "Exempt—Form 4029" to the left of the entry space on the self-employment tax line, page 1 of 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 assessed for 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 paid by him in raising the crop.

Conservation expenses.—You may deduct certain expenditures (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.

The allowable deduction for any one year may not exceed 25 percent of your gross income from farming, but any excess may be carried over to succeeding years with the same limit applying to those years.

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 deduction 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 on page 1, Part III, column 3, of Schedule F. If the plan includes you as a self-employed individual, enter your share on page 2, Part III, line 4, Form 1040 and attach Form 2950SE. For other plans attach Form 2950 (optional in the first year—see instructions for that form).

Automobile Expenses, Special Rule.—See page 8 of the Form 1040 Instructions for optional method.

Other farm expenses.—Include such items as advertising, stationery, stamps, account books, other office supplies, travel, etc.

You may deduct expenditures 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, if 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 if not compensated by insurance or otherwise. Do not deduct personal losses.

Net operating loss deduction.—Any net operating loss deduction should be entered on page 2, Part II, line 8, 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

1965

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

	(a) Computation year 1965	(b) 1st preceding base period year 1964	(c) 2d preceding base period year 1963	(d) 3d preceding base period year 1962	(e) 4th preceding base period year 1961
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 1965 which is line 11, Schedule D)					
4. Net income from gifts, etc., received this year or any base period year. (If \$3,000 or less in 1965 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 6, 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 "Sch. 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 determining base period income in accordance with General Instruction C or itemizing of line 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 of the United States throughout 1965 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 1965 income which exceeds by one-third the income of your four prior years (1961-1964) is taxed, in effect, by averaging that excess over the five-year period (1961-1965). Basically the taxable income for each year is the figure utilized. However, since capital gains, wagering 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 1965, 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 1965. A nonresident alien at any time during the five taxable year period ending with 1965 is not eligible.
- (2) **Support requirement.**—You must have furnished at least 50 percent of your own support from 1961 through 1964. 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 page 5, Form 1040 Instructions.

Exceptions. The support requirement is waived if—

- (1) You were age 25 or more before the end of 1963 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 1965, or
- (3) You file a joint return for 1965 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. PF 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 2555) and from sources within possessions of the United States (see sections 931-934 and Form 1040E).
- (2) Use the tax tables on pages 12, 13, and 14, 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. BASE PERIOD INCOME RULES.—Your base period income for each of your base period years (1961-1964) must be determined in a manner consistent with your return for 1965. If you make a separate return for 1965, you must determine your separate base period income for each of your base period years. If a husband and wife make a joint return for 1965, they must determine the sum of their separate base period incomes for each base period year. Thus, if you and your wife make a joint return for 1965 and were married and made joint returns with each other for any base period year, your base period income for each such year is your aggregate taxable income for that year. If a husband and wife married in 1965 and make a joint return for 1965, and neither person was married from 1961 through 1964, their base period incomes for

each of those years is the sum of the husband's separate base period income and that of his wife for each such year.

In some cases the computation of your separate base period income for a base period year may require as many as three computations. The facts in each case determine how many computations are necessary. For instance, if you were married for 1965 and made a joint return with your wife (husband), but had a different wife (husband) for 1965 than for a base period year, two computations are necessary. In such case, your separate base period income for the year in question is the larger of the following amounts:

- (1) The amount determined by adjusting your separate income and deductions for the base period year.
 - (2) One-half the total amount of base period income resulting from adjusting your separate income and deductions and adjusting the separate income and deductions of your wife (husband) for that base period year.
- However, if you and your wife file separate returns for 1965, a third computation is necessary. Your separate base period income will be the largest of the amounts determined under (1) and (2) above and:
- (3) One-half the total amount of the base period income resulting from adjusting your separate income and deductions and adjusting the separate income and deductions of your wife (husband) for 1965 for that base period year.

The amount of your separate income and deductions for a base period year is the excess of your gross income for that year over your allowable deductions. Your separate deductions for any base period year for which you made a separate return are the deductions allowable on that return. If you made a joint return for a base period year, your separate deductions are (1) in the case of deductions allowable in computing your adjusted gross income, the sum of such deductions attributable to your gross income, and (2) in the case of deductions allowable in computing taxable income (exemptions and itemized deductions), the amount resulting from multiplying the amount of such deductions allowable on the joint return by a fraction whose numerator is your adjusted gross income and whose denominator is the aggregate adjusted gross income on the joint return. 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 allowable in computing taxable income are allowable to the one to whom such income is attributable. See specific instruction 1, under Part I, on adjusted gross income.

In computing your separate base period income when community property laws are applicable, you must take into account all of the earned income you earned, 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 determine your separate base period 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 such computation 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 1965 for which they made a joint return. W, however, was married to and made a joint return with A for the taxable year 1961. H was unmarried for 1961. H and W compute their base period income for 1961 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) $\frac{6000 \text{ (W's separate adjusted gross income)}}{18000 \text{ (A \& W's adjusted gross income from joint return)}} \times 3600 \text{ (Total of itemized deductions and personal exemptions on A \& W's joint return)} = 1200$

Method No. 1 — W's separate income and deductions..... \$4,800
Method No. 2 — W and A's taxable income from joint return, \$14,400 × 50 percent..... \$7,200

W's separate base period income is \$7,200, the larger of the two methods. H and W's base period income (since there are no adjustments) for 1961 is \$9,600 (H's separate base period income of \$2,400 (unmarried in 1961) plus W's separate 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 (1961-65) - line 11d, page 1
- (b) Form 1040A (1964) - line 5, page 4
- Form 1040A (1961-63) - line 5, page 3

Tax Computation
Schedule Form
1040A instructions

For any year for which you use the tax tables to compute your tax, 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 (1961-65) - line 9, page 1
- (b) Form 1040A (1963-64) - item 7, page 1
- Form 1040A (1961-62) - item 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 1960, or were not single for all those years, it will be necessary to determine 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 income within its possessions (sections 911 and 931-934). For 1965 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 an amount determined under Base Period Income Rules (General Instruction C) then the capital gain net income for the same year must be determined 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 1965 or any base period year (1961 through 1964), as a gift, bequest, devise, or inheritance, but only if the amount of such net income for 1965 exceeds \$3,000. (If the property was received prior to 1961 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 1965 (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 1965 (including a joint return filed by a survivor with his deceased wife (husband) for 1965), or if one of them files a return as a surviving widow(er) for 1965.

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 1965, 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)

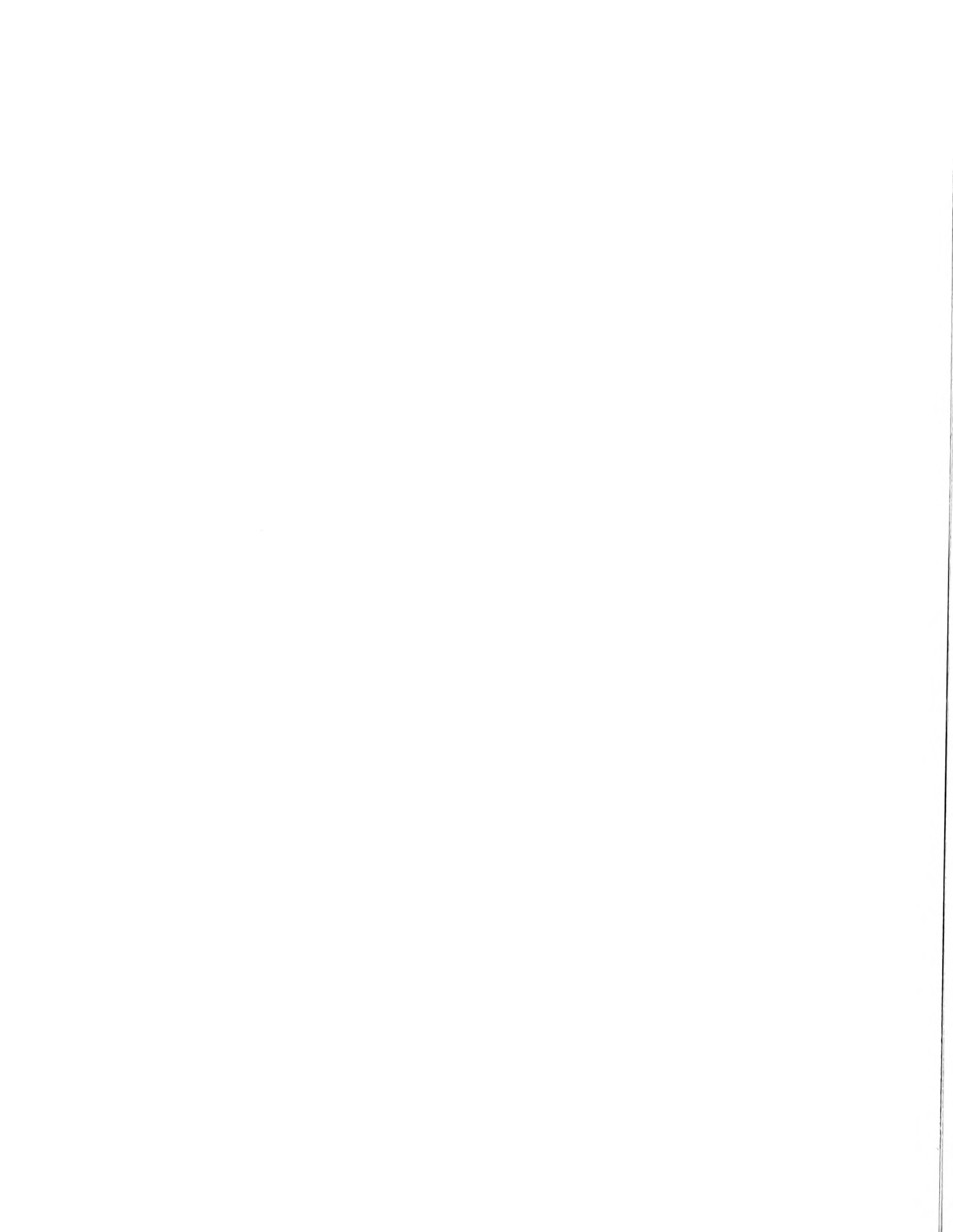
Capital gain net income for this year for purposes of computing entry for line 3(a), Part II zero

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 11 of the instruction booklet for Form 1040.



CONTENTS

Statistics of Income volumes, 1916-1965, 197
Change in orientation of Statistics of Income, 197
Increased service of tax return data for economic analysis, 197
Content of Statistics of Income, 198
Initial year, 1916, 198
Returns represented, 198
Items common to all years, 198
Special features, 1954-1965, 199
Characteristics of tax and income, 199
Importance of Federal individual income tax, 199
Number of returns, 200
Adjusted gross income, 200
Geographic distribution, 202
Regions, 202
Internal Revenue Service Regions, 202
Five largest metropolitan areas, 1936 and 1965, 204
<u>Text tables</u>
9.1 Individual income tax and range of tax rates: 1916-1965, 200
9.2 Number of individual returns and adjusted gross income: 1916-1965, 200
9.3 Returns filed and adjusted gross income by Internal Revenue Service Regions: 1945-1965, 204
9.4 Five largest metropolitan areas compared with United States: 1936 and 1965, 204
<u>Charts</u>
9A. Growth in number of returns, by income size: 1946-1965, 201
9B. Four major sources of adjusted gross income: 1946-1965, 201
9C. Returns and income for New England and Pacific States, 1939-1965, 202
<u>Basic tables</u>
36 Income tax (after credits) and range of tax rates, 1913-1965, 205
37 Requirements for filing returns, personal exemptions, and allowance for each dependent, 1913-1965, 206
38 Number of returns, leading sources of income for 1916-1965 and adjusted gross income for 1944-1965, 207
39 Number of returns by major characteristics, 1956-1965, 209
40 Sources of income by type, 1956-1965, 210
41 Itemized deductions by type, 1956-1965, 210
42 Number of returns and adjusted gross income, by income size, 1956-1965, 211
43 Returns with income tax--number, adjusted gross income, taxable income, income tax, and average tax, by income size, 1956-1965, 212
44 Selected sources of income, by income size, 1956-1965, 213
45 Number of returns, adjusted gross income, and income tax, by States, 1956-1965, 215
46 Five largest Metropolitan areas, 1936 and 1965, 217
47 100 largest metropolitan areas, 1961-1965, 218

STATISTICS OF INCOME VOLUMES, 1916-1965

In the 50th year of *Statistics of Income, Individual Income Tax Returns*, it seems appropriate to present a summary of the development and content of the volume over this long period, as well as some of the characteristics of individual incomes.

Beginning with the Revenue Act of 1916, the publication of annual "facts deemed pertinent and valuable" with respect to the operation of the income-tax law has been required. The *Statistics of Income* for 1916, prepared under the direction of Edward White, Director of the

Statistical Division of the Income Tax Unit of the Bureau of Internal Revenue, and approved by the Secretary of the Treasury on June 1, 1918, was the first report which fulfilled these new requirements.

This initial volume for the income year 1916 also contained a small amount of information for 1913-1915, secured from Annual Reports of the Commissioner of Internal Revenue. Thus, the *Statistics of Income* cover the entire period of the individual income tax, enacted after the ratification of the Sixteenth Amendment to the Constitution in February 1913. For the first year, 1913, only the income received in the period March-December was subject to the new Federal income tax.

Each *Statistics of Income* has been issued as a public document. For the first 18 years, 1916-1933, only one complete report was prepared for each year, containing data for both individual and corporation returns, and beginning with 1917, for other selected returns. For the subsequent 32 years, 1934-1965, increases in both volume of statistics and types of returns included necessitated presenting an annual series of more than one report. Beginning with 1951, the smaller size of 6" x 9" pages was changed to its larger present 9" x 11-1/2" format. For all years, the data have been presented in current dollars.

CHANGE IN ORIENTATION OF STATISTICS OF INCOME

Increased Service of Tax Return Data for Economic Analysis

Until the late 1920's, the *Statistics of Income* emphasized particularly the tax, the size of the net income producing the tax, and where the returns were filed. In fact, a major portion of each book related to geography. Not only were there State tables showing number of returns, net income, and tax, classified by size of income, but the number of returns in each county, city, and town was published for 21 years.

However, as numerous Congressional, Federal, State and private economic research agencies were created, and as the needs of Internal Revenue and the estimators of future tax revenue grew, requests were received for new data showing many detailed characteristics of the income of all persons in the United States. Consequently, the *Statistics of Income* was developed gradually into a document of basic economic data.

Such development was supported and encouraged because (1) the cost of preparing the data from documents already filed for administrative purposes was relatively low, (2) more stringent filing requirements continually produced a better statistical universe of individual returns, and (3) as the Internal Revenue Code became more complicated, the return form itself contained more desirable data.

In the National Office this development was slow during the depression. It is true that a few tabulations, such as frequencies for each source of income or loss and size classifications of certain sources of income began to appear, but they were restricted to returns with net income of \$5,000 or more.

A Works Project under the direction of the Treasury Department prepared extremely detailed analyses of the 1934 and 1936 returns--notably those for 1936. With a large clerical staff, located in Philadelphia, many income characteristics were prepared for the first time. These fulfilled requests of members of an Interagency Advisory Committee, of which William L. Crum, Consultant to the Treasury Department, was Chairman. An important member of this group was Simon Kuznets, the first Director of the National Income Division, Department of Commerce. Also, through Dr. Kuznets' arrangement, the National Bureau of Economic Research employed one professional member of the staff in Philadelphia during the two-year operation of this office.

Examples of the new presentations were: Many patterns of income and loss, gross rents, types of rented property, size of net income excluding statutory capital gains and losses and including actual capital gains and losses, individuals receiving dividends of less than \$10,000 and \$10,000 or more, and a cross-classification of number of dependents by size of net income.

Beginning in the 1940's--as the tax base was continually expanding both in number of individual returns filed and size of income--many of these Philadelphia ideas (in somewhat less detail), as well as other new topics, were adopted for annual or periodic presentation in the *Statistics of Income* or its Supplements. Unfortunately, these expanded programs overtaxed the capacity of the equipment and available staff--resulting in a serious backlog in the publication of the *Statistics of Income* for 1943-1949.

While the *Statistics of Income* for 1950-1957 were being planned and prepared, the professional staff was occupied with five major purposes: (1) Finish the complete reports for 1943-1949 for which publication had been so delayed, (2) speed up the preparation of each current volume, (3) insert new presentations to reflect important changes in the Internal Revenue Code, notably by the Revenue Act of 1954, (4) design a new historical section of reasonable length, and (5) introduce more items and classifications beneficial to economic analysis.

As a result of this drive, fifteen *Statistics of Income* reports for Individual Income Tax Returns, for the income years 1943-1957 inclusive, were issued during the 1950's. The preparation time of the complete reports had been reduced from 75 months (over 6 years) to 18 months after date of filing the returns.

With new statistical techniques available in the last half of the 1950's and in the 1960's, an improved publication schedule could be maintained regularly. Moreover, beginning with this 1965 volume, there has been inaugurated a new publication schedule of approximately 15 months after the returns are due to be filed. This is the shortest preparation time that has ever been proposed for any of the *Statistics of Income* complete reports on any subject.

CONTENT OF STATISTICS OF INCOME

Initial Year, 1916

The first *Statistics of Income* for 1916, issued in the summer of 1918, was a new venture, as no income-tax publication of this design existed. A few key items from individual and corporation income tax returns were pre-

sented in its 391 pages. Of the 117 pages devoted to individuals, 90 pages, or 77 percent, presented State distributions, and on 91 pages the amount of tax appeared. About 89 pages showed a few selected items, classified by size of net income. Nine sources of income were grouped into three categories of income from personal services, business, and property. They were presented, on only four pages, in total, as a percent of gross income, and by income classes. A total amount of deductions was tabulated, but it was not possible to secure the several types of deductions.

An outstanding feature of this issue was the occupation of each taxpayer--a classification never attempted again. There were 36 categories, 14 professions and 22 business activities. Number of returns, net income, and tax were cross-classified by (1) States and occupation and (2) income classes and occupation. Also, for over half of the occupations, a comparison was made of the number of returns filed with the number of persons engaged in these occupations in the Census of 1910.

A classification by marital status was also introduced. Such a classification, with certain modifications, has been retained in all *Statistics of Income*, though the nomenclature was "conjugal condition" for 1916 and "family relationship" for 1917-1943.

Returns Represented

Because of the emphasis in the early reports on net income and whether the returns were taxable or nontaxable (exemptions exceed net income), all individual returns filed were not used for the *Statistics of Income* until 1928. Before that time data from deficit returns (deductions exceed gross income) were not tabulated. Moreover, for 1928-1937, only a limited amount of data from these deficit returns was presented in a few separate tables. Not until 1938--the 23rd year of publication--were data for deficit returns included in most of the regular tables.

Prior to 1937, income of each estate or trust which yielded a tax for which the estate or trust was liable (usually income received while the estate was being settled or income from a trust which was not distributed to beneficiaries) was required to be filed on an individual return, Form 1040. The tax rates were the same as for individuals and a separate Form 1041 was not used for this purpose until 1937. Consequently, for 1916-1936 data for individuals and for estates and trusts with net income were combined (though labelled as "individual returns") and they cannot be separated.

Items Common to All Years

In spite of countless changes in definitions of sources of income and deductions, size of exemptions, and methods of computing the income tax, the following data for un-audited individual returns have been published for every year 1916-1965:

- Number of returns
- Each major source of income
- A gross income
- A total of deductions
- A net income
- Personal exemptions
- Federal income tax liability

Also, the following three classifications were considered essential for each year, although not all of the above items appeared under each:

- One or more size classes
- Marital status of taxpayers
- States - where return filed

The terms "A gross income", "A total of deductions" and "A net income" are used because, beginning with 1944, rather drastic changes in the law and income tax forms resulted in a new method of defining and presenting these items. The following guide may be helpful:

For 1944 on, published amounts for gross income and total deductions are not comparable with those for prior years, and for 1954 on, the net amount of income is not comparable. Of course, for any previous year, certain amounts subsequently tabulated can be computed. For instance, for 1939 an "adjusted gross income" can be estimated by subtracting the principal negative amounts of sources of income (which are presented as deductions) from the amount of "Total income". Aside from being a pre-war base comparable to 1944 such an amount probably has little current use--it did not exist by law and a classification for any needed data by the size of the

Item	Historical definitions in Statistics of Income		
	1916-1943	1944-1953	1954-1965
"A gross income" =	(1) Total income (Only positive amounts of each source of income)	(1) Adjusted gross income (Positive amounts less Negative amounts of each source of income)	(1) Adjusted gross income
	LESS	LESS	LESS
"A total of deductions" =	(2) Legal deductions and Negative items of income	(2) Legal deductions only	(2) Legal deductions only
	EQUALS	EQUALS	
"A net income": 1916-1953 =	(3) Net income	(3) Net income (same as 1916-43)	---
			LESS Total exemptions
			EQUALS
1954-1965 =	---	---	(3) Taxable income

computed amount is not available. The period since the adoption of the 1944 methods--22 years to date--is sufficiently long to meet most of the uses of these data for current economic analyses. The 10-year period, 1956 to 1965, satisfies the needs of most persons engaged in estimating future revenue. During the latter period there were relatively few changes in the definitions adopted by the Internal Revenue Code of 1954.

For the entire period since the passing of the 16th Amendment, 1913 to 1965, Statistics are presented in tables 36 through 38 for number of returns, income tax, and selected sources of income. For the period 1956 to 1965, tables 39 through 47 present detailed data classified by size of income, by State, and by metropolitan area.

Special Features, 1954-1965

The most recent years best illustrate the wide assortment of economic data which can be obtained from income tax returns. By not preparing them every year, a larger variety can be presented within a limited budget. Some of the subjects, each classified by size of adjusted gross income, are:

Contributions, related to size of adjusted gross income	1954, 56, 58, 60, 62, 64
Types of contributions	1962
Dividends, by number of payor corporations and size of dividends	1963
Blind persons' income	1963
Nature of retirement income	1954, 55, 60, 63, 64, 65
Persons 65 years of more—Nature of income and deductions	1960, 62, 64, 65
Capital gains and losses, short- and long-term	1954-65
Types of capital assets sold	1959, 62
Gross rents, expenses, net rents	1961
Interest received, by type of payer	1961
Pensions and annuities—Receipts, cost, taxable portion	1960, 61
Children dependents	1958, 59, 62
Returns with farm profit—Adjusted gross income, taxable income, and tax	1963

CHARACTERISTICS OF TAX AND INCOME

Importance of Federal Individual Income Tax

For each of the five most recent years, 1961-1965, the tax (after credits) of individuals has exceeded \$42 billion. The only decline experienced during this period was the reduction of \$1.1 billion in tax for 1964, resulting for the

Subject	Year
Patterns of income (selected for each tabulation)	1955, 57, 59, 61, 62, 63
Size of each major source of income	1954, 56, 58, 60, 62, 64
100 Largest Standard Metropolitan Statistical Areas	1959, 61, 63, 65
Components of the medical deduction	1954, 56, 58, 60, 62, 64

most part from the lower rates provided by the Revenue Act of 1964. This reduction was considered temporary in nature. According to the Declaration by Congress in Section 1 of the Revenue Act of 1964: "It is the sense of Congress that the tax reduction provided by this Act, through stimulation of the economy, will, after a brief transitional period, raise (rather than lower) revenues . . .". The record \$50 billion of tax liability in 1965, despite the second step of the two-step tax rate reduction, tends to confirm this prediction.

The individual income tax has been the largest single source of revenue in the United States since 1944. In fact, for the entire period 1913-1965 only 15 of the 53 years have shown a tax decline, and for two of these years 1926 and 1958, the decrease was very slight--0.3 and 0.2 percent, respectively.

The outstanding long-term rise in the individual income tax level is evidence in the following summary of data from Table 36.

Table 9.1—INDIVIDUAL INCOME TAX AND RANGE OF TAX RATES, 1916-1965

Year	Total tax liability (Million dollars)	Range of tax rates		
		Top 1 percent (Percent)	Top 5 percent (Percent)	Top 10 percent (Percent)
1916	1,400	14	14	14
1917	1,400	14	14	14
1918	1,400	14	14	14
1919	1,400	14	14	14
1920	1,400	14	14	14
1921	1,400	14	14	14
1922	1,400	14	14	14
1923	1,400	14	14	14
1924	1,400	14	14	14
1925	1,400	14	14	14
1926	1,400	14	14	14
1927	1,400	14	14	14
1928	1,400	14	14	14
1929	1,400	14	14	14
1930	1,400	14	14	14
1931	1,400	14	14	14
1932	1,400	14	14	14
1933	1,400	14	14	14
1934	1,400	14	14	14
1935	1,400	14	14	14
1936	1,400	14	14	14
1937	1,400	14	14	14
1938	1,400	14	14	14
1939	1,400	14	14	14
1940	1,400	14	14	14
1941	1,400	14	14	14
1942	1,400	14	14	14
1943	1,400	14	14	14
1944	1,400	14	14	14
1945	1,400	14	14	14
1946	1,400	14	14	14
1947	1,400	14	14	14
1948	1,400	14	14	14
1949	1,400	14	14	14
1950	1,400	14	14	14
1951	1,400	14	14	14
1952	1,400	14	14	14
1953	1,400	14	14	14
1954	1,400	14	14	14
1955	1,400	14	14	14
1956	1,400	14	14	14
1957	1,400	14	14	14
1958	1,400	14	14	14
1959	1,400	14	14	14
1960	1,400	14	14	14
1961	1,400	14	14	14
1962	1,400	14	14	14
1963	1,400	14	14	14
1964	1,400	14	14	14
1965	1,400	14	14	14

Source: Internal Revenue Service, "Individual Income Tax Returns, 1916-1965," Report of the Commissioner of Internal Revenue, 1966, p. 10. The data for 1916-1920 are based on the 1916-1920 tax returns. The data for 1921-1965 are based on the 1921-1965 tax returns. The data for 1916-1920 are based on the 1916-1920 tax returns. The data for 1921-1965 are based on the 1921-1965 tax returns. The data for 1916-1920 are based on the 1916-1920 tax returns. The data for 1921-1965 are based on the 1921-1965 tax returns.

Except in the depression of the 1930's, the tremendous expansion in the yield of this tax since 1913 has resulted chiefly from:

- (1) Changes in law-- Enacted to defray part of unusual expenses for national defense emergencies
- (2) Long-term growth of the economy Resulted in larger tax yields in peace times-- even though rates may have been reduced

increased demands for additional revenues to finance World War I, World War II, and the Korean emergency caused rapid and numerous changes in the tax law. The most drastic revisions occurred in the early 1940's when the individual income tax was broadened to cover most of the working population. In 1944 and 1945 the progressive rates ranged from 23 to 94 percent--an all-time high. Between 1940 and 1945 the tax rose from \$1.4 billion to \$17.1 billion.

With the exception of the depression of the 1930's, rates were reduced in numerous years between these emergencies, but the tax level never dropped to its pre-war level. A good example of increased yield, in peace

times, was the 10-year period 1954-1963. This was the longest time since 1913 with no changes in rates, filing requirements, exemptions, or allowance for dependents. In current dollars, the income tax level rose from \$26.7 billion for 1954 to \$48.2 billion for 1963, an increase of 80.8 percent. For the same period, gross national product in current dollars showed a smaller increase--from \$364.8 billion to \$590.5 billion, or 61.9 percent.

Other annual data for the tax, and annual tax rates may be found in Table 36. Requirements for filing returns, personal exemptions, and allowance for dependents are in Table 37.

Number of Returns

The number of individual returns for 1965 attained an all-time high of 67.6 million. The 65 million level was reached by 1964 and the 60 million level by 1959. Since 1948, when the filing requirement of \$600 was introduced, the number of returns has increased from 52 million, or 30 percent.

Annual data in columns 1-3 of Table 38 show the immediate effect of a change in requirements for filing on the number of returns for the year. For example, an annual increase of 92 percent occurred for 1940 when persons with much less income were subject to filing. For single persons, the requirement was \$800 gross income, instead of either \$1,000 net income or \$5,000 gross income. For married persons, the requirement was \$2,000 gross income, instead of either \$2,500 net income or \$5,000 gross income (See Table 37). The greatest annual decrease, 43 percent, was experienced for 1925 when the requirements were drastically liberalized. For that year, the net income requirement was \$1,500 instead of \$1,000 for single persons and \$3,500 instead of \$2,500 for married persons (the alternative gross income requirement was not changed).

A summary, by 5-year intervals, of the number of returns is presented in Table 9.2.

Table 9.2—NUMBER OF INDIVIDUAL RETURNS AND ADJUSTED GROSS INCOME, 1916-1965

Year	Number of returns (Thousands)	Adjusted gross income less deficit (Million dollars)
1916	7,540	2,201
1917	11,028	313,400
1918	12,250	348,530
1919	13,300	170,147
1920	41,932	120,000
1921	44,711	
1922	46,700	
1923	47,250	
1924	47,171	
1925	26,100	
1926	26,100	
1927	26,100	
1928	26,100	
1929	26,100	
1930	26,100	
1931	26,100	
1932	26,100	
1933	26,100	
1934	26,100	
1935	26,100	
1936	26,100	
1937	26,100	
1938	26,100	
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1944	26,100	
1945	26,100	
1946	26,100	
1947	26,100	
1948	26,100	
1949	26,100	
1950	26,100	
1951	26,100	
1952	26,100	
1953	26,100	
1954	26,100	
1955	26,100	
1956	26,100	
1957	26,100	
1958	26,100	
1959	26,100	
1960	26,100	
1961	26,100	
1962	26,100	
1963	26,100	
1964	26,100	
1965	26,100	

Source: Internal Revenue Service, "Individual Income Tax Returns, 1916-1965," Report of the Commissioner of Internal Revenue, 1966, p. 10. The data for 1916-1920 are based on the 1916-1920 tax returns. The data for 1921-1965 are based on the 1921-1965 tax returns. The data for 1916-1920 are based on the 1916-1920 tax returns. The data for 1921-1965 are based on the 1921-1965 tax returns.

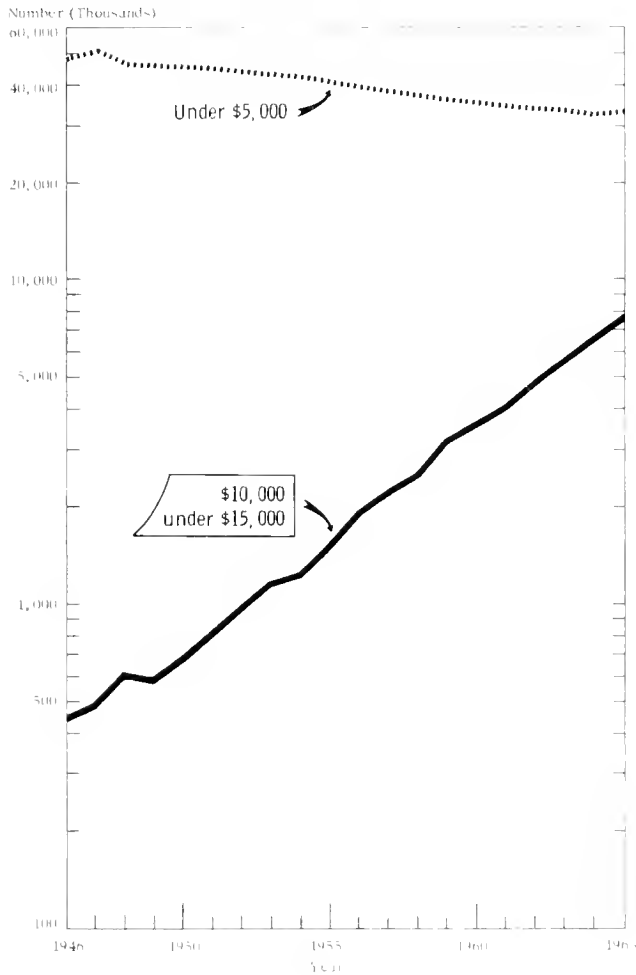
Adjusted Gross Income

Since 1944 the Internal Revenue Code has provided an adjusted gross income, consisting of all taxable sources of income, which taxpayers have reported on the return. Although negative amounts of income (such as net loss from a sole proprietorship or from rented property) have been subtracted, this is the largest amount of income tabulated from income tax returns.

For 1965, adjusted gross income exceeded \$400 billion for the first time. In current dollars, adjusted gross income has increased from \$117 billion for 1944 to \$429 billion for 1965, or over 3-1/2 times. At the same time, the total number of returns showed a smaller increase, only 1-1/2 times those filed in 1944, climbing from 47 million to 68 million. (See Table 38 for annual data).

Over the most recent 20 years, outstanding changes have occurred in the size of adjusted gross income reported for income tax purposes. Chart 9A presents the relative growth of the number of returns for five selected income classes for 1945-1965. Although returns with adjusted gross income under \$5,000 have exceeded greatly those for any other size, the number in this group has been declining since 1947, except for a small increase in 1965.

Chart 9A - Growth in Number of Returns by Size of Adjusted Gross Income, 1946-1965



Up through 1953 there was a remarkable growth in the number of returns with adjusted gross income of \$5,000 under \$10,000. From 1955 through 1962, the somewhat larger incomes of \$10,000 under \$15,000 were rising the most rapidly. Beginning with 1963, current dollar income of \$15,000 under \$20,000 have shown the greatest increase in number and since that time have exceeded the number with income \$20,000 or more.

During the entire history of the income tax law, there have always been four major sources of income, usually in the following order of importance:

- Salaries and wages
- Sole Proprietorship and partnership profits
- Dividends
- Taxable interest received

For each of the years 1944-1965, these four sources combined comprised about 95 percent of adjusted gross income. In Table 38 annual data for 1913-1965 are presented for each of these four components, in so far as available. Major changes in comparability over this long period are indicated in table columns and footnotes.

Chart 9B - Four Major Sources of Adjusted Gross Income, 1946-1965

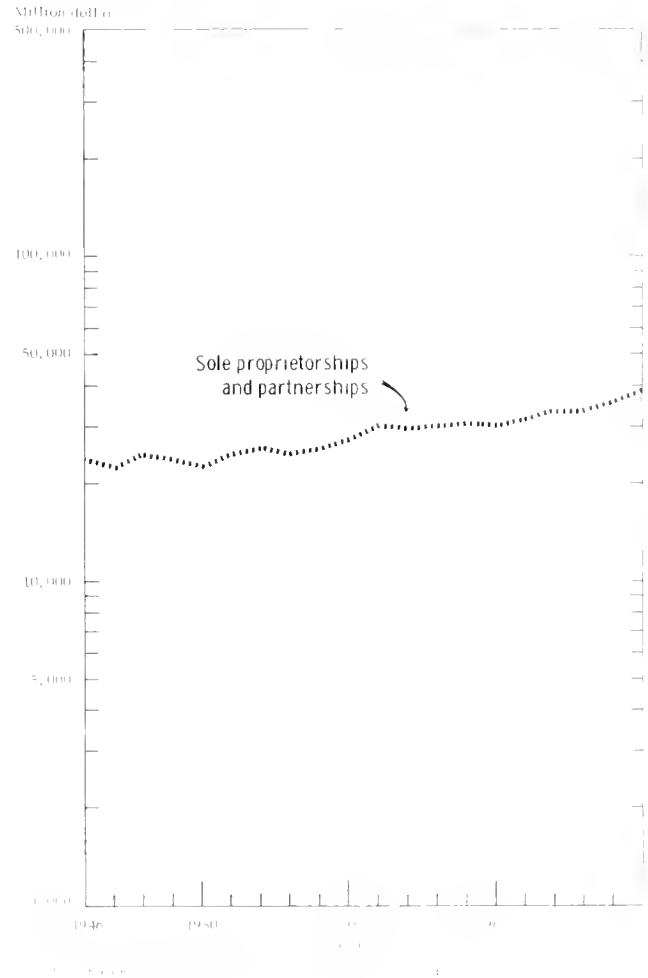


Chart 9B shows that salaries and wages, the largest single source of income, has been increasing at a rapid rate. Prior to 1951, this source of income comprised 74 to 78 percent of adjusted gross income but since that time has constituted 80 percent or more of income. Income from sole proprietorships and partnerships, the second largest source of income, has been increasing but at a less rapid rate than any of the other major sources of income. From 1946 to 1965, its proportionate share of adjusted gross income has dropped from 17 per-

cent to 9 percent. Although interest income was the smallest of the major sources of income, it has increased the most rapidly and by 1965 was only 1.7 billion dollars less than the 13.0 billion dollars of dividends reported in adjusted gross income.

Geographic Distribution

The place of residence of the taxpayer has been a significant basis for classification of individual income tax return data in each *Statistics of Income*. For each State, the three items of number of returns, net income or adjusted gross income, and income tax have been shown for each of the years 1916-1965; and, except for 1944, these data were cross-classified by size of income. Additional items, such as number of joint returns and exemptions, sometimes have been included, particularly for the more recent years. The reader is referred to each *Statistics of Income* for these detailed statistics for each State.

Regions

Various groupings of States can be used to illustrate historical developments of the Federal tax system. Although the number of returns and adjusted gross income have both increased on a National scale, the growth pattern is quite different in various parts of the United States. This is well illustrated by data for the New England and Pacific States in chart 9C.

Data for both these areas are quite different from those for the Nation, but in reverse position. Immediately after 1940, the New England rate of growth began to drop below that for the United States, and the gap widened as the years progressed. On the other hand, the Pacific rate of growth

was higher than that for the United States, and again, the gap has widened for the later years.

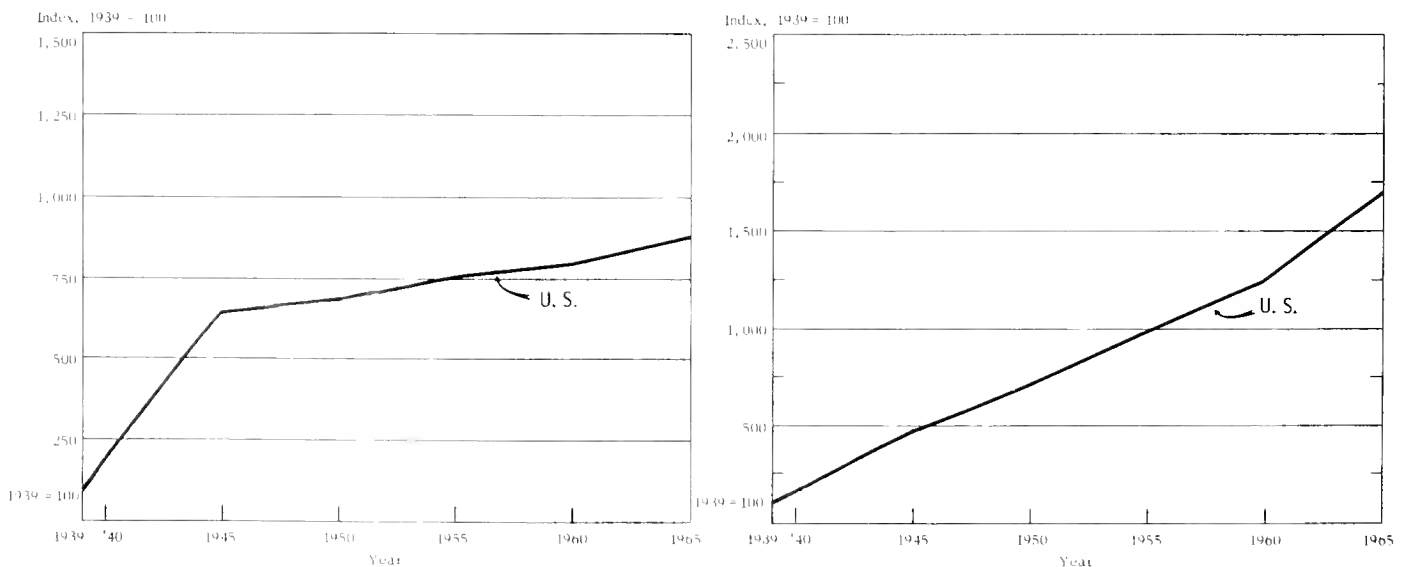
For the 5-year intervals in Chart 9C, 1950 is the only year for which the number of returns for the Pacific is in a lower relative position than the Nation. For 1948 and 1949 there was a drop in number of returns filed because of the introduction in 1948 of (1) the split-income provision on joint returns (frequently making the income tax less on one joint return than on two separate returns) and (2) the changes in the requirement for filing a return from \$500 to \$600 gross income. However, for the Nation as a whole the number of returns filed for 1950 was greater than for 1945, but this was not true in California and Oregon.

Internal Revenue Service Regions

Internal Revenue Service Regions, as shown in the map on page 203, also reflect the variation that exists for different areas of the country. This is especially true when comparing the regions containing the more established States east of the Mississippi with the growing areas west of the Mississippi. As shown in Table 9.3, the Southwest and Western Regions have both grown at a pace well above the U. S. average. Since 1945, income in these regions has more than quadrupled, and the number of returns filed has increased by more than 50 percent. East of the Mississippi, only the Southeast Region has paralleled this growth. In these southern States, starting off from a lower base than other regions, income was nearly five times as large and the number of returns filed almost double.

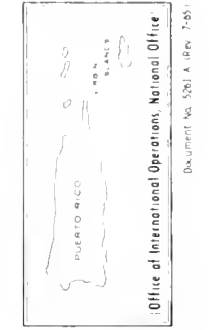
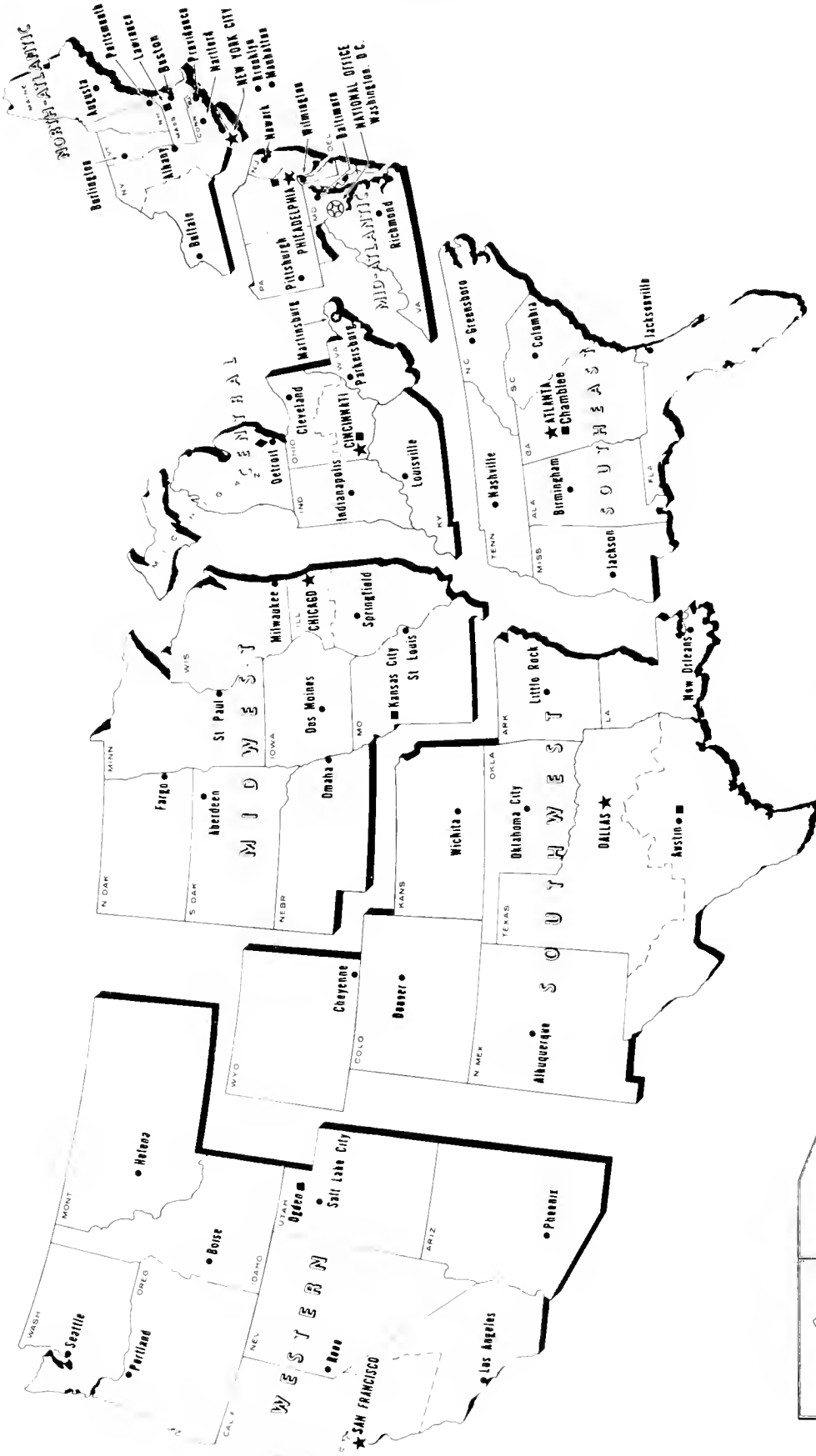
In the North, the North-Atlantic Region, encompassing the New England States and New York State, grew at a pace significantly less than the U. S. total. Although income in this area has almost tripled, the number of

Chart 9C - Number of Returns and Adjusted Gross Income for the New England and Pacific States, 1939-1965

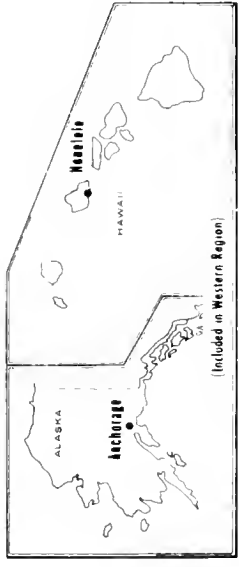


NOTE: New England States include Connecticut, Massachusetts, New Hampshire, Rhode Island, and Vermont. Pacific States include Alaska, California, Hawaii, Oregon, and Washington.

Map of Internal Revenue Regions and Districts



- LEGEND**
- Regional Boundary
 - - - District Boundary
 - ★ Commissioner of Internal Revenue, Washington, D. C.
 - Regional Commissioner — District Director
 - District Director
 - Service Center
 - National Computer Center, Martinsburg, W. Va.
 - ◆ IRS Data Center, Detroit, Mich.



Document No. 5261 A (REV. 7-65)

returns filed in 1965 was only 15 percent more than those filed in 1945.

Table 9.3—RETURNS FILED AND ADJUSTED GROSS INCOME, BY INTERNAL REVENUE SERVICE REGIONS, 1945-1965

Region and year	Returns filed		Adjusted gross income	
	Number (Thousands)	1945 1965	Amount (Million dollars)	Index 1945 = 100
	(1)	(2)	(3)	(4)
UNITED STATES	11,799	14	462,679	387
.....	11,792	14.3	317,132	293
.....	78,272	117	24,777	207
.....	52,812	111	14,185	150
.....	49,769	105	12,184	100
NORTH-ATLANTIC	41,167	111	1,346	299
.....	1,724	109	1,134	231
.....	10,317	106	46,376	183
.....	9,911	102	3,123	138
.....	9,775	100	2,159	100
MID-ATLANTIC	9,022	123	16,724	331
.....	5,622	114	4,132	251
.....	511	112	30,327	201
.....	2,224	109	29,431	150
.....	1,123	105	19,711	100
PENNSYLVANIA	1,127	127	13,723	342
.....	2,072	125	6,126	273
.....	1,411	117	4,999	214
.....	1,243	107	2,177	153
.....	1,207	105	1,734	100
CENTRAL	7,292	141	43,946	494
.....	2,279	114	2,132	334
.....	4,416	139	21,131	257
.....	4,336	110	16,092	174
.....	4,229	110	15,769	100
SOUTHWEST	1,461	171	41,777	402
.....	1,132	134	31,871	295
.....	1,194	124	23,798	229
.....	1,227	111	1,227	100
.....	1,171	100	10,448	100
MIDWEST	10,461	125	11,224	324
.....	1,174	122	4,111	243
.....	5,121	111	21,231	145
.....	3,152	108	20,439	173
.....	1,014	100	15,843	100
SOUTH	1,141	171	41,777	402
.....	1,084	134	31,871	295
.....	1,194	124	23,798	229
.....	1,227	111	1,227	100
.....	1,171	100	10,448	100

The Mid-Atlantic Region, as did the Central and Mid-west Regions, grew at a rate approximating the National pace. Income in these regions in 1965 was more than three times as large as in 1945, and the number of returns filed approximately 25 percent greater.

Five Largest Metropolitan Areas, 1936 and 1965

One of the pioneer tabulations of the Works Project under the direction of the Treasury Department consisted of 1936 data classified by the five largest metropolitan areas of New York City and northern New Jersey, Chicago, Philadelphia, Los Angeles, and Detroit. For comparison, there have been assembled similar data for 1965 (See Table 46). For this purpose, it was necessary to use the 1936 definition of the New York area, which for 1965, is a combination of New York City and Jersey City, Newark, and Paterson in New Jersey. In California, Orange County has been combined with the Los Angeles - Long Beach area.

The number of income tax returns represented only 4.5 percent of the population for 1936, in contrast to 34.9 percent today. As more residents in large cities have higher incomes than for the country as a whole, these percentages were somewhat higher for the five largest metropolitan areas as a group--7.5 percent for 1936 and 36.0 percent for 1965. Of these five areas, Philadelphia showed the lowest percent of the population filing income tax returns for both 1936 and 1965.

A summary of the six items in Table 46 is presented in Table 9.4, along with significant percentages. A much smaller proportion of the returns and of salaries and wages, net income, and income tax were reported by residents of the five largest metropolitan areas for 1965 than for 1936. However, the proportion of dividends reported by the residents of these five areas was nearly the same for both years.

Table 9.4—FIVE LARGEST METROPOLITAN AREAS COMPARED WITH UNITED STATES, 1936 AND 1965

Item and year	United States	Five largest metropolitan areas	
		Number or amount	Percent of U. S.
	(1)	(2)	(3)
1965			
Population, 1965.....thousands..	193,795	38,236	19.7
Number of returns.....do.....	57,174	13,761	20.4
Salaries and wages.....million dollars..	347,199	83,700	24.1
Dividends.....do.....	13,461	4,322	31.0
Net income.....do.....	304,515	90,715	24.5
Income tax.....do.....	49,525	13,361	27.0
1936			
Population, 1936.....thousands..	123,203	22,292	18.1
Number of returns.....do.....	5,486	1,680	30.6
Salaries and wages.....million dollars..	11,718	4,113	35.1
Dividends.....do.....	3,228	1,044	32.3
Net income.....do.....	18,953	6,451	34.0
Income tax.....do.....	1,214	513	42.3

For definitions, see table 46.

Table 36. — INCOME TAX (AFTER CREDITS) AND RANGE OF TAX RATES

Income year	Income tax (after credits) ¹			Range of tax rates			Income year	Income tax (after credits) ¹			Range of tax rates				
	Amount (Million dollars) (1)	Increase or decrease (-)		First bracket Rate (Percent) (4)	Amount of tax base ² (5)	Top bracket Rate (Percent) (6)		Tax base over ² (7)	Amount (Million dollars) (1)	Increase or decrease (-)		First bracket Rate (Percent) (4)	Amount of tax base ² (5)	Top bracket Rate (Percent) (6)	Tax base over ² (7)
		Amount (Million dollars) (2)	Per- cent (3)							Per- cent (3)	Amount (Million dollars) (2)				
1965.....	49,530	2,377	5.0	14	\$500	70	\$100,000	1,441	550	61.7	44.4		21.1		
1964.....	47,153	-1,051	-2.2	16		77		891	165	22.7			79	\$5,000,000	
1963.....	48,304	3,301	7.3					726	-367	-33.6	44				
1962.....	44,903	2,678	6.3	20		391		1,093	-121	-10.0					
1961.....	42,225	2,661	7.0					1,214	557	84.8					
1960.....	39,464	814	2.1					657	146	38.9	44				
1959.....	38,645	4,596	12.5					511	137	36.6				\$1,000,000	
1958.....	34,336	-58	-0.2					374	44	13.3	4				
1957.....	34,314	1,662	5.1					330	84	34.1					
1956.....	32,733	3,118	10.5					246	-230	-48.3	1-1/8				
1955.....	29,614	2,948	11.1					476	-526	-51.5	3-1/2			\$100,000	
1954.....	26,666	-2,765	-9.4					1,002	-162	-13.9					
1953.....	29,421	1,628	5.9					1,164	333	40.1					
1952.....	27,803	3,575	14.8	22.2	\$2,000	292		831	99	13.5	1-1/8				
1951.....	24,228	5,853	31.9	20.4		391		734	30	4.3	1-1/2			\$500,000	
1950.....	12,371	3,637	26.4	17.4		391		704	42	6.3	3			\$100,000	
1949.....	14,538	-903	-5.9					662	-199	-23.1					
1948.....	15,442	-2,635	-14.6	16.6		38.115		142	142	19.7					
1947.....	13,376	2,000	12.4	19		38.645		719	-356	-33.1	4			\$1,000,000	
1946.....	16,076	-974	-5.7					1,075	-195	-15.4					
1945.....	17,050	234	5.1	23		394		1,270	142	12.6					
1944.....	16,216	1,767	12.2	41.9		88		1,128	437	63.2					
1943.....	14,449	5,626	33.8	41.9		81		691	518	399.4	2	\$2,000			
1942.....	8,823	5,002	131.4	41.0				173	105	154.4	2				
1941.....	3,815	-2,374	-164.7	41.0		81		68	27	65.9	1	\$20,000			

¹ a. — Not available.
¹ Includes tax on income of estates and trusts filed on return Form 1040 for 1943-1936. Tax for 1943 includes victory tax. Tax for 1940-41 includes defense tax.
² Effective March-December 1941.
³ Before earned income credit allowed as a deduction against net income.
⁴ After earned income credit equal to 5 percent of tax on earned income.

Effective rate limitation:
 1942-49 — 37%
 1954-63 — 37%
 1943-44 — 85.5%
 1945-53 — 87%
 1951 — 87.5%
 1956 — 87%

Table 37.—REQUIREMENTS FOR FILING RETURNS, PERSONAL EXEMPTIONS, AND ALLOWANCES FOR EACH DEPENDENT

Income year	Requirements for filing returns			Personal exemptions, Per capita ¹			Allowance for each dependent ³
	Per capita ¹ gross income ²		Net earnings from self- employment	Regular	Additional exemptions		
	Age under 65 years	Age 65 years or more			Age 65 years or more	Blindness	
1954-65.....	\$600 \$1,200		\$400	\$600	\$600	\$600	\$600
1951-53.....	\$600		400	600	600	600	600
1948-50.....	600		n.a.	600	600	600	600
1944-47.....	500		n.a.	4500	n.a.	n.a.	500
	Single		Married couple				
	Net income ⁵	Gross income ²	Net income ⁵	Gross income ²	Single	Married couple	
1943 ⁶	n.a.	\$500	n.a.	⁷ \$1,200 OR ⁸ 624 each	\$500	\$1,200	350
1942.....	n.a.	500	n.a.	1,200	500	1,200	350
1941.....	n.a.	750	n.a.	1,500	750	1,500	400
1940.....	n.a.	800	n.a.	2,000	800	2,000	400
1932-39.....	\$1,000 OR	5,000	\$2,500 OR	5,000	1,000	2,500	400
1925-31.....	1,500 OR	5,000	3,500 OR	5,000	1,500	3,500	400
1924.....	1,000 OR	5,000	2,500 OR	5,000	1,000	2,500	400
1921-23.....	1,000 OR	5,000	2,000 OR	5,000	1,000	⁹ 2,500	400
1917-20.....	1,000	n.a.	2,000	n.a.	1,000	2,000	200
1913 ¹⁰ -16.....	3,000	n.a.	3,000	n.a.	3,000	4,000	0

n.a. - Not applicable.

¹Beginning 1944, applies to each individual regardless of marital status (made as taxpayer and spouse separately).²Total of types of income subject to Federal income tax.³The definition of dependent has changed over the years. Beginning with 1944 the allowance for a dependent is the same amount for each per capita personal exemption.⁴An additional itemized deduction (not an exemption) of \$500 was allowed for blindness.⁵Total of types of income subject to Federal income tax, less deductions.⁶A tax return also required if the single person or married couple was liable for income tax in 1942 (regardless of size of gross income in 1943).⁷Income tax requirement.⁸Victory tax requirement, applicable to gross income of each spouse separately.⁹If net income exceeded \$5,000, exemption was \$2,000.¹⁰Effective March - December, 1913.

Table 38. --NUMBER OF RETURNS, LEADING SOURCES OF INCOME FOR 1916-1965, AND ADJUSTED GROSS INCOME FOR 1944-1965

Income year	Returns			Leading sources of income						Total		Adjusted gross income (less deficit) (Million dollars) (10)
	Number (Thousands) (1)	Increase or decrease (-)		Salaries and wages ¹ (Million dollars) (4)	Sole proprietorships and partnerships ² (Million dollars) (5)	Dividends ³ (Million dollars) (6)	Taxable interest ⁴ (Million dollars) (7)	Amount (Million dollars) (8)	Percent of adjusted gross income (9)			
		Number (Thousands) (2)	Percent									
	<i>Individuals with both income and deficit</i>											
1965.....	67,596	2,221	3.4	347,150	38,559	12,961	11,296	409,766	95.5	429,201		
1964.....	65,376	1,432	2.2	323,266	35,338	11,417	10,125	380,666	96.0	396,660		
1963.....	63,943	1,231	2.0	293,443	33,184	11,452	9,212	353,291	95.8	368,778		
1962.....	62,712	1,213	2.0	283,373	33,269	10,640	7,155	334,437	95.9	348,701		
1961.....	61,499	471	0.8	266,902	31,578	9,890	5,633	314,053	95.2	329,361		
1960.....	61,028	757	1.3	257,918	30,038	9,530	5,057	302,543	95.9	315,466		
1959.....	60,271	1,186	2.0	247,370	30,994	9,356	4,395	292,117	95.7	305,094		
1958.....	59,085	-740	-1.2	227,551	29,906	8,741	3,659	269,897	96.0	281,154		
1957.....	59,825	628	1.1	228,077	29,698	9,124	3,319	270,218	96.4	280,321		
1956.....	59,197	947	1.6	215,618	30,137	8,606	2,872	257,233	96.1	267,724		
1955.....	58,250	1,503	2.6	200,712	27,454	7,851	2,584	238,601	96.0	243,530		
1954.....	56,747	-1,091	-1.8	185,953	25,452	7,048	2,370	220,323	96.3	229,221		
1953.....	57,838	1,309	2.3	187,734	24,951	5,823	2,043	220,556	96.4	225,703		
1952.....	56,529	1,082	2.0	174,339	24,754	5,860	1,347	208,800	97.0	215,290		
1951.....	55,447	2,387	4.5	160,482	24,878	6,056	1,702	193,118	95.4	202,337		
1950.....	53,060	1,246	2.4	139,073	23,429	6,157	1,595	170,254	95.0	179,149		
1949.....	51,814	-258	-0.5	124,883	21,705	5,246	1,528	153,362	95.5	160,574		
1948.....	52,072	-3,027	-5.5	125,881	24,506	4,971	1,293	156,651	95.3	163,516		
1947.....	55,099	2,282	4.3	114,804	23,295	4,295	1,125	143,519	95.3	148,736		
1946.....	52,817	2,885	5.8	99,174	23,267	3,674	1,067	127,182	94.7	134,083		
1945.....	49,932	2,821	6.0	91,700	19,003	3,925		114,628	95.5	120,009		
1944.....	47,111	3,389	7.8	91,125	17,250	3,924		112,299	96.4	116,461		
1943.....	43,722	7,103	19.4	82,755	15,717	2,780	836	102,138				
1942.....	36,619	10,749	41.6	55,617	12,391	2,833	992	81,323				
1941.....	25,870	11,159	75.9	47,140	8,455	3,299	1,029	50,923				
1940.....	14,711	7,068	92.2	27,707	5,407	2,909	1,003	37,116				
1939.....	7,653	1,402	22.4	16,491	3,674	2,544	832	23,541				
1938.....	6,251	-135	-2.1	13,307	3,120	2,212	823	17,462				
1937.....	6,386	900	16.4	14,206	3,359	3,248	856	21,669				

Footnotes at end of table.

Table 38. --NUMBER OF RETURNS, LEADING SOURCES OF INCOME FOR 1916-1965, AND ADJUSTED GROSS INCOME FOR 1944-1965 --Continued

Income year	Returns			Leading sources of income					Total		Adjusted gross income (less deficit) (Million dollars) (10)
	Number (Thousands) (1)	Increase or decrease (-)		Salaries and wages ¹ (Million dollars) (4)	Sole proprietorships and partnerships ² (Million dollars) (5)	Dividends ³ (Million dollars) (6)	Taxable interest ⁴ (Million dollars) (7)	Amount (Million dollars) (8)	Percent of adjusted gross income (9)		
		Number (Thousands) (2)	Percent (3)								
1930.....	4,486	816	17.5	11,718	3,210	3,228	975	19,111	(9)	(10)	
1931.....	4,610	472	11.2	9,972	2,387	2,288	980	15,027			
1932.....	4,198	306	7.9	8,681	2,125	2,041	905	13,842			
1933.....	3,892	-192	-4.7	7,565	1,746	1,711	1,106	12,128			
1934.....	4,064	673	19.7	8,366	1,249	2,189	1,307	13,081			
1935.....	3,411	-441	-11.4	8,031	2,016	3,000	(5)	(5)			
1936.....	3,352	-285	-6.9	10,206	3,102	4,832	(5)	(5)			
1937.....	4,137	-7	-0.2	11,373	Profit only	1,081	(5)	(5)			
1938.....	4,144	42	1.0	10,945	5,282	4,440	(5)	(5)			
1939.....	4,102	-36	-0.9	10,218	5,043	4,257	1,023	21,239			
1940.....	4,138	-33	-0.8	9,904	3,066	4,012	(5)	(5)			
1941.....	4,171	-3,199	-43.4	9,742	5,516	3,465	(5)	(5)			
1942.....	7,370	-328	-4.3	13,618	8,565	3,251	(5)	(5)			
1943.....	7,598	911	13.4	14,195	6,399	3,120	(5)	(5)			
1944.....	6,787	125	1.9	13,684	4,267	2,564	(5)	(5)			
1945.....	6,662	-596	-8.2	13,813	3,707	2,477	(5)	(5)			
1946.....	7,260	1,927	36.1	15,323	4,922	2,736	(5)	(5)			
1947.....	5,333	908	20.5	10,756	5,709	2,454	(5)	(5)			
1948.....	4,425	952	27.4	8,267	4,339	2,469	(5)	(5)			
1949.....	3,473	3,036	694.7	3,643	3,640	2,849	(5)	(5)			
1950.....	437	100	29.7	1,851	(5)	2,136	(5)	(5)			
1951.....	337	-21	-5.8	(5)	(5)	(5)	(5)	(5)			
1952.....	358	Not computed		(5)	(5)	(5)	(5)	(5)			
1953.....	353	n.a.	n.a.	(5)	(5)	(5)	(5)	(5)			

n.a. - Not applicable.

¹Excludes wages, for 1953-1963 less than \$200 and for 1944-1957 less than \$100 per return, not subject to income tax withholding, reported as other income on Form 1040A or optional return. For 1916-1926, includes earned income from partnerships. For 1916, includes "professions and vocations."

²For 1954-1963 and prior to 1936 partnership profit excludes dividends received; for 1936-1953 dividends received are included. For 1916-1926 partnership profit excludes earned income of partners. For 1916, sole proprietorships exclude "professions and vocations."

³For 1954-1963 and prior to 1936 includes dividends received through partnerships, estates and trusts; for 1936-1953 such dividends are excluded. For 1916-1919 includes stock dividends.

⁴Excludes interest received on State and local bonds which is not subject to Federal income tax.

⁵Not available.

⁶The tax year covered 10 months, March - December 1913.

Not applicable

INDIVIDUAL/1965 • HISTORICAL SUMMARY

Table 39 —NUMBER OF RETURNS BY MAJOR CHARACTERISTICS, ADJUSTED GROSS INCOME AND DEFICIT, TAXABLE INCOME, AND TAX, 1956-1965

Item	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
	(Thousands)									
Number of returns, total.....	11,190	9,782	9,737	10,271	11,092	11,677	12,122	12,987	13,111	13,273
Taxable.....	9,250	8,126	8,112	8,497	9,081	9,563	10,011	10,567	10,711	10,811
Nontaxable, total.....	12,190	12,656	11,625	11,774	12,011	12,114	12,111	12,420	12,400	12,462
with taxable income.....	926	811	811	849	917	933	962	1,002	1,011	1,011
with no adjusted gross income.....	37	84	314	925	1,094	1,181	1,149	1,418	1,389	1,451
Returns with standard deductions, total ¹	91,363	89,112	87,111	85,111	83,111	81,111	79,111	77,111	75,111	73,111
Taxable.....	29,096	28,111	27,111	26,111	25,111	24,111	23,111	22,111	21,111	20,111
Nontaxable.....	11,111	11,111	11,111	11,111	11,111	11,111	11,111	11,111	11,111	11,111
Returns with itemized deductions, total.....	18,459	20,111	20,111	22,111	24,081	27,087	29,087	31,087	33,087	35,087
Taxable.....	16,081	17,111	17,111	19,111	21,111	23,111	25,111	27,111	29,111	31,111
Nontaxable.....	1,626	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Returns with self-employment tax, total.....	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Taxable.....	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Nontaxable.....	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Number of returns with large amount of income or loss:										
Salaries and wages.....	11,111	11,111	11,111	11,111	11,111	11,111	11,111	11,111	11,111	11,111
Business or profession:										
Net profit.....	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Net loss.....	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Farm:										
Net profit.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Net loss.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Partnership:										
Net profit.....	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Net loss.....	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Sales of capital assets:										
Net gain.....	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Net loss.....	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Ordinary gain from sales of depreciable property.....	-	-	-	-	-	-	-	-	-	-
Sales of property other than capital assets:										
Net gain.....	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Net loss.....	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Dividends in adjusted gross income ²	3,925	4,111	4,235	4,683	4,933	5,033	5,231	5,331	5,431	5,531
Interest received ³	1,111	1,286	1,408	1,274	1,288	1,032	1,131	1,231	1,331	1,431
Pensions and annuities:										
Life expectancy method.....	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
3-year method.....	204	211	254	343	374	422	494	517	533	554
Rents:										
Net income.....	4,041	4,098	4,284	4,114	3,877	3,883	4,077	4,077	4,111	4,111
Net loss.....	1,314	1,408	1,113	1,605	1,795	1,795	1,885	1,985	2,111	2,111
Royalties:										
Net income.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Net loss.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Estates and trusts:										
Income.....	375	362	371	381	344	413	421	411	411	411
Loss.....	28	20	22	19	26	30	31	28	28	28
Amounts:	(Million dollars)									
Adjusted gross income, total.....	298,584	281,308	282,111	308,111	316,558	331,136	347,361	370,271	377,111	431,683
Taxable returns.....	269,551	262,111	262,111	271,111	297,111	311,263	330,646	350,647	351,111	401,333
Nontaxable returns.....	14,033	14,111	14,088	14,088	19,447	19,873	16,715	19,624	26,000	21,350
Deficit.....	1,111	-	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Taxable income, total.....	141,132	141,111	141,111	141,111	141,111	141,111	141,111	141,111	141,111	141,111
Taxable returns.....	141,111	141,111	141,111	141,111	141,111	141,111	141,111	141,111	141,111	141,111
Tax, total.....	11,111	11,111	11,111	11,111	11,111	11,111	11,111	11,111	11,111	11,111
Income tax after credit.....	11,111	11,111	11,111	11,111	11,111	11,111	11,111	11,111	11,111	11,111
Self-employment tax.....	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Tax from recomputed prior year investment.....	-	-	-	-	-	-	-	-	-	-

¹For 1956-1961, returns with standard deductions have been included in the number of returns with no adjusted gross income. For 1962-1965, returns with standard deductions have been included in the number of returns with taxable income.

²For 1956-1961, excludes returns with small amounts of wages not subject to withholding reported as other income on Form 1040A.

³Excludes returns with dividends reported on 1040A. For 1961, excludes returns with dividends reported with other income on page 1, Form 1040, but not reported, separately, identified on a separate schedule.

⁴Excludes returns with interest reported on Form 1040A. For 1961, excludes returns with interest reported with other income on page 1, Form 1040, but not reported, separately, identified on a separate schedule.

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

INDIVIDUAL/1965 • HISTORICAL SUMMARY

Table 40.—SOURCES OF INCOME BY TYPE, 1956-1965
[Taxable and non-taxable returns]

Sources of income	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
	(Million dollars)									
Adjusted gross income less deficit.....	267,704	320,331	321,154	305,095	315,466	324,861	343,701	368,773	376,660	424,201
Salaries and wages ¹	215,612	272,977	227,551	247,370	257,413	276,902	283,373	297,443	323,266	347,150
Business or profession:										
Net profit.....	25,062	22,566	22,290	24,323	23,454	22,290	26,351	22,757	24,302	26,315
Net loss.....	1,277	1,127	1,216	2,292	2,327	1,765	1,306	1,641	1,200	1,727
Farm:										
Net profit.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	4,658	4,703	212
Net loss.....								1,761	1,967	1,273
Partnership:										
Net profit.....	7,213	5,764	3,211	10,221	4,757	5,714	10,210	10,341	14,861	11,963
Net loss.....	741	605	573	652	594	779	366	1,000	1,131	1,374
Sales of capital assets:										
Net gain.....	4,901	4,122	4,229	5,227	6,004	3,001	6,321	7,402	5,430	11,064
Net loss.....	438	643	524	521	764	670	1,050	1,117	770	1,334
Ordinary gain from sales of depreciable property.....	-	-	-	-	-	-	-	25	130	12
Sales of property, other than capital assets:										
Net gain.....	10	20	25	37	10	124	63	71	73	17
Net loss.....	11	161	153	124	143	174	235	213	245	290
Dividends in adjusted gross income.....	2,606	1,114	1,741	2,256	2,221	1,240	10,642	11,452	11,217	12,761
Interest received ²	2,277	2,214	2,623	4,241	3,277	5,623	7,155	6,215	10,125	11,226
Pensions and annuities:										
Life expectancy method.....	67	126	261	322	261	1,114	1,254	1,711	3,112	5,022
3-year method.....	234	234	227	272	250	266	273	273	273	273
Rents:										
Net income.....	1,111	1,292	1,261	1,222	1,222	1,222	1,222	1,222	1,222	1,222
Net loss.....	276	276	276	276	276	276	276	276	276	276
Royalties:										
Net income.....	1	1	1	1	1	1	1	1	1	1
Net loss.....	1	1	1	1	1	1	1	1	1	1
Estate and trusts:										
Income.....	1	1	1	1	1	1	1	1	1	1
Loss.....	1	1	1	1	1	1	1	1	1	1
Other sources ³	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111

¹ Excludes small amounts of wages and salaries reported on Forms 1041 and 1042, and certain employee business expenses, but for 1963, the amount is a net figure.
² Excludes dividends reported on Form 1040A. For 1961, excludes dividends reported with other income on Form 1040, but includes dividends reported on Form 1040A.
³ Excludes interest reported on Form 1040A. For 1961, excludes interest reported with other income on Form 1040, but includes interest reported on Form 1040A.
 For 1963, includes only self-employed pension deduction, but for 1964 also includes exclusion for tax paid, employee moving expenses, and certain employer business expenses.
 (*) Tabulated in combination with the source directly preceding it. Combined amounts are not wholly comparable with those when separated.

Table 41.—ITEMIZED DEDUCTIONS ON RETURNS WITH ADJUSTED GROSS INCOME, BY TYPE, 1956-1965
[Taxable and non-taxable returns]

Type of deduction	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
	(Million dollars)									
Total.....	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211
Medical and dental expenses.....	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Taxes.....	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Interest paid.....	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Contributions.....	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Child care.....	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Charitable deductions.....	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Other deductions.....	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111

Not tabulated

INDIVIDUAL/1965 • HISTORICAL SUMMARY

Table 42.—NUMBER OF RETURNS AND ADJUSTED GROSS INCOME BY ADJUSTED GROSS INCOME CLASSES, 1956-1965

[Taxable and nontaxable returns]

Adjusted gross income classes	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)
	1956		1957		1958		1959		1960	
Grand total.....	99,107,008	1,067,325	99,825,121	1,280,321	99,095,182	1,281,194	100,211,242	1,500,904	1,002,041	1,015,893
Returns with adjusted gross income, total.....	97,799,343	2,072,354	98,512,000	2,911,301	97,881,624	2,921,194	99,229,162	3,971,011	2,752,124	2,812,111
Under \$100.....	3,777,121	1,000	3,433,008	1,421	3,777,121	1,421	3,777,121	1,421	3,777,121	1,421
\$100 under \$1,000.....	2,064,924	2,920	2,064,924	2,920	2,064,924	2,920	2,064,924	2,920	2,064,924	2,920
\$1,000 under \$2,000.....	7,122,912	12,110	7,122,912	12,110	7,122,912	12,110	7,122,912	12,110	7,122,912	12,110
\$2,000 under \$3,000.....	1,363,162	20,124	1,363,162	20,124	1,363,162	20,124	1,363,162	20,124	1,363,162	20,124
\$3,000 under \$4,000.....	2,241,623	27,011	2,241,623	27,011	2,241,623	27,011	2,241,623	27,011	2,241,623	27,011
\$4,000 under \$5,000.....	9,086,711	61,041	9,086,711	61,041	9,086,711	61,041	9,086,711	61,041	9,086,711	61,041
\$5,000 under \$6,000.....	1,224,122	34,126	1,224,122	34,126	1,224,122	34,126	1,224,122	34,126	1,224,122	34,126
\$6,000 under \$7,000.....	4,271,037	27,037	4,271,037	27,037	4,271,037	27,037	4,271,037	27,037	4,271,037	27,037
\$7,000 under \$8,000.....	1,712,274	26,842	1,712,274	26,842	1,712,274	26,842	1,712,274	26,842	1,712,274	26,842
\$8,000 under \$9,000.....	1,711,448	17,031	1,711,448	17,031	1,711,448	17,031	1,711,448	17,031	1,711,448	17,031
\$9,000 under \$10,000.....	1,123,333	10,720	1,123,333	10,720	1,123,333	10,720	1,123,333	10,720	1,123,333	10,720
\$10,000 under \$15,000.....	1,621,229	22,170	1,621,229	22,170	1,621,229	22,170	1,621,229	22,170	1,621,229	22,170
\$15,000 under \$20,000.....	422,101	8,443	422,101	8,443	422,101	8,443	422,101	8,443	422,101	8,443
\$20,000 under \$25,000.....	181,324	1,842	181,324	1,842	181,324	1,842	181,324	1,842	181,324	1,842
\$25,000 under \$30,000.....	111,170	1,408	111,170	1,408	111,170	1,408	111,170	1,408	111,170	1,408
\$30,000 under \$500,000.....	12,098	3,499	12,098	3,499	12,098	3,499	12,098	3,499	12,098	3,499
\$500,000 under \$1,000,000.....	107	37	107	37	107	37	107	37	107	37
\$1,000,000 or more.....	272	—	272	—	272	—	272	—	272	—
Returns with no adjusted gross income.....	1,307,665	—	1,313,121	—	1,213,558	—	1,082,080	—	1,268,917	—
Grand total.....	100,414,673	2,072,354	101,138,121	2,912,721	101,108,740	2,922,614	100,311,242	3,971,011	1,003,309	1,017,311
Returns with adjusted gross income, total.....	99,107,008	2,072,354	99,825,121	2,912,721	99,895,182	2,922,614	99,229,162	3,971,011	1,002,041	1,015,893
Under \$100.....	3,777,121	1,000	3,433,008	1,421	3,777,121	1,421	3,777,121	1,421	3,777,121	1,421
\$100 under \$1,000.....	2,064,924	2,920	2,064,924	2,920	2,064,924	2,920	2,064,924	2,920	2,064,924	2,920
\$1,000 under \$2,000.....	7,122,912	12,110	7,122,912	12,110	7,122,912	12,110	7,122,912	12,110	7,122,912	12,110
\$2,000 under \$3,000.....	1,363,162	20,124	1,363,162	20,124	1,363,162	20,124	1,363,162	20,124	1,363,162	20,124
\$3,000 under \$4,000.....	2,241,623	27,011	2,241,623	27,011	2,241,623	27,011	2,241,623	27,011	2,241,623	27,011
\$4,000 under \$5,000.....	9,086,711	61,041	9,086,711	61,041	9,086,711	61,041	9,086,711	61,041	9,086,711	61,041
\$5,000 under \$6,000.....	1,224,122	34,126	1,224,122	34,126	1,224,122	34,126	1,224,122	34,126	1,224,122	34,126
\$6,000 under \$7,000.....	4,271,037	27,037	4,271,037	27,037	4,271,037	27,037	4,271,037	27,037	4,271,037	27,037
\$7,000 under \$8,000.....	1,712,274	26,842	1,712,274	26,842	1,712,274	26,842	1,712,274	26,842	1,712,274	26,842
\$8,000 under \$9,000.....	1,711,448	17,031	1,711,448	17,031	1,711,448	17,031	1,711,448	17,031	1,711,448	17,031
\$9,000 under \$10,000.....	1,123,333	10,720	1,123,333	10,720	1,123,333	10,720	1,123,333	10,720	1,123,333	10,720
\$10,000 under \$15,000.....	1,621,229	22,170	1,621,229	22,170	1,621,229	22,170	1,621,229	22,170	1,621,229	22,170
\$15,000 under \$20,000.....	422,101	8,443	422,101	8,443	422,101	8,443	422,101	8,443	422,101	8,443
\$20,000 under \$25,000.....	181,324	1,842	181,324	1,842	181,324	1,842	181,324	1,842	181,324	1,842
\$25,000 under \$50,000.....	111,170	1,408	111,170	1,408	111,170	1,408	111,170	1,408	111,170	1,408
\$50,000 under \$100,000.....	12,098	3,499	12,098	3,499	12,098	3,499	12,098	3,499	12,098	3,499
\$100,000 under \$1,000,000.....	107	37	107	37	107	37	107	37	107	37
\$1,000,000 or more.....	272	—	272	—	272	—	272	—	272	—
Returns with no adjusted gross income.....	1,307,665	—	1,313,121	—	1,213,558	—	1,082,080	—	1,268,917	—

¹Adjusted gross income less depletion.
²Deficit.

INDIVIDUAL/1965 • HISTORICAL SUMMARY

Table 43.—RETURNS WITH INCOME TAX—NUMBER, ADJUSTED GROSS INCOME, TAXABLE INCOME, INCOME TAX, AND AVERAGE TAX, BY ADJUSTED GROSS INCOME CLASSES, 1956-1965

Adjusted gross income classes	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
NUMBER OF RETURNS										
Total.....	4,282,467	4,266,311	4,252,134	4,249,413	4,266,011	4,282,467	4,266,311	4,252,134	4,249,413	4,266,011
\$0.00 under \$1,000.....	1,357,447	1,333,076	1,296,407	1,341,247	1,353,011	1,357,447	1,333,076	1,296,407	1,341,247	1,353,011
\$1,000 under \$2,000.....	1,000,000	980,000	960,000	940,000	920,000	900,000	880,000	860,000	840,000	820,000
\$2,000 under \$3,000.....	500,000	480,000	460,000	440,000	420,000	400,000	380,000	360,000	340,000	320,000
\$3,000 under \$4,000.....	200,000	190,000	180,000	170,000	160,000	150,000	140,000	130,000	120,000	110,000
\$4,000 under \$5,000.....	100,000	95,000	90,000	85,000	80,000	75,000	70,000	65,000	60,000	55,000
\$5,000 under \$6,000.....	50,000	48,000	46,000	44,000	42,000	40,000	38,000	36,000	34,000	32,000
\$6,000 under \$7,000.....	25,000	24,000	23,000	22,000	21,000	20,000	19,000	18,000	17,000	16,000
\$7,000 under \$8,000.....	12,500	12,000	11,500	11,000	10,500	10,000	9,500	9,000	8,500	8,000
\$8,000 under \$9,000.....	6,250	6,000	5,750	5,500	5,250	5,000	4,750	4,500	4,250	4,000
\$9,000 under \$10,000.....	3,125	3,000	2,875	2,750	2,625	2,500	2,375	2,250	2,125	2,000
\$10,000 under \$11,000.....	1,562	1,500	1,437	1,375	1,312	1,250	1,187	1,125	1,062	1,000
\$11,000 under \$12,000.....	781	750	725	700	675	650	625	600	575	550
\$12,000 under \$13,000.....	390	375	362	350	337	325	312	300	287	275
\$13,000 under \$14,000.....	195	187	181	175	169	162	156	150	144	138
\$14,000 under \$15,000.....	97	94	90	87	84	81	78	75	72	70
\$15,000 under \$20,000.....	1,000,000	980,000	960,000	940,000	920,000	900,000	880,000	860,000	840,000	820,000
\$20,000 under \$25,000.....	500,000	480,000	460,000	440,000	420,000	400,000	380,000	360,000	340,000	320,000
\$25,000 under \$30,000.....	200,000	190,000	180,000	170,000	160,000	150,000	140,000	130,000	120,000	110,000
\$30,000 under \$40,000.....	100,000	95,000	90,000	85,000	80,000	75,000	70,000	65,000	60,000	55,000
\$40,000 under \$50,000.....	50,000	48,000	46,000	44,000	42,000	40,000	38,000	36,000	34,000	32,000
\$50,000 under \$75,000.....	25,000	24,000	23,000	22,000	21,000	20,000	19,000	18,000	17,000	16,000
\$75,000 under \$100,000.....	12,500	12,000	11,500	11,000	10,500	10,000	9,500	9,000	8,500	8,000
\$100,000 under \$150,000.....	6,250	6,000	5,750	5,500	5,250	5,000	4,750	4,500	4,250	4,000
\$150,000 under \$200,000.....	3,125	3,000	2,875	2,750	2,625	2,500	2,375	2,250	2,125	2,000
\$200,000 or more.....	1,562	1,500	1,437	1,375	1,312	1,250	1,187	1,125	1,062	1,000
ADJUSTED GROSS INCOME										
Total.....	247,771	247,117	246,114	245,113	244,112	243,111	242,110	241,109	240,108	239,107
\$0 under \$1,000.....	1,357,447	1,333,076	1,296,407	1,341,247	1,353,011	1,357,447	1,333,076	1,296,407	1,341,247	1,353,011
\$1,000 under \$2,000.....	1,000,000	980,000	960,000	940,000	920,000	900,000	880,000	860,000	840,000	820,000
\$2,000 under \$3,000.....	500,000	480,000	460,000	440,000	420,000	400,000	380,000	360,000	340,000	320,000
\$3,000 under \$4,000.....	200,000	190,000	180,000	170,000	160,000	150,000	140,000	130,000	120,000	110,000
\$4,000 under \$5,000.....	100,000	95,000	90,000	85,000	80,000	75,000	70,000	65,000	60,000	55,000
\$5,000 under \$6,000.....	50,000	48,000	46,000	44,000	42,000	40,000	38,000	36,000	34,000	32,000
\$6,000 under \$7,000.....	25,000	24,000	23,000	22,000	21,000	20,000	19,000	18,000	17,000	16,000
\$7,000 under \$8,000.....	12,500	12,000	11,500	11,000	10,500	10,000	9,500	9,000	8,500	8,000
\$8,000 under \$9,000.....	6,250	6,000	5,750	5,500	5,250	5,000	4,750	4,500	4,250	4,000
\$9,000 under \$10,000.....	3,125	3,000	2,875	2,750	2,625	2,500	2,375	2,250	2,125	2,000
\$10,000 under \$15,000.....	1,562	1,500	1,437	1,375	1,312	1,250	1,187	1,125	1,062	1,000
\$15,000 under \$20,000.....	781	750	725	700	675	650	625	600	575	550
\$20,000 under \$25,000.....	390	375	362	350	337	325	312	300	287	275
\$25,000 under \$30,000.....	195	187	181	175	169	162	156	150	144	138
\$30,000 under \$40,000.....	100,000	95,000	90,000	85,000	80,000	75,000	70,000	65,000	60,000	55,000
\$40,000 under \$50,000.....	50,000	48,000	46,000	44,000	42,000	40,000	38,000	36,000	34,000	32,000
\$50,000 under \$75,000.....	25,000	24,000	23,000	22,000	21,000	20,000	19,000	18,000	17,000	16,000
\$75,000 under \$100,000.....	12,500	12,000	11,500	11,000	10,500	10,000	9,500	9,000	8,500	8,000
\$100,000 under \$150,000.....	6,250	6,000	5,750	5,500	5,250	5,000	4,750	4,500	4,250	4,000
\$150,000 under \$200,000.....	3,125	3,000	2,875	2,750	2,625	2,500	2,375	2,250	2,125	2,000
\$200,000 or more.....	1,562	1,500	1,437	1,375	1,312	1,250	1,187	1,125	1,062	1,000
TAXABLE INCOME										
Total.....	141,371	141,213	141,114	141,013	140,912	140,811	140,710	140,609	140,508	140,407
\$0 under \$1,000.....	1,357,447	1,333,076	1,296,407	1,341,247	1,353,011	1,357,447	1,333,076	1,296,407	1,341,247	1,353,011
\$1,000 under \$2,000.....	1,000,000	980,000	960,000	940,000	920,000	900,000	880,000	860,000	840,000	820,000
\$2,000 under \$3,000.....	500,000	480,000	460,000	440,000	420,000	400,000	380,000	360,000	340,000	320,000
\$3,000 under \$4,000.....	200,000	190,000	180,000	170,000	160,000	150,000	140,000	130,000	120,000	110,000
\$4,000 under \$5,000.....	100,000	95,000	90,000	85,000	80,000	75,000	70,000	65,000	60,000	55,000
\$5,000 under \$6,000.....	50,000	48,000	46,000	44,000	42,000	40,000	38,000	36,000	34,000	32,000
\$6,000 under \$7,000.....	25,000	24,000	23,000	22,000	21,000	20,000	19,000	18,000	17,000	16,000
\$7,000 under \$8,000.....	12,500	12,000	11,500	11,000	10,500	10,000	9,500	9,000	8,500	8,000
\$8,000 under \$9,000.....	6,250	6,000	5,750	5,500	5,250	5,000	4,750	4,500	4,250	4,000
\$9,000 under \$10,000.....	3,125	3,000	2,875	2,750	2,625	2,500	2,375	2,250	2,125	2,000
\$10,000 under \$15,000.....	1,562	1,500	1,437	1,375	1,312	1,250	1,187	1,125	1,062	1,000
\$15,000 under \$20,000.....	781	750	725	700	675	650	625	600	575	550
\$20,000 under \$25,000.....	390	375	362	350	337	325	312	300	287	275
\$25,000 under \$30,000.....	195	187	181	175	169	162	156	150	144	138
\$30,000 under \$40,000.....	100,000	95,000	90,000	85,000	80,000	75,000	70,000	65,000	60,000	55,000
\$40,000 under \$50,000.....	50,000	48,000	46,000	44,000	42,000	40,000	38,000	36,000	34,000	32,000
\$50,000 under \$75,000.....	25,000	24,000	23,000	22,000	21,000	20,000	19,000	18,000	17,000	16,000
\$75,000 under \$100,000.....	12,500	12,000	11,500	11,000	10,500	10,000	9,500	9,000	8,500	8,000
\$100,000 under \$150,000.....	6,250	6,000	5,750	5,500	5,250	5,000	4,750	4,500	4,250	4,000
\$150,000 under \$200,000.....	3,125	3,000	2,875	2,750	2,625	2,500	2,375	2,250	2,125	2,000
\$200,000 or more.....	1,562	1,500	1,437	1,375	1,312	1,250	1,187	1,125	1,062	1,000
INCOME TAX AFTER CREDIT										
Total.....	32,134	32,134	32,134	32,134	32,134	32,134	32,134	32,134	32,134	32,134
\$0 under \$1,000.....	1,357,447	1,333,076	1,296,407	1,341,247	1,353,011	1,357,447	1,333,076	1,296,407	1,341,247	1,353,011
\$1,000 under \$2,000.....	1,000,000	980,000	960,000	940,000	920,000	900,000	880,000	860,000	840,000	820,000
\$2,000 under \$3,000.....	500,000	480,000	460,000	440,000	420,000	400,000	380,000	360,000	340,000	320,000
\$3,000 under \$4,000.....	200,000	190,000	180,000	170,000	160,000	150,000	140,000	130,000	120,000	110,000
\$4,000 under \$5,000.....	100,000	95,000	90,000	85,000	80,000	75,000	70,000	65,000	60,000	55,000
\$5,000 under \$6,000.....	50,000	48,000	46,000	44,000	42,000	40,000	38,000	36,000	34,000	32,000
\$6,000 under \$7,000.....	25,000	24,000	23,000	22,000	21,000	20,000	19,000	18,000	17,000	16,000
\$7,000 under \$8,000.....	12,500	12,000	11,500	11,000	10,500	10,000	9,500	9,000	8,500	8,000
\$8,000 under \$9,000.....	6,250	6,000	5,750	5,500	5,250	5,000	4,750	4,500	4,250	4,000
\$9,000 under \$10,000.....	3,125	3,000	2,875	2,750	2,625	2,500	2,375	2,250	2,125	2,000
\$10,000 under \$15,000.....	1,562	1,500	1,437	1,375	1,312	1,250	1,187	1,125	1,062	1,000
\$15,000 under \$20,000.....	781	750	725	700	675	650	625	600	575	550
\$20,000 under \$25,000.....										

INDIVIDUAL/1965 • HISTORICAL SUMMARY

Table 44.—SELECTED SOURCES OF INCOME BY ADJUSTED GROSS INCOME CLASSES, 1956-1965

Adjusted gross income classes	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
SALARIES AND WAGES¹										
Grand total.....	21,245	22,483	23,124	23,712	24,275	24,825	25,377	25,926	26,476	27,026
Returns with adjusted gross income, total.....	21,245	22,483	23,124	23,712	24,275	24,825	25,377	25,926	26,476	27,026
Under \$500.....	1,077	1,127	1,177	1,227	1,277	1,327	1,377	1,427	1,477	1,527
\$500 under \$1,000.....	2,154	2,254	2,354	2,454	2,554	2,654	2,754	2,854	2,954	3,054
\$1,000 under \$2,000.....	4,308	4,508	4,708	4,908	5,108	5,308	5,508	5,708	5,908	6,108
\$2,000 under \$3,000.....	6,462	6,762	7,062	7,362	7,662	7,962	8,262	8,562	8,862	9,162
\$3,000 under \$4,000.....	8,616	9,016	9,416	9,816	10,216	10,616	11,016	11,416	11,816	12,216
\$4,000 under \$5,000.....	10,770	11,270	11,770	12,270	12,770	13,270	13,770	14,270	14,770	15,270
\$5,000 under \$7,000.....	14,360	15,060	15,760	16,460	17,160	17,860	18,560	19,260	19,960	20,660
\$7,000 under \$10,000.....	18,950	20,050	21,150	22,250	23,350	24,450	25,550	26,650	27,750	28,850
\$10,000 under \$15,000.....	23,540	25,140	26,740	28,340	29,940	31,540	33,140	34,740	36,340	37,940
\$15,000 under \$20,000.....	28,130	30,130	32,130	34,130	36,130	38,130	40,130	42,130	44,130	46,130
\$20,000 under \$30,000.....	37,720	40,720	43,720	46,720	49,720	52,720	55,720	58,720	61,720	64,720
\$30,000 under \$50,000.....	52,310	57,310	62,310	67,310	72,310	77,310	82,310	87,310	92,310	97,310
\$50,000 under \$100,000.....	66,900	73,900	80,900	87,900	94,900	101,900	108,900	115,900	122,900	129,900
\$100,000 under \$200,000.....	81,490	90,490	99,490	108,490	117,490	126,490	135,490	144,490	153,490	162,490
\$200,000 under \$500,000.....	96,080	107,080	118,080	129,080	140,080	151,080	162,080	173,080	184,080	195,080
\$500,000 or more.....	110,670	123,670	136,670	149,670	162,670	175,670	188,670	201,670	214,670	227,670
Returns with no adjusted gross income.....	10	12	14	16	18	20	22	24	26	28
DIVIDENDS²										
Grand total.....	1,171	1,221	1,271	1,321	1,371	1,421	1,471	1,521	1,571	1,621
Returns with adjusted gross income, total.....	1,171	1,221	1,271	1,321	1,371	1,421	1,471	1,521	1,571	1,621
Under \$500.....	11	13	15	17	19	21	23	25	27	29
\$500 under \$1,000.....	22	27	32	37	42	47	52	57	62	67
\$1,000 under \$2,000.....	44	54	64	74	84	94	104	114	124	134
\$2,000 under \$3,000.....	66	81	96	111	126	141	156	171	186	201
\$3,000 under \$4,000.....	88	108	128	148	168	188	208	228	248	268
\$4,000 under \$5,000.....	110	135	160	185	210	235	260	285	310	335
\$5,000 under \$7,000.....	153	183	213	243	273	303	333	363	393	423
\$7,000 under \$10,000.....	197	237	277	317	357	397	437	477	517	557
\$10,000 under \$15,000.....	266	321	376	431	486	541	596	651	706	761
\$15,000 under \$20,000.....	335	405	475	545	615	685	755	825	895	965
\$20,000 under \$30,000.....	443	533	623	713	803	893	983	1,073	1,163	1,253
\$30,000 under \$50,000.....	551	661	771	881	991	1,101	1,211	1,321	1,431	1,541
\$50,000 under \$100,000.....	659	789	919	1,049	1,179	1,309	1,439	1,569	1,699	1,829
\$100,000 under \$200,000.....	767	917	1,067	1,217	1,367	1,517	1,667	1,817	1,967	2,117
\$200,000 under \$500,000.....	875	1,045	1,215	1,385	1,555	1,725	1,895	2,065	2,235	2,405
\$500,000 or more.....	983	1,173	1,363	1,553	1,743	1,933	2,123	2,313	2,503	2,693
Returns with no adjusted gross income.....	10	12	14	16	18	20	22	24	26	28
INTEREST RECEIVED³										
Grand total.....	4,772	5,317	5,862	6,407	6,952	7,497	8,042	8,587	9,132	9,677
Returns with adjusted gross income, total.....	4,772	5,317	5,862	6,407	6,952	7,497	8,042	8,587	9,132	9,677
Under \$500.....	48	59	70	81	92	103	114	125	136	147
\$500 under \$1,000.....	96	118	139	161	182	204	225	247	268	289
\$1,000 under \$2,000.....	192	236	279	323	367	411	455	499	543	587
\$2,000 under \$3,000.....	288	355	422	489	556	623	690	757	824	891
\$3,000 under \$4,000.....	384	471	558	645	732	819	906	993	1,080	1,167
\$4,000 under \$5,000.....	480	585	690	795	900	1,005	1,110	1,215	1,320	1,425
\$5,000 under \$7,000.....	672	819	966	1,113	1,260	1,407	1,554	1,701	1,848	1,995
\$7,000 under \$10,000.....	864	1,037	1,210	1,383	1,556	1,729	1,902	2,075	2,248	2,421
\$10,000 under \$15,000.....	1,152	1,381	1,610	1,839	2,068	2,297	2,526	2,755	2,984	3,213
\$15,000 under \$20,000.....	1,440	1,713	1,986	2,259	2,532	2,805	3,078	3,351	3,624	3,897
\$20,000 under \$30,000.....	1,920	2,295	2,670	3,045	3,420	3,795	4,170	4,545	4,920	5,295
\$30,000 under \$50,000.....	2,400	2,865	3,330	3,795	4,260	4,725	5,190	5,655	6,120	6,585
\$50,000 under \$100,000.....	2,880	3,417	3,954	4,491	5,028	5,565	6,102	6,639	7,176	7,713
\$100,000 under \$200,000.....	3,360	3,967	4,574	5,181	5,788	6,395	6,902	7,409	7,916	8,423
\$200,000 under \$500,000.....	3,840	4,507	5,174	5,841	6,508	7,175	7,842	8,509	9,176	9,843
\$500,000 or more.....	4,320	5,037	5,754	6,471	7,188	7,905	8,622	9,339	10,056	10,773
Returns with no adjusted gross income.....	10	12	14	16	18	20	22	24	26	28

INDIVIDUAL/1965 • HISTORICAL SUMMARY

Table 44.—SELECTED SOURCES OF INCOME BY ADJUSTED GROSS INCOME CLASSES, 1956-1965—Continued

(Taxable and nontaxable returns)

Adjusted gross income classes	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
BUSINESS AND FARM PROFIT										
(Million dollars)										
Grand total.....	23,662	25,526	22,890	24,323	23,959	25,395	26,951	27,415	29,504	31,533
Returns with adjusted gross income, total.....	23,636	25,467	22,868	24,246	23,906	25,351	26,812	27,334	29,413	31,424
Under \$600.....	142	144	142	149	143	127	123	118	116	87
\$600 under \$1,000.....	365	309	312	310	291	277	243	218	206	153
\$1,000 under \$2,000.....	1,631	1,388	1,377	1,262	1,174	1,135	1,014	950	877	774
\$2,000 under \$3,000.....	2,731	1,817	1,715	1,671	1,635	1,594	1,452	1,366	1,276	1,132
\$3,000 under \$4,000.....	2,825	1,917	1,814	1,876	1,876	1,876	1,817	1,662	1,569	1,449
\$4,000 under \$5,000.....	3,167	1,966	1,900	1,901	1,902	1,842	1,825	1,867	1,810	1,653
\$5,000 under \$6,000.....	3,65	1,943	1,864	1,888	1,828	1,757	1,725	1,773	1,721	1,613
\$6,000 under \$7,000.....	3,320	1,820	1,775	1,824	1,779	1,750	1,695	1,601	1,668	1,576
\$7,000 under \$8,000.....	5,27	1,670	1,612	1,521	1,469	1,435	1,382	1,287	1,384	1,284
\$8,000 under \$9,000.....	3,120	1,570	1,512	1,421	1,369	1,335	1,282	1,187	1,284	1,184
\$9,000 under \$10,000.....	3,845	1,470	1,412	1,321	1,269	1,235	1,182	1,087	1,184	1,084
\$10,000 under \$15,000.....	1,717	1,356	1,299	1,208	1,156	1,122	1,069	1,016	963	910
\$15,000 under \$20,000.....	3,266	1,256	1,211	1,120	1,068	1,034	981	928	875	822
\$20,000 under \$50,000.....	729	823	821	816	825	844	857	870	883	896
\$50,000 under \$100,000.....	199	161	136	182	141	179	191	221	317	441
\$100,000 under \$1,000,000.....	6	1	6	5	5	4	6	1	1	12
\$1,000,000 or more.....	6	1	6	5	5	4	6	1	1	12
Returns with no adjusted gross income.....	26	59	22	76	53	44	39	81	91	109
PARTNERSHIP PROFIT										
Grand total.....	3,393	3,400	3,810	4,000	3,707	3,314	3,110	3,040	3,080	3,169
Returns with adjusted gross income, total.....	3,367	3,373	3,784	3,974	3,680	3,288	3,084	3,014	3,054	3,143
Under \$600.....	17	14	20	21	16	13	14	10	11	6
\$600 under \$1,000.....	29	26	30	31	24	27	23	20	19	17
\$1,000 under \$2,000.....	172	167	177	172	134	117	111	101	89	79
\$2,000 under \$3,000.....	26	25	22	24	21	19	18	17	16	14
\$3,000 under \$4,000.....	376	366	391	400	349	385	357	341	326	313
\$4,000 under \$5,000.....	441	421	431	469	401	373	363	328	370	366
\$5,000 under \$6,000.....	434	426	426	427	436	388	355	328	324	327
\$6,000 under \$7,000.....	427	413	428	428	426	398	376	357	365	341
\$7,000 under \$8,000.....	422	411	427	427	422	382	362	347	382	345
\$8,000 under \$9,000.....	415	393	403	427	375	342	353	351	351	340
\$9,000 under \$10,000.....	353	357	377	371	327	320	353	308	295	345
\$10,000 under \$15,000.....	1,174	1,133	1,133	1,136	1,136	1,116	1,111	1,106	1,411	1,465
\$15,000 under \$20,000.....	521	584	593	605	1,060	967	1,066	1,108	1,361	1,295
\$20,000 under \$50,000.....	2,476	1,691	1,691	1,691	1,610	1,624	1,626	1,621	1,716	1,747
\$50,000 under \$100,000.....	122	1,033	1,078	1,061	1,015	1,071	1,177	1,257	1,913	1,707
\$100,000 under \$500,000.....	474	447	423	500	431	517	452	493	618	799
\$500,000 under \$1,000,000.....	15	19	19	26	15	21	15	17	21	43
\$1,000,000 or more.....	3	1	1	11	11	1	1	13	14	1
Returns with no adjusted gross income.....	26	27	26	26	27	26	26	26	26	50
NET GAIN FROM SALE OF CAPITAL ASSETS¹										
Grand total.....	4,891	4,128	4,877	6,000	6,004	8,091	6,821	7,068	8,069	11,069
Returns with adjusted gross income, total.....	4,875	4,092	4,772	6,000	6,014	8,163	6,615	7,041	8,045	10,871
Under \$600.....	6	1	8	14	36	29	34	30	31	40
\$600 under \$1,000.....	6	4	4	21	34	22	37	37	36	43
\$1,000 under \$2,000.....	161	131	131	116	152	167	157	168	173	164
\$2,000 under \$3,000.....	161	173	176	124	208	206	171	206	205	200
\$3,000 under \$4,000.....	172	184	207	120	189	243	228	205	213	246
\$4,000 under \$5,000.....	198	147	130	117	191	234	176	213	217	154
\$5,000 under \$6,000.....	154	154	171	136	184	218	174	215	231	252
\$6,000 under \$7,000.....	143	143	161	115	173	234	148	221	214	269
\$7,000 under \$8,000.....	188	111	165	139	188	230	171	206	243	259
\$8,000 under \$9,000.....	224	101	163	193	170	221	189	221	222	274
\$9,000 under \$10,000.....	121	121	121	121	126	111	179	181	216	201
\$10,000 under \$15,000.....	434	414	428	421	490	511	501	520	589	1,111
\$15,000 under \$20,000.....	126	126	126	126	126	126	126	126	126	126
\$20,000 under \$50,000.....	101	701	865	1,076	1,042	1,603	1,237	1,427	1,823	2,202
\$50,000 under \$100,000.....	284	451	543	614	658	913	742	833	1,072	1,342
\$100,000 under \$500,000.....	154	151	151	151	151	151	151	151	151	151
\$500,000 under \$1,000,000.....	154	151	151	151	151	151	151	151	151	151
\$1,000,000 or more.....	34	13	28	27	28	46	37	41	56	84
Returns with no adjusted gross income.....	16	36	105	130	190	128	126	127	165	198

¹ Net gain from sale of capital assets reported on Schedule D, Form 1041, but not specifically identified as a separate schedule. Includes information reported on Form 1041, but not specifically identified as a separate schedule.

INDIVIDUAL/1965 • HISTORICAL SUMMARY

Table 45.—NUMBER OF RETURNS, ADJUSTED GROSS INCOME, AND INCOME TAX BY STATES 1956-1965

States	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
(Thousands)										
NUMBER OF RETURNS										
United States ¹	59,181	59,824	59,080	60,210	61,027	61,398	62,501	63,847	65,177	67,500
Alabama.....	784	798	798	813	827	821	831	841	851	867
Alaska.....	38	30	40	30	59	59	59	59	59	59
Arizona.....	321	367	378	381	403	422	441	457	471	479
Arkansas.....	436	438	437	436	437	437	437	437	437	437
California.....	5,156	5,362	5,381	5,426	5,500	5,620	5,737	5,850	5,960	6,072
Colorado.....	572	571	578	578	571	571	572	572	572	572
Connecticut.....	464	464	464	464	464	464	464	464	464	464
Delaware ²	172	174	175	177	179	180	180	180	180	180
District of Columbia ³	332	337	331	331	342	342	342	342	342	342
Florida.....	1,233	1,337	1,420	1,511	1,566	1,636	1,707	1,777	1,847	1,917
Georgia.....	484	1,007	1,007	1,043	1,057	1,074	1,091	1,108	1,125	1,142
Hawaii.....	208	213	215	225	234	234	244	244	244	244
Idaho.....	211	213	213	215	216	218	217	217	217	217
Illinois.....	3,790	3,794	3,779	3,776	3,762	3,754	3,747	3,740	3,733	3,726
Indiana.....	1,541	1,548	1,521	1,550	1,569	1,568	1,571	1,574	1,577	1,580
Iowa.....	460	453	448	457	457	457	457	457	457	457
Kansas.....	746	746	736	738	738	741	741	741	741	741
Kentucky.....	470	462	463	467	467	467	467	467	467	467
Louisiana.....	47	820	816	828	834	836	837	838	838	838
Maine.....	342	344	336	340	342	344	343	342	342	342
Maryland ³	1,141	1,178	1,147	1,147	1,187	1,167	1,162	1,161	1,161	1,161
Massachusetts.....	1,479	1,485	1,466	1,455	1,434	1,413	1,392	1,371	1,350	1,329
Michigan.....	4,715	4,694	4,570	4,501	4,424	4,347	4,270	4,193	4,116	4,039
Minnesota.....	1,147	1,136	1,141	1,150	1,157	1,176	1,195	1,214	1,233	1,252
Mississippi.....	410	413	415	423	432	441	449	457	465	473
Missouri.....	1,448	1,447	1,440	1,459	1,472	1,468	1,473	1,477	1,477	1,477
Montana.....	231	230	221	221	227	227	227	227	227	227
Nebraska.....	504	497	497	503	503	512	512	512	512	512
Nevada.....	99	99	102	107	114	121	127	134	141	147
New Hampshire.....	214	220	222	227	233	236	243	249	256	262
New Jersey.....	2,430	2,428	2,419	2,421	2,406	2,390	2,387	2,384	2,381	2,378
New Mexico.....	239	234	262	271	271	274	284	283	283	283
New York.....	1,459	1,423	1,412	1,404	1,394	1,386	1,378	1,370	1,362	1,354
North Carolina.....	1,211	1,240	1,236	1,242	1,247	1,246	1,246	1,246	1,246	1,246
North Dakota.....	207	206	206	207	207	207	207	207	207	207
Ohio.....	3,423	3,411	3,301	3,341	3,343	3,327	3,300	3,273	3,246	3,219
Oklahoma.....	704	706	648	714	713	731	727	727	727	727
Oregon.....	604	591	563	563	563	563	563	563	563	563
Pennsylvania.....	4,168	4,163	4,053	4,053	4,053	4,016	4,011	4,011	4,011	4,011
Rhode Island.....	326	321	314	317	321	322	326	326	326	326
South Carolina.....	564	572	572	588	606	616	630	644	658	672
South Dakota.....	225	224	224	225	227	224	224	224	224	224
Tennessee.....	987	999	940	1,030	1,041	1,061	1,081	1,101	1,121	1,141
Texas.....	2,726	2,781	2,777	2,842	2,873	2,892	2,920	2,948	2,976	3,004
Utah.....	263	269	271	281	284	287	290	293	296	300
Vermont.....	134	133	128	130	132	131	133	133	133	133
Virginia.....	1,167	1,200	1,200	1,221	1,227	1,223	1,223	1,223	1,223	1,223
Washington.....	673	670	665	677	682	682	682	682	682	682
West Virginia.....	586	593	560	544	544	531	528	527	527	527
Wisconsin.....	1,366	1,375	1,353	1,376	1,394	1,385	1,387	1,386	1,386	1,386
Wyoming.....	111	116	111	115	116	116	116	116	116	116
Other areas ⁴	42	47	119	142	167	176	200	200	200	200
(Million dollars)										
ADJUSTED GROSS INCOME (LESS DEFICIT)										
United States ¹	267,663	280,229	281,252	301,400	315,632	330,074	344,707	362,220	381,217	401,554
Alabama.....	2,965	3,217	3,242	3,301	3,318	3,343	3,367	3,392	3,416	3,440
Alaska.....	234	490	228	303	344	408	431	454	477	500
Arizona.....	1,437	1,598	1,713	1,761	2,111	2,493	2,875	3,257	3,639	4,021
Arkansas.....	1,437	1,423	1,407	1,401	1,377	1,352	1,327	1,302	1,277	1,252
California.....	26,644	28,560	29,779	33,371	34,443	37,641	39,839	42,037	44,235	46,433
Colorado.....	2,391	2,560	2,576	2,561	2,547	2,531	2,515	2,500	2,484	2,468
Connecticut.....	4,984	5,151	5,141	5,124	5,107	5,090	5,073	5,056	5,039	5,022
Delaware ²	874	846	810	812	811	810	809	808	807	806
District of Columbia ³	1,524	1,576	1,657	1,747	1,837	1,927	2,017	2,107	2,197	2,287
Florida.....	7,413	7,956	8,220	8,653	8,983	9,313	9,643	9,973	10,303	10,633
Georgia.....	3,794	4,112	4,117	4,217	4,317	4,417	4,517	4,617	4,717	4,817
Hawaii.....	333	349	349	354	354	354	354	354	354	354
Idaho.....	333	344	344	344	344	344	344	344	344	344
Illinois.....	19,235	19,423	19,440	20,432	21,424	22,416	23,408	24,400	25,392	26,384
Indiana.....	7,032	7,213	7,104	7,146	7,188	7,230	7,272	7,314	7,356	7,398
Iowa.....	3,474	3,434	3,406	3,411	3,416	3,421	3,426	3,431	3,436	3,441
Kansas.....	2,521	2,462	2,447	2,471	2,495	2,519	2,543	2,567	2,591	2,615
Kentucky.....	2,121	2,114	2,107	2,101	2,094	2,087	2,080	2,073	2,066	2,059
Louisiana.....	3,249	3,404	3,400	3,406	3,412	3,418	3,424	3,430	3,436	3,442
Maine.....	1,143	1,149	1,149	1,149	1,149	1,149	1,149	1,149	1,149	1,149
Maryland ³	1,111	1,159	1,160	1,184	1,184	1,184	1,184	1,184	1,184	1,184
Massachusetts.....	2,711	2,713	2,713	2,713	2,713	2,713	2,713	2,713	2,713	2,713
Michigan.....	13,444	14,438	14,438	14,438	14,438	14,438	14,438	14,438	14,438	14,438
Minnesota.....	4,171	4,137	4,137	4,137	4,137	4,137	4,137	4,137	4,137	4,137
Mississippi.....	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343
Missouri.....	1,136	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247
Montana.....	460	497	497	497	497	497	497	497	497	497
Nebraska.....	1,797	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744
Nevada.....	49	536	536	536	536	536	536	536	536	536
New Hampshire.....	234	269	271	281	284	287	290	293	296	300

INDIVIDUAL/1965 • HISTORICAL SUMMARY

Table 45.—NUMBER OF RETURNS, ADJUSTED GROSS INCOME, AND INCOME TAX BY STATES 1956-1965—Continued

States	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
ADJUSTED GROSS INCOME (LESS DEFICIT)—Continued										
(Million dollars)										
New Jersey	11,101	11,101	11,104	11,307	11,307	11,307	11,307	11,307	11,307	11,307
New Mexico	11,111	11,111	11,111	11,111	11,111	11,111	11,111	11,111	11,111	11,111
New York	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120
North Carolina	4,121	4,121	4,121	4,121	4,121	4,121	4,121	4,121	4,121	4,121
North Dakota	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122
Ohio	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123
Oklahoma	1,124	1,124	1,124	1,124	1,124	1,124	1,124	1,124	1,124	1,124
Oregon	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125
Pennsylvania	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126
Rhode Island	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127
South Carolina	1,128	1,128	1,128	1,128	1,128	1,128	1,128	1,128	1,128	1,128
South Dakota	1,129	1,129	1,129	1,129	1,129	1,129	1,129	1,129	1,129	1,129
Tennessee	1,130	1,130	1,130	1,130	1,130	1,130	1,130	1,130	1,130	1,130
Texas	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131
Utah	1,132	1,132	1,132	1,132	1,132	1,132	1,132	1,132	1,132	1,132
Vermont	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133
Virginia	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134
Washington	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135
West Virginia	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136
Wisconsin	1,137	1,137	1,137	1,137	1,137	1,137	1,137	1,137	1,137	1,137
Wyoming	1,138	1,138	1,138	1,138	1,138	1,138	1,138	1,138	1,138	1,138
Other areas ²	1,139	1,139	1,139	1,139	1,139	1,139	1,139	1,139	1,139	1,139
INCOME TAX AFTER CREDITS										
United States ¹										
Alabama	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140	1,140
Alaska	1,141	1,141	1,141	1,141	1,141	1,141	1,141	1,141	1,141	1,141
Arizona	1,142	1,142	1,142	1,142	1,142	1,142	1,142	1,142	1,142	1,142
Arkansas	1,143	1,143	1,143	1,143	1,143	1,143	1,143	1,143	1,143	1,143
California	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144
Colorado	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145
Connecticut	1,146	1,146	1,146	1,146	1,146	1,146	1,146	1,146	1,146	1,146
Delaware	1,147	1,147	1,147	1,147	1,147	1,147	1,147	1,147	1,147	1,147
District of Columbia ³	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148
Florida	1,149	1,149	1,149	1,149	1,149	1,149	1,149	1,149	1,149	1,149
Georgia	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150
Hawaii	1,151	1,151	1,151	1,151	1,151	1,151	1,151	1,151	1,151	1,151
Idaho	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152
Illinois	1,153	1,153	1,153	1,153	1,153	1,153	1,153	1,153	1,153	1,153
Indiana	1,154	1,154	1,154	1,154	1,154	1,154	1,154	1,154	1,154	1,154
Iowa	1,155	1,155	1,155	1,155	1,155	1,155	1,155	1,155	1,155	1,155
Kansas	1,156	1,156	1,156	1,156	1,156	1,156	1,156	1,156	1,156	1,156
Kentucky	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157
Louisiana	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158
Maine	1,159	1,159	1,159	1,159	1,159	1,159	1,159	1,159	1,159	1,159
Maryland ³	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160
Massachusetts	1,161	1,161	1,161	1,161	1,161	1,161	1,161	1,161	1,161	1,161
Michigan	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162
Minnesota	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163
Mississippi	1,164	1,164	1,164	1,164	1,164	1,164	1,164	1,164	1,164	1,164
Montana	1,165	1,165	1,165	1,165	1,165	1,165	1,165	1,165	1,165	1,165
Nebraska	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166
Nevada	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167
New Hampshire	1,168	1,168	1,168	1,168	1,168	1,168	1,168	1,168	1,168	1,168
New Jersey	1,169	1,169	1,169	1,169	1,169	1,169	1,169	1,169	1,169	1,169
New Mexico	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170
New York	1,171	1,171	1,171	1,171	1,171	1,171	1,171	1,171	1,171	1,171
North Carolina	1,172	1,172	1,172	1,172	1,172	1,172	1,172	1,172	1,172	1,172
North Dakota	1,173	1,173	1,173	1,173	1,173	1,173	1,173	1,173	1,173	1,173
Ohio	1,174	1,174	1,174	1,174	1,174	1,174	1,174	1,174	1,174	1,174
Oklahoma	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175
Oregon	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176
Pennsylvania	1,177	1,177	1,177	1,177	1,177	1,177	1,177	1,177	1,177	1,177
Rhode Island	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178
South Carolina	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179
South Dakota	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180
Tennessee	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181
Texas	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182
Utah	1,183	1,183	1,183	1,183	1,183	1,183	1,183	1,183	1,183	1,183
Vermont	1,184	1,184	1,184	1,184	1,184	1,184	1,184	1,184	1,184	1,184
Virginia	1,185	1,185	1,185	1,185	1,185	1,185	1,185	1,185	1,185	1,185
Washington	1,186	1,186	1,186	1,186	1,186	1,186	1,186	1,186	1,186	1,186
West Virginia	1,187	1,187	1,187	1,187	1,187	1,187	1,187	1,187	1,187	1,187
Wisconsin	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188
Wyoming	1,189	1,189	1,189	1,189	1,189	1,189	1,189	1,189	1,189	1,189
Other areas ²	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190

¹Includes data for "other areas" described in Table 44.

²For 1962, data for Delaware are not shown separately. However, the data are included in the United States total.

³For 1961-62, data for District of Columbia are included in the statistics for Maryland.

⁴Includes data for returns of bona fide residents of Puerto Rico, U. S. citizens residing abroad, in the Virgin Islands, and in Panama Canal Zone (except for 1961).

Table 46.—POPULATION, NUMBER OF RETURNS, SALARIES AND WAGES, DIVIDENDS, NET INCOME, AND INCOME TAX FOR FIVE LARGEST METROPOLITAN AREAS

Five largest metropolitan areas	Population ¹		Number of returns		Salaries and wages ² (Million dollars) (4)	Dividends ³ (Million dollars) (5)	Net income ⁴ (Million dollars) (6)	Income tax ⁵ (Million dollars) (7)
	Rank	Number (Thousands) (1)	Total (Thousands) (2)	Percent of population (3)				
		1965			1965			
United States.....		193,795	67,549	34.9	347,199	13,941	300,515	40,125
Total five largest metropolitan areas		38,230	13,761	36.0	83,700	4,322	80,715	13,361
Chicago, Illinois.....	3	6,630	2,582	38.9	15,903	765	16,738	2,584
Detroit, Michigan.....	5	3,972	1,467	36.9	9,444	321	9,094	1,450
Los Angeles, Long Beach and Orange County California.....	2	7,887	2,924	37.1	18,107	610	17,822	2,580
New York, N.Y., Jersey City, Paterson and Newark, N.J.....	1	15,074	5,943	39.4	34,958	2,346	37,145	5,928
Philadelphia, Pa. - New Jersey.....	4	4,667	1,598	34.2	8,900	475	9,310	1,670
		1930			1930 ⁶			
United States.....		123,203	5,486	4.5	11,718	3,228	18,953	1,214
Total five largest metropolitan areas		22,292	1,680	7.5	4,113	1,044	6,451	513
Chicago, Illinois.....	2	4,335	323	7.5	843	177	1,227	83
Detroit, Michigan.....	5	2,177	143	6.6	359	86	505	40
Los Angeles, Long Beach and Orange County California.....	4	2,327	167	7.1	367	96	627	38
New York, N.Y., Jersey City, Paterson and Newark, N.J.....	1	10,633	902	8.5	2,245	598	3,583	317
Philadelphia Pa. - New Jersey.....	3	2,820	145	5.1	299	87	509	35

¹Source: For 1930, Statistics of Income Supplement for 1936, Individual Incomes, Section I. Distribution and Sources. U. S. Treasury Department in Cooperation with the Works Projects Administration, June 1940. For 1965, current population reports, series P-25, No. 347, August 31, 1966. Bureau of the Census, U. S. Department of Commerce.

²For 1930, excludes salaries and wages of (1) State and local government officials and employees and (2) judges of U. S. courts who took office on or before June 6, 1932 who were exempt from Federal income taxation until 1939.

³Total dividends received from both domestic and foreign corporations.

⁴Income less deductions but before subtracting personal exemptions. For 1965 computed by securing sum of taxable income and total amount of exemptions. Amount of exemptions equals number of exemptions multiplied by \$600.

⁵For 1965, income tax after credits. For 1930, tax liability prior to two credits (not large amounts) for (1) income tax paid at source on tax-free covenant bonds and (2) income and profits taxes paid to foreign countries or U.S. possessions.

⁶Continental U.S. plus Alaska and Hawaii.

INDIVIDUAL/1965 • HISTORICAL SUMMARY

Table 47.—NUMBER OF RETURNS, ADJUSTED GROSS INCOME, AND INCOME TAX BY THE 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS, 1949-1965—Continued
(Excludes 101 largest taxable returns)

Standard metropolitan statistical area	Number of returns				Adjusted gross income (Thousand dollars)				Income tax (Thousand dollars)			
	1949	1951	1953	1955	1949	1951	1953	1955	1949	1951	1953	1955
Salt Lake City, Utah.....	119,749	137,777	169,771	198,764	64,717	75,412	86,708	97,696	1,111	1,284	1,457	1,630
San Antonio, Texas.....	17,724	18,241	18,758	19,275	30,000	32,000	34,000	36,000	1,111	1,284	1,457	1,630
San Bernardino-Riverside-Ontario, California.....	34,111	37,256	40,401	43,546	1,111,000	1,222,000	1,333,000	1,444,000	1,111	1,284	1,457	1,630
San Diego, California.....	116,783	127,897	138,011	149,125	1,111,000	1,222,000	1,333,000	1,444,000	1,111	1,284	1,457	1,630
San Francisco-Oakland, California.....	1,148,000	1,277,000	1,406,000	1,535,000	1,111,000	1,222,000	1,333,000	1,444,000	1,111	1,284	1,457	1,630
San Jose, California.....	131,811	142,925	154,039	165,153	1,111,000	1,222,000	1,333,000	1,444,000	1,111	1,284	1,457	1,630
Scranton, Pennsylvania.....	81,400	81,400	81,400	81,400	310,000	310,000	310,000	310,000	1,111	1,284	1,457	1,630
Seattle-Everett, Washington.....	86,748	98,862	110,976	123,090	1,111,000	1,222,000	1,333,000	1,444,000	1,111	1,284	1,457	1,630
Shreveport, Louisiana.....	78,189	78,189	78,189	78,189	300,000	300,000	300,000	300,000	1,111	1,284	1,457	1,630
South Bend, Indiana.....	81,722	81,722	81,722	81,722	300,000	300,000	300,000	300,000	1,111	1,284	1,457	1,630
Spokane, Washington.....	99,374	109,488	119,602	129,716	468,544	501,270	534,000	566,730	1,111	1,284	1,457	1,630
Springfield-Chicopee-Holyoke, Massachusetts-Connecticut.....	142,571	142,571	142,571	142,571	310,000	310,000	310,000	310,000	1,111	1,284	1,457	1,630
Stockton, California.....	74,070	74,070	74,070	74,070	370,000	370,000	370,000	370,000	1,111	1,284	1,457	1,630
Syracuse, New York.....	136,344	146,458	156,572	166,686	1,111,000	1,222,000	1,333,000	1,444,000	1,111	1,284	1,457	1,630
Tacoma, Washington.....	114,001	124,115	134,229	144,343	563,651	596,377	629,103	661,829	1,111	1,284	1,457	1,630
Tampa-Saint Petersburg, Florida.....	132,111	142,225	152,339	162,453	1,111,000	1,222,000	1,333,000	1,444,000	1,111	1,284	1,457	1,630
Toledo, Ohio-Michigan.....	171,724	181,838	191,952	202,066	887,000	950,000	1,013,000	1,076,000	1,111	1,284	1,457	1,630
Trenton, New Jersey.....	104,000	104,000	104,000	104,000	400,000	400,000	400,000	400,000	1,111	1,284	1,457	1,630
Tucson, Arizona.....	104,000	104,000	104,000	104,000	400,000	400,000	400,000	400,000	1,111	1,284	1,457	1,630
Tulsa, Oklahoma.....	104,000	104,000	104,000	104,000	400,000	400,000	400,000	400,000	1,111	1,284	1,457	1,630
Utica-Rome, New York.....	104,000	104,000	104,000	104,000	400,000	400,000	400,000	400,000	1,111	1,284	1,457	1,630
Washington, D. C.-Maryland-Virginia.....	700,000	700,000	700,000	700,000	3,000,000	3,000,000	3,000,000	3,000,000	1,111	1,284	1,457	1,630
Wichita, Kansas.....	104,000	104,000	104,000	104,000	400,000	400,000	400,000	400,000	1,111	1,284	1,457	1,630
Wilkes-Barre-Hazleton, Pennsylvania.....	104,000	104,000	104,000	104,000	400,000	400,000	400,000	400,000	1,111	1,284	1,457	1,630
Wilmington, Delaware-N. Jersey-Maryland.....	104,000	104,000	104,000	104,000	400,000	400,000	400,000	400,000	1,111	1,284	1,457	1,630
Worcester, Massachusetts.....	104,000	104,000	104,000	104,000	400,000	400,000	400,000	400,000	1,111	1,284	1,457	1,630
York, Pennsylvania.....	104,000	104,000	104,000	104,000	400,000	400,000	400,000	400,000	1,111	1,284	1,457	1,630
Youngstown-Warren, Ohio.....	104,000	104,000	104,000	104,000	400,000	400,000	400,000	400,000	1,111	1,284	1,457	1,630



A

Adjusted gross deficit, 131, 133
Adjusted gross income, 1, 8-10, 12, 21, 35, 73
 Age 65 or over, 73, 74
 Itemized deductions returns, 78
 Standard deduction returns, 77
Alternative tax computation returns, 56
Cumulative distribution, 8
Definition, 131, 132
Form 1040A returns, 22
Historical data, 207, 209, 211, 212, 215, 218
Itemized deductions returns, 35, 41, 44, 45
Marital statuses, 9, 21, 39, 40, 44, 45
 Joint and surviving spouse returns, 15
 Separate and single persons returns, 18
Normal tax and surtax returns, 55
Percent distribution, 8, 35
Returns with:
 Income averaging, 52, 53
 Income averaging and capital gain, 52
 Pensions and annuities, 25
 Retirement income credit, 73, 80
Standard deduction returns, 35, 36, 39, 40
Standard metropolitan statistical areas, 87, 104, 106-130
States, 89, 91-103
Adjustments, 1, 13, 73
 Age 65 or over, 73, 75
 Definition, 31, 132
 Historical, 210
 Itemized deductions returns, 42
 Joint and surviving spouse returns, 16
 Retirement income credit returns, 73
 Separate and single persons returns, 19
 Standard deduction returns, 37
Adjusted taxable income, 52, 53, 132
Age 65 or over, 71-76, 132
 Exemptions, 46
 Itemized deductions, 78
 Standard deduction, 77
Alternative method, retirement income credit, 52, 132
Alternative tax computation returns, 29, 49, 52, 56, 132
Average base period capital gain net income, 52, 132
Average income tax, 8
 Alternative tax computation returns, 56
 Cumulated distribution, 8
 Historical data, 212
 Normal tax and surtax returns, 55

B

Base of retirement income credit, 79, 133
Blindness exemptions, 46

Bonds only requested, 14
 Age 65 or over, 76
 Definition, 137
 Form 1040A returns, 22
 Itemized deductions returns, 43
 Joint and surviving spouse returns, 17
 Separate and single persons returns, 20
 Standard deduction returns, 38
Business or profession, 1, 9, 10, 12, 35, 73
 Age 65 or over, 73, 74
 Definition, 133
 Historical, 209, 210, 214
 Itemized deductions returns, 35, 41, 44
 Marital statuses, 9, 39, 44
 Joint and surviving spouse returns, 15
 Separate and single persons returns, 18
No adjusted gross income returns, 9
Returns with:
 Income averaging, 52
 Pensions and annuities, 25
 Retirement income credit, 73, 80
Standard deduction returns, 35, 36, 39
Standard metropolitan statistical areas, 87, 104
States, 89

C

Capital gain dividends, 4, 5, 133
Capital gains and losses, 6, 27-29, 133
Cash requested, 14
 Age 65 or over, 76
 Definition, 137
 Form 1040A returns, 22
 Itemized deductions returns, 43
 Joint and surviving spouse returns, 17
 Separate and single persons returns, 20
 Standard deduction returns, 38
Classifications of data:
 Adjusted gross income classes:
 All returns, 12, 39
 Cumulated, 8
 Taxable and nontaxable, 10, 11
 At least one taxpayer age 65 or over, 74-76
 Itemized deductions, 78
 Standard deduction, 77
 Capital gains and losses, 27-29
 Dividends:
 Capital gain, 4
 Eligible for exclusion, 23
 Joint returns, 24
 Other distributions, 3
 Exclusions and deductions:
 Employee business expense, 34
 Moving expense, 33
 Self-employed pension deduction, 32
 Sick pay, 32
 Exemptions by type, 46-48
 Form 1040A returns, 22
 Gain from disposition of depreciable property, 7

Classification of data—Continued

Adjusted gross income classes—Con.
 Historical data, 211-213
 Marital statuses:
 All, 9, 21
 Itemized deduction returns, 44, 45
 No adjusted gross income returns, 9
 Standard deduction returns, 39, 40
 Joint and surviving spouse returns, 15-17
 Separate and single persons returns, 18-20
 Pensions and annuities, 25, 26
 Retirement income, 79, 80, 81
 Standard metropolitan area data, 106-130
 State data, 91-103
 Type of deduction:
 Itemized, 41-43
 Standard, 36-38
 Type of tax computation:
 Alternative tax computation, 56
 Normal and surtax only, 55
 Income averaging, 52, 53
 Income averaging and one-half excess long-term capital gain, 52
 Tax savings, 52, 54
Marginal tax rate classes:
 All returns, 57-59, 66-69
 Heads of household returns, 64, 65, 66-67
 Joint and surviving spouse returns, 60-61, 66-69
 Separate and single persons returns, 62, 63, 67-69
Size distributions:
 Capital gains dividends, 4
 Employee business expense deduction, 34
 Income averaging:
 Current year taxable income, 53
 Tax savings, 54
 Moving expense deduction, 33
 Sick pay exclusion, 32
Standard metropolitan statistical areas:
 Adjusted gross income classes, 106-130
 Historical data, 217-219
 Sources of income, 104, 105
States:
 Adjusted gross income classes, 91-103
 Historical data, 215, 216
 Sources of income, 89, 90
Credit on 1966 tax, 3, 14
 Age 65 or over, 76
 Definition, 133
 Itemized deduction returns, 43
 Joint and surviving spouse returns, 17
 Separate and single persons returns, 20
 Standard deduction returns, 38
Cumulated distributions, 8

D

Dependent's exemptions, 35, 46
 Marital statuses, 46
 Description of sample and limitations of data, 142-145
 Dividends and other distributions, 3, 4, 5
 Dividends, domestic and foreign, 3, 5, 23
 Definition, 134
 Joint returns, 23, 24
 Standard metropolitan statistical areas, 105
 States, 90
 Dividends in adjusted gross income, 1, 5, 9, 10, 13, 23, 35, 73
 Age 65 or over, 73, 75
 Definition, 134
 Historical data, 207, 209, 210, 213
 Itemized deductions returns, 35, 42, 44
 Marital statuses, 9, 39, 44
 Husband and wife, 5, 24
 Joint and surviving spouse returns, 15
 Joint returns, 23, 24
 Separate and single persons returns, 19
 No adjusted gross income returns, 9
 Returns with:
 Pensions and annuities, 25
 Retirement income credit, 73, 80

E

Employee business expense deduction, 32-34, 134
 Exemptions, 13, 35, 46-48
 Age 65 or over, 35, 46-48, 72, 75
 Itemized deductions returns, 78
 Standard deduction returns, 77
 Alternative tax computation returns, 56
 Blindness, 35, 46-48
 Definition, 31, 35, 134
 Dependents, 35, 46-48
 Form 1040A returns, 22
 Itemized deductions returns, 42, 45
 Marital statuses, 21, 40, 45-48
 Joint and surviving spouse returns, 16
 Separate and single persons returns, 19
 Normal tax and surtax returns, 55
 Other than age or blindness, 87, 91-103, 106-130
 Returns with:
 Retirement income credit, 81
 Standard deduction returns, 37, 40
 Standard metropolitan statistical areas, 87, 106-130
 States, 91-103
 Taxpayers, 35, 46-48
 Explanation of classifications and terms, 131-140

F

Farm, 1, 9, 10, 12, 35, 73
 Age 65 or over, 73, 74
 Definition, 135
 Historical data, 209, 210
 Itemized deductions returns, 35, 41, 44

Farm—Continued

Marital statuses, 9, 39, 44
 Joint and surviving spouse returns, 15
 Separate and single persons returns, 18
 No adjusted gross income returns, 9
 Returns with:
 Income averaging, 52
 Pensions and annuities, 25
 Retirement income credit, 73, 80
 Standard deduction returns, 35, 36, 39
 Standard metropolitan statistical areas, 104
 States, 89
 Foreign tax credit, 14
 Age 65 or over, 76
 Itemized deductions returns, 78
 Standard deduction returns, 77
 Alternative tax computation returns, 56
 Definition, 135
 Itemized deductions returns, 43
 Joint and surviving spouse returns, 17
 Normal tax and surtax returns, 55
 Separate and single persons returns, 20
 Standard deduction returns, 38
 Forms and instructions, 147-195
 Form 1040A returns, 1, 3, 22

G

Gain from disposition of depreciable property (See Ordinary gain from sales of depreciable property)
 General rule for computing retirement income credit, 79, 135

H

Heads of household returns (See Marital statuses)

I

Income averaging returns, 52-54, 135
 Principal source of income, 52
 Tax savings, 52, 54
 With capital gain, 52
 Interest received, 1, 9, 10, 13, 35, 73
 Age 65 or over, 73, 75
 Definition, 135
 Historical data, 207, 209, 210, 213
 Itemized deductions returns, 35, 42, 44
 Marital statuses, 9, 39, 44
 Joint and surviving spouse returns, 15
 Separate and single persons returns, 19
 No adjusted gross income returns, 9
 Returns with:
 Pensions and annuities, 25
 Retirement income credit, 73, 80
 Standard deduction returns, 35, 37, 39
 Standard metropolitan statistical areas, 87, 105
 States, 90
 Investment tax credit, 13, 54
 Age 65 or over, 73, 75
 Itemized deductions returns, 78
 Standard deduction returns, 77

Investment tax credit—Continued

Alternative tax computation returns, 56
 Definition, 135
 Itemized deductions returns, 42
 Joint and surviving spouse returns, 16
 Normal tax and surtax returns, 55
 Retirement income credit returns, 81
 Separate and single persons returns, 19
 Standard deduction returns, 38
 Itemized deductions returns, 11, 35, 41
 Age 65 or over, 78
 Alternative tax computation returns, 56
 Definition, 31, 35, 131, 136
 Historical data, 209, 210
 Marital status, 44
 Normal tax and surtax returns, 55
 Sources of income, 41, 42

J

Joint returns of husbands and wives (See also Marital statuses)
 Standard metropolitan statistical areas, 106-130
 States, 91-103
 Joint and surviving spouse returns (See Marital statuses)

M

Marginal tax rate classes, 136
 Heads of household returns, 64, 65
 Joint and surviving spouse returns, 61, 63
 Separate and single persons returns, 62, 63
 Marital status, 131
 Adjusted gross income classes, 21, 40, 45
 Dividends reported by husbands and wives, 24
 Domestic and foreign dividends on joint returns, 23
 Exemptions, 48
 Itemized deduction returns, 44, 45
 Marginal tax rate classes, 66
 Heads of household returns, 64, 65, 69
 Joint and surviving spouse returns, 60, 61, 67
 Separate and single persons returns, 62, 63, 68
 Sources of income, 44
 Sources of income and tax items:
 Joint and surviving spouse returns, 15-17
 Separate and single persons returns, 18-20
 Standard deduction returns, 39, 40
 Minimum standard deduction, 40
 Moving expense deduction, 33, 136

N

No adjusted gross income returns, 9, 131
 No taxable income, 13
 Age 65 or over, 74-76
 Itemized deductions returns, 78
 Standard deduction returns, 77
 Itemized deductions returns, 41-43
 Joint and surviving spouse returns, 15-17

No taxable income—Continued
 Separate and single persons returns, 18-20
 Standard deduction returns, 36-38
 Normal tax and surtax returns, 50, 55, 136
 Number of returns (see also specific type of return or classification), 141

O

One-third base period taxable income, 136
 Ordinary gain from sales of depreciable property, 7, 9, 10, 12
 Age 65 or over, 74
 Definition, 136
 Itemized deductions returns, 41, 44
 Marital statuses, 9, 39, 44
 Joint and surviving spouse returns, 15
 Separate and single persons returns, 18
 No adjusted gross income returns, 9
 Standard deduction returns, 36, 39
 Other areas, 89, 90
 Other capital distributions, 136
 Other gain from sales of depreciable property, 7, 137
 Other sources of income and loss, 9, 11, 13
 Age 65 or over, 75
 Definition, 137
 Form 1040A returns, 22
 Itemized deductions returns, 42, 44
 Marital statuses, 9, 39, 44
 Joint and surviving spouse returns, 16
 Separate and single persons returns, 19
 No adjusted gross income returns, 9
 Standard deduction returns, 37, 39
 Other tax credits, 14
 Age 65 or over, 76
 Itemized deductions returns, 78
 Standard deduction returns, 77
 Alternative tax computation returns, 56
 Definition, 137
 Itemized deductions returns, 43
 Joint and surviving spouse returns, 17
 Normal tax and surtax returns, 55
 Separate and single persons returns, 20
 Standard deduction returns, 38
 Overpayment of tax, 3, 14
 Age 65 or over, 76
 Definition, 137
 Form 1040A returns, 22
 Itemized deductions returns, 43
 Joint and surviving spouse returns, 17
 Retirement income credit returns, 81
 Separate and single persons returns, 20
 Standard deduction returns, 38

P

Partnership, 1, 9, 10, 12, 35, 73
 Age 65 or over, 73, 74
 Definition, 137
 Historical data, 209, 210, 214
 Itemized deductions returns, 35, 41, 44

Partnership—Continued
 Marital statuses, 9, 39, 44
 Joint and surviving spouse returns, 15
 Separate and single persons returns, 18
 No adjusted gross income returns, 9
 Returns with:
 Income averaging, 52
 Pensions and annuities, 25
 Retirement income credit, 73, 80
 Standard deduction returns, 35, 36, 39
 Standard metropolitan statistical areas, 87, 104
 States, 89
 Payments on 1965 declarations, 14
 Age 65 or over, 76
 Definition, 137
 Itemized deductions returns, 43
 Joint and surviving spouse returns, 17
 Retirement income credit returns, 81
 Separate and single persons returns, 20
 Standard deduction returns, 38
 Pensions and annuities, 6, 7, 9, 10, 13, 26, 35, 73
 Age 65 or over, 73, 75
 Definition, 137
 Historical data, 209, 210
 Itemized deductions returns, 35, 42, 44
 Marital statuses, 9, 39, 44
 Joint and surviving spouse returns, 16
 Separate and single persons returns, 19
 No adjusted gross income returns, 9
 Retirement income credit returns, 73, 80
 Sources of income or loss, 25, 26
 Standard deduction returns, 35, 37, 39
 Percent distributions, 8
 Age 65 or over, 72, 73
 Alternative tax computation returns, 52, 56
 Itemized deductions returns, 35
 Normal tax and surtax only returns, 55
 Pension and annuity returns, 7
 Retirement income credit returns, 72, 73
 Standard deduction returns, 35
 Minimum, 35
 Ten percent, 35
 Tax rate schedules, 50
 Personal exemptions (See Exemptions)

R

Refund, 3, 14
 Age 65 or over, 76
 Definition, 137
 Form 1040A returns, 22
 Itemized deduction returns, 43
 Joint and surviving spouse returns, 17
 Separate and single persons returns, 20
 Standard deduction returns, 38
 Rents, 1, 9, 11, 13, 35, 73
 Age 65 or over, 73, 75
 Definition, 137
 Historical data, 209, 210
 Itemized deductions returns, 35, 42, 44
 Marital statuses, 9, 39, 44
 Joint and surviving spouse returns, 16

Rents—Continued
 Marital status—Continued
 Separate and single persons returns, 19
 No adjusted gross income returns, 9
 Returns with:
 Pensions and annuities, 25
 Retirement income credit, 73, 81
 Standard deduction returns, 35, 37, 39
 Standard metropolitan statistical areas, 87, 105
 States, 90
 Requirements for filing, 206
 Retirement income credit, 13, 54, 79, 81
 Age 65 or over, 71-73, 75
 Itemized deduction returns, 78
 Standard deduction returns, 77
 Alternative tax computation returns, 56
 Definition, 138
 Itemized deductions returns, 42
 Joint and surviving spouse returns, 16
 Method of computation, 73, 79
 Normal tax and surtax returns, 55
 Pensions and annuities returns, 25
 Sources of income, 80, 81
 Separate and single persons returns, 19
 Standard deduction returns, 38
 Royalties, 1, 9, 11, 13, 35, 73
 Age 65 or over, 73, 75
 Definition, 138
 Itemized deductions returns, 35, 42, 44
 Marital statuses, 9, 39, 44
 Joint and surviving spouse returns, 16
 Separate and single persons returns, 19
 No adjusted gross income returns, 9
 Retirement income credit returns, 73, 81
 Standard deduction returns, 35, 37, 39
 Standard metropolitan statistical areas, 87, 105
 States, 90

S

Salaries and wages (gross), 1, 9, 10, 12, 35, 73
 Age 65 or over, 73, 74
 Definition, 138
 Form 1040A returns, 22
 Historical data, 207, 209, 210, 213
 Itemized deductions returns, 35, 41, 44
 Marital statuses, 9, 39, 44
 Joint and surviving spouse returns, 15
 Separate and single persons returns, 18
 No adjusted gross income returns, 9
 Returns with:
 Income averaging, 52
 Pensions and annuities, 25
 Retirement income credit, 73, 80
 Sick pay exclusion, 32
 Standard deduction returns, 35, 36, 39
 Standard metropolitan statistical areas, 87, 104
 States, 89
 Sales of capital assets, 1, 6, 9, 10, 12, 27, 35, 73
 Age 65 or over, 73, 74
 Alternative tax computation returns, 27-29

- Sales of capital assets—Continued
 Definition, 133
 Historical data, 209, 210, 214
 Itemized deductions returns, 35, 41, 44
 Marital statuses, 9, 39, 44
 Joint and surviving spouse returns, 15
 Separate and single persons returns, 18
 Normal tax and surtax, 27-29
 No adjusted gross income returns, 9
 Returns with:
 Income averaging, 52
 Pensions and annuities, 25
 Retirement income credit, 73, 80
 Standard deduction returns, 35, 36, 39
 Standard metropolitan statistical areas, 87, 104
 States, 89
- Sales of property other than capital assets, 9, 10, 12
 Age 65 or over, 74
 Definition, 138
 Itemized deductions returns, 41, 44
 Marital statuses, 9, 39, 44
 Joint and surviving spouse returns, 15
 Separate and single persons returns, 18
 No adjusted gross income returns, 9
 Standard deduction returns, 36, 39
- Self-employed pension deduction, 32, 138
- Self-employment tax, 1, 14
 Age 65 or over, 76
 Itemized deductions returns, 78
 Standard deduction returns, 77
 Definition, 138
 Itemized deductions returns, 43
 Joint and surviving spouse returns, 17
 Retirement income credit returns, 81
 Separate and single persons returns, 20
 Standard deduction returns, 38
 Separate returns of husbands and wives (See Marital statuses)
 Separate and single persons returns (see also Marital statuses), 18-20, 62, 63, 68
 Sick pay exclusion, 31, 32, 139
 Single persons not head of house or surviving spouse (See Marital statuses)
- Size distributions:
 Capital gain dividends, 4, 5
 Employee business expense deduction, 34
 Income averaging tax savings, 54
 Moving expense deduction, 33
 Sick pay exclusion, 32
- Sources of data, 141, 142
 Sources of income and loss (See Adjusted gross income)
- Standard deduction returns, 11, 36, 39
 Age 65 or over, 77
 Alternative tax computation returns, 56
 Definition, 31, 33, 131, 139
 Historical data, 209
 Marital statuses, 39, 40
 Minimum standard deduction, 33, 35, 37
 Normal tax and surtax returns, 55
 Sources of income, 36-38, 39
 Ten percent standard deduction, 33, 35, 37
- Standard metropolitan statistical areas, 83-88, 104-131
 Counties and cities comprising, 85
 Map, 84
 States, 83, 89-103, 131
 Surviving spouse returns (See Marital statuses)
- T**
- Tax after credits, 1, 14
 Age 65 or over, 76
 Itemized deductions returns, 78
 Standard deduction returns, 77
 Alternative tax computation returns, 56
 Cumulative distribution, 8
 Definition, 135
 Historical data, 205, 209, 212, 216, 219
 Itemized deductions returns, 43, 45
 Marital statuses, 21, 40, 45
 Marginal tax rates, 57-59, 66-69
 Marital statuses, 45
 Joint and surviving spouse returns, 17
 Separate and single persons returns, 20
 Normal tax and surtax returns, 55
 Percent distribution, 8
 Returns with:
 Income averaging, 52
 Income averaging and 1/2 excess long-term gain, 52
 Pensions and annuities, 25
 Retirement income credit, 81
 Standard deduction returns, 38, 40
 Standard metropolitan statistical areas, 87, 105, 106-130
 States, 90, 91-103
- Tax base (See Taxable income)
- Tax before credits, 13, 50
 Age 65 or over, 75
 Itemized deductions returns, 78
 Standard deduction returns, 77
 Alternative tax computation returns, 52, 56
 Definition, 135
 Form 1040A returns, 22
 Historical data, 209
 Itemized deductions returns, 42
 Joint and surviving spouse returns, 16
 Normal tax and surtax returns, 55
 Percent distribution, 55, 56
 Returns with:
 Pensions and annuities, 25
 Retirement income credit, 81
 Separate and single persons returns, 19
 Standard deduction returns, 37
- Tax credits, 13, 54
 Age 65 or over, 75
 Itemized deductions returns, 78
 Standard deduction returns, 77
 Alternative tax computation returns, 56
 Itemized deductions returns, 42
 Joint and surviving spouse returns, 16
 Normal tax and surtax returns, 55
 Retirement income credit returns, 81
 Separate and single persons returns, 19
 Standard deduction returns, 37
- Tax due at time of filing, 3, 14
 Age 65 or over, 76
 Definition, 139
- Tax due at time of filing—Continued
 Form 1040A returns, 22
 Itemized deductions returns, 43
 Joint and surviving spouse returns, 17
 Retirement income credit returns, 81
 Separate and single persons returns, 20
 Standard deduction returns, 38
 Tax from recomputed prior year investment credit, 14
 Age 65 or over, 76
 Definition, 139
 Itemized deductions returns, 43
 Joint and surviving spouse returns, 17
 Separate and single persons returns, 20
 Standard deduction returns, 38
 Tax generated at each tax rate, 66
 Tax rates, 50, 139
 Illustration, 51
 Tax rate schedules (See also Marital statuses), 66, 140
 Joint and surviving spouse returns, 67
 Separate and single persons returns, 68
 Heads of household returns, 69
 Tax table returns, 141
 Tax withheld, 14
 Age 65 or over, 76
 Definition, 140
 Form 1040A returns, 22
 Itemized deductions returns, 43
 Joint and surviving spouse returns, 17
 Retirement income credit returns, 81
 Separate and single persons returns, 20
 Standard deduction returns, 38
 Taxable and nontaxable returns, 132
 Taxable income, 1, 8, 13, 57-59
 Age 65 or over, 75
 Itemized deductions returns, 78
 Standard deduction returns, 77
 Alternative tax computation returns, 52, 56
 Cumulative distribution, 8
 Definition, 139
 Form 1040A returns, 22
 Historical data, 209, 212
 Itemized deductions returns, 42, 45
 Marginal tax rate classes, 57
 Heads of household, 64
 Joint and surviving spouse returns, 60
 Separate and single persons returns, 62
 Marital statuses, 21, 40, 45
 Joint and surviving spouse returns, 16
 Separate and single persons returns, 19
 Normal tax and surtax returns, 55
 Percent distribution, 8
 Returns with:
 Pensions and annuities, 25
 Retirement income credit, 81
 Standard deduction returns, 37, 40
 Standard metropolitan statistical areas, 87, 105-130
 States, 90-103
 Taxable returns, 8
 Taxpayer exemptions, 35
 Ten percent standard deduction, 37
 Tentative retirement credit, 140
 Total deductions, 140
 Type of taxpayer, 140

