### VOL. VI, JANUARY, 1920, NO. 1; PRACTICAL QUESTIONS AND ANSWERS ON THE FEDERAL TAX LAWS INDIVIDUALS, PARTNERSHIP AND CORPORATIONS, NUMBER THIRTY-FIVE

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649531394

Vol. Vi, January, 1920, No. 1; Practical Questions and Answers on the Federal Tax Laws Individuals, Partnership and Corporations, Number Thirty-Five by Various

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# VARIOUS

## VOL. VI, JANUARY, 1920, NO. 1; PRACTICAL QUESTIONS AND ANSWERS ON THE FEDERAL TAX LAWS INDIVIDUALS, PARTNERSHIP AND CORPORATIONS, NUMBER THIRTY-FIVE

Trieste



#### JANUARY, 1920

No. 1

# PRACTICAL QUESTIONS AND ANSWERS ON THE FEDERAL TAX LAWS

INDIVIDUALS, PARTNERSHIPS AND CORPORATIONS

NUMBER THIRTY-FIVE

IRVING NATIONAL BANK

This pamphlet prepared by our Counsel, Breed, Abbott and Morgan, is the fifth edition of "Practical Questions and Answers" covering the Income Tax Law. It also contains a digest of all of the Federal Tax Laws now in force affecting individuals, partnerships and corporations, except the tariff law, the tax on distilled spirits and certain other internal revenue tax laws of limited application that have been on the statute books for many years. 1

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For a list of Irving publications, any of which will be forwarded upon request, see the final page of this booklet.

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INCOME TAX CHART This chart and notes show total Income Tax, under the Revenue Act of 1918, payable for with no other dependents.

H * 000000000000000000000000000000000000			DETAT	S OF (	TUMPLIT	ATION			DETAILS OF	13 OF C	TUTIMO	VOLLA
None         Exempt         None         Exempt         None           80         4%         \$40         Exempt         None           80         4%         \$40         Exempt         None           80         4%         \$120         Exempt         None           80         4%         \$120         Exempt         None           810         5%         240         \$2%         \$10           2710         8%         240         \$7%         \$10           87         240         3%         \$10         \$10           710         8%         240         3%         \$10           8%         560         4%         \$10         \$10           1,990         8%         710         \$5%         \$10           1,520         8%         1,040         \$7%         \$10           1,520         8%         1,200         \$5%         \$10           1,520         8%         1,200         \$5%         \$10           1,520         8%         1,200         \$5%         \$10           1,520         8%         1,200         \$5%         \$10           1,520	INCOME	TOTAL	Pered	Amount of	Percent of Surfas	Amound of Surtan	INCOME	TOTAL	Part of the second	Nord	Percent of Surfam	Amount of Surfam
None         Exempt         None         Exempt         None           80         4%         120         Exempt         None           1120         4%         120         Exempt         None           1170         4%         160         1%         \$10           270         8%         240         3%         \$10         \$10           11,090         8%         440         3%         \$10         \$10           11,090         8%         560         4%         \$10         \$10           11,090         8%         1040         7%         \$10         \$10           11,230         8%         1,040         7%         \$10         \$10           11,230         8%         1,040         7%         \$10         \$10           11,230         8%         1,040         7%         \$10         \$10           11,230         8%         1,040         7%         \$10	\$1.000	None	Exempt	None	Exempt	None	56,000	11.170	8%	4,160	26%	7,010
440         4%         440         Exempt         None           1120         4%         120         Exempt         None           1170         8%         240         2%         50           590         8%         240         3%         110           11,090         8%         560         4%         110           11,090         8%         560         4%         110           11,090         8%         1040         7%         150           11,090         8%         1,040         7%         190           11,570         8%         1,040         7%         190           11,520         8%         1,120         7%         190           11,520         8%         1,120         7%         190           11,520         8%         1,120         7%         190           11,520         8%         1,120         7%         190           11	2.000	None	Exempt	None	Exempt	None	57,000	11,520	8%	4,240	27%	7,280
80         4%         80         Exempt         None           170         4%         120         Exempt         None           2710         8%         240         2%         80           3710         8%         240         2%         80           590         8%         240         2%         80           110         8%         240         2%         80           590         8%         480         3%         810           590         8%         560         4%         110           1,090         8%         560         4%         110           1,520         8%         640         4%         150           1,520         8%         1,040         7%         150           1,520         8%         1,040         7%         150           1,520         8%         1,120         7%         550           1,520         8%         1,120         7%         190           1,520         8%         1,120         7%         550           1,520         8%         1,120         8%         710           2,560         8%	3.000	840	40%	\$40	Exempt	None	58,000	11.870	8%	4.320	27%	7,550
120 $3\%$ 120 $8\%$ 120       Exempt       None         2710 $8\%$ 240 $2\%$ 120 $8\%$ $340$ $3\%$ $810$ 3710 $8\%$ 240 $2\%$ $320$ $2\%$ $50$ 480 $8\%$ $240$ $2\%$ $320$ $2\%$ $50$ 590 $8\%$ $400$ $3\%$ $110$ $80$ $560$ $4\%$ $110$ 1,900 $8\%$ $560$ $4\%$ $120$ $5\%$ $240$ $80$ 1,900 $8\%$ $1000$ $5\%$ $5\%$ $240$ $80$	4.000	80	40%	80	Exempt	None	59,000	12,230	8%	4,400	28%	7,830
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	5.000	120	404	120	Exempt	None	60,000	12,590	8%	4,480	28%	8,110
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	6.000	170	4%	160	1%	\$10	61,000	12,960	8%0	4,560	29%	8,400
370         8%         320         2%         50           480         8%         320         2%         50           710         8%         400         3%         110           710         8%         400         3%         110           710         8%         560         4%         150           966         8%         720         5%         40           1,090         8%         720         5%         10           1,570         8%         720         5%         290           1,570         8%         1,040         7%         100           1,570         8%         1,120         7%         240           1,570         8%         1,200         8%         1,100           1,990         8%         1,200         8%         710           1,990         8%         1,200         8%         710           2,410         8%         1,200         8%         710           2,410         8%         1,200         8%         710           2,410         8%         1,440         9%         650           3,680         8%	7,000	270	8%	240	2%	8	62,000	13,330	8%	4,640	29%	8,690
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	8,000	370	8%	320	2%	20	63,000	13,710	8%	4,720	30%	8,990
590         8%         480         3%         110           710         8%         560         4%         1150           830         8%         560         4%         1150           966         8%         560         4%         1150           1,090         8%         560         4%         1150           1,520         8%         560         4%         150           1,520         8%         1040         7%         180           1,520         8%         1,040         7%         480           1,520         8%         1,120         7%         480           1,520         8%         1,200         8%         710           1,670         8%         1,200         8%         710           1,830         8%         1,230         8%         710           2,690         8%         1,230         8%         710           2,690         8%         1,300         8%         710           2,690         8%         1,520         10%         710           2,690         8%         1,540         9%         550           2,690	9,000	480	200	400	3%	80	64,000	14,090	8%	4,800	30%	9,290
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	10,000	590	8%	480	3%	110	65,000	14,480	8%	4,880	31%	009'6
	11.000	110	8%	560	49%	150	66,000	14,870	8%	4,960	31%	016'6
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	12,000	830	89%	640	40%	190	67,000	15,270	8%	5,040	32%	10,230
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	13.000	996	8%	720	5%	240	68,000	15,670	8%	5,120	32%	10,550
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	14.000	1,090	8%	800	5%	290	69,000	16,080	8%	5,200	33%	10,880
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	15,000	1.230	8%	880	6%0	350	70,000	16,490	8%	5,280	33%	11,210
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	16,000	1.370	8%	960	6%	410	71,000	16,910	8%	5,360	34%	11,550
1,670         8%         1,120         7%         550           1,990         8%         1,120         7%         550           1,990         8%         1,200         8%         710           2,160         8%         1,200         8%         630           2,160         8%         1,200         8%         630           2,160         8%         1,360         9%         800           2,510         8%         1,560         9%         800           2,690         8%         1,560         9%         890           2,690         8%         1,600         10%         990           2,690         8%         1,600         10%         1,990           2,690         8%         1,600         10%         1,990           2,600         8%         1,600         10%         1,990           3,470         8%         1,680         11%         1,310           3,470         8%         1,920         12%         1,430           3,470         8%         1,920         13%         1,430           3,490         8%         2,000         13%         1,430 <t< td=""><td>17.000</td><td>1.520</td><td>8%</td><td>1,040</td><td>19%</td><td>480</td><td>72,000</td><td>17,330</td><td>8%</td><td>5,440</td><td>34%</td><td>11,890</td></t<>	17.000	1.520	8%	1,040	19%	480	72,000	17,330	8%	5,440	34%	11,890
1,830         8%         1,200         8%         630           1,990         8%         1,200         8%         630           2,160         8%         1,360         9%         630           2,160         8%         1,360         9%         800           2,160         8%         1,360         9%         800           2,510         8%         1,560         9%         800           2,690         8%         1,520         10%         990           2,690         8%         1,560         10%         990           2,690         8%         1,760         11%         1,210           3,470         8%         1,760         11%         1,310           3,470         8%         1,920         12%         1,430           3,470         8%         1,920         12%         1,430           3,470         8%         1,920         12%         1,430           3,470         8%         1,920         13%         1,680           3,490         8%         2,000         13%         1,680           4,110         8%         2,000         13%         1,680	18,000	1,670	80%	1.120	70%	\$50	73,000	17,760	8%	5,520	35%	12,240
1,990         8%         1,280         8%         710           2,160         8%         1,280         8%         710           2,510         8%         1,440         9%         890           2,510         8%         1,520         10%         990           2,510         8%         1,520         10%         990           2,690         8%         1,520         10%         990           2,690         8%         1,560         10%         1,990           2,690         8%         1,560         10%         1,990           3,070         8%         1,760         11%         1,310           3,470         8%         1,760         11%         1,310           3,590         8%         1,920         12%         1,430           3,590         8%         2,000         13%         1,680           4,110         8%         2,160         14%         1,550           4,590         8%         2,160         14%         1,550           4,500         8%         2,184         1,4%         1,550           4,500         8%         2,000         13%         1,680	19.000	1.830	8%	1.200	8%	630	74,000	18,190	8%	5,600	35%	12,590
2,160         8%         1,360         9%         800           2,330         8%         1,360         9%         890           2,510         8%         1,440         9%         890           2,500         8%         1,520         10%         990           2,690         8%         1,660         10%         1,990           2,690         8%         1,660         11%         1,990           3,070         8%         1,660         11%         1,990           3,070         8%         1,660         11%         1,310           3,070         8%         1,840         12%         1,430           3,580         8%         1,840         12%         1,450           3,590         8%         2,000         13%         1,550           4,110         8%         2,000         13%         1,680           4,500         8%         2,000         13%         1,680           4,510         8%         2,000         13%         1,680           4,500         8%         2,000         13%         1,680           4,500         8%         2,000         14%         2,950	20,000	1.990	8%	1.280	8%	710	75,000	18,630	8%	5,680	36%	12,950
<b>2.330</b> 8% 1.440 9% 890 2,600 8% 1.520 10% 990 2,600 8% 1.520 10% 990 3,070 8% 1.560 11% 1.200 3,070 8% 1.660 11% 1.200 3,070 8% 1.840 12% 1.450 3,470 8% 1.920 12% 1.450 3,470 8% 2.000 13% 1.560 4,110 8% 2.000 13% 1.680 4,110 8% 2.240 14% 1.950 4,110 8% 2.240 14% 1.950 14% 1.950 14% 1.950 14% 1.950 15% 1.680 14% 1.950 15% 1.680 14% 1.950 15% 1.680 14% 1.950 15% 1.680 14% 1.950 15% 1.950 15% 1.680 14% 1.950 15% 1.680 14% 1.950 15% 1.680 14% 1.950 15% 1.950 15% 1.680 15% 1.950 15% 1.	21,000	2.160	8%	1.360	646	800	76,000	19,070	8%	5,760	36%	13,310
2,510         8%         1,520         10%         990           2,690         8%         1,520         10%         990           2,690         8%         1,600         10%         1,990           3,070         8%         1,680         11%         1,990           3,070         8%         1,760         11%         1,990           3,470         8%         1,760         11%         1,310           3,470         8%         1,920         12%         1,430           3,490         8%         1,920         13%         1,680           3,890         8%         2,000         13%         1,680           4,110         8%         2,160         14%         1,950           4,550         8%         2,160         14%         1,950	22,000	2,330	8%	1.440	6%6	890	77,000	19,520	8%	5,840	37%	13,680
2,690         8%         1,600         10%         1,090           2,880         8%         1,680         11%         1,200           3,070         8%         1,680         11%         1,200           3,470         8%         1,760         11%         1,310           3,470         8%         1,840         12%         1,430           3,470         8%         1,920         12%         1,430           3,470         8%         1,920         12%         1,430           3,490         8%         2,000         13%         1,680           4,110         8%         2,160         14%         1,950           4,530         8%         2,160         14%         1,950	23,000	2,510	8%	1,520	10%0	066	78,000	19,970	8%	5,920	37%	14,050
2,890         8%         1,680         11%         1,200           3,070         8%         1,760         11%         1,200           3,470         8%         1,760         11%         1,310           3,470         8%         1,840         12%         1,430           3,470         8%         1,920         12%         1,430           3,580         8%         2,000         13%         1,680           3,890         8%         2,000         13%         1,680           4,110         8%         2,160         14%         1,950           4,550         8%         2,160         14%         1,950	24,000	2.690	8%	1.600	10%	1,090	79,000	20,430	200	6,000	38%	14,430
3,070         8%         1,760         11%         1,310           3,270         8%         1,760         11%         1,310           3,470         8%         1,840         12%         1,430           3,560         8%         1,920         12%         1,430           3,690         8%         2,000         13%         1,680           3,890         8%         2,000         13%         1,680           4,110         8%         2,160         14%         1,950           4,550         8%         2,240         14%         2,990	25,000	2,880	8%	1.680	11%	1,200	80,000	20,890	8%	6,080	38%	14,810
3,270 8% 1,840 12% 1,430 3,470 8% 1,920 12% 1,450 3,680 8% 2,000 13% 1,550 1,550 3,890 8% 2,000 13% 1,680 4,110 8% 2,160 14% 1,950 4,550 8% 2,240 14% 2,090	26.000	3,070	8%	1.760	11%	1,310	81,000	21,360	8%	6,160	39%	15,200
3,470 8% 1,920 12% 1,550 3,680 8% 2,000 13% 1,550 3,690 8% 2,000 13% 1,680 4,110 8% 2,160 13% 1,950 4,530 8% 2,240 14% 2,090	27,000	3,270	8%	1,840	12%	1,430	82,000	21,830	8%	6,240	39%	15,590
3,680         8%         2,000         13%         1,680           3,890         8%         2,080         13%         1,810           4,110         8%         2,160         14%         1,950           4,500         8%         2,240         14%         1,950	28,000	3.470	8%	1.920	12%	1,550	83,000	22,310	8%	6,320	40%	15,990
3,890         8%         2,080         13%         1,810           4,110         8%         2,160         14%         1,950           4,50         8%         2,240         14%         2,950	29,000	3,680	8%	2,000	13%	1,680	84,000	22,790	8%	6,400	31%	16,390
1 4,110 8% 2,160 14% 1,950 4,530 8% 2,240 14% 2,090	30,000	3,890	8%	2,080	13%	1,810	85,000	23,280	8%	6,480	41%	16,800
4.330 80% 2.240 14% 2.090	31,000	4,110	8%	2,160	14%	1,950	86,000	23,770	8%	6,560	41%	17,210
	32,000	4,330	8%	2,240	14%	2,090	87,000	24,270	8%	6,640	42%	17,630

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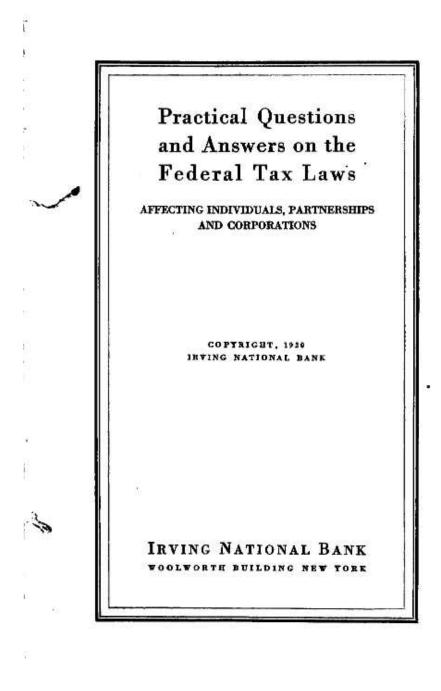
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5 2 2 2 2 3					Deprecision	1,000		t to surtax	w, it subject	hip Profita-yo	Partnersh
=					Losses.	1,800		The manufacture	it and the	Thurst Basiness	Profits from
ар 				9	Tares Puid.	89				Dividends on Stocka Dealings in Stocka	Dealings
115				· •	Business Exp	42,000					Salary-
		ring example:	per follor	E arrived at as	NET INCOME	SUPPORT BUILD	in first colu	" referred to	e Tnoome	NCOME-Th	LISS I
746,010	65%	99,680	8%		1,250,000	6,750	26%	4,080	8%	10,830	22,000
583,510	64%	79,680	8%	663,190	1,000,000	6,490	25%	4,000	8%	10,490	1000
263,510	63%	39,680	8%	303,190	500,000	6,240	25%	3,920	8%	10,160	000
200,510	63%	31,680	8%	232,190	400,000	5,990	24%	3,840	8%	9,830	000
137,510	0%09	23,680	%	161,190	300,000	5,750	24%	3,760	8%	9,510	000
107,510	%09	19,680	8%	127,190	250,000	5,510	23%	3,680	8%	061'6	000
77,510	26%	15,680	8%	93,190	200,000	5,280	23%	3,600	8%	8,880	000
63,510	56%	13,680	8%	77,190	175,000	5,050	22%	3,520	8%	8,570	000
49,510	52%	11,680	8%	61,190	150,000	4,830	22%	3,440	. %8	8,270	000
36,510	52%	9,680	8%	46,190	125,000	4,610	21%	3,360	8%	7,970	000
23,510	48%	7,680	8%	31,190	100,000	4,400	21%	3,280	8%	7,680	000
23,030	48%	7,600	8%	30,630	000,66	4,190	20%	3,200	8%	7,390	000
22,550	47%	7,520	8%	30,070	98,000	3,990	20%	3,120	8%	1,110	000
22,080	47%	7,440	8%	29,520	000426	3.790	19%	3,040	8%	6,830	000
21,610	46%	7,360	8%	28,970	96,000	3,600	19%	2,960	8%	6,560	000
21,150	46%	7,280	8%	28,430	95,000	3,410	18%	2,880	8%	6,290	000
20,690	45%	7,200	8%	27,890	94,000	3,230	18%	2,800	8%	6,030	000
20,240	45%	7,120	8%	27,360	93,000	3,050	17%	2,720	8%	5,770	000
19,790	2011	7,040	8%	26,830	92,000	2,880	17%	2,640	8%	5,520	37,000
19,350	44%	6,960	8%	26,310	91,000	2,710	N%	2,560	8%	5,270	000
18,910	43%	6,880	8%	25,790	90,000	2,550	16%	2,480	8%	5,030	900
18,480	43%	6,800	8%	25,280	89,000	2,390	15%	2,400	8%	4,790	000
		2416			annion	D4.717	0/ cr	04014	0/0	99900	200

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or status of inforest on Liberty Honda. ADDITIONS TO THE ADDVE TAX:--If you are single and without any dependents as described in the Statute, your examption from the experiment of \$5,000, instead of \$5,000, as above in the dart, and the 3% normal tax will begin to apply at \$5,000 instead of \$5,000. The sums applies to a married person not thinky with the or bashed and without any dependents. DEDUCTIONS FROM ABOVE TAX:--If you have dependents. The transfer of the statute, your examption from the normal tax will begin to apply at \$5,000 instead of \$5,000. The sums applies to a married person not thinky with the orbit of the dependents. DEDUCTIONS FROM ABOVE TAX:---(If you have dependents. The statute, your examption from the normal tax is thore computed by an amount not exceeding \$16 for each dependent, resulting in a reduction of your normal tax is above computed will be reduced by 4% or 8% (secording \$16 for each do-pendent, permeted. The normal fax'of 4%--0% us in the case of dividuate.



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#### FEDERAL INCOME TAX-INDIVIDUALS

1

#### FEDERAL INCOME TAX.

#### INDIVIDUALS.

#### Q. Who must file a return?

A. Every individual having a net income for the taxable year of \$1,000 or over if single or if married and not living with husband or wife; or \$2,000 or over if married and living with husband or wife.

If a husband and wife living together have an aggregate net income of \$2,000 or over, each shall make a return unless the income of each is included in a single joint return.

If the taxpayer is unable to make his own return, the return shall be made by a duly authorized agent or by the guardian or other person charged with the care of the person or property of such taxpayer.

#### Q. When must I file a return?

A. Any time after January 1st, but not later than March 15th.

If, however, the return is made on the basis of a fiscal year, it must be filed on or before the 15th day of the third month following the close of the fiscal year.

#### Q. Where must I file a return?

A. With the Collector of Internal Revenue for the district in which you reside, or where you have your principal place of business.

Q. Where can I get forms of return?

A. At the office of the Collector of Internal Revenue for your district.

#### Q. What is meant by net income?

A. For the purpose of determining whether or not a Return should be filed, net income means gross income (not including