

# FIDUCIARY RETURN OF INCOME

## For Calendar Year 1936

Do Not Write in These Spaces

(Auditor's Stamp)

Or Fiscal year begun \_\_\_\_\_, 1936, and ended \_\_\_\_\_, 1937

File this Return Not Later Than the 15th Day of the Third Month Following the Close of the Taxable Year  
(PRINT NAMES AND ADDRESS PLAINLY BELOW)

Name of  
Estate or Trust \_\_\_\_\_

Name and  
Address of  
Fiduciary \_\_\_\_\_

File  
Code \_\_\_\_\_

Serial  
Number \_\_\_\_\_

District \_\_\_\_\_

(Date Received)

- Was a return of income for the prior year filed on behalf of the estate or trust named above? \_\_\_\_\_
- If so, to which collector's office was it sent? (Give district or city and State) \_\_\_\_\_
- If copy of will or trust instrument and statement required under Instruction 23 have been previously furnished, state when and with whom they were filed \_\_\_\_\_
- State whether books are kept on cash or accrual basis \_\_\_\_\_
- Did any person or persons advise you in respect of any question or matter affecting any item or schedule of this return, or assist or advise you in the preparation of this return, or actually prepare this return for you? \_\_\_\_\_ If so, give the name and address of such person or persons and state the nature and extent of the assistance or advice received by you and the items or schedules in respect of which the assistance or advice was received; if this return was actually prepared by any person or persons other than yourself, state the source of the information reported in this return and the manner in which it was furnished to or obtained by such person or persons \_\_\_\_\_
- Did you make a return of information on Forms 1096 and 1099 (see Instruction 27) for the calendar year 1936? (Answer "yes" or "no") \_\_\_\_\_

Item and Instruction No.	INCOME		
1.	Net Profit (or Loss) from Trade or Business. (From Schedule A) _____	\$	
2.	Interest on Bank Deposits, Notes, and Corporation Bonds, etc. (except interest on tax-free covenant bonds) (Attach detailed statement) _____		
3.	Interest on Tax-free Covenant Bonds upon which a tax was paid at source. (Attach detailed statement) _____		
4.	Income (or Loss) from Partnerships, Syndicates, Pools, etc., and Fiduciaries: (State name and address.) _____		
5.	Rents and Royalties. (From Schedule B) _____		
6.	Capital Gain (or Loss). (From Schedule C) (If capital loss, this amount may not exceed \$2,000) _____ Note.—If this return is for a revocable trust, attach a schedule of capital gains and losses supplementing Item 18, in lieu of filling in Item 6.		
7.	Dividends. (From Schedule D) _____		
8.	Other income. (State nature and source of income) _____		
9.	TOTAL INCOME IN ITEMS 1 TO 8 _____	\$	
	<b>DEDUCTIONS</b>		
10.	Interest Paid. (Explain in Schedule E) _____	\$	
11.	Taxes Paid. (Explain in Schedule E) _____		
12.	Losses by Fire, Storm, etc. (Explain in Table at foot of page 2) _____		
13.	Bad debts (including bonds determined to be worthless during taxable year). (Explain in Schedule E) _____		
14.	Contributions. (Explain in Schedule E) _____		
15.	Other Deductions Authorized by Law (including stock determined to be worthless during taxable year). (Explain in Schedule E) _____		
16.	TOTAL DEDUCTIONS IN ITEMS 10 TO 15 _____		
17.	NET INCOME (Item 9 minus Item 16) _____	\$	

18. BENEFICIARIES' SHARES OF INCOME AND CREDITS (See Instruction 18)				
1. NAME AND ADDRESS OF EACH BENEFICIARY (Designate surviving spouse and nonresident aliens) NOTE.—Where return of beneficiary is filed in another collection district, specify district	2. PERCENTAGE OF BENEFICIAL INTEREST	3. NET INCOME (Item 17)	4. INCOME TAX PAID AT SOURCE (2% of Item 3)	5. INCOME TAX PAID FOREIGN COUNTRIES OR UNITED STATES POSSESSIONS
(a) _____		\$	\$	\$
(b) _____				
(c) _____				
(d) _____				
(e) _____				
(f) _____				
(g) _____				
(h) _____				
TOTALS _____		\$	\$	\$

19. INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction 19)		
1. OBLIGATIONS OR SECURITIES	2. AMOUNT OWNED AT END OF YEAR	3. INTEREST RECEIVED OR ACCRUED DURING THE YEAR
(a) Obligations of a State, Territory, or any political subdivision thereof, or the District of Columbia, or United States possessions _____	\$	\$
(b) Obligations issued under the provisions of the Federal Farm Loan Act, or under such Act as amended _____		
(c) Obligations of United States issued on or before September 1, 1917 _____		
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness _____		
(e) U. S. Savings Bonds and Treasury Bonds _____		
(f) Obligations of instrumentalities of the United States (other than obligations to be reported in (b) above) _____		

**SCHEDULE A—PROFIT (OR LOSS) FROM TRADE OR BUSINESS (See Instruction 1)**

1. Total receipts from trade or business (state kind of business) .....		\$
<b>COST OF GOODS SOLD</b>		
2. Labor .....	\$	
3. Material and supplies .....		
4. Merchandise bought for sale .....		
5. Other costs (itemize below or on separate sheet) .....		
6. Plus inventory at beginning of year .....		
7. <b>TOTAL (Lines 2 to 6)</b> .....	\$	
8. Less inventory at end of year .....		
9. <b>NET COST OF GOODS SOLD (Line 7 minus Line 8)</b> .....	\$	
<b>OTHER BUSINESS DEDUCTIONS</b>		
10. Salaries, except "Labor" reported on Line 2 .....	\$	
11. Interest on business indebtedness to others .....		
12. Taxes on business and business property .....		
13. Losses (explain in table at foot of page) .....		
14. Bad debts arising from sales .....		
15. Depreciation, obsolescence, and depletion (explain in table provided at foot of page) .....		
16. Rent, repairs, and other expenses (itemize below or on separate sheet) .....		
17. <b>TOTAL (Lines 10 to 16)</b> .....	\$	
18. <b>TOTAL DEDUCTIONS (Line 9 plus Line 17)</b> .....		
19. <b>NET PROFIT (OR LOSS) (Line 1 minus Line 18) (Enter as Item 1)</b> .....	\$	

Enter "C", or "C or M", on Lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

**SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 5)**

1. KIND OF PROPERTY	2. AMOUNT RECEIVED	3. COST OR VALUE AS OF MARCH 1, 1913, WHICHEVER GREATER	4. DEPRECIATION (Explain in table at foot of page)	5. REPAIRS	6. OTHER EXPENSES (Itemize below)	7. NET PROFIT (Enter as Item 5)
	\$	\$	\$	\$	\$	\$

Explanation of deductions claimed in Column 6 .....

**SCHEDULE C—CAPITAL GAINS AND LOSSES (FROM SALES OR EXCHANGES ONLY) (See Instruction 6)**

1. DESCRIPTION OF PROPERTY AND PERIOD HELD	2. DATE ACQUIRED	3. DATE SOLD OR EXCHANGED	4. GROSS SALES PRICE (CONTRACT PRICE)	5. COST OR MARCH 1, 1913, VALUE IF ACQUIRED BEFORE THAT DATE. (Indicate basis.)**	6. COST OF IMPROVEMENTS SUBSEQUENT TO ACQUISITION OR MARCH 1, 1913	7. DEPRECIATION ALLOWED (OR ALLOWABLE) SINCE ACQUISITION OR MARCH 1, 1913. (Furnish details)	8. GAIN OR LOSS	9. PERCENTAGE OF GAIN OR LOSS TO BE TAKEN INTO ACCOUNT	10. GAIN OR LOSS TO BE TAKEN INTO ACCOUNT	
									a. GAINS	b. LOSSES
* (a) 1 year or less:	<i>Mo. Day Year</i>	<i>Mo. Day Year</i>	\$	\$	\$	\$	\$	100	\$	\$
* (b) Over 1 year but not over 2 years:								80		
* (c) Over 2 years but not over 5 years:								60		
* (d) Over 5 years but not over 10 years:								40		
* (e) Over 10 years:								30		
<b>(f) TOTAL GAINS AND LOSSES (Enter net amount as Item 6; not in excess of \$2,000, if net amount is a capital loss)</b> .....								\$	\$	\$

\*In reporting sales or exchanges of capital assets attach separate schedule, if necessary, for transactions coming within each of the 5 periods, and transfer gains and losses for each period to Column 10 above.  
 \*\*Cost of property must be entered in Column 5 if a loss is claimed in Column 8.  
 State (1) how property was acquired; (2) Personal or business relationship, if any, of purchaser  
 Every sale or exchange of stock should be reported in detail, including name and address of corporation, class of stock, number of shares, capital changes affecting basis (stock dividends, other nontaxable dividends, stock rights, etc.)

**SCHEDULE D—INCOME FROM DIVIDENDS**

Itemize all dividends received during the year, stating amounts and names and addresses of corporations declaring the dividends:

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**SCHEDULE E—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 10, 11, 13, 14, AND 15**

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.....

**EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B**

1. KIND OF PROPERTY (If buildings, state material of which constructed)	2. DATE ACQUIRED	3. COST OR MARCH 1, 1913, VALUE IF ACQUIRED PRIOR TO THAT DATE (Indicate basis)	4. ASSETS FULLY DEPRECIATED IN USE AT END OF YEAR	5. DEPRECIATION ALLOWED (OR ALLOWABLE) IN PRIOR YEARS	6. REMAINING COST OR OTHER BASIS TO BE RECOVERED	7. LIFE USED IN ACCUMULATING DEPRECIATION	8. ESTIMATED REMAINING LIFE FROM BEGINNING OF YEAR	9. DEPRECIATION ALLOWABLE THIS YEAR
		\$	\$	\$	\$			\$

**EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A AND IN ITEM 12**

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. COST	4. SUBSEQUENT IMPROVEMENTS	5. DEPRECIATION ALLOWABLE SINCE ACQUISITION	6. INSURANCE AND SALVAGE VALUE	7. DEDUCTIBLE LOSS
		\$	\$	\$	\$	\$

**AFFIDAVIT (See Instruction 24)**

I swear (or affirm) that this return (including its accompanying schedules and statements, if any) has been examined by me, and, to the best of my knowledge and belief, is a true, correct, and complete return, made in good faith for the accounting period stated, pursuant to the Revenue Act of 1936 and the Regulations issued thereunder.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 193\_\_\_\_\_

\_\_\_\_\_  
(Signature of fiduciary or officer representing fiduciary)

\_\_\_\_\_  
(Signature of officer administering oath)      \_\_\_\_\_  
(Title)      \_\_\_\_\_  
(Address of fiduciary or officer)



**AFFIDAVIT (See Instruction 24)**

I/we swear (or affirm) that I/we prepared this return for the person named herein and that the return (including its accompanying schedules and statements, if any) is a true, correct, and complete statement of all the information respecting the income tax liability of the person for whom this return has been prepared of which I/we have any knowledge.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 193\_\_\_\_\_

\_\_\_\_\_  
(Signature of person preparing the return)

\_\_\_\_\_  
(Signature of officer administering oath)      \_\_\_\_\_  
(Title)      \_\_\_\_\_  
(Signature of person preparing the return)

\_\_\_\_\_  
(Name of firm or employer, if any)



# FIDUCIARY RETURN OF INCOME For Calendar Year 1936

Or Fiscal year begun \_\_\_\_\_, 1936, and ended \_\_\_\_\_, 1937

File this Return Not Later Than the 15th Day of the Third Month Following the Close of the Taxable Year  
(PRINT NAMES AND ADDRESS PLAINLY BELOW)

Name of Estate or Trust \_\_\_\_\_

Name and Address of Fiduciary \_\_\_\_\_

IF YOU NEED  
ASSISTANCE IN THE  
PREPARATION OF THIS  
RETURN, GO TO A  
DEPUTY COLLECTOR  
OR TO THE  
COLLECTOR'S OFFICE

**COPY TO BE  
RETAINED  
BY TAXPAYER**

1. Was a return of income for the prior year filed on behalf of the estate or trust named above? \_\_\_\_\_
2. If so, to which collector's office was it sent? (Give district or city and State) \_\_\_\_\_
3. If copy of will or trust instrument and statement required under Instruction 23 have been previously furnished, state when and with whom they were filed \_\_\_\_\_
4. State whether books are kept on cash or accrual basis \_\_\_\_\_
5. Did any person or persons advise you in respect of any question or matter affecting any item or schedule of this return, or assist or advise you in the preparation of this return, or actually prepare this return for you? \_\_\_\_\_ If so, give the name and address of such person or persons and state the nature and extent of the assistance or advice received by you and the items or schedules in respect of which the assistance or advice was received; if this return was actually prepared by any person or persons other than yourself, state the source of the information reported in this return and the manner in which it was furnished to or obtained by such person or persons \_\_\_\_\_
6. Did you make a return of information on Forms 1096 and 1099 (see Instruction 27) for the calendar year 1936? (Answer "yes" or "no") \_\_\_\_\_

Item and Instruction No.	INCOME			
1. Net Profit (or Loss) from Trade or Business. (From Schedule A)	_____	\$		
2. Interest on Bank Deposits, Notes, and Corporation Bonds, etc. (except interest on tax-free covenant bonds) (Attach detailed statement)	_____			
3. Interest on Tax-free Covenant Bonds upon which a tax was paid at source. (Attach detailed statement)	_____			
4. Income (or Loss) from Partnerships, Syndicates, Pools, etc., and Fiduciaries: (State name and address.)	_____			
5. Rents and Royalties. (From Schedule B)	_____			
6. Capital Gain (or Loss). (From Schedule C) (If capital loss, this amount may not exceed \$2,000) Note.—If this return is for a revocable trust, attach a schedule of capital gains and losses supplementing Item 18, in lieu of filling in Item 6.	_____			
7. Dividends. (From Schedule D)	_____			
8. Other income. (State nature and source of income)	_____			
9. TOTAL INCOME IN ITEMS 1 TO 8	_____	\$		
DEDUCTIONS				
10. Interest Paid. (Explain in Schedule E)	_____	\$		
11. Taxes Paid. (Explain in Schedule E)	_____			
12. Losses by Fire, Storm, etc. (Explain in Table at foot of page 2)	_____			
13. Bad debts (including bonds determined to be worthless during taxable year). (Explain in Schedule E)	_____			
14. Contributions. (Explain in Schedule E)	_____			
15. Other Deductions Authorized by Law (including stock determined to be worthless during taxable year). (Explain in Schedule E)	_____			
16. TOTAL DEDUCTIONS IN ITEMS 10 TO 15	_____			
17. NET INCOME (Item 9 minus Item 16)	_____	\$		

### BENEFICIARIES' SHARES OF INCOME AND CREDITS (See Instruction 18)

1. NAME AND ADDRESS OF EACH BENEFICIARY (Designate surviving spouse and nonresident aliens) NOTE.—Where return of beneficiary is filed in another collection district, specify district	2. PER- CENTAGE OF BEN- EFICIAL INTEREST	3. NET INCOME (Item 17)	4. INCOME TAX PAID AT SOURCE (2% of Item 3)	5. INCOME TAX PAID FOREIGN COUNTRIES OR UNITED STATES POSSESSIONS
(a) _____		\$	\$	\$
(b) _____				
(c) _____				
(d) _____				
(e) _____				
(f) _____				
(g) _____				
(h) _____				
TOTALS		\$	\$	\$

### INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction 19)

1. OBLIGATIONS OR SECURITIES	2. AMOUNT OWNED AT END OF YEAR	3. INTEREST RECEIVED OR ACCRUED DURING THE YEAR
(a) Obligations of a State, Territory, or any political subdivision thereof, or the District of Columbia, or United States possessions	\$	\$
(b) Obligations issued under the provisions of the Federal Farm Loan Act, or under such Act as amended		
(c) Obligations of United States issued on or before September 1, 1917		
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness		
(e) U. S. Savings Bonds and Treasury Bonds		
(f) Obligations of instrumentalities of the United States (other than obligations to be reported in (b) above)		

**SCHEDULE A—PROFIT (OR LOSS) FROM TRADE OR BUSINESS (See Instruction 1)**

1. Total receipts from trade or business (state kind of business) .....		\$
<b>COST OF GOODS SOLD</b>		
2. Labor .....	\$	
3. Material and supplies .....		
4. Merchandise bought for sale .....		
5. Other costs (itemize below or on separate sheet) .....		
6. Plus inventory at beginning of year .....		
7. TOTAL (Lines 2 to 6) .....	\$	
8. Less inventory at end of year .....		
9. NET COST OF GOODS SOLD (Line 7 minus Line 8) .....	\$	
<b>OTHER BUSINESS DEDUCTIONS</b>		
10. Salaries, except "Labor" reported on Line 2 .....	\$	
11. Interest on business indebtedness to others .....		
12. Taxes on business and business property .....		
13. Losses (explain in table at foot of page) .....		
14. Bad debts arising from sales .....		
15. Depreciation, obsolescence, and depletion (explain in table provided at foot of page) .....		
16. Rent, repairs, and other expenses (itemize below or on separate sheet) .....		
17. TOTAL (Lines 10 to 16) .....	\$	
18. TOTAL DEDUCTIONS (Line 9 plus Line 17) .....		
19. NET PROFIT (OR LOSS) (Line 1 minus Line 18) (Enter as Item 1) .....	\$	

Enter "C", or "C or M", on Lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

Explanation of deductions claimed on Lines 5 and 16 .....

**SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 5)**

1. KIND OF PROPERTY	2. AMOUNT RECEIVED	3. COST OR VALUE AS OF MARCH 1, 1913, WHICHEVER GREATER	4. DEPRECIATION (Explain in table at foot of page)	5. REPAIRS	6. OTHER EXPENSES (Itemize below)	7. NET PROFIT (Enter as Item 5)
	\$	\$	\$	\$	\$	\$

Explanation of deductions claimed in Column 6 .....

**SCHEDULE C—CAPITAL GAINS AND LOSSES (FROM SALES OR EXCHANGES ONLY) (See Instruction 6)**

1. DESCRIPTION OF PROPERTY AND PERIOD HELD	2. DATE ACQUIRED	3. DATE SOLD OR EXCHANGED	4. GROSS SALES PRICE (CONTRACT PRICE)	5. COST OR MARCH 1, 1913, VALUE IF ACQUIRED BEFORE THAT DATE. (Indicate basis.)**	6. COST OF IMPROVEMENTS SUBSEQUENT TO ACQUISITION OR MARCH 1, 1913	7. DEPRECIATION ALLOWED (OR ALLOWABLE) SINCE ACQUISITION OR MARCH 1, 1913. (Furnish details)	8. GAIN OR LOSS	9. PERCENTAGE OF GAIN OR LOSS TO BE TAKEN INTO ACCOUNT	10. GAIN OR LOSS TO BE TAKEN INTO ACCOUNT	
									a. GAINS	b. LOSSES
* (a) 1 year or less:	<i>Mo. Day Year</i>	<i>Mo. Day Year</i>	\$	\$	\$	\$	\$	100	\$	\$
* (b) Over 1 year but not over 2 years:								80		
* (c) Over 2 years but not over 5 years:								60		
* (d) Over 5 years but not over 10 years:								40		
* (e) Over 10 years:								30		
(f) TOTAL GAINS AND LOSSES (Enter net amount as Item 6; not in excess of \$2,000, if net amount is a capital loss)									\$	\$

\*In reporting sales or exchanges of capital assets attach separate schedule, if necessary, for transactions coming within each of the 5 periods, and transfer gains and losses for each period to Column 10 above.  
 \*\*Cost of property must be entered in Column 5 if a loss is claimed in Column 8.  
 State (1) how property was acquired \_\_\_\_\_; (2) Personal or business relationship, if any, of purchaser \_\_\_\_\_  
 Every sale or exchange of stock should be reported in detail, including name and address of corporation, class of stock, number of shares, capital changes affecting basis (stock dividends, other nontaxable dividends, stock rights, etc.)

**SCHEDULE D—INCOME FROM DIVIDENDS**

Itemize all dividends received during the year, stating amounts and names and addresses of corporations declaring the dividends:

**SCHEDULE E—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 10, 11, 13, 14, AND 15**

**EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B**

1. KIND OF PROPERTY (If buildings, state material of which constructed)	2. DATE ACQUIRED	3. COST OR MARCH 1, 1913, VALUE IF ACQUIRED PRIOR TO THAT DATE (Indicate basis)	4. ASSETS FULLY DEPRECIATED IN USE AT END OF YEAR	5. DEPRECIATION ALLOWED (OR ALLOWABLE) IN PRIOR YEARS	6. REMAINING COST OR OTHER BASIS TO BE RECOVERED	7. LIFE USED IN ACCUMULATING DEPRECIATION	8. ESTIMATED REMAINING LIFE FROM BEGINNING OF YEAR	9. DEPRECIATION ALLOWABLE THIS YEAR
		\$	\$	\$	\$			\$

**EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A AND IN ITEM 12**

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. Cost	4. SUBSEQUENT IMPROVEMENTS	5. DEPRECIATION ALLOWABLE SINCE ACQUISITION	6. INSURANCE AND SALVAGE VALUE	7. DEDUCTIBLE LOSS
		\$	\$	\$	\$	\$

**FIDUCIARY'S MEMORANDA**

# INSTRUCTIONS

The Instructions Numbered 1 to 19 Correspond with the Item Numbers on the First Page of the Return

## 1. INCOME (OR LOSS) FROM TRADE OR BUSINESS

If a trade or business is carried on by the estate or trust, fill in Schedule A on page 2 of the return, and enter the net profit (or loss) as item 1 on page 1 of the return.

This schedule should include income from: (a) Sale of merchandise, or products of manufacturing, mining, construction, and agriculture; and (b) business service, such as hotel, restaurant, and garage service, amusements, laundering, storage, transportation, etc.

In general, report any income in the earning of which expenses were incurred for material, labor, supplies, etc.

**Farmer's income schedule.**—If the estate or trust operates a farm and keeps no books of account, or keeps books on a cash basis, obtain from the collector, and attach to this return, Form 1040F, Schedule of Farm Income and Expenses, and enter the net farm income as item 1, page 1 of this return. If the farm books of account are kept on an accrual basis, the filing of Form 1040F is optional.

**Installment sales.**—If the installment method is used, attach to the return a schedule showing separately for the years 1933, 1934, 1935, and 1936 the following information: (a) Gross sales; (b) cost of goods sold; (c) gross profits; (d) percentage of profits to gross sales; (e) amount collected; and (f) gross profit on amount collected. (See section 44 of the Revenue Act of 1936.)

**Kind of business.**—Describe the business or service rendered in the space provided on line 1 of Schedule A, as "grocery", "retail clothing", "drug store", "laundry", "farming", etc.

**Total receipts.**—Enter on line 1 of Schedule A the total receipts, less any discounts or allowances from the sale price or service charge.

**Inventories.**—If the production, purchase, or sale of merchandise is an income-producing factor in the trade or business, inventories of merchandise on hand shall be taken at the beginning and end of the taxable year which may be valued at cost, or cost or market, whichever is lower.

**Salaries.**—Enter on line 10 all salaries and wages not included as "Labor" on line 2 under "Cost of Goods Sold."

**Interest.**—Enter on line 11 interest on business indebtedness. Do not include interest on capital invested in or advanced to the business by the estate or trust.

**Taxes.**—Enter on line 12 taxes on business property or for carrying on business. Do not include taxes assessed against local benefits of a kind tending to increase the value of the property assessed, nor Federal income taxes, nor estate, inheritance, legacy, succession, and gift taxes.

**Losses.**—Enter on line 13 losses incurred in the trade or business, if not compensated for by insurance or otherwise and not made good by repairs claimed as deductions. Losses of business property arising from fire, storm, or other casualty, or from theft, should be explained in the table provided therefor at the foot of page 2 of the return, giving the information requested.

**Bad debts.**—Enter on line 14 debts, or portions thereof, arising from sales or services that have been reflected in income, which have been definitely ascertained to be worthless and charged off within the year, or such reasonable amount as has been added to a reserve for bad debts within the year.

A debt previously charged off as bad, if subsequently collected, must be returned as income for the year in which collected.

**Depreciation.**—Enter on line 15 depreciation claimed by reason of exhaustion, wear and tear of property used in the trade or business, or as obsolescence or depletion, and fill in the table at the foot of page 2, giving the information requested. If obsolescence is claimed, explain why useful life is less than actual life.

The amount of depreciation on property acquired by purchase should be determined upon the basis of the original cost (not replacement cost) of the property and the probable number of years remaining of its expected useful life, except if the property was purchased prior to March 1, 1913, it will be computed on the fair market value of such property as of that date or its original cost (less depreciation actually sustained before that date), whichever is greater. If the property was acquired in any other manner than by purchase, see section 114 of the Revenue Act of 1936.

In case a deduction is claimed on account of depletion of mines, oil or gas wells, or timber, see sections 23 (m), 23 (n), and 114 of the Revenue Act of 1936.

Do not claim any deduction for depreciation in the value of a building occupied by any beneficiary as a dwelling, or property held for his personal use, nor for land (exclusive of improvements), nor on stocks and bonds.

**Rent, repairs, and other expenses.**—Enter on line 16 rent on business property in which the estate or trust has no equity, ordinary repairs to keep the property in a usable condition, and other necessary business expenses not classified above, such as heat, light, and fire insurance. Do not include rent for a dwelling occupied by any beneficiary for residential purposes, the cost of business equipment or furniture, expenditures for replacements or permanent improvements to property, nor personal, living, or family expenses of any beneficiary.

**Deficit.**—If the amount to be entered on line 19 shows a deficit, such amount should be preceded by a minus sign or written with red ink.

## 2. INTEREST ON BANK DEPOSITS, ETC.

Enter as item 2 all interest received or credited to the account of the estate or trust during the taxable year on bank deposits, notes, mortgages, and corporation bonds, except interest on bonds upon which a tax was paid at the source. Interest on bonds is considered income when due and payable, or as it accrues, depending upon whether the books of account are kept on the cash or the accrual basis.

## 3. INTEREST ON TAX-FREE COVENANT BONDS

Enter as item 3 interest on bonds upon which a tax was paid at the source, if an ownership certificate on Form 1000 was filed with the interest coupons. The tax of 2 percent paid at source on such interest should be allocated to the beneficiaries in column 4, item 18, page 1 of the return.

## 4. INCOME (OR LOSS) FROM PARTNERSHIPS, FIDUCIARIES, ETC.

Enter as item 4 the share of the estate or trust of the profits (whether received or not) (or of the losses) of a partnership, syndicate, pool, etc., and income from another estate or trust, except that the share of interest on obligations of the United States, etc., shall be reported in item 19 at the foot of page 1 of the return.

If the accounting period on the basis of which this return is filed does not coincide with the accounting period of the partnership or other fiduciary, then there should be included in this return the distributive share of the net profits (or losses) for such accounting period ending within the accounting period of the estate or trust.

## 5. INCOME FROM RENTS AND ROYALTIES

Explain income received and deductions claimed in Schedule B.

If property or crops were received in lieu of cash rent, report the income as though the rent had been received in cash. Crops received as rent on a crop-share basis should be reported as income for the year in which disposed of (unless your return shows income accrued).

State the original cost of the property, and if it was acquired prior to March 1, 1913, the fair market value as of that date.

Enter as depreciation the amount of exhaustion, wear and tear, or depletion sustained during the taxable year, and explain in the table at the foot of page 2.

Other expenses include interest, taxes, fire insurance, fuel, light, labor, and other necessary expenses of this character.

## 6. CAPITAL GAINS AND LOSSES

Report sales or exchanges of capital assets in Schedule C and enter the net amount of gain or loss to be taken into account in computing net income as item 6. (CAPITAL LOSSES ARE ALLOWABLE ONLY TO THE EXTENT OF \$2,000 PLUS CAPITAL GAINS. THEREFORE, IF THE TOTAL AMOUNT OF CAPITAL LOSSES IS IN EXCESS OF THE TOTAL AMOUNT OF CAPITAL GAINS, THE AMOUNT TO BE ENTERED AS ITEM 6 MAY NOT EXCEED \$2,000.) Describe the property briefly, and state the price received or the fair market value of the property received in exchange.

If the property sold or exchanged was acquired prior to March 1, 1913, the basis for determining GAIN is the cost or the fair market value as of March 1, 1913, adjusted as provided in section 113 (b) of the Revenue Act of 1936, whichever is greater, but in determining LOSS the basis is cost so adjusted. (See section 113 of the Revenue Act of 1936.) If the amount shown as cost is other than actual cash cost of the property sold or exchanged, full details must be furnished regarding the acquisition of the property.

Enter as depreciation the amount of exhaustion, wear and tear, obsolescence, or depletion which has been allowed (but not less than the amount allowable) in respect of such property since date of acquisition, or since March 1, 1913, if the property was acquired before that date. In addition, if the property was acquired before March 1, 1913, the cost shall be reduced by the depreciation actually sustained before that date.

Subsequent improvements include expenditures for additions, improvements, and repairs made to restore the property or prolong its useful life. Do not deduct ordinary repairs, interest, or taxes in computing gain or loss.

No loss shall be recognized in any sale or other disposition of shares of stock or securities where the estate or trust has acquired substantially identical stock or securities within 30 days before or after the date of such sale or disposition, unless the estate or trust is engaged in the trade or business of buying and selling stocks and securities.

No deduction shall be allowed in respect of losses from sales or exchanges of property, directly or indirectly, (A) between members of a family, or (B) except in the case of distributions in liquidation, between an individual and a corporation in which such individual owns, directly or indirectly, more than 50 percent in value of the outstanding stock. For the purpose of this paragraph—(C) an individual shall be considered as owning the stock owned, directly or indirectly, by his family; and (D) the family of an individual shall include only his brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants.

The provisions of the Revenue Act of 1936 relating to capital gains and losses are:

Sec. 117. (a) *General rule.*—In the case of a taxpayer, other than a corporation, only the following percentages of the gain or loss recognized upon the sale or exchange of a capital asset shall be taken into account in computing net income:

100 per centum if the capital asset has been held for not more than 1 year;  
80 per centum if the capital asset has been held for more than 1 year but not for more than 2 years;  
60 per centum if the capital asset has been held for more than 2 years but not for more than 5 years;  
40 per centum if the capital asset has been held for more than 5 years but not for more than 10 years;  
30 per centum if the capital asset has been held for more than 10 years.

(b) *Definition of capital assets.*—For the purposes of this title, "capital assets" means property held by the taxpayer (whether or not connected with his trade or business), but does not include stock in trade of the taxpayer or other property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year, or property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business.

(c) *Determination of period for which held.*—For the purpose of subsection (a)—  
(1) In determining the period for which the taxpayer has held property received on an exchange there shall be included the period for which he held the property exchanged if under the provisions of section 113 the property received has, for the purpose of determining gain or loss from a sale or exchange, the same basis in whole or in part in his hands as the property exchanged.

(2) In determining the period for which the taxpayer has held property however acquired there shall be included the period for which such property was held by any other person, if under the provisions of section 113, such property has, for the purpose of determining gain or loss from a sale or exchange, the same basis in whole or in part in his hands as it would have in the hands of such other person.

(3) In determining the period for which the taxpayer has held stock or securities received upon a distribution where no gain was recognized to the distributee under the provisions of section 112 (g) of the Revenue Act of 1928 or the Revenue Act of 1932, there shall be included the period for which he held the stock or securities in the distributing corporation prior to the receipt of the stock or securities upon such distribution.

(4) In determining the period for which the taxpayer has held stock or securities the acquisition of which (or the contract or option to acquire which) resulted in the nondeductibility (under section 118 of this Act or section 118 of the Revenue Act of 1928 or the Revenue Act of 1932 or the Revenue Act of 1934, relating to wash sales) of the loss from the sale or other disposition of substantially identical stock or securities, there shall be included the period for which he held the stock or securities the loss from the sale or other disposition of which was not deductible.

(d) *Limitation on capital losses.*—Losses from sales or exchanges of capital assets shall be allowed only to the extent of \$2,000 plus the gains from such sales or exchanges. \* \* \*

(e) *Gains and losses from short sales, etc.*—For the purpose of this title—  
(1) Gains or losses from short sales of property shall be considered as gains or losses from sales or exchanges of capital assets; and

(2) Gains or losses attributable to the failure to exercise privileges or options to buy or sell property shall be considered as gains or losses from sales or exchanges of capital assets held for one year or less.

(f) *Retirement of bonds, etc.*—For the purposes of this title, amounts received by the holder upon the retirement of bonds, debentures, notes, or certificates or other evidences of indebtedness issued by any corporation (including those issued by a government or political subdivision thereof), with interest coupons or in registered form, shall be considered as amounts received in exchange therefor.

Notwithstanding the provisions of section 117 (a) above, 100 percent of the gain resulting to the distributee from distributions in liquidation of a corporation shall be taken into account in computing net income, except in the case of amounts distributed in complete liquidation of a corporation. (See section 115 (c) of the Revenue Act of 1936.)

**SECTION 117 APPLIES ONLY TO GAINS AND LOSSES UPON THE SALE OR EXCHANGE OF CAPITAL ASSETS AND, THEREFORE, HAS NO APPLICATION TO LOSS OF USEFUL VALUE UPON THE PERMANENT ABANDONMENT OF THE USE OF PROPERTY OR LOSS SUSTAINED AS THE RESULT OF CORPORATE STOCK OR DEBTS BECOMING WORTHLESS.**

## 7. DIVIDENDS

Enter as item 7 the total of all dividends reported in Schedule D.

## 8. OTHER INCOME

Enter as item 8 all other taxable income for which no space is provided on page 1 of the return.

## 9. TOTAL INCOME

Enter as item 9 the net amount of items 1 to 8, inclusive, after deducting any losses reported in items 1, 4, 5, and 6.

## 10. INTEREST PAID

Enter as item 10 interest paid on other indebtedness as distinguished from business indebtedness (which should be deducted under Schedule A or B). Do not include interest on capital invested in or advanced to the business by the estate or trust, nor interest on indebtedness incurred or continued to purchase or carry obligations (other than obligations of the United States issued after September 24, 1917, and originally subscribed for by the taxpayer) the interest upon which is wholly exempt from taxation.

## 11. TAXES PAID

Enter as item 11 taxes paid on property not used in the trade or business, not including those tending to increase the value of the property assessed. Do not include Federal income taxes, nor estate, inheritance, legacy, succession, and gift taxes, nor taxes imposed upon the estate or trust on its interest as shareholder of a corporation which are paid by the corporation without reimbursement from the estate or trust, nor taxes entered in column 5, item 18, page 1 of return.

## 12. LOSSES BY FIRE, STORM, ETC.

Enter as item 12 losses sustained during the year of property not connected with the trade or business, if arising from fire, storm, shipwreck, or other casualty, or from theft, and if not compensated for by insurance or otherwise. (See section 23 (e) of the Revenue Act of 1936.)

Explain losses claimed in the table provided on page 2 of the return.

## 13. BAD DEBTS

Enter as item 13 all bad debts other than those claimed as a deduction in Schedule A. State in Schedule E, (a) of what the debts consisted, (b) when they were created, (c) when they became due, (d) what efforts were made to collect, and (e) how they were actually determined to be worthless.



#### 14. CONTRIBUTIONS

Enter as item 14 any part of the gross income which, pursuant to the terms of the will or deed creating the trust, was during the accounting period paid to or permanently set aside for the use of: (a) The United States, any State, Territory, or any political subdivision thereof, or the District of Columbia, for exclusively public purposes; (b) any corporation, or trust, or community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation; (c) the special fund for vocational rehabilitation authorized by section 12 of the World War Veterans' Act, 1924; (d) posts or organizations of war veterans, or auxiliary units or societies of any such posts or organizations, if such posts, organizations, units, or societies are organized in the United States or any of its possessions, and if no part of their net earnings inures to the benefit of any private shareholder or individual; or (e) a fraternal society, order, or association, operating under the lodge system, but only if such contributions or gifts are to be used exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals.

List organizations and amounts contributed to each in Schedule E.

#### 15. OTHER DEDUCTIONS

Enter as item 15 any other authorized deductions for which no space is provided on the return. Do not deduct losses incurred in transactions which were neither connected with the trade or business, nor entered into for profit.

No deduction is allowable for the amount of any item or part thereof allocable to a class of exempt income, other than interest. Items directly attributable to such exempt income shall be allocated thereto, and items directly attributable to any class of taxable income shall be allocated to such taxable income. A taxpayer receiving any exempt income, other than interest, or holding any property or engaging in any activity the income from which is exempt shall submit with his return as a part thereof an itemized statement, in detail, showing (1) the amount of each class of exempt income, and (2) the amount of items allocated to each such class (the amount allocated by apportionment being shown separately).

#### 16. TOTAL DEDUCTIONS

Enter as item 16 the total of items 10 to 15, inclusive. This amount should not include any deduction claimed in Schedule A or B.

#### 17. NET INCOME

Enter as item 17 the net income, which is obtained by deducting item 16 from item 9. The net income shall be computed upon the basis of the taxable year in accordance with the method of accounting regularly employed in keeping the books, unless such method does not clearly reflect the income.

#### 18. DISTRIBUTION OF INCOME

Enter the names of the beneficiaries on lines (a), (b), (c), etc., and extend in the proper columns each beneficiary's share of the net income. If the distributable interests in the net income to be shown in column 2 are determined on a basis other than a percentage basis, attach an explanatory statement. The name of the grantor or the fiduciary should be listed in a similar manner below the beneficiaries, if any part of the tax on the net income is payable by either.

In column 1 designate the surviving spouse and nonresident alien beneficiaries. **Income tax paid at source.**—If interest was received on tax-free covenant bonds in connection with which an ownership certificate on Form 1000 was filed, the tax of 2 percent paid at the source on such interest should be allocated to the beneficiaries in column 4.

**Income tax paid to a foreign country or U. S. possession.**—If income tax paid to a foreign country or a possession of the United States is entered in column 5, a copy of Form 1116, completely filled in and sworn to, must be submitted with the return together with the receipt for each such tax payment. In case the amount entered in column 5 includes foreign tax accrued, the form must have attached to it a certified copy of the return on which the tax was based, and the Commissioner may require the beneficiaries to give a bond on Form 1117 for the payment of any additional tax found due if the foreign tax, when paid, differs from the amount claimed.

#### 19. INTEREST ON GOVERNMENT OBLIGATIONS, ETC.

Enter on the proper lines in column 2 of item 19 at the foot of page 1 of the return the amount of obligations or securities owned at the end of the year, including the share of such obligations owned in a partnership, syndicate, pool, etc., or another estate, and in column 3 the interest received or accrued thereon during the year. The fiduciary shall advise each beneficiary as to the amount of his share of these obligations and of the interest, in order that he may include this information in his individual income tax return and determine whether such interest is subject to tax.

#### 20. ITEMS EXEMPT FROM TAX

The following items are exempt from Federal income tax, except where otherwise indicated, and should not be reported:

(a) Amounts received under a life insurance contract paid by reason of the death of the insured, whether in a single sum or in installments (but if such amounts are held by the insurer under an agreement to pay interest thereon, the interest payments shall be included in gross income);

(b) Amounts received (other than amounts paid by reason of the death of the insured and interest payments on such amounts and other than amounts received as annuities) under a life insurance or endowment contract, but if such amounts (when added to amounts received before the taxable year under such contract) exceed the aggregate premiums or consideration paid (whether or not paid during the taxable year) then the excess shall be included in gross income. Amounts received as an annuity under an annuity or endowment contract shall be included in gross income; except that there shall be excluded from gross income the excess of the amount received in the taxable year over an amount equal to 3 percent of the aggregate premiums or consideration paid for such annuity (whether or not paid during such year), until the aggregate amount excluded from gross income equals the aggregate premiums or consideration paid for such annuity. In the case of a transfer for a valuable consideration, by assignment or otherwise, of a life insurance, endowment, or annuity contract, or any interest therein, only the actual value of such consideration and the amount of the premiums and other sums subsequently paid by the transferee shall be exempt from taxation under paragraph (a) above or this paragraph;

(c) Gifts (not received as a consideration for service rendered) and money and property acquired by bequest, devise, or inheritance (but the income derived from such property is taxable and must be reported);

(d) Interest upon (1) the obligations of a State, Territory, or any political subdivision thereof, or the District of Columbia, or United States possessions; or (2) obligations issued under the provisions of the Federal Farm Loan Act or under such Act as amended; or (3) the obligations of the United States; or (4) obligations of instrumentalities of the United States (other than obligations issued under Federal Farm Loan Act or under such Act as amended), such as Federal Farm Mortgage Corporation bonds, Home Owners' Loan Corporation bonds, etc. The interest on U. S. Savings Bonds and Treasury bonds, owned in excess of \$5,000, and on obligations of instrumentalities of the United States (other than obligations issued under Federal Farm Loan Act or under such Act as amended) is subject to surtax if the surtax net income of the taxpayer is over \$4,000, and should be reported (see Instruction 19);

(e) Amounts received through accident or health insurance or under workmen's compensation acts, as compensation for personal injuries or sickness, plus the amount of any damages received, whether by suit or agreement, on account of such injuries or sickness.

#### 21. ACCRUED OR RECEIVED INCOME

If the books of the estate or trust are kept on an accrual basis, report all income accrued, even though it has not been actually received or entered on the books, and expenses incurred instead of expenses paid.

If the books are not kept on the accrual basis, report all income received or constructively received, such as bank interest credited to the account of the estate or trust, and expenses paid.

#### 22. RETURNS BY FIDUCIARIES

**Returns on Form 1041 for estates and trusts.**—Every fiduciary, or at least one of joint fiduciaries (except a receiver appointed by authority of law in possession of part only of the property of an individual), must make a return on Form 1041 for the estate or trust for which he acts if any income of such estate or trust is distributable currently or the tax is payable by the beneficiaries or by the grantor, provided (a) the net income of such estate or trust for the taxable year is \$1,000 or over, or (b) the gross income is \$5,000 or over. (See instruction below regarding returns for nonresident alien beneficiaries.)

**Returns on Form 1040 for estates and trusts.**—Income of (a) estates of decedents before final settlement, (b) trusts, whether created by will or deed, for unascertained persons or persons with contingent interests; or income held under the terms of the will or trust for future distribution, is taxed to the fiduciary as a single person, except that from the income of a decedent's estate there should be first deducted any amount properly paid or credited to a beneficiary. In such cases the fiduciary should make a return for the estate or trust on Form 1040 if the net income is \$1,000 or over, or the gross income is \$5,000 or over. (See sections 142, 161, 162, and 312 of the Revenue Act of 1936.)

**Returns for two trusts.**—If two or more trusts, the income of which is taxable to the same beneficiaries, were created by the same person and are in charge of the same trustee, the trustee shall make a single return on Form 1041 for all such trusts, notwithstanding that they may arise from different instruments. If, however, a trustee holds trusts created by different persons for the benefit of the same beneficiary, he shall make a separate return on Form 1041 for each trust.

**Returns for beneficiaries other than nonresident aliens.**—An individual return on the proper form should be rendered by the fiduciary in the case of (a) an ordinary guardianship of a minor (unless such minor himself makes a return), or committee for an insane person, if the net income for the taxable year amounted to \$1,000 or over, if single, or if married and not living with husband or wife, or \$2,500 or over, if married and living with husband or wife, or if the gross income was \$5,000 or over; or (b) if part of the income of a trust estate is distributed to beneficiaries and part is retained for the benefit of the trust estate. Under the conditions described in (b), a return should be made on Form 1041 for the entire income of the trust estate, and on Form 1040 for the retained portion of the income. Any income properly paid, credited, or distributable to a beneficiary is taxable directly to the beneficiary.

**Returns for nonresident alien beneficiaries.**—(a) *United States business or office.*—If a citizen or resident fiduciary has the distribution of the income of an estate or trust any beneficiary of which is a nonresident alien engaged in trade or business within the United States or having an office or place of business therein, the fiduciary shall make a return on Form 1040B for such nonresident alien and pay any tax shown thereon to be due. Unless such return is a true and accurate return of the nonresident alien beneficiary's income from all sources within the United States, the benefits of the credits and deductions to which the beneficiary is entitled cannot be obtained in the return filed by the fiduciary. If the beneficiary appoints a person in the United States to act as his agent for the purpose of rendering income tax returns, the fiduciary shall be relieved from the necessity of filing Form 1040B in behalf of the beneficiary and from paying the tax. In such a case the fiduciary shall make a return on Form 1041 and attach thereto a copy of the notice of appointment. If the sole beneficiary of an estate or trust is a nonresident alien engaged in trade or business within the United States or having an office or place of business therein and Form 1040B is filed by the fiduciary, the filing of Form 1041 will not be required. If there are two or more such nonresident alien beneficiaries, the fiduciary shall render a return on Form 1041 and also a return on Form 1040B for each nonresident alien beneficiary.

(b) *No United States business or office.*—A citizen or resident fiduciary having the distribution of the income of an estate or trust will not be required to make a return on Form 1040NB for any beneficiary of the estate or trust who is a nonresident alien not engaged in trade or business within the United States and not having an office or place of business therein if the entire amount of the tax on the income payable to such beneficiary has been withheld at the source. For the calendar year 1936 the fiduciary may either (1) make a return on Form 1042 of the tax at 10 percent on the entire amount of the income payable to the beneficiary, or (2) make a return on Form 1042 of the tax at 10 percent on the portion of the income not paid to the beneficiary before July 2, 1936, and a return on Form 1040NB for the beneficiary including therein the income paid to him before July 2, 1936. In addition to such return or returns, the fiduciary shall make a return on Form 1041 for the estate or trust, irrespective of the number of beneficiaries.

**Return for decedent.**—If the net income of a decedent from the beginning of the taxable year to the date of his death was \$1,000 or over, if unmarried, or in excess of the credit allowed him by section 25 (b) (1) and (3) of the Revenue Act of 1936 (computed without regard to his status as the head of a family), if married and living with spouse, or if his gross income for the same period was \$5,000 or over, the executor or administrator shall make a return on Form 1040 or 1040A for such decedent.

#### 23. COPY OF WILL OR TRUST INSTRUMENT

A copy of the will or trust instrument sworn to by the fiduciary as a true and complete copy in cases in which the gross income of the estate or trust is \$5,000 or over, must be filed with the fiduciary return of the estate or trust, together with a statement by the fiduciary indicating the provisions of the will or trust instrument which, in his opinion, determine the extent to which the income of the estate or trust is taxable to the estate or trust, the beneficiaries, or the grantor, respectively. If, however, a copy of the will or trust instrument, or statement relating to the provisions of the will or trust instrument, has once been filed, it need not again be filed if the fiduciary return contains a statement showing when and where it was filed. If the trust instrument is amended in any way after such copy has been filed, a copy of the amendment, together with a statement by the fiduciary, indicating the effect, if any, in his opinion, of such amendment on the extent to which the income of the estate or trust is taxable to the estate or trust, the beneficiaries, or the grantor, respectively, must be filed with the return for the taxable year in which the amendment was made.

#### 24. AFFIDAVITS

**Fiduciary.**—The affidavit must be executed by the individual or authorized officer of the organization receiving or having custody or control and management of the income of the estate or trust. If two or more individuals act jointly as fiduciaries, the affidavit may be executed by any one of them.

**Where return is prepared by someone other than fiduciary.**—Question 5 on page 1 of the return should be answered fully, and where the return is actually prepared by some person or persons, other than the fiduciary, such person or persons must execute the affidavit at the foot of page 2 of the return.

The oath will be administered without charge by any collector, deputy collector, or internal revenue agent. If an internal revenue officer is not available, the return should be sworn to before a notary public, justice of the peace, or other person authorized to administer oaths, except an attorney or agent employed to represent the taxpayer before the Department in connection with his tax liability.

#### 25. WHEN AND WHERE THE RETURN MUST BE FILED

If the return is for the calendar year 1936, it should be filed with the collector of internal revenue for the district in which the fiduciary resides or has his principal place of business, so as to reach the collector's office on or before March 15, 1937. If the return is made for a fiscal year, it should be filed on or before the 15th day of the third month following the close of such fiscal year. If the fiduciary has no legal residence or principal place of business in the United States, the return should be forwarded to the Collector of Internal Revenue, Baltimore, Maryland.

#### 26. PENALTIES

**For willful failure to make a return on time.**—Not more than \$10,000, or imprisonment for not more than 1 year, or both, together with the costs of prosecution.

**For willfully attempting to evade or defeat payment of the tax.**—Not more than \$10,000, or imprisonment for not more than 5 years, or both, together with the costs of prosecution.

#### 27. INFORMATION AT SOURCE

Every fiduciary is required to make a return on Forms 1096 and 1099 with respect to amounts paid, credited, or distributed during the calendar year, (a) as salaries or other compensation for personal services, totaling \$1,000 or more in the case of a citizen or resident who is not married or whose marital status is unknown, or \$2,500 or more in the case of a married citizen or resident, or (b) as interest, rent, or other fixed or determinable income totaling \$1,000 or more, to another fiduciary, a domestic or resident partnership, or a citizen or resident. The forms will be furnished by any collector of internal revenue upon request. Such returns covering the calendar year 1936 must be forwarded to the Commissioner of Internal Revenue, Sorting Section, Washington, D. C., in time to be received not later than February 15, 1937.