

# CORPORATION INCOME TAX RETURN

## For Calendar Year 1929

File This Return with the Collector of Internal Revenue for Your District on or Before March 15, 1930

PRINT PLAINLY CORPORATION'S NAME AND BUSINESS ADDRESS

(Name)

(Street and number)

(Post office and State)

Date of Incorporation \_\_\_\_\_

Under the Laws of what State or Country \_\_\_\_\_

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

Serial Number \_\_\_\_\_  
 (Cashier's Stamp)

Cash Check M. O. Cert. of Ind.  
 First Payment

\$ \_\_\_\_\_  
 Carded

As \_\_\_\_\_

Kind of Business \_\_\_\_\_ Is This a Consolidated Return of Two or More Corporations? \_\_\_\_\_

Item and Instruction No.	GROSS INCOME						
1. Gross Sales from Trading or Manufacturing, Less Returns and Allowances		\$					
2. Less Cost of Goods Sold:							
(a) Inventory at beginning of year	\$						
(b) Merchandise bought for sale							
(c) Cost of manufacturing or producing goods (From Schedule A)							
(d) Total of lines (a), (b), and (c)	\$						
(e) Less inventory at end of year							
3. Gross Profit from Trading or Manufacturing (Item 1 minus Item 2)		\$					
4. Gross Profit from Operations Other Than Trading or Manufacturing. (State source of income):							
(a) _____							
(b) _____							
(c) _____							
5. Interest on Bank Deposits, Notes, Mortgages, and Corporation Bonds							
6. Rents							
7. Royalties							
8. Profit from Sale of Real Estate, Stocks, Bonds, and other Capital Assets (From Schedule B)							
9. Dividends on Stock of Domestic Corporations							
10. Other Income (including dividends received on stock of foreign corporations). (State nature of income):							
(a) _____							
(b) _____							
(c) _____							
11. TOTAL INCOME IN ITEMS 3 TO 10		\$					

Item and Instruction No.	DEDUCTIONS						
12. Compensation of Officers (From Schedule C)		\$					
13. Rent on Business Property							
14. Repairs (From Schedule D)							
15. Interest							
16. Taxes (From Schedule E)							
17. Losses (From Schedule F)							
18. Bad Debts (From Schedule G)							
19. Dividends (From Schedule H)							
20. Depreciation (resulting from exhaustion, wear and tear, or obsolescence) (From Schedule I)							
21. Depletion of Mines, Oil and Gas Wells, Timber, etc. (Submit schedule, see Instruction 21)							
22. Other Deductions Not Reported Above. (Explain below, or on separate sheet):							
(a) Salaries and wages. (Not included in Item 2, 12, or 14 above)							
(b) Net Loss for prior year. (Submit schedule)							
(c) _____							
(d) _____							
(e) _____							
(f) _____							
23. TOTAL DEDUCTIONS IN ITEMS 12 TO 22		\$					
24. NET INCOME (Item 11 minus Item 23)		\$					

COMPUTATION OF TAX							
25. Net Income (Item 24 above)	\$				28. Income Tax (12% of Item 27)	\$	
26. Less Credit of \$3,000 (for a domestic corporation having a net income of less than \$25,360)					29. If net income of domestic corporation is less than \$25,360, enter the amount over \$25,000		
27. Balance (Item 25 minus Item 26)	\$				30. Total Tax (Item 28 plus Item 29)	\$	
31. Less: Income Tax Paid at Source. (This credit can only be allowed to a nonresident foreign corporation)		\$					
32. Income Tax Paid to a Foreign Country or U. S. possession by a domestic corporation (see Inst. 27)							
33. Balance of Tax (Item 30 minus Items 31 and 32)		\$					

ITEMS	BEGINNING OF TAXABLE YEAR				END OF TAXABLE YEAR			
	Amount		Total		Amount		Total	
<b>ASSETS</b>								
1. Cash				\$				\$
2. Notes receivable								
3. Accounts receivable	\$				\$			
Less reserve for bad debts								
4. Inventories:								
Raw materials	\$				\$			
Work in process								
Finished goods								
Supplies								
5. Investments (nontaxable):								
Obligations of a State, Territory, or any political subdivision thereof, or the District of Columbia	\$				\$			
Securities issued under the Federal Farm Loan Act, or under such Act as amended								
Obligations of the United States or its possessions								
6. Other investments:								
Stocks of domestic corporations	\$				\$			
Bonds of domestic corporations								
Stocks and bonds of foreign corporations								
All other investments or loans								
7. Deferred charges:								
Prepaid insurance	\$				\$			
Prepaid taxes								
All other								
8. Capital assets:								
Land								
Buildings	\$				\$			
Machinery and equipment								
Furniture and fixtures								
Delivery equipment								
Less reserves for depreciation	\$				\$			
9. Patents								
10. Good will								
11. Other assets (describe fully):	\$				\$			
12. TOTAL ASSETS				\$				\$
<b>LIABILITIES</b>								
13. Notes payable (less than one year)				\$				\$
14. Accounts payable								
15. Bonds and notes (not secured by mortgage)								
16. Mortgages (including bonds and notes so secured)								
17. Accrued expenses:								
Interest	\$				\$			
Taxes								
All other								
18. Other liabilities (describe fully):								
19. Capital stock:								
Preferred stock (less stock in treasury)	\$				\$			
Common stock (less stock in treasury)								
20. Surplus	\$				\$			
21. Undivided profits								
22. TOTAL LIABILITIES				\$				\$

Remarks \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**SCHEDULE L—RECONCILIATION OF NET INCOME AND ANALYSIS OF CHANGES IN SURPLUS**

<p>1. Net income from Item 24, page 1 of the return..... \$</p> <p>2. Nontaxable income:</p> <p>(a) Interest on obligations of a State, Territory, or any political subdivision thereof, or the District of Columbia.....</p> <p>(b) Interest on securities issued under the Federal Farm Loan Act, or under such Act as amended.....</p> <p>(c) Interest on obligations of the United States or its possessions.....</p> <p>(d) Dividends deductible under Section 23(p) of the Revenue Act of 1928.....</p> <p>(e) Proceeds of life insurance policies paid upon the death of the insured.....</p> <p>(f) Other items of nontaxable income (to be detailed):</p> <p>(1).....</p> <p>(2).....</p> <p>(3).....</p> <p>3. Charges against reserve for bad debts, if Item 18, page 1 of return, is not an addition to a reserve.....</p> <p>4. Charges against reserves for contingencies, etc. (to be detailed):</p> <p>(a).....</p> <p>(b).....</p> <p>(c).....</p> <p>5. Total of Lines 1 to 4, inclusive..... \$</p> <p>6. Total from Line 14.....</p> <p>7. Net profit for year, as shown by books, before any adjustments are made therein (Line 5 minus Line 6)..... \$</p> <p>8. Surplus and undivided profits as shown by balance sheet at close of preceding taxable year.....</p> <p>9. Other credits to surplus (to be detailed):</p> <p>(a).....</p> <p>(b).....</p> <p>(c).....</p> <p>10. Total of Lines 7 to 9, inclusive..... \$</p> <p>11. Total from Line 17.....</p> <p>12. Surplus and undivided profits as shown by balance sheet at close of taxable year (Line 10 minus Line 11)..... \$</p>	<p>13. Unallowable deductions:</p> <p>(a) Donations, gratuities, and contributions..... \$</p> <p>(b) Income and profits taxes paid to the United States, and so much of such taxes paid to its possessions or foreign countries as are claimed as a credit in Item 32, page 1 of the return.....</p> <p>(c) Federal taxes paid on tax-free covenant bonds.....</p> <p>(d) Special improvement taxes tending to increase the value of the property assessed.....</p> <p>(e) Furniture and fixtures, additions, or betterments treated as expenses on the books.....</p> <p>(f) Replacements and renewals.....</p> <p>(g) Insurance premiums paid on the life of any officer or employee where the corporation is directly or indirectly a beneficiary.....</p> <p>(h) Interest on indebtedness incurred or continued to purchase or carry obligations or securities the interest upon which is wholly exempt from taxation.....</p> <p>(i) Additions to reserve for bad debts which are not included in Item 18, page 1 of return.....</p> <p>(j) Additions to reserves for contingencies, etc. (to be detailed):</p> <p>(1).....</p> <p>(2).....</p> <p>(3).....</p> <p>(k) Other unallowable deductions (to be detailed):</p> <p>(1).....</p> <p>(2).....</p> <p>(3).....</p> <p>14. Total of Line 13..... \$</p> <p>15. Dividends paid during the taxable year (state whether paid in cash, stock of the corporation, or other property):</p> <p>(a) Date paid..... Character..... \$</p> <p>(b) Date paid..... Character.....</p> <p>(c) Date paid..... Character.....</p> <p>(d) Date paid..... Character.....</p> <p>16. Other debits to surplus (to be detailed):</p> <p>(a).....</p> <p>(b).....</p> <p>(c).....</p> <p>17. Total of Lines 15 and 16..... \$</p>
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**QUESTIONS**

**KIND OF BUSINESS**

1. By means of the key letters given below, identify the corporation's main income-producing activity with one of the general classes, and follow this by a special description of the business sufficient to give the information called for under each general class.

- A.**—Agriculture and related industries, including fishing, logging, ice harvesting, etc., and also the leasing of such property. State the product or products.
- B.**—Mining and quarrying, including gas and oil wells, and also the leasing of such property. State the product or products.
- C.**—Manufacturing. State the product and also the material if not implied by the name of the product.
- D.**—Construction—excavations, buildings, bridges, railroads, ships, etc., also equipping and installing same with systems, devices, or machinery, without their manufacture. State nature of structures built, materials used, or kind of installations.
- E1.**—Transportation—rail, water, local, etc. State the kind and special product transported, if any.
- E2.**—Public utilities—gas (natural, coal, or water); electric light or power (hydro or steam generated); heating (steam or hot water); telephone; waterworks or power.
- E3.**—Storage—without trading or profit from sales—(elevators, warehouses, stockyards, etc.). State product stored.
- E4.**—Leasing transportation or utilities. State kind of property.
- F.**—Trading in goods bought and not produced by the trading concern. State manner of trade, whether wholesale, retail, or commission, and product handled. Sales with storage with profit primarily from sales.
- G.**—Service—domestic, including hotels, restaurants, etc.; amusements; other professional, personal, or technical service. State the service.
- H.**—Finance, including banking, real estate, insurance.
- I.**—Concerns not falling in above classes (a) because of combining several of them with no predominant business, or (b) for other reasons.

2. Concerns whose business involves activity falling in two or more of the above general classes, where the same product is concerned, should report business as identified with but one of the above general classes; for example, concerns in A or B which also transport and market their own product exclusively or mainly, should still be identified with classes A or B; concerns in C (manufacturing) which own or control their source of material supply in A or B and which also transport, sell, or install their own product exclusively or mainly, should be identified with manufacturing; concerns in D may control or own the source of supply of materials used exclusively or mainly in their constructive work; concerns in E1 or E2 may own or control the source of their material or power; concerns in F may transport or store their own merchandise, but its production would identify them with A, B, or C.

3. Answers:

- (a) General class (use key letter designation).....
- (b) Main income-producing business (give specifically the information called for under each key letter, also whether acting as principal, or as agent on commission; state if inactive or in liquidation)

**AFFILIATIONS WITH OTHER CORPORATIONS**  
SEE INSTRUCTION 38

4. Is this a consolidated return of two or more corporations? .....  
If so, procure from the Collector of Internal Revenue for your district Form 851, Affiliations Schedule, which shall be filled in, sworn to, and filed as a part of this return. See Article 12 (c) and (d), Regulations 75.

5. Did the corporation file a consolidated return for the preceding taxable year? .....

**PREDECESSOR BUSINESS**

6. Did the corporation file a return under the same name for the preceding taxable year? ..... Was the corporation in any way an outgrowth, result, continuation, or reorganization of a business or businesses in existence during this or any prior year since December 31, 1917? ..... If answer is "yes," give name and address of each predecessor business, and the date of the change in entity. ....

Upon such change were any asset values increased or decreased? .....  
If the answer is "yes," closing balance sheets of old business and opening balance sheets of new business must be furnished.

**BASIS OF RETURN**

7. Is this return made on the basis of actual receipts and disbursements? .....  
If not, describe fully what other basis or method was used in computing net income. ....

**VALUATION OF INVENTORIES**

8. State whether the inventories at the beginning and end of the taxable year were valued at cost, or cost or market, whichever is lower. If other basis was used, describe fully, state why used and the date inventory was last reconciled with stock. ....

**LIST OF ATTACHED SCHEDULES**

9. Enter below a list of all schedules accompanying this return, giving for each a brief title and the schedule number. The name and address of the corporation should be placed on each separate schedule accompanying the return.

The corporation's books are in care of .....  
Located at .....

ITEMS	AMOUNT		ITEMS	AMOUNT (Enter as Item 2c)	
Salaries and wages.....	\$			\$	
Material and supplies.....					
.....					
.....					
.....					

**SCHEDULE B—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC.** (See Instruction 8)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. AMOUNT RECEIVED		4. DEPRECIATION ALLOWABLE SINCE ACQUISITION		5. COST OR VALUE AS OF MARCH 1, 1913, WHICHEVER GREATER		6. SUBSEQUENT IMPROVEMENTS		7. NET PROFIT (Enter as Item 8)	
		\$		\$		\$		\$		\$	
.....											
.....											

State how property was acquired.....

**SCHEDULE C—COMPENSATION OF OFFICERS** (See Instruction 12)

1. NAME OF OFFICER	2. OFFICIAL TITLE	3. TIME DEVOTED TO BUSINESS	SHARES OF STOCK OWNED		6. AMOUNT OF COMPENSATION (Enter as Item 12)
			4. Common	5. Preferred	
					\$
.....					
.....					

**SCHEDULE D—COST OF REPAIRS** (See Instruction 14)

**SCHEDULE E—TAXES PAID** (See Instruction 16)

1. ITEMS	2. AMOUNT (Enter as Item 14)		1. ITEMS	2. AMOUNT (Enter as Item 16)	
Salaries and wages.....	\$			\$	
.....					
.....					

**SCHEDULE F—EXPLANATION OF LOSSES BY FIRE, STORM, ETC.** (See Instruction 17)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. COST OR VALUE AS OF MARCH 1, 1913, WHICHEVER GREATER		4. SUBSEQUENT IMPROVEMENTS		5. DEPRECIATION ALLOWABLE SINCE ACQUISITION		6. INSURANCE AND SALVAGE VALUE		7. DEDUCTIBLE LOSS (Enter as Item 17)	
		\$		\$		\$		\$		\$	
.....											
.....											

State how property was acquired.....

**SCHEDULE G—BAD DEBTS** (See Instruction 18)

**SCHEDULE H—DIVIDENDS DEDUCTIBLE** (See Instruction 19)

1. YEAR	2. SALES ON ACCOUNT	3. BAD DEBTS	1. NAME OF CORPORATION	AMOUNT OF DIVIDENDS	
				2. Domestic	3. Foreign
1925.....	\$	\$		\$	\$
1926.....					
1927.....					
1928.....					
1929.....					

**SCHEDULE I—EXPLANATION OF DEDUCTION FOR DEPRECIATION** (See Instruction 20)

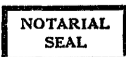
1. KIND OF PROPERTY (If buildings, state material of which constructed)	2. DATE ACQUIRED	3. AGE WHEN ACQUIRED	4. PROBABLE LIFE AFTER ACQUIREMENT	5. COST OR VALUE AS OF MARCH 1, 1913, WHICHEVER GREATER (Exclusive of Land)	AMOUNT OF DEPRECIATION CHARGED OFF	
					6. Previous years	7. This year
				\$	\$	\$
.....						
.....						

**AFFIDAVIT**

We, the undersigned, president and treasurer of the corporation for which this return is made, being severally duly sworn, each for himself deposes and says that this return, including the accompanying schedules and statements, has been examined by him and is, to the best of his knowledge and belief, a true and complete return made in good faith, for the taxable year stated, pursuant to the Revenue Act of 1928 and the Regulations issued thereunder.

Sworn to and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 1930.

\_\_\_\_\_  
President.



\_\_\_\_\_  
(Signature of officer administering oath)

\_\_\_\_\_  
(Title)



\_\_\_\_\_  
Treasurer.

Attach a separate sheet if any of the above schedules do not provide sufficient space

## INSTRUCTIONS

The Instructions Numbered 1 to 24 on this Page Correspond with the Item Numbers on Page 1 of the Return

## GROSS INCOME AND DEDUCTIONS

**1. Gross sales.**—If engaged in trading or manufacturing, enter as Item 1 on page 1 of the return, the gross sales, less goods returned and any allowances or discounts from the sale price.

Banks, insurance companies, and other corporations required to submit statements of income and expenses to any national, State, municipal, or other public officer may submit with the return a statement of income and expenses in the form furnished to such officer, in lieu of the information requested in Items 1 to 23 of the return, except that a railroad company will submit with the return a statement on Form 1090. In such cases the taxable net income will be reconciled by means of Schedule L on page 3 of the return, with the net profit shown by the income and expense statement submitted, and should be entered as Item 24 on page 1 of the return.

**2. Cost of goods sold.**—Enter as Item 2 the information requested on lines (a) to (e), and list in Schedule A on page 4 of the return, the principal items of cost included in the amount entered on line (c), the minor items to be grouped in one amount.

If the production, purchase, or sale of merchandise is an income-producing factor in the trade or business, inventories of merchandise on hand should be taken at the beginning and end of the taxable year, which may be valued at cost, or cost or market, whichever is lower. Enter the letters "C," or "C or M," immediately before the amount column on lines (a) and (e) under Item 2, if the inventories are valued at either cost, or cost or market, whichever is lower, and explain fully in question 8 on page 3 the method used. In case the inventories reported do not agree with the balance sheet, attach a statement explaining how difference occurred.

**3. Gross profit.**—Enter as Item 3 the gross profit from trading or manufacturing, which is obtained by deducting Item 2, the cost of goods sold as extended, from Item 1, the gross sales.

**4. Gross profit from other operations.**—Enter as Item 4 the gross profit from operations other than trading or manufacturing, stating in the space provided the nature and amount of the principal items; the minor items should be grouped in one amount.

**5. Interest on bank deposits, etc.**—Enter as Item 5 all interest received or credited to the corporation during the taxable year on bank deposits, notes, mortgages, and corporation bonds.

**6. Rents.**—Enter as Item 6 the gross amount received for the rent of property. Any deductions claimed for repairs, interest, taxes, and depreciation should be included in Items 14, 15, 16, and 20, respectively.

**7. Royalties.**—Enter as Item 7 the gross amount received as royalties. If a deduction is claimed for depletion, it should be reported as Item 21.

**8. Profit from sale of capital assets.**—Enter as Item 8 the amount of gain or loss from the sale or other disposition of real estate, stocks, bonds, and capital assets.

Describe the property briefly in Schedule B, and state the actual consideration or price received, or the fair market value of the property received in exchange. Expenses connected with the sale, such as commissions paid agents, may be deducted in computing the amount received.

Enter the original cost of the property, or if it was acquired prior to March 1, 1913, the fair market value as of that date, whichever is greater. Attach statement explaining how value as of March 1, 1913, was determined. Expenses incidental to the purchase may be included in the cost if never deducted from income.

Enter as depreciation the amount of exhaustion, wear and tear, obsolescence, or depletion which has been 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, and if the cost of such property is greater than its fair market value as of that date, the cost shall be reduced by the depreciation actually sustained before that date. See Articles 591 to 604 of Regulations 74.

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 corporation has acquired substantially identical property within 30 days before or after the date of such sale, unless the corporation is a dealer in stock or securities in the ordinary course of business.

In case the amount to be entered in Column 7 is a deductible loss, such amount should be preceded by a minus sign or written with red ink.

**9. Dividends.**—Enter as Item 9 the amount received as dividends (a) from a domestic corporation other than a corporation entitled to the benefits of Section 251 of the Revenue Act of 1928 and other than a corporation organized under the China Trade Act, 1922, or (b) from a foreign corporation when it is shown to the satisfaction of the Commissioner that more than 50 per cent of the gross income of such foreign corporation for the three-year period ending with the close of its taxable year preceding the declaration of such dividends (or for such part of such period as the corporation has been in existence) was derived from sources within the United States.

**10. Other income.**—Enter as Item 10 all other taxable income for which no place is provided on the return, together with any dividends specifically excluded from Item 9.

**11. Total income.**—Enter as Item 11 the net amount of Items 3 to 10, inclusive, after deducting any losses reported in Items 3, 4, and 8.

**12. Compensation of officers.**—Enter as Item 12 the compensation of all officers, in whatever form paid, and fill in Schedule C, giving the information requested.

**13. Rent.**—Enter as Item 13 rent paid for business property in which the corporation has no equity.

**14. Repairs.**—Enter as Item 14 the cost of incidental repairs, including the labor, supplies, and other items which do not add to the value or appreciably prolong the life of property. Expenditures for new buildings, machinery, equipment, or for permanent improvements or betterments which increase the value of the property are chargeable to capital account. Expenditures for restoring or replacing property are not deductible, as such expenditures are chargeable to capital account or to depreciation reserve, depending on how depreciation is charged on the books of the corporation.

List in Schedule D the principal items of cost, grouping the minor items in one amount.

**15. Interest.**—Enter as Item 15 interest paid on business indebtedness. Do not include interest on indebtedness incurred or continued to purchase or carry obligations or securities the interest upon which is wholly exempt from taxation.

**16. Taxes.**—Enter as Item 16 taxes paid or accrued during the taxable year. Do not include Federal income taxes, income taxes claimed as a credit in Item 32, taxes assessed against local benefits tending to increase the value of the property assessed, Federal taxes paid on bonds containing a tax-free covenant, nor taxes imposed upon sales by the manufacturer.

List in Schedule E each class of taxes deducted.

**17. Losses.**—Enter as Item 17 losses sustained during the year and not compensated for by insurance or otherwise. Losses of business property arising from fire, storm, shipwreck, or other casualty, or from theft, should be explained in Schedule F, giving the information requested.

**18. Bad debts.**—Enter as Item 18 debts, or portions thereof, arising from sales or services that have been reflected in income, which have been definitely ascertained to be worthless and have been charged off within the year, or such reasonable amount as has been added to a reserve for bad debts within the year.

If the debts are included in the deduction claimed, submit a schedule showing the amounts charged off, and state how each was determined to be worthless.

If the amount deducted is an addition to a reserve, enter in Schedule G the amount of sales charged on account, and the amount of bad debts charged off, for each of the years indicated.

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

**19. Dividends.**—Enter as Item 19 the dividends described in Instruction 9 which were reported as income in Item 9.

Describe in Schedule H any dividends claimed as a deduction.

**20. Depreciation.**—The amount deductible on account of depreciation in Item 20 is an amount fairly measuring the portion of the investment in depreciable property by reason of exhaustion, wear and tear, or obsolescence, which is properly chargeable against the operations of the year. If the property was acquired by purchase on or after March 1, 1913, the amount of depreciation 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 useful life. In case the property was purchased prior to March 1, 1913, the amount of depreciation will be determined in the same manner, except that it will be computed on its original cost, or the fair market value as of March 1, 1913, whichever is greater. If the property was acquired in any other manner than by purchase see Article 611 of Regulations 74. The capital sum to be replaced should be charged off over the useful life of the property either in equal annual installments or in accordance with any other recognized trade practice, such as an apportionment over units of production. Whatever plan or method of apportionment is adopted must be reasonable and must have due regard to operating conditions during the taxable year. The method adopted should be described in the return. Stocks, bonds, and like securities are not subject to exhaustion, wear and tear within the meaning of the law.

If a deduction is claimed on account of depreciation Schedule I shall be filled in, and the total amount claimed therein should correspond with the figures reflected in the balance sheet. In case obsolescence is included, state separately amount claimed and basis upon which it is computed. Land values must not be included in this schedule. See Articles 201 to 210 of Regulations 74.

**21. Depletion.**—If a deduction is claimed on account of depletion, secure from the Collector Form D (minerals), Form E (coal), Form F (miscellaneous non-metals), Form O (oil and gas), or Form T (timber), fill in and file with return. If complete valuation data have been filed with Questionnaire in previous years, then file with this return information necessary to bring your depletion schedule up to date, setting forth in full statement of all transactions bearing on deductions or additions to value of physical assets with explanation of how depletion deduction for the taxable year has been determined. See Articles 221 to 257 of Regulations 74.

**22. Other deductions.**—Enter any other deductions authorized by law, and file with the return a schedule showing how each deduction was computed. If a deduction is claimed on account of a net loss for prior year, see Article 652 of Regulations 74.

**23. Total deductions.**—Enter as Item 23 the total of Items 12 to 22, inclusive.

**24. Net income.**—Enter as Item 24 the net income, which is obtained by deducting Item 23 from Item 11. The net income of a corporation shall be computed upon the basis of its taxable year in accordance with the method of accounting regularly employed in keeping the books, unless such method does not clearly reflect the income.

## COMPUTATION OF TAX

**25.** The tax is computed upon the amount of net income in excess of the credit of \$3,000 which may be claimed in Item 26 by a domestic corporation having a net income of less than \$25,360. In such case, if the first or final return of a corporation is for a period of less than twelve months, the full credit of \$3,000 is allowed. If the return is made for a fractional part of a year to effect a change in the accounting period, the tax shall be computed as provided in Instruction 46. For the credit allowed a corporation organized under the China Trade Act, 1922, see Section 261 of the Act of 1928.

## CREDIT FOR TAXES

**26.** A foreign corporation subject to taxation and not engaged in a trade or business within the United States and not having any office or place of business therein may claim as a credit in Item 31 any income tax required to be deducted and withheld at the source.

**27.** If a credit is claimed by a domestic corporation in Item 32 on account of income tax paid to a foreign country or a possession of the United States, submit Form 1118 with this return, together with the receipt for each such tax payment. In case credit is sought for taxes accrued the form must have attached to it a certified copy of the return on which each such accrued tax was based, and the Commissioner may require a bond on Form 1119 for the payment of any tax found due if the tax when paid differs from the credit claimed. A foreign corporation is not entitled to claim this credit.



**LIABILITY FOR FILING RETURNS**

28. **Corporations generally.**—Every domestic or resident corporation, joint-stock company, association, or insurance company not specifically exempted by Section 103 of the Revenue Act of 1928, whether or not having any net income, must file a return on this form, or on Form 1120A if for a fiscal year.

29. **Corporations in possessions of the United States.**—Domestic corporations within the possessions of the United States (except the Virgin Islands) may report as gross income only gross income from sources within the United States, provided, (a) 80 per cent or more of the gross income for the three-year period immediately preceding the close of the taxable year (or such part thereof as may be applicable) was derived from sources within a possession of the United States; and (b) 50 per cent or more of the gross income for such period or such part thereof was derived from the active conduct of a trade or business within a possession of the United States.

30. **Foreign corporations.**—A foreign corporation subject to the provisions of the Revenue Act of 1928, regardless of the amount of its net income, is required to file a return with the Collector in whose district is located its principal office or agency through which is transacted the business in the United States. The net income should be computed in accordance with Articles 671 to 684 of Regulations 74.

**INSURANCE COMPANIES**

31. **Life insurance companies.**—A life insurance company issuing life insurance and annuity contracts (including contracts of combined life, health, and accident insurance), as defined by Section 201 of the Revenue Act of 1928, shall file its tax return on Form 1120L, instead of this form.

32. **Mutual insurance companies.**—A mutual insurance company (other than a life insurance company), in addition to the deductions allowed a corporation, unless otherwise allowed, may claim as deductions in Item 22 of the return, (a) the net addition required by law to be made within the taxable year to reserve funds (including in the case of an assessment insurance company the actual deposit of sums with State or Territorial officers pursuant to law as additions to guarantee or reserve funds); and (b) the sums other than dividends paid within the taxable year on policy and annuity contracts.

33. A mutual marine insurance company shall include in its gross income in Item 4 of this return the gross premiums collected and received, less amounts paid for reinsurance, and in addition to the deductions allowed a corporation, and to a mutual insurance company in Instruction 32 above, unless otherwise allowed, may claim as a deduction in Item 22 of the return amounts repaid to policyholders on account of premiums previously paid by them, and interest paid upon such amounts between the ascertainment and the payment thereof.

34. A mutual insurance company (including interinsurance and reciprocal underwriters, but not including a mutual life or mutual marine insurance company) requiring its members to make premium deposits to provide for losses and expenses, in addition to the deductions allowed a corporation, and to a mutual insurance company in Instruction 32 above, unless otherwise allowed, may claim as a deduction in Item 22 of the return, the amount of premium deposits returned to its policyholders and the amount of premium deposits retained for losses, expenses, and reinsurance reserves.

35. The receipts of shipowners' mutual protection and indemnity associations not organized for profit, and no part of the net earnings of which inures to the benefit of any private stockholder or member, are exempt from taxation; but such associations shall be subject as other corporations to the tax upon their net income from interest, dividends, and rents.

36. **Benevolent life insurance associations of a purely local character, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations** are exempt from taxation only if 85 per cent or more of the income consists of amounts collected from members for the sole purpose of meeting losses and expenses.

37. **Other insurance companies**—The net income of an insurance company (other than a life or mutual insurance company referred to above) is the gross income earned during the taxable year from investment income and from underwriting income, computed on the basis of the underwriting and investment exhibit of the Annual Statement approved by the National Convention of Insurance Commissioners, plus the gain from the sale or other disposition of property, less the deductions for ordinary and necessary expenses, interests, taxes, losses, bad debts, depreciation, etc., as provided in Article 991 of Regulations 74.

**CONSOLIDATED RETURNS**

38. Subject to the provisions of Section 141 of the Revenue Act of 1928 and Regulations 75, an affiliated group of corporations may make a consolidated return, in lieu of separate returns. The making of a consolidated return, and the determination, computation, assessment, collection, and adjustment of tax liabilities under a consolidated return, are governed by Regulations 75. If a consolidated return is made for any taxable year, a consolidated return must be made for each subsequent taxable year.

39. The parent corporation, when filing a consolidated return on this form, shall attach thereto a schedule showing the names and addresses of all the corporations included in the return. Each subsidiary must prepare two duplicate originals of Form 1122 consenting to Regulations 75 and authorizing the making of the return on its behalf. See Article 2(b) of Regulations 75. One of such forms shall be attached to the consolidated return as a part thereof, and the other shall be filed, at or before the time the consolidated return is filed, in the office of the Collector for the subsidiary's district.

40. Supporting schedules shall be filed with the consolidated return. These schedules shall be prepared in columnar form, one column being provided for each corporation included in the consolidation, one column for a total of like items before adjustments are made, one column for intercompany eliminations and adjustments, and one column for a total of like items after giving effect to the eliminations and adjustments. The items included in the column for eliminations and adjustments should be symbolized to identify contra items affected, and suitable explanations appended, if necessary. Similar schedules shall also contain in columnar form a reconciliation of surplus for each corporation, together with a reconciliation of the consolidated surplus.

41. Consolidated balance sheets as of the beginning and close of the taxable year of the group, shall accompany the consolidated return prepared in a form similar to that required for reconciliation of surplus.

**WORKING PAPERS**

42. Every corporation should preserve, for inspection by a revenue officer, working papers showing the balance in each account on the corporation's books used in preparing the return. State in question 9 where books are located.

**BALANCE SHEETS**

43. The balance sheets on page 2 of the return, Schedule K, should agree with the books, or any differences should be reconciled. The balance sheets for a consolidated return should be furnished in accordance with Instruction 41. All corporations engaged in an interstate and intrastate trade or business and reporting to the Interstate Commerce Commission and to any national, State, municipal, or other public officer, may submit, in lieu of Schedule K, copies of their balance sheets prescribed by said Commission or State and municipal authorities, as at the beginning and end of the taxable year.

In case the balance sheet as at the beginning of the current taxable year does not agree in every respect with the balance sheet which was submitted as at the end of the previous taxable year the differences should be fully explained in the space provided under Schedule K.

**PERIOD COVERED**

44. Except in the case of the first return the corporation shall make its return on the basis upon which the return was made for the taxable year immediately preceding unless, with the approval of the Commissioner, a change is made in the accounting period.

45. If a corporation desires to change its accounting period from fiscal year to calendar year, from calendar year to fiscal year, or from one fiscal year to another fiscal year, an application for such change shall be made on Form 1128 and forwarded to the Collector prior to the expiration of thirty days from the close of the proposed taxable year.

46. Where the Commissioner approves a change in the accounting period the net income computed on the separate return for a fractional part of a year shall be placed on an annual basis by multiplying the amount thereof by twelve and dividing by the number of months included in the period, and the tax shall be such part of the tax computed on such annual basis as the number of months in such period is of twelve months.

**TIME AND PLACE FOR FILING**

47. The return for the calendar year 1929 must be sent to the Collector of Internal Revenue for the district in which the corporation's principal office is located so as to reach the Collector's office on or before March 15, 1930. In the case of a foreign corporation not having any office or place of business in the United States the return shall be filed on or before June 15, 1930, with the Collector of Internal Revenue, Baltimore, Maryland.

48. The Collector of Internal Revenue may grant a reasonable extension of time for filing a return, if application therefor is made before the date prescribed by law for filing such return, whenever in his judgment good cause exists.

**SIGNATURES AND VERIFICATION**

49. The return shall be sworn to by the president, vice president, or other principal officer, and by the treasurer or assistant treasurer. The return of a foreign corporation having an agent in the United States shall be sworn to by such agent. If receivers, trustees in bankruptcy, or assignees are operating the property or business of the corporation, such receivers, trustees, or assignees shall execute the return for such corporation under oath.

**PAYMENT OF TAXES**

50. The tax should be paid by sending or bringing with the return a check or money order drawn to the order of "Collector of Internal Revenue at (insert name of city and State)." Do not send cash by mail, nor pay it in person, except at the Collector's office.

The tax in the case of a domestic corporation may be paid when the return is filed, or in four equal installments, as follows: The first installment shall be paid on or before March 15, 1930, the second installment shall be paid on or before June 15, 1930, the third installment on or before September 15, 1930, and the fourth installment on or before December 15, 1930.

If any installment is not paid on the date fixed for its payment, the whole amount of the tax unpaid shall be paid upon notice and demand by the Collector.

**PENALTIES**

51. **For willful failure to make and file return on time.**—Not more than \$10,000 or imprisonment for not more than one year, or both, and, in addition, 25 per cent of the amount of the tax.

52. **For willfully making a false or fraudulent return.**—Not more than \$10,000 or imprisonment for not more than five years, or both, and, in addition, 50 per cent of the amount of the tax.

53. **For deficiency in tax.**—Interest on deficiency at 6 per cent per annum to the date the deficiency is assessed, or to the thirtieth day after the filing of a waiver of the right to file a petition with the Board of Tax Appeals, whichever date is the earlier, and, in addition 5 per cent of the amount of the deficiency if due to negligence or intentional disregard of rules and regulations without intent to defraud, or 50 per cent of the amount of the deficiency if due to fraud.

**UNDISTRIBUTED PROFITS**

54. If any corporation is formed or availed of for the purpose of preventing the imposition of the surtax upon its shareholders by permitting its gains and profits to accumulate instead of being divided or distributed, there shall be levied, collected, and paid for each taxable year upon the net income of such corporation a tax equal to 50 per cent of the amount thereof, which shall be in addition to the tax imposed by Section 13 of the Act. In such case the net income shall include interest on obligations of the United States issued after September 1, 1917, which would be subject to tax in whole or in part in the hands of an individual owner, and dividends received from a domestic corporation. See Section 104 of the Revenue Act of 1928.

**INFORMATION AT THE SOURCE**

55. Every corporation making payments of salaries, wages, interest, rent, commissions, or other fixed or determinable income of \$1,500 or more during the calendar year, to a single person, a partnership, or a fiduciary, or \$3,500 or more to a married person, or payments of dividends of \$500 or more to a person, a partnership, or a fiduciary, is required to make a return to the Commissioner of Internal Revenue, showing the amount of such payments and the name and address of each recipient. Forms 1096 and 1099, for reporting this information, will be furnished by any Collector of Internal Revenue upon request. Such returns covering the calendar year 1929 must be forwarded to the Commissioner of Internal Revenue, Sorting Section, Washington, D. C., in time to be received not later than February 1, 1930.