TO BE FILLED IN BY COLLECTOR.

List. No. ....

.... District of ....

Date received ....

Form 1040.

INCOME TAX.

THE PENALTY FOR FAILURE TO HAVE THIS RETURN IN THE HANDS OF THE COLLECTOR OF INTERNAL REVENUE ON OR BEFORE MARCH 1 IS $20 TO $1,000.

(SEE INSTRUCTIONS ON PAGE 4.)

TO BE FILLED IN BY INTERNAL REVENUE BUREAU.

File No. ....

Assessment List ....

Page .... Line ....

UNITED STATES INTERNAL REVENUE.

RETURN OF ANNUAL NET INCOME OF INDIVIDUALS.

(As provided by Act of Congress, approved October 3, 1913.)

RETURN OF NET INCOME RECEIVED OR ACCRUED DURING THE YEAR ENDED DECEMBER 31, 191 ....

(FOR THE YEAR 1913, FROM MARCH 1, TO DECEMBER 31.)

Filed by (or for) .... of ....
(Full name of individual.) (Street and No.)

in the City, Town, or Post Office of .... State of ....

(Fill in pages 2 and 3 before making entries below.)

1.	GROSS INCOME (see page 2, line 12)	$
2.	GENERAL DEDUCTIONS (see page 3, line 7)	$
3.	NET INCOME	$

Deductions and exemptions allowed in computing income subject to the normal tax of 1 per cent.

4.	Dividends and net earnings received or accrued, of corporations, etc., subject to like tax. (See page 2, line 11)	$	
5.	Amount of income on which the normal tax has been deducted and withheld at the source. (See page 2, line 9, column A)		
6.	Specific exemption of $3,000 or $4,000, as the case may be. (See Instructions 3 and 19)		
	Total deductions and exemptions. (Items 4, 5, and 6)		$
7.	TAXABLE INCOME on which the normal tax of 1 per cent is to be calculated. (See Instruction 3)		$

8. When the net income shown above on line 3 exceeds $20,000, the additional tax thereon must be calculated as per schedule below:

		INCOME.	TAX.
1	per cent on amount over $20,000 and not exceeding $50,000	$	$
2	" " 50,000 " " 75,000		
3	" " 75,000 " " 100,000		
4	" " 100,000 " " 250,000		
5	" " 250,000 " " 500,000		
6	" " 500,000		
	Total additional or super tax		$
	Total normal tax (1 per cent of amount entered on line 7)		$
	Total tax liability		$

GROSS INCOME.

This statement must show in the proper spaces the entire amount of gains, profits, and income received by or accrued to the individual from all sources during the year specified on page 1.

	DESCRIPTION OF INCOME.	A. Amount of income on which tax has been deducted and withheld at the source.	B. Amount of income on which tax has NOT been deducted and withheld at the source.
1.	Total amount derived from salaries, wages, or compensation for personal service of whatever kind and in whatever form paid	$	$
2.	Total amount derived from professions, vocations, businesses, trade, commerce, or sales or dealings in property, whether real or personal, growing out of the ownership or use of interest in real or personal property, including bonds, stocks, etc.		
3.	Total amount derived from rents and from interest on notes, mortgages, and securities (other than reported on lines 5 and 6)		
4.	Total amount of gains and profits derived from partnership business, whether the same be divided and distributed or not		
5.	Total amount of fixed and determinable annual gains, profits, and income derived from interest upon bonds and mortgages or deeds of trust, or other similar obligations of corporations, joint-stock companies or associations, and insurance companies, whether payable annually or at shorter or longer periods		
6.	Total amount of income derived from coupons, checks, or bills of exchange for or in payment of interest upon bonds issued in *foreign countries* and upon *foreign mortgages* or like obligations (not payable in the United States), and also from coupons, checks, or bills of exchange for or in payment of any dividends upon the stock or interest upon the obligations of foreign corporations, associations, and insurance companies engaged in business in foreign countries		
7.	Total amount of income received from fiduciaries		
8.	Total amount of income derived from any source whatever, not specified or entered elsewhere on this page		
9.	TOTALS		

NOTES.—Enter total of Column A on line 5 of first page.

10.	AGGREGATE TOTALS OF COLUMNS A AND B	$
11.	Total amount of income derived from dividends on the stock or from the net earnings of corporations, joint-stock companies, associations, or insurance companies subject to like tax (To be entered on line 4 of first page.)	$
12.	TOTAL **"Gross Income"** (to be entered on line 1 of first page)	$

GENERAL DEDUCTIONS.

1. The amount of necessary expenses actually paid in carrying on business, but not including business expenses of partnerships, and not including personal, living, or family expenses .	$			
2. All interest paid within the year on personal indebtedness of taxpayer				
3. All national, State, county, school, and municipal taxes paid within the year (not including those assessed against local benefits)				
4. Losses actually sustained during the year incurred in trade or arising from fires, storms, or shipwreck, and not compensated for by insurance or otherwise				
5. Debts due which have been actually ascertained to be worthless and which have been charged off within the year				
6. Amount representing a reasonable allowance for the exhaustion, wear, and tear of property arising out of its use or employment in the business, not to exceed, in the case of mines, 5 per cent of the gross value at the mine of the output for the year for which the computation is made, but no deduction shall be made for any amount of expense of restoring property or making good the exhaustion thereof, for which an allowance is or has been made . . .				
7. Total "GENERAL DEDUCTIONS" (to be entered on line 2 of first page)				

AFFIDAVIT TO BE EXECUTED BY INDIVIDUAL MAKING HIS OWN RETURN.

I solemnly swear (or affirm) that the foregoing return, to the best of my knowledge and belief, contains a true and complete statement of all gains, profits, and income received by or accrued to me during the year for which the return is made, and that I am entitled to all the deductions and exemptions entered or claimed therein, under the Federal Income-tax Law of October 3, 1913.

Sworn to and subscribed before me this ....

day of ...., 191

....
(Signature of individual.)

SEAL OF OFFICER TAKING AFFIDAVIT.

....

....
(Official capacity.)

AFFIDAVIT TO BE EXECUTED BY DULY AUTHORIZED AGENT MAKING RETURN FOR INDIVIDUAL.

I solemnly swear (or affirm) that I have sufficient knowledge of the affairs and property of ....
to enable me to make a full and complete return thereof, and that the foregoing return, to the best of my knowledge and belief, contains a true and complete statement of all gains, profits, and income received by or accrued to said individual during the year for which the return is made, and that the said individual is entitled, under the Federal Income-tax Law of October 3, 1913, to all the deductions and exemptions entered or claimed therein.

Sworn to and subscribed before me this ....

....
(Signature of agent.)

day of ...., 191

ADDRESS IN FULL { ....
....

SEAL OF OFFICER TAKING AFFIDAVIT.

....

....
(Official capacity.)

[SEE INSTRUCTIONS ON BACK OF THIS PAGE.]

INSTRUCTIONS.

1. This return shall be made by every citizen of the United States, whether residing at home or abroad, and by every person residing in the United States, though not a citizen thereof, having a *net income* of $3,000 or over for the taxable year, and *also* by every *nonresident alien* deriving income from property owned and business, trade, or profession carried on *in the United States* by him.

2. When an individual by reason of minority, sickness or other disability, or absence from the United States, is unable to make his own return, it may be made for him by his *duly authorized* representative.

3. The *normal tax* of 1 per cent shall be assessed on the total net income less the specific exemption of $3,000 or $4,000 as the case may be. (For the year 1913, the specific exemption allowable is $2,500 or $3,333.33, as the case may be.) If, however, the normal tax has been deducted and withheld on any part of the income at the source, or if any part of the income is received as dividends upon the stock or from the net earnings of any corporation, etc., which is taxable upon its net income, such income shall be deducted from the individual's total *net income* for the purpose of calculating the amount of income on which the individual is liable for the normal tax of 1 per cent by virtue of this return. (See page 1, line 7.)

4. The *additional or super tax* shall be calculated as stated on page 1.

5. This return shall be filed with the Collector of Internal Revenue for the district in which the individual resides if he has no other place of business, otherwise in the district in which he has his *principal place of business;* or in case the person resides in a foreign country, then with the collector for the district in which his principal business is carried on in the United States.

6. This return must be filed on or before the first day of March succeeding the close of the calendar year for which return is made.

7. The *penalty for failure to file the return within the time specified by law* is $20 to $1,000. In case of refusal or neglect to render the return within the required time (except in cases of sickness or absence), 50 per cent shall be added to amount of tax assessed. In case of *false or fraudulent return,* 100 per cent shall be added to such tax, and any person required by law to make, render, sign, or verify any return who makes any false or fraudulent return or statement with intent to defeat or evade the assessment required by this section to be made shall be guilty of a misdemeanor, and shall be fined not exceeding $2,000 or be imprisoned not exceeding one year, or both, at the discretion of the court, with the costs of prosecution.

8. When the return is not filed within the required time by reason of sickness or absence of the individual, an extension of time, not exceeding 30 days from March 1, within which to file such return, *may be* granted by the collector, *provided* an application therefor is made by the individual within the period for which such extension is desired.

9. This return properly filled out must be made under oath or affirmation. Affidavits may be made before any officer *authorized by law* to administer oaths. If before a justice of the peace or magistrate; not using a seal, a *certificate of the clerk of the court as to the authority* of such officer to administer oaths should be *attached to the return.*

10. Expense for medical attendance, store accounts, family supplies, wages of domestic servants, cost of board, room, or house rent for family or personal use, *are not expenses that can be deducted from gross income.* In case an individual owns his own residence he can not deduct the estimated value of his rent, neither shall he be required to include such estimated rental of his home as income.

11. The farmer, in computing the net income from his farm for his annual return, shall include all moneys received for produce and animals sold, and for the wool and hides of animals slaughtered, provided such wool and hides are sold, and he shall deduct therefrom the sums actually paid as purchase money for the animals sold or slaughtered during the year.

When animals were raised by the owner and are sold or slaughtered he shall not deduct their value as expenses or loss. He may deduct the amount of money actually paid as expense for producing any farm products, live stock, etc. In deducting expenses for repairs on farm property the amount deducted must not exceed the amount actually expended for such repairs during the year for which the return is made. (See page 3, item 6.) The cost of replacing tools or machinery is a deductible expense to the extent that the cost of the new articles does not exceed the value of the old.

12. In calculating losses, only such losses as shall have been actually sustained and the amount of which has been definitely ascertained during the year covered by the return can be deducted.

13. Persons receiving fees or emoluments for professional or other services, as in the case of physicians or lawyers, should include all actual receipts for services rendered in the year for which return is made, together with all unpaid accounts, charges for services, or contingent income due for that year, if good and collectible.

14. Debts which were contracted during the year for which return is made, but found in said year to be worthless, may be deducted from gross income for said year, but such debts can not be regarded as worthless until after legal proceedings to recover the same have proved fruitless, or it clearly appears that the debtor is insolvent. If debts contracted prior to the year for which return is made were included as income in return for year in which said debts were contracted, and such debts shall subsequently prove to be worthless, they may be deducted under the head of losses in the return for the year in which such debts were charged off as worthless.

15. Amounts due or accrued to the individual members of a partnership from the net earnings of the partnership, whether apportioned and distributed or not, shall be included in the annual return of the individual.

16. United States pensions shall be included as income.

17. Estimated advance in value of real estate is not required to be reported as income, unless the increased value is taken up on the books of the individual as an increase of assets.

18. Costs of suits and other legal proceedings arising from ordinary business may be treated as an expense of such business, and may be deducted from gross income for the year in which such costs were paid.

19. An unmarried individual or a married individual not living with wife or husband shall be allowed an exemption of $3,000. When husband and wife live together they shall be allowed jointly a total exemption of only $4,000 on their aggregate income. They may make a joint return, both subscribing thereto, or if they have separate incomes, they may make separate returns; but in no case shall they jointly claim more than $4,000 exemption on their aggregate income.

20. In computing net income there shall be excluded the compensation of all officers and employees of a State or any political subdivision thereof, except when such compensation is paid by the United States Government.

History of Federal Individual Income Tax Rates

Bottom and Top Brackets

[In dollar amounts unless otherwise specified]

	Tax Rates[1]			
	Bottom bracket		Top bracket	
Calendar Year	Rate (percent)	Taxable income up to	Rate (percent)	Taxable income over
1913-15	1	$20,000	7	$500,000
1916	2	20,000	15	2,000,000
1917	2	2,000	67	2,000,000
1918	6	4,000	77	1,000,000
1919-20	4	4,000	73	1,000,000
1921	4	4,000	73	1,000,000
1922	4	4,000	56	200,000
1923	3	4,000	56	200,000
1924	[2]1.5	4,000	46	500,000
1925-28	[2]1?	4,000	25	100,000
1929	[2]4?	4,000	24	100,000
1930-31	[2]1?	4,000	25	100,000
1932-33	4	4,000	63	1,000,000
1934-35	[3]4	4,000	63	1,000,000
1936-39	[3]4	4,000	79	5,000,000
1940	[3]4.4	4,000	81.1	5,000,000
1941	[3]10	2,000	81	5,000,000
1942-43[3]	[3]19	2,000	88	200,000
1944-45	23	2,000	[5]94	200,000
1946-47	19	2,000	[5]86.45	200,000
1948-49	16.6	4,000	[5]82.13	400,000
1950	17.4	4,000	[5]91	400,000
1951	20.4	4,000	[5]91	400,000
1952-53	22.2	4,000	[5]92	400,000
1954-63	20	4,000	[5]91	400,000
1964	16	1,000	77	400,000
1965-67	14	1,000	70	200,000
1968	14	1,000	[6]75.25	200,000
1969	14	1,000	[6]77	200,000
1970	14	1,000	[6]71.75	200,000
1971	14	1,000	[7]70	200,000
1972-78	[8]14	1,000	[7]70	200,000
1979-80	[8]14	2,100	[7]70	212,000
1981	[8,9]13.825	2,100	[7,9]69.125	212,000
1982	[8]12	2,100	50	106,000
1983	[8]11	2,100	50	106,000
1984	[8]11	2,100	50	159,000
1985	[8]11	2.180	50	165.480

1986	[8]11	2,270	50	171,580
1987	[8]11	3,000	38.5	90,000
1988	[8]15	29,750	[10]28	29,750
1989	[8]15	30,950	[10]28	30,950
1990	[8]15	32,450	[10]28	32,450
1991	[8]15	34,000	31	82,150
1992	[8]15	35,800	31	86,500
1993	[8]15	36,900	39.6	250,000
1994	[8]15	38,000	39.6	250,000
1995	[8]15	39,000	39.6	256,500
1996	[8]15	40,100	39.6	263,750
1997	[8]15	41,200	39.6	271,050
1998	[8]15	42,350	39.6	278,450
1999	[8]15	43,050	39.6	283,150
2000	[8]15	43,850	39.6	288,350

[1] Taxable income excludes zero bracket amount from 1977 through 1986. Rates shown apply only to married persons filing joint returns beginning in 1948. Does not include either the add on minimum tax on preference items (1970-1982) or the alternative minimum tax (1979-present). Also, does not include the effects of the various tax benefit phase-outs (e.g. the personal exemption phase-out). From 1922 through 1986 and from 1991 forward, lower rates applied to long-term capital gains.

[2] After earned-income deduction equal to 25 percent of earned income.

[3] After earned-income deduction equal to 10 percent of earned income.

[4] Exclusive of Victory Tax.

[5] Subject to the following maximum effective rate limitations.
[year and maximum rate (in percent)] 1994-45 - 90; 1946-47 - 85.5; 1948-49 - 77.0; 1950 - 87.0; 1951 - 87.2; 1952-53 - 88.0; 1954-63 - 87.0.

[6] Includes surcharge of 7.5 percent in 1968, 10 percent in 1969, and 2.6 percent in 1970.

[7] Earned income was subject to maximum marginal rates of 60 percent in 1971 and 50 percent from 1972 through 1981.

[8] Beginning in 1975, a refundable earned-income credit is allowed for low-income individuals.

[9] After tax credit is 1.25 percent against regular tax.

[10] The benefit of the first rate bracket is eliminated by an increased rate above certain thresholds. The phase-out range of the benefit of the first rate bracket was as follows: Taxable income between $71,900 and $149,250 in 1988; taxable income between $74,850 and $155,320 in 1989; and t axable income between $78,400 and $162,770 in 1990. The phase-out of the benefit the first rate bracket was repealed for taxable years beginning after December 31, 1990. This added 5 percentage points to the marginal rate for those affected by the phaseout, producing a 33 percent effective rate.

Source: Congressional Joint Committee on Taxation