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1969 Individual Tax Model

Documentation

Record Group 58

Records of the Internal Revenue Service

69 001

CONTENTS

Section 1

Returns Filed and Sources of Income

TAXPAYERS' INCOME EXCEEDED $600 BILLION

Taxpayers' adjusted gross income reported on their 1969 individual returns totaled $603.5 billion, increasing by $49.1 billion or 8.9 percent over 1968. Table 1A and chart 1A show that most of the major sources of income except net gain from sales of capital assets and net income from rents and royalties increased over 1968 levels. Capital gains registered a sharp drop of 18.9 percent, contrasting markedly with the 31.5 percent increase for 1968 over 1967.

Income tax liability of individuals, labelled "income tax after credits" in table 1A and chart 1B, totaled $86.6 billion for 1969. This was $10.0 billion or 13 percent more than the comparable figure for 1968 and was the second largest single-year increase since the enactment of the Internal Revenue Code of 1954. The increase in tax liability was associated with three important developments delineated in chart 1B: (1) an increase of 3 percent in returns filed, (2) an increase of 9 percent in adjusted gross income, and (3) the extension of the surcharge on income tax before credits to cover the whole of calendar year 1969.

A 49 percent increase in the surcharge was attributable not only to the increase in income tax before credits to which the surcharge was applied but also to the imposition of the surcharge at the 10 percent rate for the full year. For 1968, the 10 percent surcharge was in effect for only the last 9 months of the year amounting, in effect, to a 7.5 percent surcharge. For 1969, the surcharge totaled $7.7 billion. This was less than 10 percent based on the income tax before credits shown throughout this report, partly because only 52.3 million of the 64.2 million returns with tax before credits showed the amount of the surcharge. The smaller number and also the smaller amount resulted from

Chart 1A

Components of income and relative change

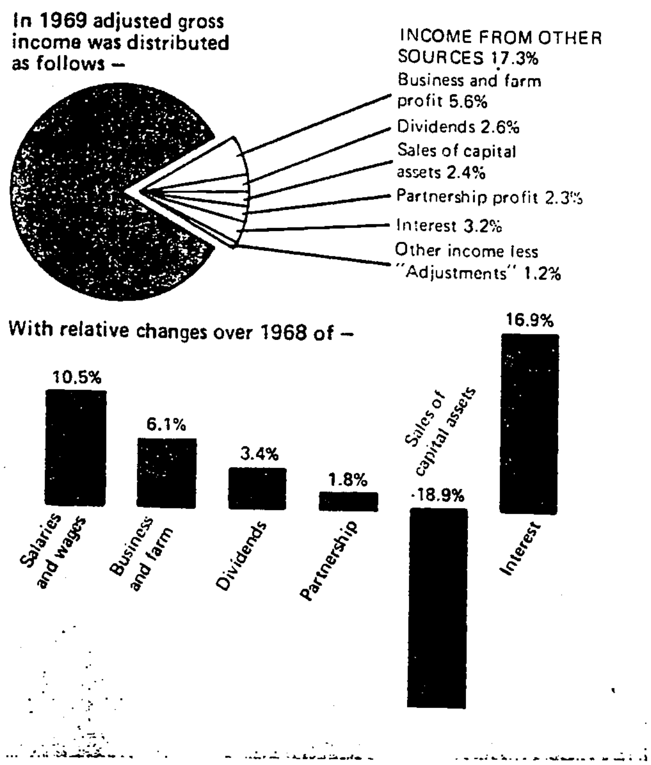


Table 1A.—RETURNS, INCOME, AND TAXES, 1968 AND 1969

[Money amounts in millions of dollars]

Item	1968	1969	Increase or decrease (-), 1969 over 1968
	(1)	(2)	(3)
Number of returns, total	73,728,703	75,834,358	2,105,680
Taxable	61,288,708	63,721,394	2,432,686
Nontaxable	12,440,000	12,112,994	-327,006
Adjusted gross income (less deficit)	554,420	603,546	49,126
Sources of income:			
Salaries and wages (gross)	451,505	498,865	47,360
Business and profession net profit less net loss	28,920	30,412	1,492
Farm net profit less net loss	3,127	3,578	451
Partnership and Small Business Corporation net profit less net loss	13,455	13,693	238
Sales of capital assets net gain less net loss	17,990	14,583	-3,407
Dividends (in adjusted gross income)	15,222	15,740	518
Interest received	16,782	19,626	2,844
Rent and royalty net income less net loss	3,475	3,335	-140
Estates and trusts net income less net loss	1,138	1,418	280
Other sources (net)[1]	2,808	2,298	-510
Taxable income	352,800	388,820	36,020
Income tax after credits	76,638	86,568	9,930
Self-employment tax	1,724	1,898	174

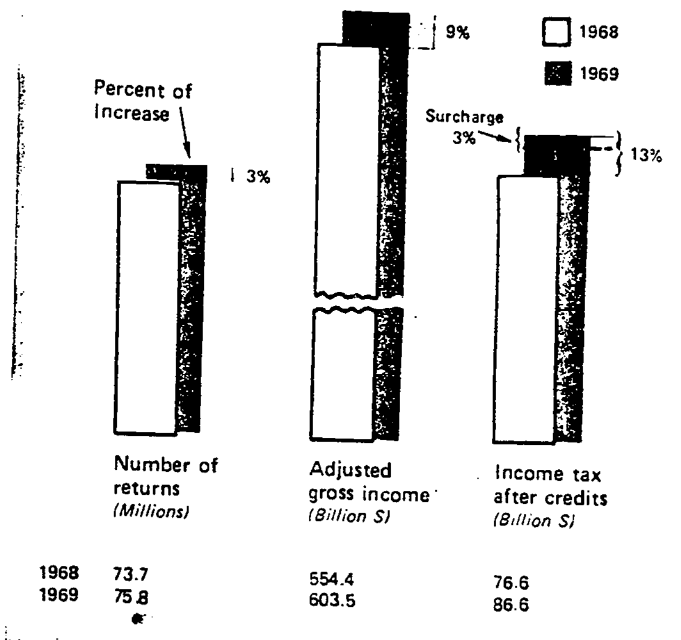
[1]Includes income from pensions and annuities, ordinary gain from depreciable property, other property income or loss, and other sources net less statutory adjustments to adjusted gross income. See "Other sources (net)" in "Explanation of Classifications and Terms."

NOTE: Amount detail may not add to total because of rounding.

following: (1) taxpayers with small amounts of tax up to $148, $223, or $293, depending on marital status, were exempt from the surcharge, (2) the surcharge was applied at an effective rate of less than 10 percent when tax was less than twice these amounts, (3) one credit

Chart 1B

Change in number of returns, income, and tax, 1968-1969



was actually allowed in computing tax for surcharge purposes, the retirement income credit, and in some cases this credit may have been large enough to offset the income tax completely, and (4) for a few returns, including some for income years prior to 1969 or for noncalendar years, the surcharge may not have applied, or may have applied at a lower rate.

Table 1B.—NUMBER OF RETURNS BY MARITAL STATUS AND ADJUSTED GROSS INCOME CLASSES, 1968 AND 1969

[Taxable and nontaxable returns]

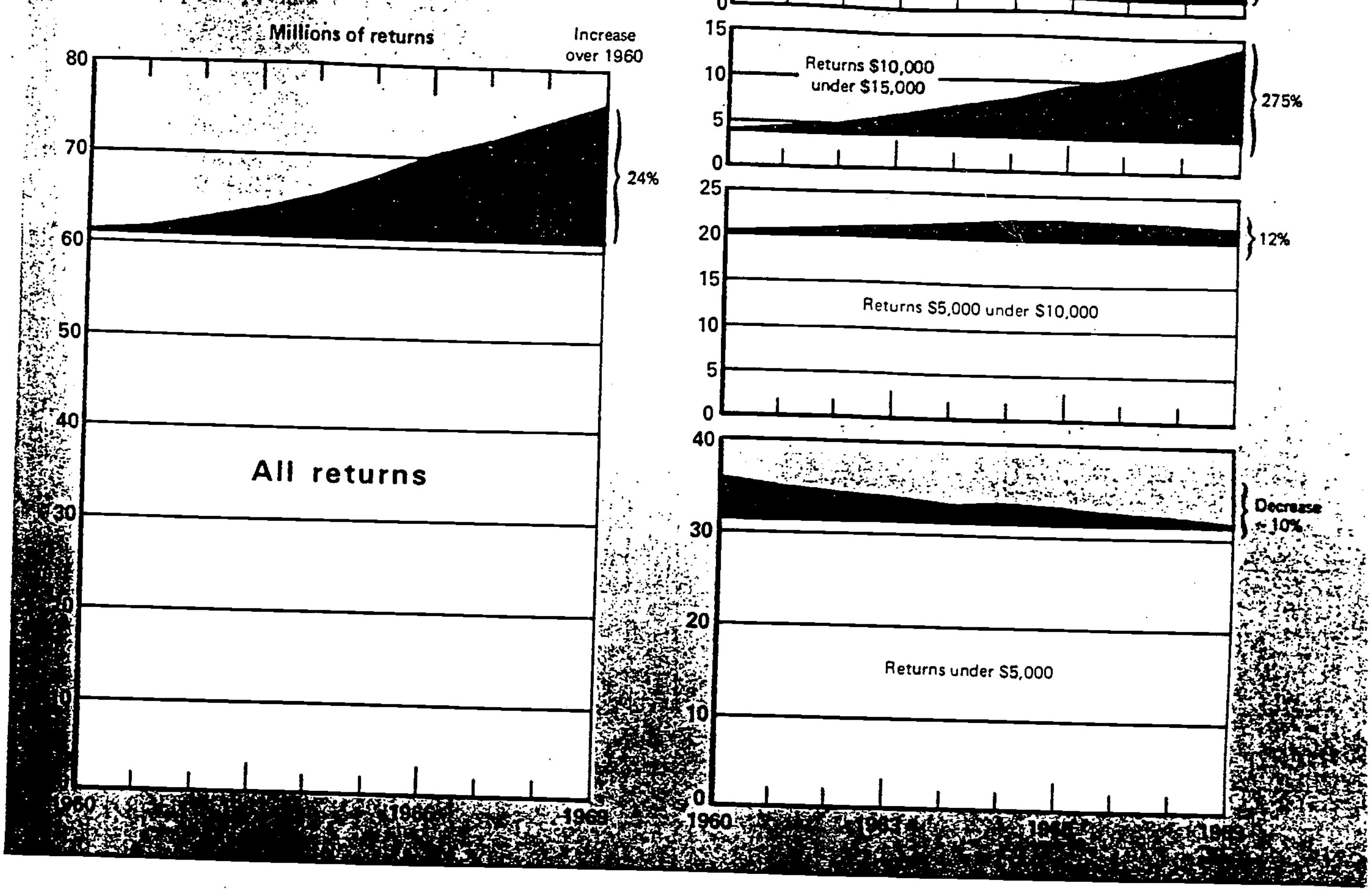
Adjusted gross income class and marital status	1968	1969	Change, 1968 to 1969
	(1)	(2)	(3)
All adjusted gross income classes	73,728,708	75,834,358	2,105,680
Joint returns of husbands and wives	41,344,129	42,429,638	1,085,509
Separate returns of husbands and wives	2,798,324	2,737,403	-60,921
Returns of heads of households	2,395,694	2,879,840	484,146
Returns of surviving spouses	230,457	294,360	63,903
Returns of single persons	26,960,104	27,493,147	533,043
Under $5,000, total[1]	31,943,514	31,405,265	-538,249
Joint returns of husbands and wives	8,105,122	7,561,573	-543,549
Separate returns of husbands and wives	1,967,824	1,815,761	-152,063
Returns of heads of households	1,055,235	1,399,321	344,086
Returns of surviving spouses	119,122	194,531	75,409
Returns of single persons	20,696,211	20,434,079	-262,132
$5,000 under $10,000, total	23,334,007	22,657,528	-676,479
Joint returns of husbands and wives	16,297,851	15,048,020	-1,249,831
Separate returns of husbands and wives	710,072	735,092	25,020
Returns of heads of households	1,078,064	1,169,978	91,914
Returns of surviving spouses	85,476	69,679	-15,797
Returns of single persons	5,162,544	5,634,759	472,215
$10,000 under $15,000, total	11,985,301	13,649,392	1,664,091
Joint returns of husbands and wives	10,910,510	12,233,585	1,323,075
Separate returns of husbands and wives	83,880	129,501	45,621
Returns of heads of households	194,072	221,272	27,200
Returns of surviving spouses	16,713	21,252	4,539
Returns of single persons	780,126	1,043,782	263,656
$15,000 or more, total	6,465,886	8,122,203	1,656,317
Joint returns of husbands and wives	6,030,646	7,586,460	1,555,814
Separate returns of husbands and wives	36,548	57,049	20,501
Returns of heads of households	68,323	89,269	20,946
Returns of surviving spouses	9,146	8,898	-248
Returns of single persons	321,223	380,527	59,304

[1]Includes returns with no adjusted gross income.

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

Chart 1C

Change in number of returns by size of adjusted gross income, 1960-1969



LOW-INCOME TAXPAYERS MADE INCREASED USE OF HEAD OF HOUSEHOLD AND SURVIVING SPOUSE TAX RATES

The total number of returns filed increased by 2.8 percent from 1968 to 1969. The increase was due entirely to returns with adjusted gross income of $10,000 or more; returns with income under $5,000 and those with income of $5,000 under $10,000 decreased by 1.6 percent and 2.8 percent, respectively. Chart 1C shows that the number of returns with income under $5,000 declined steadily during the 1960's, while returns with income of $10,000 or more were increasing; the number of returns with income of $5,000 or more increased from 1960 to 1966 then decreased from 1966 to 1969.

Table 1B shows that, for 1969, returns filed by heads of households and surviving spouses did not follow the general trend. In contrast to the moderate, 2.8 percent, increase for all returns, head of household returns increased by 20.2 percent and surviving spouse returns by 27.7 percent. Moreover, the increase was concentrated among returns with income under $5,000, whereas the number of returns for every other marital status group in that income class declined.

Filing as head of household or surviving spouse afforded special tax benefits to the unmarried (widowed or divorced) taxpayer who was maintaining a household for his or her children. Neither marital status could be claimed on the short punchcard Form 1040A, used through tax year 1968, so that a low-income person eligible to file as head of household or surviving spouse may not have done so because he chose to use Form 1040A. For 1969, with only one tax form available, many of these taxpayers may have made use of this more beneficial tax computation.

MARRIED PERSONS FILED SEPARATE RETURNS MAINLY WHEN BOTH SPOUSES HAD INCOME

When a separate return was filed by a married person who wished to file independently of his spouse, each spouse reported his own income, exemptions, deductions, and tax. In certain cases, a married taxpayer used this filing method even though his spouse earned no income, and he was thus entitled to claim an exemption for both himself and his spouse. By filing separately, the taxpayer became solely liable for any tax due on his re-

Table 1C.—SEPARATE RETURNS OF HUSBANDS AND WIVES: NUMBER OF RETURNS BY SPOUSE-FILING STATUS AND BY ADJUSTED GROSS INCOME CLASSES

Adjusted gross income classes	All returns	Spouse filing	Spouse not filing
	(1)	(2)	(3)
Grand total	2,737,403	2,348,307	389,096
Taxable returns, total	2,152,742	1,946,376	206,366
Under $1,000	42,896	41,231	(*)
$1,000 under $2,000	252,650	230,602	22,048
$2,000 under $3,000	291,232	271,405	19,827
$3,000 under $4,000	365,837	325,444	40,393
$4,000 under $5,000	291,080	260,623	30,457
$5,000 under $6,000	245,035	225,550	19,485
$6,000 under $7,000	160,134	140,777	19,357
$7,000 under $8,000	136,303	120,596	15,707
$8,000 under $9,000	111,724	99,208	12,516
$9,000 under $10,000	70,333	63,239	(*)
$10,000 under $15,000	129,021	117,566	11,455
$15,000 under $20,000	29,057	25,873	3,179
$20,000 under $25,000	11,119	9,680	1,439
$25,000 under $30,000	5,325	4,538	787
$30,000 under $50,000	7,684	7,129	555
$50,000 under $100,000	2,517	2,181	336
$100,000 under $200,000	497	458	39
$200,000 under $500,000	213	190	23
$500,000 under $1,000,000	47	44	3
$1,000,000 or more	38	37	1
Nontaxable returns, total	584,661	401,931	182,730
No adjusted gross income	17,243	13,220	(*)
Under $600	122,295	109,714	12,581
$600 under $1,000	125,324	88,490	36,834
$1,000 under $2,000	176,097	115,205	60,892
$2,000 under $3,000	73,123	38,434	34,689
$3,000 under $4,000	37,997	18,408	19,589
$4,000 under $5,000	19,987	9,819	14,122
$5,000 or more	12,595	8,641	
Returns under $5,000	1,815,761	1,522,595	293,166
Returns $5,000 under $10,000	735,092	657,212	77,880
Returns $10,000 under $15,000	129,501	117,845	11,656
Returns $15,000 or more	57,049	50,655	6,394

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

turn, and solely eligible to receive any refunds. However, unless his taxable income was under $500, he ended up being taxed at a higher rate than if he had elected joint return filing status.

For the first time, on the 1969 Form 1040, the taxpayer filing a separate return was supposed to check a special box to indicate whether or not his spouse was also filing. Table 1C shows that of the 2.7 million returns of married persons filing separately for 1969, only 0.4 million indicated that the spouse was not also filing.

PATTERNS OF INCOME VIRTUALLY UNCHANGED OVER 2-YEAR PERIOD

In classifying a return for patterns of income tables, each source of income reported was classified as belonging to one of four categories. The four categories used in classifying the returns were salaries and wages, business income, income from sales of property, and all other income (mainly from investments).

As shown in table 1D, somewhat more than half of all returns for 1969 showed only one category of income, and, as expected, in the vast majority of cases it was salaries and wages. Roughly one-third of the returns showed two categories of income and these usually included salaries and wages and "all other income," which encompasses interest and dividends. Table 1.11

Table 1D.—SELECTED PATTERNS OF INCOME BY INCOME CATEGORY

[Money amounts in thousands of dollars]

Income category	Total, all returns	Returns with— One category	Returns with— Two categories	Returns with— Three categories	Returns with— Four categories
	(1)	(2)	(3)	(4)	(5)
NUMBER OF RETURNS					
Totals, all income categories	75,834,388	39,089,584	26,686,537	8,223,966	1,834,301
Salaries and wages (gross)	67,855,186	35,445,448	23,644,650	6,930,787	1,834,301
Business net income or loss[1]	10,612,015	1,038,687	3,572,898	4,166,129	1,834,301
Sales of property net gain or loss[2]	9,355,283	9,259	1,854,387	5,657,336	1,834,301
Other sources (net)[3]	36,649,276	2,596,190	24,301,139	7,917,646	1,834,301
AMOUNTS[4]					
Totals, all income categories	610,460,527	204,927,680	245,299,683	117,988,682	42,244,482
Salaries and wages (gross)	498,864,696	191,512,528	208,786,714	76,658,734	21,906,719
Business net income or loss[1]	47,682,042	4,547,392	14,274,190	20,483,312	8,377,148
Sales of property net gain or loss[2]	14,635,596	23,240	2,313,395	6,731,867	5,567,094
Other sources (net)[3]	49,278,194	8,844,520	19,925,384	14,114,769	6,393,521

[1]Includes business or profession, farm, partnership and Small Business Corporation net profit or net loss.
[2]Includes gain or loss from sales of capital assets, gain from sales of depreciable property, and gain or loss from sales of property other than capital assets.
[3]Includes dividends in adjusted gross income, interest received, rent, royalty, estate and trust, net income or net loss, pension and annuities, other sources net income or loss, and income or loss not allocable.
[4]Entries in this portion of the table do not overlap, as an example, for the 23,644,650 returns with salaries and wages and one other income category, the total amount of salaries and wages of these returns was $208,786,714,000.

Table 1E.—NONTAXABLE RETURNS BY ADJUSTED GROSS INCOME CLASSES

[Money amounts in thousands of dollars]

Adjusted gross income classes	Number of returns	Adjusted gross income	Total deductions	Exemptions: Number	Exemptions: Amount	Taxable income	Income tax before credits	Surcharge	Tax credits
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Total	12,112,994	[1]15,326,575	8,103,384	28,976,996	17,386,198	665,758	128,966	8,094	137,757
Under $5,000	11,708,022	[1]12,016,126	6,115,772	26,563,600	15,938,160	240,278	33,808	146	34,039
$5,000 under $10,000	364,981	2,288,967	976,818	2,251,529	1,350,917	224,740	34,861	2,097	36,960
$10,000 under $15,000	23,993	283,212	219,740	102,200	61,320	66,759	11,904	1,147	13,220
$15,000 or more	15,998	738,270	791,053	59,667	35,800	133,981	48,393	4,704	53,539

[1]Adjusted gross income less deficit.

69 006

presents data for each of the fifteen combinations of one to four categories of income. It shows virtually no change in the percentage distribution of returns over the fifteen patterns of income since 1967, the last year for which such data were presented.

NONTAXABLE RETURNS

Characteristics of nontaxable returns are summarized in table 1E. About one of every six returns was nontaxable, that is, the returns showed no income tax after credits for 1969. About 97 percent of these returns indicated adjusted gross income under $5,000. The dollar amount of exemptions on nontaxable returns with adjusted gross income under $5,000 exceeded the adjusted gross income, indicating that many of these lower income taxpayers had less than $600 of income for each exemption to which they were entitled.

Table 1E also shows that, for taxpayers with income of $15,000 or more who paid no income tax, total deductions exceeded adjusted gross income. Some taxpayers reported deductions in excess of their income in order to qualify for the charitable contribution carryover. The carryover provision allowed taxpayers to "use up" in any of the 5 succeeding years that portion of their contributions to certain charitable institutions which could not be deducted in the current year, provided they were within the percentage ceiling limitation for each year.

More detailed information on nontaxable returns is shown in basic table 1.9. It shows that the 12.1 million nontaxable returns consisted of 0.5 million returns with no adjusted gross income, 11.2 million returns with positive adjusted gross income which was fully offset by personal deductions and exemptions, and 0.5 million returns with taxable income but with the tax offset by credits. Tax credits included those granted on retirement income for certain types of investments, and taxes paid to foreign governments.

While nearly all nontaxable returns showed moc levels of income, there were also 745 returns that sho adjusted gross income of $100,000 or more. Total justed gross income on these high income retu amounted to $338.0 million. The major reason for tl nontaxability was the $432.1 million of personal ded tions reported. Data published for tax year 1968, last year for which we tabulated deductions by t revealed that over half these deductions resulted f contributions to charitable, religious, and educati organizations. Personal exemptions totaled $1.6 mil for 1969. Only $295.9 million of these deductions exemptions were subtracted from adjusted gross inc in the computation of taxable income. The amount over was in excess of adjusted gross income and c not be used (although some of the charitable contribut in excess of income may have been carried over and in a later year). After deduction of these amounts, of these high-income returns had no taxable income 90 had taxable income of $42.1 million in aggreg

On the 90 nontaxable returns with taxable inc income tax before credits of nearly $27.8 million assessed as well as the additional surcharge w totaled $2.8 million. These assessments were, howe more than offset by $30.7 million of statutory tax cre of which the major type, the credit for tax paid foreign government, amounted to $29.2 million.

DIVIDENDS ON 4.5 MILLION RETURNS TAX FRE

Each taxpayer may have been eligible to exclud to $100 of his dividend income in computing adju gross income. The logic for this preferential treatr was that dividends represented the profits of U.S. co rations that had already been taxed at the corpo

Table 1F.—DIVIDENDS BY ADJUSTED GROSS INCOME CLASSES

[Money amounts in thousands of dollars]

Adjusted gross income classes	Domestic and foreign dividends received, total		Dividend exclusion		Dividends in adj gross income	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amo
	(1)	(2)	(3)	(4)	(5)	(6
Total	12,160,275	16,926,460	11,606,477	1,186,856	7,658,789	15,
No adjusted gross income	85,046	112,243	80,317	7,966	55,308	
Under $600	121,895	26,060	108,620	7,610	66,605	
$600 under $1,000	184,840	55,133	166,787	12,775	126,507	
$1,000 under $2,000	633,810	256,319	585,648	50,810	439,915	
$2,000 under $3,000	581,891	314,441	550,231	51,469	420,433	
$3,000 under $4,000	588,273	376,139	543,510	53,533	420,016	
$4,000 under $5,000	480,797	300,047	456,009	43,959	334,863	
$5,000 under $6,000	549,788	418,422	523,098	49,335	372,995	
$6,000 under $7,000	499,876	314,667	471,377	42,663	308,938	
$7,000 under $8,000	552,086	347,492	521,529	47,792	338,739	
$8,000 under $9,000	597,[illegible]7	369,026	559,322	49,840	350,722	
$9,000 under $10,000	622,970	410,398	592,688	54,646	362,250	
$10,000 under $15,000	2,794,415	1,738,592	2,666,629	245,957	1,464,846	1,
$15,000 under $20,000	1,678,971	1,375,696	1,623,176	174,666	954,542	1,
$20,000 under $25,000	811,947	1,047,680	794,219	96,870	526,387	
$25,000 under $30,000	419,180	914,375	413,427	54,642	306,829	
$30,000 under $50,000	598,535	2,242,715	592,891	85,569	483,428	2,
$50,000 under $100,000	282,320	2,522,333	280,825	44,179	252,224	2,
$100,000 under $200,000	58,823	1,644,603	58,570	9,625	55,996	1,
$200,000 under $500,000	14,071	1,142,298	14,020	2,348	13,714	1,
$500,000 under $1,000,000	2,419	421,351	2,413	406	2,372	
$1,000,000 or more	1,175	576,430	1,171	196	1,160	
Returns under $5,000	2,676,552	1,440,381	2,491,122	228,122	1,863,647	1,
Returns $5,000 under $10,000	2,821,867	1,860,005	2,668,014	244,276	1,733,644	1,
Returns $10,000 under $15,000	2,794,415	1,738,592	2,666,629	245,957	1,464,846	1,
Returns $15,000 or more	3,867,441	11,887,482	3,780,712	468,501	2,596,652	11,

NOTE: Amount detail may not add to total because of rounding.

Table 1G.—SELECTED CHARACTERISTICS OF RETURNS WITH FORM W-2 ATTACHED BY ADJUSTED GROSS INCOME CLASSES

[Taxable and nontaxable returns; money amounts in thousands of dollars]

Adjusted gross income classes	Number of returns	Adjusted gross income	Salaries and wages: Number of returns	Salaries and wages: Amount	Income tax after credits	Income tax withheld[1]: Number of returns	Income tax withheld[1]: Amount	Form W-2, Wage and Tax Statement — Income tax information — Wages and other compensation[2]: Number of returns	Wages and other compensation[2]: Amount	Income tax withheld: Number of returns	Income tax withheld: Amount	Social security information — Social security taxes (FICA): Number of returns	Social security taxes (FICA): Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Total..........	66,701,493	535,202,513	66,644,559	493,740,255	74,736,365	65,853,719	75,169,011	66,700,995	492,389,227	65,405,906	74,941,518	62,907,636	17,153,490
Under $5,000..........	25,883,391	58,064,295	25,845,298	57,997,392	4,262,191	25,167,068	6,956,834	25,883,138	58,135,314	24,965,321	6,888,205	24,859,212	2,627,289
$5,000 under $10,000...	20,803,505	155,145,549	20,794,319	149,909,163	17,029,860	20,701,038	20,477,046	20,803,505	149,550,563	20,572,321	20,525,818	19,384,389	6,189,863
$10,000 under $15,000..	12,921,825	156,770,219	12,917,125	150,670,364	20,442,367	12,922,589	22,779,064	12,921,656	150,398,322	12,857,517	22,921,501	12,119,546	5,192,504
$15,000 or more.......	7,092,772	165,222,450	7,087,817	135,163,336	32,995,147	7,063,024	24,956,067	7,092,696	134,305,023	7,010,747	24,805,974	6,544,489	3,193,834

[1]Includes excess social security taxes withheld.
[2]A small number of returns (498) had wages of other compensation subject to FICA but not subject to the withholding of income tax.

level. Dividends from foreign corporations were not eligible for the exclusion. In the case of a husband and wife filing a joint return, each spouse could exclude up to $100 of eligible dividends.

Table 1F shows that $1.2 billion of the $16.9 billion of dividends reported on tax returns were excluded from adjusted gross income. Of the 12.2 million taxpayers reporting such income, 4.5 million excluded the entire amount, indicating that their total dividend income was less than the allowable exclusion.

W-2 WAGE AND TAX STATEMENT PROVIDED

Tabulations of items shown on Form W-2, the wage and tax statement supplied by the employer, are included in this report.

Table 1.19 shows that 130.3 million Forms W-2 were attached to 66.7 million returns, an average of two per return. Thirty-two million returns, or 48 percent, had one Form W-2 attached to the return. About 19.5 million returns, or 29 percent, had two Forms W-2 and the remaining returns, 15.2 million--23 percent of the total--had three or more W-2's per return. Joint returns accounted for a much higher proportion of multiple Forms W-2 (62 percent) than nonjoint returns (39 percent) reflecting the employment of both husband and wife and multiple jobholding by one or both spouses. The latter is more clearly indicated by joint returns with more than two Forms W-2 attached. Of the total joint returns with Forms W-2 attached, 38 percent indicated one W-2, 34 percent indicated two W-2's; and 28 percent indicated more than two W-2's. In contrast, 61 percent of nonjoint returns had one Form W-2; 23 percent, two; and 16 percent, more than two.

Employers issued Form W-2 to their employees to indicate:

(1) the amount of wages paid subject to withholding for income tax as well as other employee compensation;
(2) the amount of Federal income tax withheld;
(3) the amount of social security taxes (FICA) withheld on wages covered by social security.

Employees in turn were required to file this form with their tax return and to enter the amounts of wages, other compensation, and income tax withheld on the return. Columns 8 through 13 of table 1G show these amounts tabulated along with the associated return counts.

The wages subject to withholding and, as explained below, most of the other compensation shown on Forms W-2 were to be entered by taxpayers as salaries and wages on Form 1040. Income tax withheld was entered as such on the return. Columns 1 through 7 of table 1G show amounts tabulated from Forms 1040 to which Forms W-2 were attached. The amounts of salaries and wages and income tax withheld, taken from Form 1040, were closely related to the corresponding amounts of wages and other compensation, and to income tax withheld, taken from Form W-2.

Although approximately equal, the salaries and wages from the return and the attached Form W-2 statement were not entirely comparable. Form 1040 salaries and wages included all salaries and wages whether or not subject to withholding except tax-exempt salaries earned abroad. They also included directors' fees, bonuses, and excess reimbursement for employee travel expenses. Form W-2 wages did not include wages paid to employees of foreign governments or international organizations, wages paid to agricultural laborers, and wages paid to household employees because none of these were subject to tax withholding. (Agricultural laborers and household employees were subject to withholding of social security taxes, however, and are thus included in the FICA tax data.) In addition, Form W-2 sometimes included tax-exempt salaries and wages earned abroad.

Other compensation, which is combined with Form W-2 wages in column 9 of table 1G, included commissions paid to certain self-employed individuals, travel allowances, and employer payments (to the extent that they were not tax exempt) toward their employees' life insurance. On separate returns of husbands and wives in community property States, W-2 income and tax withheld were often twice the amounts entered on the return, since each spouse reported only one-half the couple's combined wages on his or her return.

69 008

Table 1H.—SELECTED SOURCES OF INCOME BY MARITAL STATUS OR SEX OF TAXPAYER

[Numbers in thousands of returns; money amounts in millions of dollars]

Selected sources of income	All returns		Joint returns of husbands and wives		Other returns					
					Total		Filed by men		Filed by women	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Adjusted gross income (less deficit)	75,534	603,546	42,430	470,952	33,405	132,593	17,258	68,448	16,147	64
Salaries and wages (gross)	67,655	493,365	38,107	389,760	29,748	109,104	15,937	60,333	13,811	48
Business or profession:										
Net profit	4,909	33,111	4,116	30,026	793	3,086	442	2,015	351	1
Net loss	1,175	2,700	952	2,195	223	505	136	331	87	
Farm:										
Net profit	1,937	6,142	1,555	5,438	382	704	243	461	139	
Net loss	1,155	2,565	1,012	2,267	143	278	90	176	53	
Sales of capital assets:										
Net gain	6,975	16,378	4,999	12,884	1,976	3,195	742	1,293	1,228	[illegible]
Net loss	2,111	1,435	1,551	1,035	559	399	292	203	261	
Dividends in adjusted gross income	7,659	15,740	4,770	9,924	2,889	5,816	961	1,523	1,928	[illegible]
Interest received	32,127	19,626	21,294	12,893	10,833	6,733	4,501	2,057	6,332	[illegible]
Pensions and annuities (taxable portion)	3,244	6,918	2,015	4,750	1,229	2,168	418	780	811	[illegible]
Estates and trusts:										
Net income	567	1,485	313	742	254	743	60	151	194	
Net loss	44	67	28	40	16	26	5	4	11	

NOTE: Detail may not add to total due to rounding.

In addition, some taxpayers with income from pensions and annuities or from partnerships attached statements to their returns on these earnings, using forms resembling the W-2. These earnings are thus reflected in the Form W-2 compensation statistics. In general, the Form 1040 data on salaries and wages conform more closely to the concept used in other statistical series than do the Form W-2 data.

Income tax withheld tends to be slightly higher on Form 1040 than on Form W-2, since Form 1040 withholding includes "excess FICA withheld," the amounts in excess of $374.40 withheld from the taxpayer's wages for Social Security purposes. On the other hand, in the case of separate returns from community property States, the amounts of withholding shown on some returns may have equaled only one-half the amount shown on the W-2.

While the tax return does not specifically call for an indication of sex of the taxpayer, a determination was made for this report on the basis of evidence on the return such as the taxpayer's title (Mr., Mrs., Miss); marital status (a joint return indicates one male, one female taxpayer); the taxpayer's first name; and, in the case of self-employed taxpayers, sex designation supplied on Schedule SE. On the basis of this information, returns were classified as returns filed by individual men, individual women, or as joint returns filed by married couples. In the case of joint returns, attached Forms W-2 were used to separate salaries and wages of husband and wife.

INCOME OF MEN, WOMEN, AND MARRIED COUPLES

Table 1H indicates that the average adjusted gross income shown on returns filed by unmarried men or by married men filing separately--$3,966--about equaled the average adjusted gross income of $3,973 shown on returns filed by unmarried women or by married women filing separately. Average adjusted gross income reported on joint returns of husbands and wives ($11,100) was, however, more than two and one-half times that of "other" returns.

Table 1I.—JOINT RETURNS WITH WAGES AND OTHER COMPENSATION FROM FORM W-2: WAGES OF HUSBANDS AND WIVES BY ADJUSTED GROSS INCOM CLASSES

[Numbers in millions of returns; money amounts in billions of dollars]

	Adjusted gross income classes				
	Total	Under $5,000	$5,000 under $10,000	$10,000 under $15,000	$15,0 or m
	(1)	(2)	(3)	(4)	(5)
TOTAL					
Number of returns	37.5	5.3	13.8	11.7	
Wages and other compensation:					
Amount	413.0	20.2	106.2	142.9	[illegible]
Average ......dollars	11,001	3,843	7,670	12,236	21
HUSBANDS					
Number of returns	35.7	4.5	13.2	11.4	
Percent of total	95	86	95	96	
Wages and other compensation:					
Amount	319.3	13.3	87.4	112.2	[illegible]
Average ......dollars	8,954	2,945	6,628	9,829	16,
WIVES					
Number of returns	19.2	2.2	6.3	6.8	[illegible]
Percent of total	51	41	45	58	
Wages and other compensation:					
Amount	93.7	6.9	18.8	30.7	
Average ......dollars	4,883	3,224	3,000	4,493	9

NOTE: Detail may not add to total due to rounding.

Average salaries and wages on "other" retu (i.e., nonjoint returns) filed by men equaled $3, about $250 higher than the average salaries and wa on "other" returns filed by women. Men also higher averages for the following types of inco business or profession, farm, sales of capital ass and pensions and annuities. On the other hand, returns of women indicated higher averages for divic and interest income, and for income from estates trusts.

While the number of "other" returns filed by was about the same as the number filed by women, th were noticeable differences in the number of retu by source of income or loss. For example, twic many women as men reported dividends and pen and annuity income while three times as many wo as men reported net income from estates and tru Additional detail relating to returns filed by men women filing separately is shown in tables 1.21 1.22.

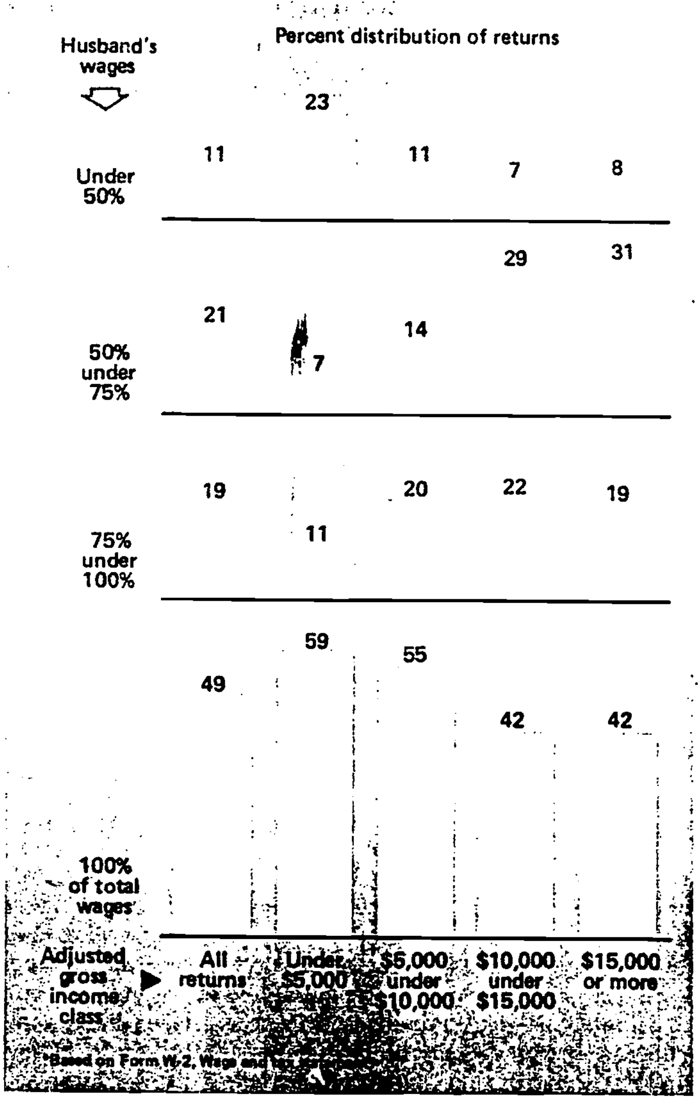
It is not possible in the case of joint returns, to attribute the detail of every source of income to either the husband or the wife. However, by making use of the information supplied on attached Forms W-2, one can determine the salaries and wages earned by each. Table 11 indicates that the average salary of husbands reported on joint returns was $8,954, as compared with an average $4,883 for their wives. Just over one-half of the wives filing jointly with their husbands were wage earners.

Chart 1D indicates that among couples with incomes under $5,000, only about 40 percent of the wives worked. On the other hand, 23 percent of the wives in this income group earned more than half of the couple's combined wages. The earnings of husbands and wives tended to be closer on returns with incomes of $15,000 or more; 58 percent of the wives in this group worked, and on roughly one-third of the returns, the wife earned between 25 and 50 percent of the couple's combined wages.

Chart 1E shows that women earned only about $94 billion of the $413 billion in wages shown on joint returns. In contrast, the wages of men on nonjoint returns were only slightly higher than those of women, reflecting a more equal participation of male and female wage earners filing nonjoint returns. The average shown on Forms W-2 of men ($3,836) and women ($3,495) filing nonjoint returns also tended to be relatively close (see table 1.18).

Chart 1D

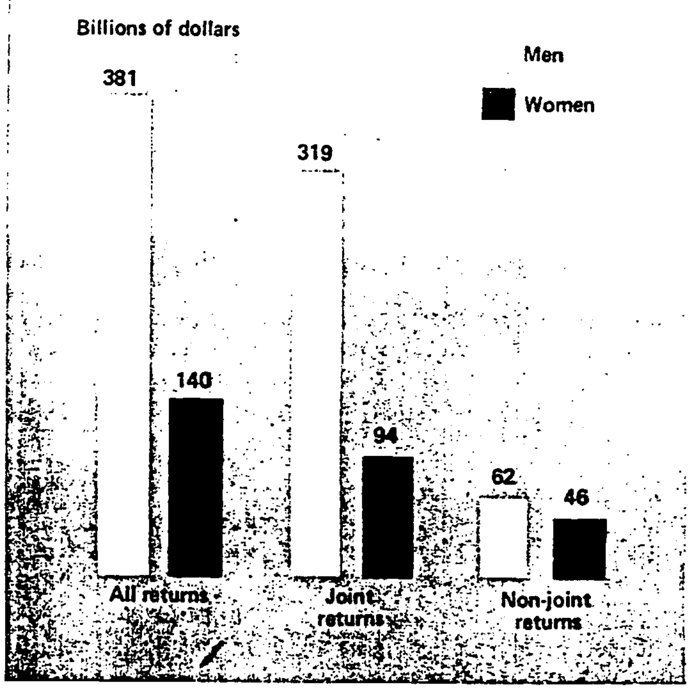
Joint returns with husband's wages* as a percent of total wages by AGI class



*Based on Form W-2, Wage and tax statement

Chart 1E

Wages and other compensation from Form W-2 by sex of taxpayer



CONTENTS

Sources of the Data, Description of the Sample and Limitations of the Data

SOURCES OF DATA

Individual income tax data in this report were estimated from a sample of unaudited tax returns, Forms 1040, filed by U.S. citizens and residents and revenue-processed during the calendar year 1970 in the service centers and district offices of the Internal Revenue Service and at the Office of International Operations in the National Office.

The statistics in this report are intended to represent the total returns for income year 1969. While the overwhelming majority of returns revenue-processed in 1970 were for calendar year 1969, a few of them were for non-calendar years ended during 1969 and 1970, and some others were delinquent returns for prior years. Prior year delinquent returns were used for the 1969 statistics in place of 1969 returns processed after December 31, 1970. In general, the characteristics of returns due but not yet filed could be represented best by the returns for previous income years that were processed in 1970.

All returns processed during 1970 were subjected to sampling, with a few exclusions. The exclusions consisted of tentative returns and amended returns for income year 1969, and certain returns for prior years. Tentative returns were not subjected to sampling because the revised returns may have been sampled later on, while amended returns were excluded because the original returns were already subjected to sampling. With the exception of returns filed at the Office of International Operations, returns for income years prior to 1962 (generally speaking, a very small number) were excluded to simplify sampling procedures.

An individual income tax return was required of (1) every citizen or resident alien of the U.S., and every bona fide resident of Puerto Rico, under 65 years of age (including minors), who had $600 or more of "gross income" for the year, (2) every citizen or resident 65 years of age or over who had $1,200 or more gross income for the year, and (3) every person, regardless of age or gross income, who had self-employment income of $400 or more during the tax year. Gross income, for purposes of filing, included income earned from sources outside the United States, even though the income was exempt from tax. However, in the case of individuals who were residents of Puerto Rico, gross income, for purposes of filing, did not include income derived from sources within Puerto Rico, except amounts received for services performed as an employee of the United States Government.

Individuals who had tax withheld from wages, but whose income was less than that required for filing, usually filed to obtain a refund of tax withheld, although they were not otherwise required to file.

DESCRIPTION OF THE SAMPLE AND LIMITATIONS OF THE DATA

Description of the Sample

The data presented for individual income tax returns for tax year 1969 are estimates based on a stratified sample of all Form 1040 returns processed in the calendar year 1970. The total sample consisted of 254,166 returns, about three-tenths of one percent of the total number processed for the year.

Sample selection

All returns filed with the seven Internal Revenue service centers, the 58 district offices, and with the Office of International Operations were initially grouped for revenue processing based on the presence or absence of business schedules. However, special criteria were needed for sampling.

For this purpose, service center and district office returns were stratified by computer in each service center based on size of adjusted gross income or deficit, total business receipts, and the largest source of income or loss. Sampling of nonbusiness returns was based on size of adjusted gross income or deficit or the largest source of income or loss; whereas sampling of business returns

69 011

Table 7A.—NUMBER OF INDIVIDUAL INCOME TAX RETURNS IN POPULATION, NUMBER IN SAMPLE, PRESCRIBED AND ACHIEVED SAMPLING RATES BY SAMPLE CLASS, 1969

Sample stratum		Number of returns: Population	Number of returns: Sample	Prescribed sampling rate	Achieved sampling rate
		(1)	(2)	(3)	(4)
Total		76,431,356	254,166		
Nonbusiness returns (sampled by size of adjusted gross income or largest income item), total		67,486,666	141,767		
Adjusted gross income or largest income item—					
Under $10,000		48,507,926	29,132	.0006	.0006
$10,000 under $15,000		12,090,088	21,596	.0018	.0018
$15,000 under $20,000		4,280,787	21,313	.005	.005
$20,000 under $50,000		2,330,978	16,085	.007	.007
$50,000 under $100,000		218,039	21,594	.100	.099
$100,000 under $200,000		44,383	17,582	.400	.396
$200,000 and over		14,465	14,465	1.000	1.000
Business returns (sampled by size of adjusted gross income, largest income item, and business receipts), total		8,923,385	112,231		
Adjusted gross income or largest income item—	and Business receipts—				
Under $10,000	Under $20,000	4,464,419	13,333	.003	.003
$10,000 under $15,000 Under $10,000	Under $50,000 $20,000 under $50,000	2,201,179	13,097	.006	.006
$15,000 under $20,000 Under $15,000	Under $100,000 $50,000 under $100,000	1,020,986	13,279	.013	.013
$20,000 under $30,000 Under $20,000	Under $250,000 $100,000 under $250,000	720,154	13,755	.019	.019
$30,000 under $50,000 Under $30,000	Under $500,000 $250,000 under $500,000	334,341	15,012	.045	.045
$50,000 under $100,000 Under $50,000	Under $750,000 $500,000 under $750,000	137,616	13,746	.100	.100
$100,000 under $200,000 Under $100,000	Under $1,000,000 $750,000 under $1,000,000	28,908	14,227	.500	.492
$200,000 and over Under $200,000	Any amount $1,000,000 and over	15,782	15,782	1.000	1.000
Returns sampled by size of adjusted gross income, total		21,305	168		
Adjusted gross income—					
Under $50,000		21,263	126	.010	.006
$50,000 and over		42	42	1.000	1.000

was based on (1) adjusted gross income or deficit, or largest source of income or loss, and (2) total business receipts. In order for returns to fall within a sample stratum, all sampling criteria for that stratum had to be satisfied.

Returns filed with the Office of International Operations fell into two groups: (1) Returns for income year 1969 were computer-designated at the Mid-Atlantic Service Center based on the criteria previously stated, and (2) Returns for income years prior to 1969 were selected manually in the National Office based entirely on size of adjusted gross income.

In all seven Internal Revenue service centers, the actual selection of returns was accomplished using specified ending digits of an individual's social security number randomly chosen according to the sampling rate prescribed for that stratum. In the Office of International Operations, returns for income year 1969 were selected using the individual's social security number, whereas the returns for income years prior to 1969 were selected using account numbers assigned to the returns shortly after they were filed.

All sampling criteria and strata are described in table 7A along with the number of returns processed per stratum, the number of returns in the sample, and the prescribed and achieved sampling rates.

Differences between the prescribed and achieved sampling rates occurred for the following reasons:

(1) Not all returns designated for the sample could be obtained even after followup,

(2) Social security number ending digits used for sample selection were not distributed equally throughout each Internal Revenue Region,

(3) If the characteristics of the return varied considerably from the criteria of the assigned sampling stratum, then the return might be reassigned to another sample stratum. However, none of the returns was reassigned to a sample stratum which called for a larger weight than that required by the sample stratum in which it was originally included.

Method of estimation

The total number of returns per stratum was obtained from counts of returns filed at district offices and service centers throughout each of the seven Internal Revenue Regions and at the Office of International Operations. The adequacy of response was reviewed, by sample stratum, by applying the prescribed rates to the number of returns actually received from each location. When receipts differed considerably from the number expected, a followup was conducted.

Sampling weights were obtained by dividing the number of returns filed per sample stratum by the number of sample returns actually received for the stratum. Achieved sampling rates varied sufficiently among Internal Revenue Districts to necessitate using different sampling weights for each District for the production of tables with geographic distributions. Therefore, totals in national tables differ somewhat from corresponding totals derived from State data.

All sampling weights were converted to integer weighting factors which were then applied to each sample return by a procedure exemplified as follows: if the achieved sampling weight was 10.28 in a given sample stratum, 28 percent of the sample returns in the stratum were given a weighting factor of 11, and 72 percent, a weight of 10.

Integer weighting allows detailed weighted frequencies to add consistently to their appropriate totals in all tables since no rounding is involved. This facilitates later review of the data and assists users in following the same frequency from table to table. However, integer weights

69 012

Table 7B.—RELATIVE SAMPLING VARIABILITY AT THE ONE STANDARD DEVIATION LEVEL OF ESTIMATED NUMBER OF RETURNS, 1969

Estimated number of returns	Returns with adjusted gross income or deficit							
	Under $10,000	$10,000 under $15,000	$15,000 under $20,000	$20,000 under $30,000	$30,000 under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 and over
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	(Percent)							
50	(1)	(1)	(1)	(1)	(1)	(1)	17.3	No sampling variability
100	(1)	(1)	(1)	(1)	(1)	30.0	12.2	
200	(1)	(1)	(1)	(1)	(1)	21.2	8.7	
500	(1)	(1)	(1)	(1)	(1)	13.4	5.5	
1,000	(1)	(1)	(1)	(1)	(1)	9.5	3.9	
2,000	(1)	(1)	31.5	26.7	26.7	6.7	2.7	
5,000	(1)	33.3	19.9	16.9	16.9	4.2	1.7	
10,000	(1)	23.5	14.1	11.9	11.9	3.0	1.2	
15,000	33.3	19.2	11.5	9.8	9.8	2.4	1.0	
20,000	28.9	16.6	10.0	8.4	8.4	2.1	0.9	
25,000	25.8	14.9	8.9	7.6	7.6	1.9	0.8	
50,000	18.3	10.5	6.3	5.3	5.3	1.3	0.5	
100,000	12.9	7.4	4.5	3.8	3.8	0.9	0.4	
250,000	8.2	4.7	2.8	2.4	2.4	0.6	(2)	
500,000	5.8	3.3	2.0	1.7	1.7	0.4	(2)	
1,000,000	4.1	2.3	1.4	1.2	1.2	0.3	(2)	
5,000,000	1.8	1.0	0.5	0.4	0.4	(2)	(2)	
10,000,000	1.3	0.7	(2)	(2)	(2)	(2)	(2)	

[1] Sample too small to yield reliable estimate of sampling variability.
[2] Not applicable since the estimated number of returns is greater than population estimates.

do not have the same effect on dollar amounts. This is because dollars per return were later rounded to thousands during statistical processing. Nevertheless, efforts were made to establish "control totals" of those dollar amounts that appear in more than one national table and these totals were substituted in other tables for the convenience of the user.

A comparison of the estimated number of returns shown in the national tables of this report with the number of returns reported filed, as shown in table 7A, will disclose slight differences. These differences occur for the following reasons: (1) an estimated 555,500 returns were excluded from the tables because they showed no income information and (2) returns were classified into the proper size classes during tabulation regardless of the strata to which they were assigned for sampling purposes.

Limitations of the Data

Sampling variability

Unless based on all of the returns in the population each entry in the tables of this report is based on a sample and can be expected to differ more or less from the corresponding value that would be obtained by aggregating data from the total number of returns. A statistical measure that pertains to the difference that might be expected to result is called the "standard deviation of the estimate."

The "relative sampling variability" is the standard deviation of the estimate expressed as a percent of the estimate. The standard deviation when added to and subtracted from the estimate provides the computed upper and lower limits within which approximately two out of three estimates derived from similarly selected samples would be expected to fall. Table 7C at the end of this section, shows the relative sampling variability of selected frequency and amount estimates based on the standard formula. "Upper limit" relative sampling variability estimates based on a special formula are shown in table 7B for frequency estimates in general. These percents are somewhat higher than ones which would have been yielded by the standard formula. Column 1 of table 7B may also be used for returns not classified by size of adjusted gross income.

The conservative nature of the relative sampling variability estimates shown in table 7B may be illustrated by comparing an estimate from column 1 of this table with the calculated, more precise, relative sampling variability for a similar number of returns shown in table 7C. If 5,000,000 were the number of returns with adjusted gross income under $10,000, then the relative sampling variability obtained from column 1 of table 7B would be expected to be less than 1.8 percent. But the conservative nature of this relative sampling variability estimate may be illustrated by comparing it with the calculated, more precise, relative sampling variability estimates in table 7C for a similar number of returns in a specific adjusted gross income class. Thus, table 7C shows that for the 5,139,934 returns in the "$1,000 under $2,000" adjusted gross income class, the relative sampling variability is only 1.68 percent.

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

Other limitations due to sampling

A dash, rather than a frequency or amount, in any given table cell indicates either that there were no returns with the particular characteristic, or because of its rarity, instances of the characteristic were not present among the returns selected for the sample. However, for statistics based on returns selected for the sample at a rate of 100 percent, a dash indicates a presumption of no returns with the particular characteristic.

Sample management and non-sampling controls

An extensive system of sample management and control was used by the National Office Statistics Division to insure the selection of the prescribed sample and to provide counts of the number of returns filed in each sample class. Sample controls for the most detailed sampling groups were maintained for each Internal Revenue district office.

In editing, transcribing, and tabulating the information from the sampled returns, checks were imposed to improve the quality of the resulting estimates. Returns that showed data in accompanying schedules but not on the appropriate lines of the return forms and returns with obvious mathematical errors were edited and properly adjusted.

The quality of the statistical editing performed at the Internal Revenue Service Centers, was subject to verification (and correction) consistent with a prescribed plan. Under the plan, which was flexible according to the

69 013

proficiency of the editors, screening and fractional sampling were used to determine the returns to be verified.

In order to provide measures of accuracy of the statistical processing and secure greater consistency among the processing centers, a sub-sample of the returns and abstract sheets were independently reprocessed in the Statistics Division. Data generated under this program were utilized to clarify the editing instructions and to inform the processing centers of the findings.

Keypunching of all data was also key verified in the service center. Prior to tabulation at the Internal Revenue Service Data Center, numerous tests for internal consistency were designated by the Statistics Division and were applied to the data by computer. This assured that proper balance and relationships among the return it and statistical classifications were maintained.

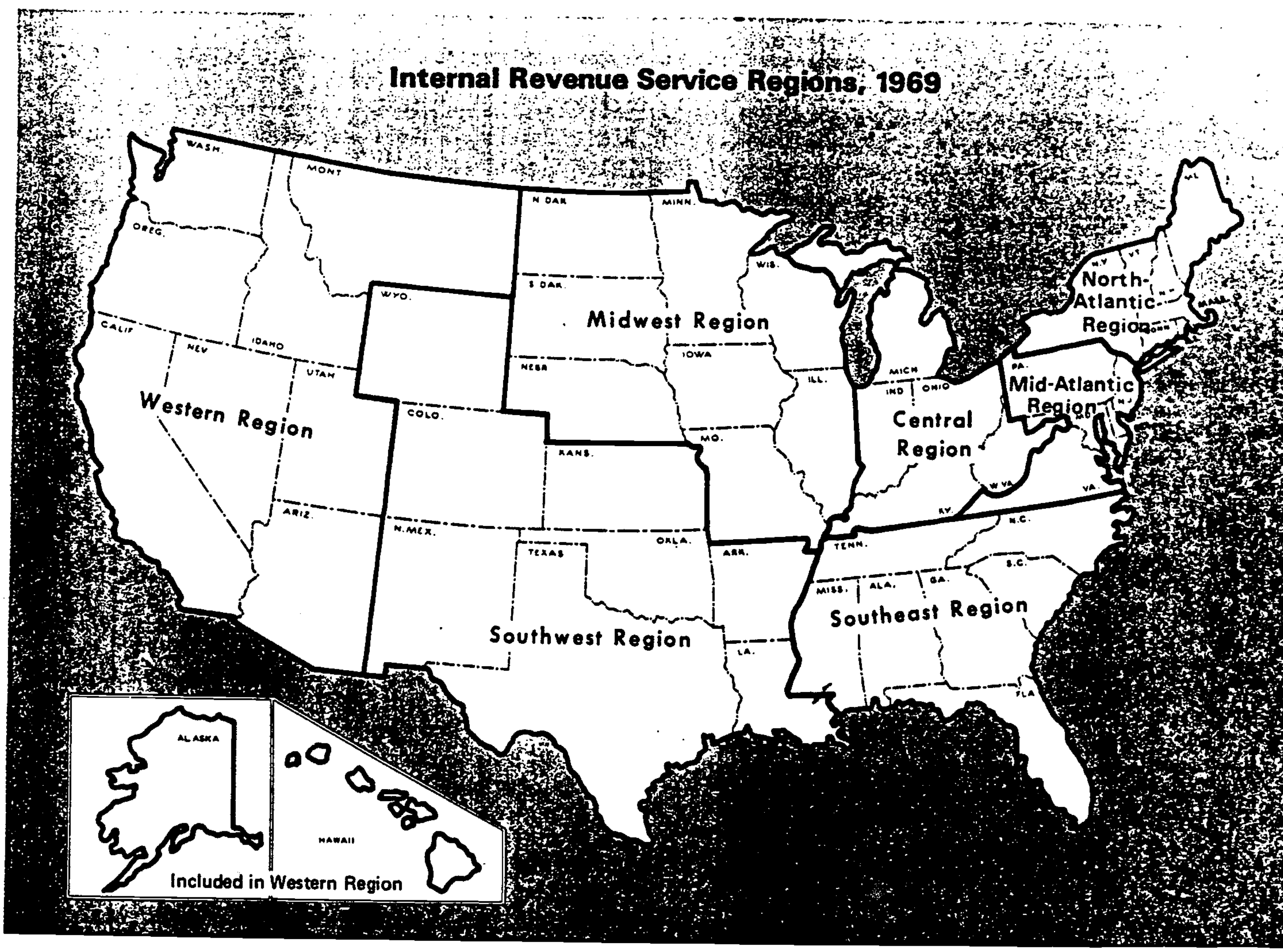
Finally, prior to publication, all statistics were viewed for accuracy and reasonableness, in light of visions of tax law, taxpayer reporting variations limitations, economic conditions, comparability other statistical series, and statistical techniques in data processing.

However, the controls maintained over the selec of the sample returns, the processing of the source c and the review of the statistics did not completely el nate the possibility of error. In addition, practica: erating considerations necessitated allowance of rea able tolerances in the statistical processing of the

69 014

State and Metropolita Area Dat

CONTENTS



This section of the report presents individual income tax data for each of the 50 States and for the 125 largest standard metropolitan statistical areas. Summary tabulations are shown for the seven Internal Revenue Service Regions and two standard consolidated areas. The methods used in coding returns for these geographic classifications, and the limitations of these methods, are explained in the text below.

State classifications in the *Statistics of Income* series are based on the district code given each return in the Internal Revenue district office or regional service center in which it was filed. Taxpayers were instructed to file their returns in the district or region in which they resided, and to the extent that they did so, the State data reflect an accurate picture of taxpayers within each State. Most taxpayers did file in the correct place. However, there were some returns filed in an incorrect place due to the reasons cited below.

(1) Some taxpayers who had moved filed with the district office or regional service center serving the area in which they used to live, either out of habit or because IRS had sent them a preprinted envelope addressed to the service center of the region in which the taxpayer formerly resided.

(2) Some taxpayers filed from their place of business rather than their place of residence, for example, a Connecticut commuter filing with the district office serving New York City, his place of business, rather than the one serving Connecticut, his place of residence.

(3) Some taxpayers filed from their tax lawyer's or accountant's place of business, which again may have been in another State from the taxpayer's residence.

(4) Some taxpayers may simply have misunderstood the instructions on where to file.

The effect of a taxpayer filing in the wrong place depended on whether he was filing with the wrong district office, the wrong service center, or with the National Office of IRS in Washington, D.C.

(1) If a taxpayer sent his return to a district office in a State other than the one in which he resided, his return would have been classified for the State to which he sent it. Based on the results of an earlier special study, the number of such returns tended to be counterbalanced by a similar number filed by taxpayers who resided in that State but sent their returns elsewhere.

(2) If the taxpayer filed his return with the wrong regional service center, it was arbitrarily classified for one of the States in that region. The States chosen for classifying out-of-region returns are as follows: in the Central Region, Ohio; in the Mid-Atlantic Region, Maryland; in the Midwest Region, Illinois; in the North-Atlantic Region, Connecticut; in the Southeast Region, Florida; in the Southwest Region, Texas; and in the Western Region, California. As a result, data for these States may be somewhat overstated. Data for all other States tend to be very slightly understated; however, since the effect is spread over all 43 remaining States, it is not of great significance in any one State.

(3) If the return was sent to the National Office, it was processed in the Mid-Atlantic Service Center. If such a return came from a State not in the Mid-Atlantic Region, it was coded as a Maryland return. Therefore, the Maryland estimates, based on the earlier special study cited previously, may be overstated by as much as 10 percent. Part of the overstatement in Maryland is due also to the fact that service personnel stationed abroad erroneously sent their returns to the National Office or the Baltimore District Office.

Many service personnel stationed abroad also file their returns in New York, California, or Washington State, where the Army Post Offices (APO's) and Fleet Post Offices (FPO's) are located. However, each State total contains at least a few returns of such personnel stationed abroad.

Table 5A compares State data from 1969 tax returns (filed around April 15, 1970) to population data from the April 1, 1970 Census. Differences between the two series are related both to the limitations of the State classifications mentioned above, and to conceptual differences between IRS and Census data.

The data used in this comparison are:

1. Population used as a basis for Congressional apportionment as reported in the 1970 Census.

This includes, for each State, not only the resident population, but also Government employees (civilian and

Table 5A.—NUMBER OF RETURNS, NUMBER OF TAXPAYERS, NUMBER OF PERSONS REPRESENTED ON TAX RETURNS, AND 1970 POPULATION, BY STATES

States	Number of returns	Number of taxpayers	Number of persons represented on tax returns	1970 population	Column 3 as a percent of column 4
	(1)	(2)	(3)	(4)	(5)
United States, total[1]	75,844,914	118,645,869	196,761,234	204,765,770	96.1
Alabama	1,054,293	1,741,643	2,963,490	3,475,885	85.3
Alaska	90,953	145,276	242,820	304,067	79.9
Arizona	614,078	989,755	1,684,932	1,787,620	94.3
Arkansas	611,567	992,912	1,591,048	1,942,303	81.9
California	7,841,121	12,191,630	20,127,724	20,098,863	100.2
Colorado	812,777	1,288,643	2,083,759	2,226,771	93.6
Connecticut	1,325,997	2,040,481	3,270,431	3,050,693	107.2
Delaware	207,247	316,111	497,825	551,928	90.2
District of Columbia	291,010	397,149	625,410	762,971	82.0
Florida	2,458,112	3,905,198	6,274,725	6,855,702	91.5
Georgia	1,517,080	2,400,301	4,083,536	4,627,306	88.2
Hawaii	290,251	432,040	716,153	784,901	91.2
Idaho	247,373	411,055	705,314	719,921	98.0
Illinois	4,513,698	6,995,276	11,623,064	11,184,320	104.0
Indiana	1,899,073	3,011,131	5,049,728	5,228,156	96.6
Iowa	1,062,733	1,674,941	2,754,956	2,846,920	96.8
Kansas	831,773	1,332,565	2,166,789	2,265,846	95.6
Kentucky	1,045,151	1,689,683	2,877,378	3,246,481	88.6
Louisiana	1,094,658	1,765,436	3,146,447	3,672,008	85.7
Maine	370,886	591,579	1,006,661	1,006,320	100.0
Maryland	1,638,200	2,513,612	4,275,773	3,953,698	108.1
Massachusetts	2,333,244	3,493,190	5,604,798	5,726,676	97.9
Michigan	3,255,170	5,123,121	8,585,562	8,937,196	96.1
Minnesota	1,419,059	2,207,142	3,735,819	3,833,173	97.5
Mississippi	595,572	967,201	1,713,023	2,233,848	76.7
Missouri	1,710,229	2,717,622	4,487,427	4,718,034	95.1
Montana	252,647	399,924	679,226	701,573	96.8
Nebraska	569,705	911,613	1,469,404	1,496,820	98.2
Nevada	199,669	311,959	521,149	492,396	105.8
New Hampshire	291,400	416,821	681,073	746,284	91.3
New Jersey	2,819,768	4,326,883	7,194,249	7,208,035	99.8
New Mexico	333,941	530,675	939,113	1,026,664	91.5
New York	7,204,512	10,873,562	17,866,478	18,287,529	97.7
North Carolina	1,749,352	2,760,242	4,681,642	5,125,230	91.3
North Dakota	219,437	350,399	598,376	624,181	95.9
Ohio	4,072,287	6,365,127	10,510,566	10,730,200	98.0
Oklahoma	876,863	1,436,405	2,368,583	2,585,486	91.6
Oregon	798,705	1,250,295	2,010,318	2,110,810	95.2
Pennsylvania	4,[illegible]69,714	7,036,785	11,306,262	11,884,314	95.1
Rhode Island	367,882	540,985	923,281	957,798	96.4
South Carolina	844,622	1,291,544	2,200,459	2,617,320	84.1
South Dakota	239,439	378,866	667,688	673,247	99.2
Tennessee	1,338,285	2,161,773	3,557,258	3,961,060	89.8
Texas	3,949,350	6,356,385	10,663,164	11,298,787	94.4
Utah	355,184	567,846	1,044,866	1,067,810	97.9
Vermont	165,669	249,418	430,922	448,327	96.1
Virginia	1,651,213	2,645,944	4,395,597	4,690,742	93.7
Washington	1,284,089	2,038,662	3,297,678	3,443,487	95.8
West Virginia	568,098	918,827	1,531,897	1,763,331	86.9
Wisconsin	1,664,977	2,620,941	4,346,059	4,447,013	97.7
Wyoming	123,989	211,131	326,838	335,719	97.4

[1] The U. S. totals shown for columns 1 through 3 include data from returns filed by residents of Puerto Rico with income from sources outside of Puerto Rico, as well as by U. S. citizens residing abroad.

69 016

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military) stationed abroad, as well as their families, whose permanent addresses were in that State.

2. Number of exemptions other than age and blindness as shown on tax returns for 1969.

This includes one exemption for each taxpayer, for the taxpayer's spouse (if that spouse did not file a separate return), and for each qualified dependent. For each State, this should include those Government employees (civilian and military) stationed abroad who maintained a permanent residence in that State. However, as mentioned above, some Government employees also filed with APO and FPO addresses in New York, California, and Washington State, or with the Baltimore District Office.

The two concepts of population differ in several other respects. Taxation data would exceed Census counts for two reasons. Exemptions could be claimed on 1969 tax returns for anyone living at any time during calendar year 1969, even though he may have died before the end of the year. Furthermore, in the tax return data, some dependents who earned small amounts of income were counted twice--once as taxpayers on their own returns and once as dependents on their parents' returns. On the other hand, the IRS statistics exclude those individuals whose income was so low that they did not meet the tax return filing requirements and who did not file for a refund of tax withheld.

The Census count applies to the population at one moment in time--April 1, 1970. In contrast to the tax return data, it does not include anyone who died during the period January 1 to December 31, 1969. On the other hand, it does include children born during the period January 1 to April 1, 1970, and not eligible for exemptions on 1969 income tax returns.

Table 5A shows that, for the Nation as a whole, exemptions other than age and blindness reported on tax returns for 1969 equalled 96.1 percent of the April 1, 1970 population. As might be expected, the percentage was somewhat higher in most of the States chosen for classifying returns filed "out-of-region." The percentage was generally lower in States with low average incomes, where many residents may not have met the filing requirements. The relatively low percentage for Florida may be due in part to the fact that many older people live there--persons aged 65 and over enjoyed more liberal filing requirements--and in part to the fact that many people who were in Florida at the time of the Census had a permanent address in another State, from which they filed their returns.

Not shown in table 5A, but included in all the basic tables in this section, are data on the 35,548 returns filed from Puerto Rico. The 131,046 exemptions other than age and blindness shown on these returns represent less than 5 percent of the population of Puerto Rico. Income earned by bona fide residents of Puerto Rico from sources within that Commonwealth was, as a rule, exempt from taxation under U.S. tax law, and most residents of Puerto Rico therefore did not have to file U.S. income tax returns. Those returns that were filed reflected amounts earned by Puerto Rico residents from sources outside the Commonwealth, or in Puerto Rico as employees of the United States Government, and amounts earned by persons who were not residents of Puerto R for the full taxable year.

STANDARD METROPOLITAN STATISTICAL AREA

Standard metropolitan statistical areas (SMSA's) defined by the Office of Management and Budget in or to make it possible for all Federal Statistical agenc to utilize the same boundaries in publishing statist data useful for analyzing metropolitan problems. E standard metropolitan statistical area contains a city contiguous "twin" cities) with at least 50,000 inhabita and includes the county of such central city as wel adjacent counties found to be metropolitan in charac and economically and socially integrated with the cou of the central city. (In New England, the basic u comprising the SMSA are cities and towns rather t counties.)

In this report, data are shown for the 125 larg SMSA's. These include most of the metropolitan ar with a 1960 population of 200,000 or more. The coun or cities and towns comprising each of these areas shown in table 5B. It should be noted that, as coun adjoining a metropolitan area meet the criteria of me politan character and socioeconomic integration, SMSA is redefined to include these counties. Theref the definitions in this report, which conform to th established by the Office of Management and Budge of March 1967, differ in some cases from those use *Statistics of Income* reports for tax years before 1

The criteria for including a return in a stand metropolitan statistical area were the return addr indicated by the taxpayer and the district code ente by the district office or service center. Since district code was the primary classifier, any re with an incorrect district code was automatically cc as not belonging to any metropolitan area. Most of other limitations of the State classifications mentic above apply to the metropolitan area classification well.

The SMSA data shown in this report are subje special limitations. Since metropolitan areas te be smaller than States, metropolitan area data subject to higher sampling variability. Moreover, pling weights for States are based on actual cour returns filed in each State. No such counts were avai by SMSA, so no special metropolitan area we could be devised. For a measure of the samp variability in the metropolitan area tables see table Special limitations of the SMSA tables also result f the involved statistical coding required in determi whether or not a taxpayer's address lay within a me politan area.

It should be noted that coding for Washington, D. which is not a separate Internal Revenue district is combined with Maryland in the Baltimore distr involves a process similar to that used for cc SMSA's, with determination based on taxpayer addr The limitations described for the metropolitan data therefore also apply to the District of Columbia shown in the State tabulations.

69 017

Table 5B.—COUNTIES OR CITIES COMPRISING THE 125 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS AND THE STANDARD CONSOLIDATED AREAS, 1969[1]

Area title and definition	1970 population
STANDARD METROPOLITAN STATISTICAL AREAS	
AKRON, OHIO	679,239
Portage County	125,868
Summit County	553,371
ALBANY-SCHENECTADY-TROY, NEW YORK	720,786
Albany County	285,618
Rensselaer County	152,510
Saratoga County	121,679
Schenectady County	160,979
ALBUQUERQUE, NEW MEXICO	315,774
Bernalillo County	315,774
ALLENTOWN-BETHLEHEM-EASTON, PENNSYLVANIA-NEW JERSEY	543,551
Lehigh County, Pa	255,304
Northampton County, Pa	214,368
Warren County, N. J.	73,879
ANAHEIM-SANTA ANA-GARDEN GROVE, CALIFORNIA	1,420,386
Orange County	1,420,386
ATLANTA, GEORGIA	1,390,164
Clayton County	98,043
Cobb County	196,793
De Kalb County	415,387
Fulton County	607,592
Gwinnett County	72,349
AUGUSTA, GEORGIA-SOUTH CAROLINA	253,460
Richmond County, Georgia	162,437
Aiken County, South Carolina	91,023
AUSTIN, TEXAS	295,516
Travis County	295,516
BAKERSFIELD, CALIFORNIA	329,162
Kern County	329,162
BALTIMORE, MARYLAND	2,070,670
Baltimore city	905,759
Anne Arundel County	297,539
Baltimore County	621,077
Carroll County	69,006
Harford County	115,378
Howard County	61,911
BATON ROUGE, LOUISIANA	285,167
East Baton Rouge Parish	285,167
BEAUMONT-PORT ARTHUR-ORANGE, TEXAS	315,943
Jefferson County	244,773
Orange County	71,170
BINGHAMTON, NEW YORK-PENNSYLVANIA	302,672
Broome County, New York	221,815
Tioga County, New York	46,513
Susquehanna County, Pa	34,344
BIRMINGHAM, ALABAMA	739,274
Jefferson County	644,991
Shelby County	38,037
Walker County	56,246
BOSTON, MASSACHUSETTS	2,753,143
Essex County (part)	342,999
Beverly city	38,348
Lynn city	90,294
Peabody city	48,080
Salem city	40,556
Danvers town	26,151
Hamilton town	6,373
Lynnfield town	10,826
Manchester town	5,151
Marblehead town	21,295
Middletown town	4,044
Nahant town	4,119
Saugus town	25,110
Swampscott town	13,578
Topsfield	5,225
Wenham town	3,849
Middlesex County (part)	1,052,027
Cambridge city	100,361
Everett city	42,485
Malden city	56,127
Medford city	64,397
Melrose city	33,180
Newton city	91,066
Somerville city	88,779
Waltham city	61,582
Woburn city	37,406
Arlington town	53,524
Ashland town	8,882
Bedford town	13,513
Belmont town	28,285
Burlington town	21,980
Concord town	16,148
Framingham town	64,048
Lexington town	31,886
Lincoln town	7,567
Natick town	31,057
North Reading town	11,264
Reading town	22,539
Sherborn town	3,309
Stoneham town	20,725
Sudbury town	13,506
Wakefield town	25,402
Watertown town	39,307
Wayland town	13,461
Weston town	10,870
Wilmington town	17,102
Winchester town	22,269
BOSTON, MASSACHUSETTS—Continued	
Norfolk County (part)	509,519
Quincy city	87,409
Braintree town	35,050
Brookline town	58,886
Canton town	17,100
Cohasset town	6,954
Dedham town	26,938
Dover town	4,529
Holbrook town	11,775
Medfield town	9,821
Milton town	27,190
Millis town	5,686
Needham town	29,748
Norfolk town	4,656
Norwood town	30,815
Randolph town	27,035
Sharon town	12,367
Walpole town	18,149
Wellesley town	28,051
Westwood town	12,750
Weymouth town	54,610
Plymouth County (part)	113,408
Duxbury town	7,636
Hanover town	10,107
Hingham town	18,845
Hull town	9,961
Marshfield town	15,223
Norwell town	7,796
Pembroke town	11,193
Rockland town	15,674
Scituate town	16,973
Suffolk County	735,190
Boston city	641,071
Chelsea city	30,625
Revere city	43,159
Winthrop town	20,335
BRIDGEPORT, CONNECTICUT	389,153
Fairfield County (part)	338,295
Bridgeport city	156,542
Shelton city	27,165
Easton town	4,885
Fairfield town	56,487
Monroe town	12,047
Stratford town	49,775
Trumbull town	31,394
New Haven County (part)	50,858
Milford town	50,858
BUFFALO, NEW YORK	1,349,211
Erie County	1,113,491
Niagara County	235,720
CANTON, OHIO	372,210
Stark County	372,210
CHARLESTON, SOUTH CAROLINA	303,849
Berkeley County	56,199
Charleston County	247,650
CHARLESTON, WEST VIRGINIA	299,515
Kanawha County	299,515
CHARLOTTE, NORTH CAROLINA	409,370
Mecklenburg County	354,656
Union County	54,714
CHATTANOOGA, TENNESSEE-GEORGIA	304,927
Hamilton County, Tennessee	254,236
Walker County, Georgia	50,691
CHICAGO, ILLINOIS	6,978,947
Cook County	5,492,369
Du Page County	491,882
Kane County	251,005
Lake County	382,638
McHenry County	111,555
Will County	249,498
CINCINNATI, OHIO-INDIANA-KENTUCKY	1,384,851
Clermont County, Ohio	95,725
Hamilton County, Ohio	924,018
Warren County, Ohio	84,925
Dearborn County, Indiana	29,430
Boone County, Kentucky	32,812
Cambell County, Kentucky	88,501
Kenton County, Kentucky	129,440
CLEVELAND, OHIO	2,064,194
Cuyahoga County	1,721,300
Geauga County	62,977
Lake County	197,200
Medina County	82,717
COLUMBIA, SOUTH CAROLINA	322,880
Lexington County	89,012
Richland County	233,868
COLUMBUS, GEORGIA-ALABAMA	238,584
Chattahoochee County, Georgia	25,813
Muscogee County, Georgia	167,377
Russell County, Alabama	45,394
COLUMBUS, OHIO	916,228
Delaware County	42,908
Franklin County	833,249
Pickaway County	40,071
CORPUS CHRISTI, TEXAS	284,832
Nueces County	237,544
San Patricio	47,288
DALLAS, TEXAS	1,555,950
Collin County	66,920
Dallas County	1,327,321
Denton	75,633
Ellis County	46,638
Kaufman County	32,392
Rockwall County	7,046
DAVENPORT-ROCK ISLAND-MOLINE, IOWA-ILLINOIS	362,638
Scott County, Iowa	142,687
Henry County, Illinois	166,734
Rock Island County, Illinois	53,217
DAYTON, OHIO	850,266
Greene County	125,057
Miami County	84,342
Montgomery County	606,148
Preble County	34,719
DENVER, COLORADO	1,227,529
Adams County	185,789
Arapahoe County	162,142
Boulder County	131,889
Denver County	514,678
Jefferson County	233,031
DES MOINES, IOWA	286,101
Polk County	286,101
DETROIT, MICHIGAN	4,199,931
Macomb County	625,309
Oakland County	907,871
Wayne County	2,666,751
DULUTH-SUPERIOR, MINNESOTA-WISCONSIN	265,350
St. Louis County, Minnesota	220,693
Douglas County, Wisconsin	44,657
EL PASO, TEXAS	359,291
El Paso County	359,291
ERIE, PENNSYLVANIA	263,654
Erie County	263,654
EVANSVILLE, INDIANA-KENTUCKY	232,775
Vanderburgh County, Indiana	168,772
Warrick County, Indiana	27,972
Henderson County, Kentucky	36,031
FLINT, MICHIGAN	496,658
Genesee County	444,341
Lapeer County	52,317
FORT LAUDERDALE-HOLLYWOOD, FLORIDA	620,100
Broward County	620,100
FORT WAYNE, INDIANA	280,455
Allen County	280,455
FORT WORTH, TEXAS	762,086
Johnson County	45,769
Tarrant County	716,317
FRESNO, CALIFORNIA	413,053
Fresno County	413,053
GARY-HAMMOND-EAST CHICAGO, INDIANA	633,367
Lake County	546,253
Porter County	87,214
GRAND RAPIDS, MICHIGAN	539,225
Kent County	411,044
Ottawa County	128,181
GREENSBORO-WINSTON-SALEM-HIGH POINT, NORTH CAROLINA	603,895
Forsyth County	214,348
Guilford County	288,590
Randolph County	76,358
Yadkin County	24,599
GREENVILLE, SOUTH CAROLINA	299,502
Greenville County	240,546
Pickens County	58,956
HARRISBURG, PENNSYLVANIA	410,626
Cumberland County	158,177
Dauphin County	223,834
Perry County	28,615
HARTFORD, CONNECTICUT	663,891
Hartford County (part)	607,619
Hartford city	158,017
Avon town	8,352
Bloomfield town	18,301
Canton town	6,868
East Granby town	3,532
East Hartford town	68,031
East Windsor town	8,513
Enfield town	46,189
Farmington town	14,390
Glastonbury town	20,651
Granby town	6,150
Manchester town	47,994
Newington town	26,037
Rocky Hill town	11,103
Simsbury town	17,475
South Windsor town	15,553
Suffield town	8,634
West Hartford town	57,583
Wethersfield town	26,662
Windsor town	22,502
Windsor Locks town	15,080
Middlesex County (part)	7,400
Cromwell town	7,400
Tolland County (part)	48,874
Andover town	2,099
Bolton town	3,691
Coventry town	8,140
Ellington town	7,707
Vernon town	27,237

Footnote at end of table.

69 018

Table 5B.—COUNTIES OR CITIES COMPRISING THE 125 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS AND - STANDARD CONSOLIDATED AREAS, 1969—Con.

Area title and definition	1970 population
HONOLULU, HAWAII	629,176
Honolulu County	629,176
HOUSTON, TEXAS	1,985,031
Harris County	1,741,912
Brazoria County	108,312
Fort Bend County	52,314
Liberty County	33,014
Montgomery County	49,479
HUNTINGTON-ASHLAND, WEST VIRGINIA-KENTUCKY-OHIO	253,743
Cabell County, West Virginia	106,918
Wayne County, West Virginia	37,581
Boyd County, Kentucky	52,376
Lawrence County, Ohio	56,868
INDIANAPOLIS, INDIANA	1,109,882
Boone County	30,870
Hamilton County	54,532
Hancock County	35,096
Hendricks County	53,974
Johnson County	61,138
Marion County	792,299
Morgan County	44,176
Shelby County	37,797
JACKSON, MISSISSIPPI	258,906
Hinds County	214,973
Rankin County	43,933
JACKSONVILLE, FLORIDA	528,865
Duval County	528,865
JERSEY CITY, NEW JERSEY	609,266
Hudson County	609,266
JOHNSTOWN, PENNSYLVANIA	262,822
Cambria County	186,785
Somerset County	76,037
KANSAS CITY, MISSOURI-KANSAS	1,253,916
Cass County, Missouri	39,448
Clay County, Missouri	123,322
Jackson County, Missouri	654,558
Platte County, Missouri	32,081
Johnson County, Kansas	217,662
Wyandotte County, Kansas	186,845
KNOXVILLE, TENNESSEE	400,337
Anderson County	60,300
Blount County	63,744
Knox County	276,293
LANCASTER, PENNSYLVANIA	319,693
Lancaster County	319,693
LANSING, MICHIGAN	378,423
Clinton County	48,492
Eaton County	68,892
Ingham County	261,039
LITTLE ROCK-NORTH LITTLE ROCK, ARKANSAS	323,296
Pulaski County	287,189
Saline County	36,107
LORAIN-ELYRIA, OHIO	256,843
Lorain County	256,843
LOS ANGELES-LONG BEACH, CALIFORNIA	7,032,075
Los Angeles County	7,032,075
LOUISVILLE, KENTUCKY-INDIANA	826,553
Jefferson County, Kentucky	695,055
Clark County, Indiana	75,876
Floyd County, Indiana	55,622
MADISON, WISCONSIN	290,272
Dane County	290,272
MEMPHIS, TENNESSEE-ARKANSAS	770,120
Shelby County, Tennessee	722,014
Crittenden County, Arkansas	48,106
MIAMI, FLORIDA	1,267,792
Dade County	1,267,792
MILWAUKEE, WISCONSIN	1,403,688
Milwaukee County	1,054,063
Ozaukee County	54,421
Washington County	63,839
Waukesha County	231,365
MINNEAPOLIS-ST. PAUL, MINNESOTA	1,813,647
Anoka County	154,556
Dakota County	139,808
Hennepin County	960,080
Ramsey County	476,255
Washington County	82,948
MOBILE, ALABAMA	376,690
Baldwin County	59,382
Mobile County	317,308
NASHVILLE, TENNESSEE	540,982
Davidson County	447,877
Sumner County	56,106
Wilson County	36,999
NEW HAVEN, CONNECTICUT	352,538
New Haven County (part)	352,538
New Haven city	137,707
Bethany town	3,857
Branford town	20,444
East Haven town	25,120
Guilford town	12,033
Hamden town	46,357
North Branford town	10,778
North Haven town	22,194
Orange town	13,524
West Haven town	52,851
Woodbridge town	7,673
NEW ORLEANS, LOUISIANA	1,045,809
Jefferson Parish	337,568
Orleans Parish	593,471
St. Bernard Parish	51,185
St. Tammany Parish	63,585
NEW YORK, NEW YORK	11,528,649
New York City	7,867,760
Bronx County	1,472,216
Kings County	2,601,852
New York County	1,524,541
Queens County	1,973,708
Richmond County	295,443
Nassau County	1,422,905
Rockland County	229,903
Suffolk County	1,116,672
Westchester County	891,409
NEWARK, NEW JERSEY	1,856,556
Essex County	929,986
Morris County	383,454
Union County	543,116
NEWPORT NEWS-HAMPTON, VIRGINIA	292,159
Hampton city	120,779
Newport News City	138,177
York County	33,203
NORFOLK-PORTSMOUTH, VIRGINIA	680,600
Chesapeake city	89,580
Norfolk city	307,951
Portsmouth city	110,963
Virginia Beach city	172,106
OKLAHOMA CITY, OKLAHOMA	640,889
Canadian county	32,245
Cleveland County	81,839
Oklahoma County	526,805
OMAHA, NEBRASKA-IOWA	540,142
Douglas County, Nebraska	389,455
Sarpy County, Nebraska	63,696
Pottawattamie County, Iowa	86,991
ORLANDO, FLORIDA	428,003
Orange County	344,311
Seminole County	83,692
PATERSON-CLIFTON-PASSAIC, NEW JERSEY	1,358,794
Bergen County	898,012
Passaic County	460,782
PENSACOLA, FLORIDA	243,075
Escambia County	205,334
Santa Rosa County	37,741
PEORIA, ILLINOIS	341,979
Peoria County	195,318
Tazewell County	118,649
Woodford County	28,012
PHILADELPHIA, PENNSYLVANIA-NEW JERSEY	4,817,914
Bucks County, Pennsylvania	415,056
Chester County, Pennsylvania	278,311
Delaware County, Pennsylvania	600,035
Montgomery County, Pennsylvania	623,799
Philadelphia County, Pennsylvania	1,948,609
Burlington County, New Jersey	323,132
Camden County, New Jersey	456,291
Gloucester County, New Jersey	172,681
PHOENIX, ARIZONA	967,522
Maricopa County	967,522
PITTSBURGH, PENNSYLVANIA	2,401,245
Allegheny County	1,605,016
Beaver County	208,418
Washington County	210,876
Westmoreland County	376,935
PORTLAND, OREGON-WASHINGTON	1,009,129
Clackamas County, Oregon	166,088
Multnomah County, Oregon	556,667
Washington County, Oregon	157,920
Clark County, Washington	128,454
PROVIDENCE-PAWTUCKET-WARWICK, RHODE ISLAND-MASSACHUSETTS	910,
Bristol County, Rhode Island	45,
Barrington town	17,
Bristol town	17,
Warren town	10,
Kent County, Rhode Island (part)	140,
Warwick city	83,
Coventry town	22,
East Greenwich town	9,
West Warwick town	24,
Newport County, Rhode Island (part)	2,
Jamestown town	2,
Providence County, Rhode Island (part)	564,
Central Falls city	18,
Cranston city	73,
East Providence city	48,
Pawtucket city	76,
Providence city	179,
Woonsocket city	46,
Burrillville town	10,
Cumberland town	26,
Johnston town	22,
Lincoln town	16,
North Providence town	24,
North Smithfield town	9,
Smithfield town	13,
Washington County, Rhode Island (part)	34,
Narragansett town	[illegible]
North Kingstown town	27,
Bristol County, Massachusetts (part)	69,
Attleboro city	32,
North Attleboro town	18,
Rehoboth town	6,
Seekonk town	11,
Norfolk County, Massachusetts	44,
Bellingham town	13,
Franklin town	17,
Plainville town	4,
Wrentham town	7,
Worcester County, Massachusetts (part)	8,
Blackstone town	6,
Millville town	1.
READING, PENNSYLVANIA	296,
Berks County	296,
RICHMOND, VIRGINIA	518,
Richmond city	249,
Chesterfield County	76,
Hanover County	37,
Henrico County	154,
ROCHESTER, NEW YORK	882,
Livingston County	54,
Monroe County	711,
Orleans County	37,
Wayne County	79,
ROCKFORD, ILLINOIS	272,
Boone County	25,
Winnebago	246,
SACREMENTO, CALIFORNIA	800,
Placer County	77,
Sacramento County	631,
Yolo County	91,
ST. LOUIS, MISSOURI-ILLINOIS	2,363,
St. Louis city, Missouri	622,
Franklin County, Missouri	55,
Jefferson County, Missouri	105
St. Charles County, Missouri	92
St. Louis County, Missouri	951
Madison County, Illinois	250
St. Clair County, Illinois	285
SALT LAKE CITY, UTAH	557
Davis County	99
Salt Lake County	458
SAN ANTONIO, TEXAS	864
Bexar County	830
Guadalupe County	33
SAN BERNARDINO-RIVERSIDE-ONTARIO, CALIFORNIA	1,143
Riverside County	459,
San Bernardino County	684,
SAN DIEGO, CALIFORNIA	1,357,
San Diego County	1,357,
SAN FRANCISCO-OAKLAND, CALIFORNIA	3,109,
Alameda County	1,073,
Contra Costa County	558,
Marin County	206,
San Francisco County	715,
San Mateo County	556,
SAN JOSE, CALIFORNIA	1,064,
Santa Clara County	1,064,

Footnote at end of table.

69 019

Table 5B.—COUNTIES OR CITIES COMPRISING THE 125 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS AND THE STANDARD CONSOLIDATED AREAS, 1969—Con.

Area title and definition	1970 population
SCRANTON, PENNSYLVANIA	234,107
Lackawanna County	234,107
SEATTLE-EVERETT, WASHINGTON	1,421,869
King County	1,156,633
Snohomish County	265,236
SHREVEPORT, LOUISIANA	294,703
Bossier Parish	64,519
Caddo Parish	230,184
SOUTH BEND, INDIANA	280,031
Marshall County	34,986
St. Joseph County	245,045
SPOKANE, WASHINGTON	287,487
Spokane County	287,487
SPRINGFIELD-CHICOPEE-HOLYOKE, MASSACHUSETTS-CONNECTICUT	529,932
Hampden County, Massachusetts (part)	450,464
Chicopee city	66,676
Holyoke city	50,112
Springfield city	163,905
Westfield city	31,433
Agawam town	21,717
East Longmeadow town	13,029
Hampden town	4,572
Longmeadow town	15,630
Ludlow town	17,580
Monson town	7,355
Palmer town	11,680
Southwick town	6,330
West Springfield town	28,461
Wilbraham town	11,984
Hampshire County, Massachusetts (part)	68,932
Northampton city	29,664
Easthampton town	13,012
Granby town	5,473
Hadley town	3,750
South Hadley town	17,033
Worcester County, Massachusetts (part)	3,633
Warren town	3,633
Tolland County, Connecticut (part)	6,893
Somers town	6,893
STOCKTON, CALIFORNIA	290,208
San Joaquin County	290,208
SYRACUSE, NEW YORK	635,946
Madison County	62,864
Onondaga County	472,185
Oswego County	100,897
TACOMA, WASHINGTON	411,027
Pierce County	411,027
TAMPA-ST. PETERSBURG, FLORIDA	1,012,594
Hillsborough County	490,265
Pinellas County	522,329
TOLEDO, OHIO-MICHIGAN	692,571
Lucas County, Ohio	484,370
Wood County, Ohio	89,722
Monroe County, Michigan	118,479
TRENTON, NEW JERSEY	303,968
Mercer County	303,968
TUCSON, ARIZONA	351,667
Pima County	351,667
TULSA, OKLAHOMA	476,945
Creek County	45,532
Osage County	29,750
Tulsa County	401,663
UTICA-ROME, NEW YORK	340,477
Herkimer County	67,440
Oneida County	273,037
WASHINGTON, D. C.-MARYLAND-VIRGINIA	2,861,123
Washington, D. C	756,510
Montgomery County, Maryland	522,809
Prince Georges County, Maryland	660,567
Alexandria city, Virginia	110,938
Fairfax city, Virginia	21,970
Falls Church city, Virginia	10,772
Arlington County, Virginia	174,284
Fairfax County, Virginia	455,021
Loudoun County, Virginia	37,150
Prince William County, Virginia	111,102
WEST PALM BEACH, FLORIDA	348,735
Palm Beach County	348,735
WICHITA, KANSAS	389,352
Butler County	38,658
Sedgwick County	350,694
WILKES-BARRE-HAZLETON, PENNSYLVANIA	342,301
Luzerne County	342,301
WILMINGTON, DELAWARE-MARYLAND-NEW JERSEY	498,493
New Castle County, Delaware	385,856
Cecil County, Maryland	52,291
Salem County, New Jersey	60,346
WORCESTER, MASSACHUSETTS	344,320
Worcester County (part)	344,320
Worcester city	176,572
Auburn town	15,347
Berlin town	2,099
Boylston town	2,774
Brookfield town	2,063
East Brookfield town	1,800
Grafton town	11,659
Holden town	12,564
Leicester town	9,140
Millbury town	11,987
Northborough town	9,218
Northbridge town	11,795
North Brookfield town	3,967
Oxford town	10,345
Paxton town	3,731
Shrewsbury town	19,196
Spencer town	8,779
Sterling town	4,247
Sutton town	4,590
Upton town	3,484
Westborough town	12,594
West Boylston town	6,369
YORK, PENNSYLVANIA	329,540
Adams County	56,937
York County	272,603
YOUNGSTOWN-WARREN, OHIO	536,003
Mahoning County	303,424
Trumbull County	232,579
STANDARD CONSOLIDATED AREAS	
NEW YORK-NORTHEASTERN NEW JERSEY	16,135,450
New York SMSA, New York	11,528,649
Newark SMSA, New Jersey	1,856,556
Jersey City SMSA, New Jersey	609,266
Paterson-Clifton-Passaic SMSA, New Jersey	1,358,794
Middlesex County, New Jersey	583,813
Somerset County, New Jersey	198,372
CHICAGO, ILLINOIS-NORTHWESTERN INDIANA	7,612,314
Chicago SMSA, Illinois	6,978,947
Gary-Hammond-East Chicago SMSA, Indiana	633,367

[1] The criterion for including a metropolitan area among the 125 largest was the population in 1960 of the area as defined in 1969.

OTHER GEOGRAPHIC CLASSIFICATIONS

Most of the tables in this section also present data for Internal Revenue Service administrative regions. Each region has a service center which processes the returns filed in the districts which make up the region. The States comprising each region are indicated in the map on page 177, which represents the field organization of the Service in 1969.

In recognition of the special importance of even more inclusive metropolitan statistics for the large conurbations around New York and Chicago, the Office of Management and Budget has established definitions for two "standard consolidated areas." The Chicago, Illinois--Northeastern Indiana standard consolidated area consists of the Chicago and the Gary-Hammond-East Chicago standard metropolitan statistical areas; the New York--Northeastern New Jersey standard consolidated area is made up of four SMSA's in the New York area, plus two contiguous counties in New Jersey (see Table 5B).

Totals in the SMSA tables are for all areas falling into the 125 largest metropolitan areas, plus the two counties in New Jersey which are part of the New York--Northeastern New Jersey standard consolidated area. National totals shown in the State and regional tables differ slightly from those presented elsewhere in this report because of differences in sample weights used. These are explained in the Description of the Sample (section 7).

COMPENSATION REPORTED ON FORMS W-2

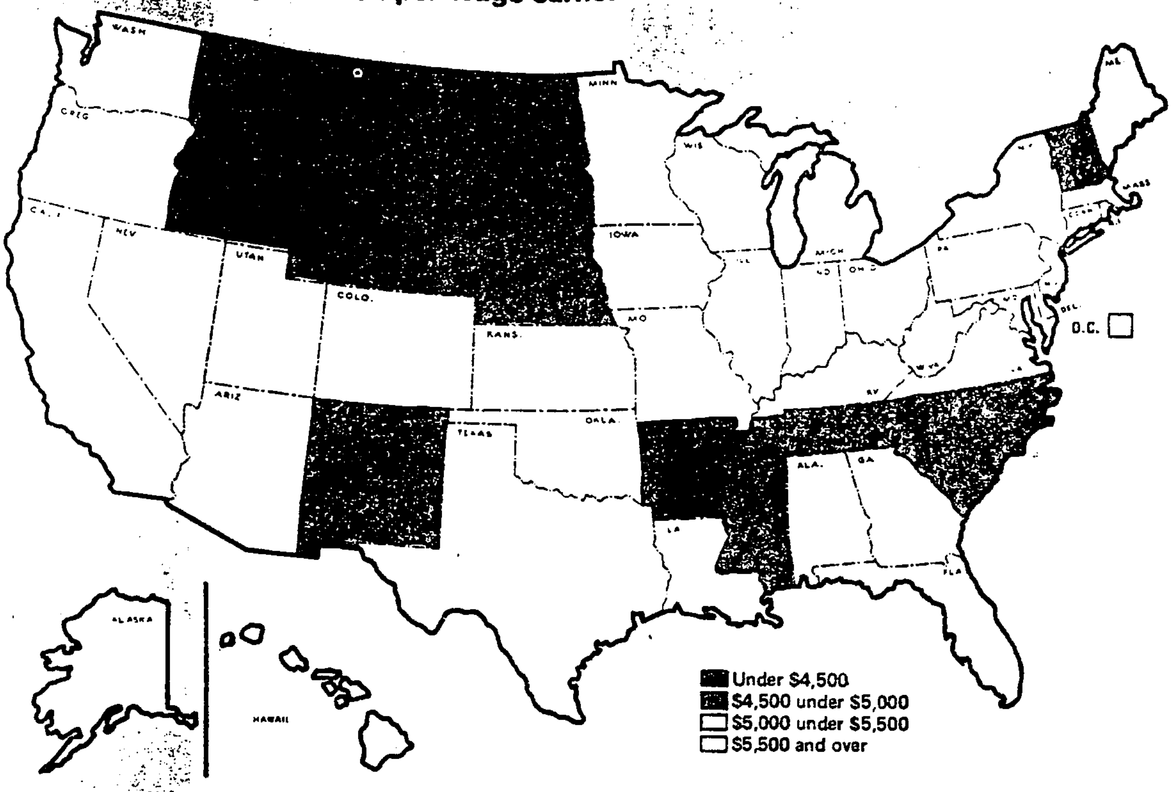
Form W-2, the wage and tax statement supplied to employees by their employers, was used for the first time in the 1969 *Statistics of Income* program to separate the wages earned by men and women. The map at the top of page 183 shows the average W-2 wage per wage earner (whether male or female) by State. Generally, average wages over $5,500 were found on the East Coast between Virginia and Massachusetts, in a band of States stretching along the Great Lakes, and in the Far West. The highest average wage--$7,120--was found in Alaska, the lowest in Arkansas ($4,198).

The lower map on page 183 compares the average wages of women to the average wages of men by State (in the case of joint returns of husbands and wives, both of whom worked, each spouse's wage was considered separately). As a rule, women's wages tended to be closest to men's wages in those States where the overall wage level was lowest, most notably in the Southeastern part of the country. There were, however, some notable exceptions to this rule. Washington, D.C., for instance, with an average wage of $6,087 had the highest rate of average women's to average men's wages--65 percent. Aside from the District of Columbia, there were two States with average wages of $5,500 or more where the wage level for women was more than 50 percent of that for men: Alaska and Hawaii. In the Rocky Mountain States, on the other hand, relatively low wage levels tended to be associated with relatively low ratios of women's to men's average wages.

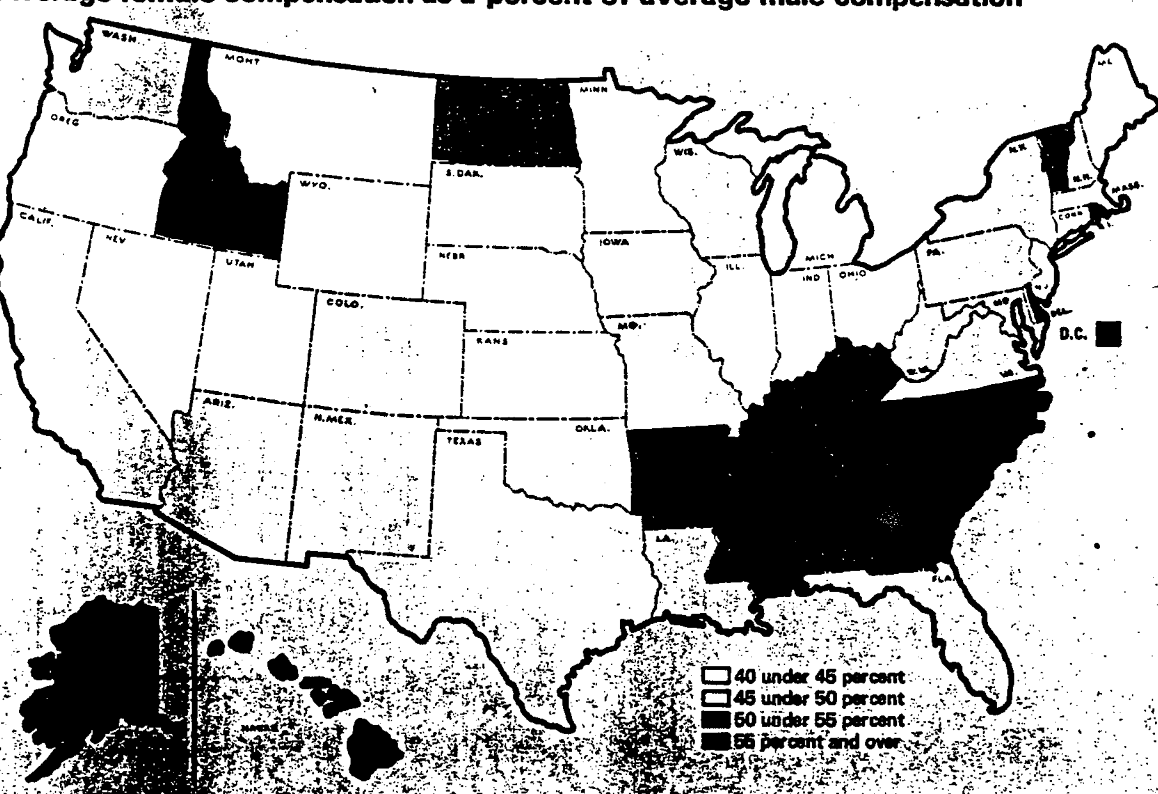
69 020

Average compensation shown on Forms W-2 by State, 1969

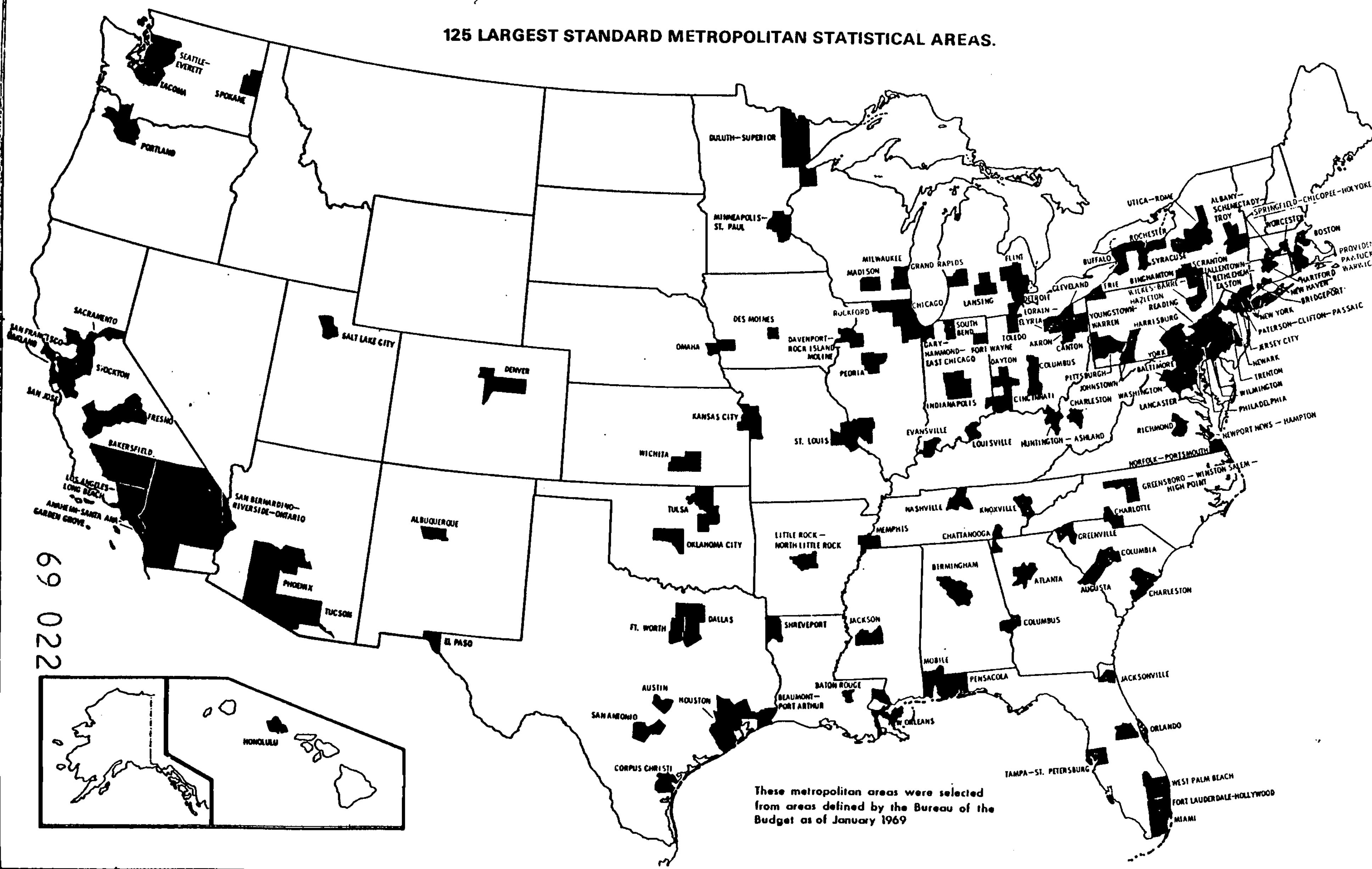
Average W-2 compensation per wage earner



Average female compensation as a percent of average male compensation



125 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS.



These metropolitan areas were selected from areas defined by the Bureau of the Budget as of January 1969

69 022

INPUT, OUTPUT, MASTER DEFINITION (Excluding Reports)

2. NAME: 1969 INDIVIDUAL TAX MODEL

3. TYPE OF RECORD: PACKED DECIMAL — ☐ INPUT ☐ OUTPUT ☒ MASTER

4. RECORD SIZE: 846

5. DATE PREPARED: FEBRUARY 1985

6. SYSTEM: STATISTICS OF INCOME

7. PREPARED BY: NATIONAL ARCHIVES

8. DEFINITION

LINE NO.	DATA ELEMENT	FIELD LOCATION	CLASS A/N	SIGN (If numeric)	SIZE	TYPE OF DATA STANDARD	REFERENCE IDENT. AND PAGE	REFERENCE LINE NO.	NOTE
a.	b.	c.	d.	e.	f.	g.	h.	i.	j.
	BLANK	1- 2			2				
	SAMPLE	3- 4			2				
	BLANK	5- 8			4				
	SELECT - NATIONAL	9-10			2				
	- DISTRICT	11-12			2				
	BLANK	13-20			8				
	OTHER THAN AGE OR BLIND EXEMPTIONS	21-22			2				
	DEPENDENTS	23-24			2				
	TOTAL EXEMPTIONS	25-26			2				
	MARITAL STATUS	27			1				
	TAXPAYER STATUS	28			1				
	SEX	29			1				
	RETURN WITH RETIREMENT INCOME CREDIT	30			1				
	FILING PERIOD	31			1				
	F DED	32			1				
	BLANK	33			1				
	TAXPAYER	34			1				
	AGE EXEMPTION	35			1				
	TAX STATUS	36			1				
	BLANK	37-60			24				

INPUT, OUTPUT, MASTER DEFINITION (Excluding Reports)

2. NAME: 1969 INDIVIDUAL TAX MODEL

3. TYPE OF RECORD: PACKED DECIMAL
☐ INPUT ☐ OUTPUT ☒ MASTER

4. RECORD SIZE: 846

5. DATE PREPARED: FEBRUARY 1985

6. SYSTEM: STATISTICS OF INCOME

7. PREPARED BY: NATIONAL ARCHIVES

8. DEFINITION

LINE NO.	DATA ELEMENT	FIELD LOCATION	CLASS A/N	SIGN (If numeric)	SIZE	TYPE OF DATA STANDARD	REFERENCE IDENT. AND PAGE	REFERENCE LINE NO.	NOTE
a.	b.	c.	d.	e.	f.	g.	h.	i.	j.
	EXEMPTIONS - AGE	~~61~~ 62- 66			5				
	- TAXPAYER	67- 71			5				
	- BLIND	72- 76			5				
	- DEPENDENT	77- 81			5				
	- OTHER THAN AGE OR BLIND	82- 86			5				
	- TOTAL	87- 91			5				
	BLANK	92-111			20				
	SALARY AND WAGES	112-116			5				
	ADJUSTED GROSS - INCOME	117-121			5				
	- DEFICIT	122-126			5				
	DIVIDENDS - IN AGI	127-131			5				
	- EXCLUSION	132-136			5				
	- TOTAL BEFORE EXCLUSION	137-141			5				
	INTEREST RECEIVED	142-146			5				
	ADJUSTMENT	147-151			5				
	TOTAL DEDUCTIONS	152-156			5				
	TAXABLE INCOME	157-161			5				
	INCOME TAX - BEFORE CREDITS	162-166			5				
	- AFTER CREDITS	167-171			5				
	TAX SURCHARGE	172-176			5				
	TAX SAVINGS - INCOME AVERAGING	177-181			5				
	LONG-TERM CAPITAL GAINS IN EXCESS OF STCL	182-186			5				

INPUT, OUTPUT, MASTER DEFINITION (Excluding Reports)

2. NAME: 1969 INDIVIDUAL TAX MODEL

3. TYPE OF RECORD: PACKED DECIMAL — ☐ INPUT ☐ OUTPUT ☒ MASTER

4. RECORD SIZE: 846

5. DATE PREPARED: FEBRUARY 1985

6. SYSTEM: STATISTICS OF INCOME

7. PREPARED BY: NATIONAL ARCHIVES

8. DEFINITION

LINE NO.	DATA ELEMENT	FIELD LOCATION	CLASS A/N	SIGN (If numeric)	SIZE	TYPE OF DATA STANDARD	REFERENCE IDENT. AND PAGE	REFERENCE LINE NO.	NOTE
a.	b.	c.	d.	e.	f.	g.	h.	i.	j.
	BALANCE FOR PARTIAL TAX	187-191	N		5				
	TOTAL INCOME TAX	192-196	N		5				
	INCOME TAX WITHHELD	197-201	N		5				
	EXCESS FICA WITHHELD	202-206	N		5				
	REFUNDABLE CREDITS	207-211	N		5				
	1969 ESTIMATED TAX PAYMENTS	212-216	N		5				
	BALANCE DUE	217-221	N		5				
	POSITIVE AGI ADJUSTMENT	222-226	N		5				
	NEGATIVE AGI ADJUSTMENT	227-231	N		5				
	TOTAL OVERPAYMENT	232-236	N		5				
	TAX PAID WITH RETURN	237-241	N		5				
	OVERPAYMENT - CREDITED ON 1970 ESTIM.	242-246	N		5				
	- REFUNDED	247-251	N		5				
	SELF EMPLOYMENT TAX	252-256	N		5				
	TAX BEFORE INCOME AVERAGING	257-261	N		5				
	CAPITAL LOSS CARRYOVER - SHORT TERM	262-266	N		5				
	- LONG TERM	267-271	N		5				
	AFTER CARRYOVER - NET SHORT-TERM GAIN	272-276	N		5				
	- NET SHORT-TERM LOSS	277-281	N		5				
	- NET LONG-TERM GAIN	282-286	N		5				
	- NET LONG-TERM LOSS	287-291	N		5				
	NET CAPITAL GAIN	292-296	N		5				

INPUT, OUTPUT, MASTER DEFINITION (Excluding Reports)

2. NAME	3. TYPE OF RECORD	4. RECORD SIZE	5. DATE PREPARED
1969 INDIVIDUAL TAX MODEL	PACKED DECIMAL ☐ INPUT ☐ OUTPUT ☒ MASTER	846	FEBRUARY 1985
6. SYSTEM STATISTICS OF INCOME		7. PREPARED BY NATIONAL ARCHIVES	

8. DEFINITION

LINE NO. (a.)	DATA ELEMENT (b.)	FIELD LOCATION (c.)	CLASS A/N (d.)	SIGN (If numeric) (e.)	SIZE (f.)	TYPE OF DATA STANDARD (g.)	REFERENCE IDENT. AND PAGE (h.)	REFERENCE LINE NO. (i.)	NOTE (j.)
	NET CAPITAL LOSS	297-301	N		5				
	NET LOSS BEFORE LIMITATION	302-306	N		5				
	HALF EXCESS LONG-TERM GAIN	307-311	N		5				
	ALTERNATIVE TAX	312-316	N		5				
	TOTAL ORDINARY GAIN	317-321	N		5				
	OTHER PROPERTY - NET GAIN	322-326	N		5				
	- NET LOSS	327-331	N		5				
	RECOVERY OF COST THIS YEAR	332-336	N		5				
	PENSION AND ANNUITY - AMOUNT THIS YEAR	337-341	N		5				
	- TAXABLE PORTION	342-346	N		5				
	BUSINESS OR PROFESSION - NET PROFIT	347-351	N		5				
	- NET LOSS	352-356	N		5				
	RENTS - NET INCOME	357-361	N		5				
	- NET LOSS	362-366	N		5				
	ROYALTIES - NET INCOME	367-371	N		5				
	- NET LOSS	372-376	N		5				
	PARTNERSHIPS - NET PROFIT	377-381	N		5				
	- NET LOSS	382-386	N		5				
	ESTATE AND TRUST - NET INCOME	387-391	N		5				
	- NET LOSS	392-396	N		5				
	SMALL BUSINESS CORP. - NET PROFIT	397-401	N		5				
	- NET LOSS	402-406	N		5				

INPUT, OUTPUT, MASTER DEFINITION (Excluding Reports)

1. PAGE	5 OF 6
2. NAME	1969 INDIVIDUAL TAX MODEL
3. TYPE OF RECORD	☐ INPUT ☐ OUTPUT ☒ MASTER — PACKED DECIMAL
4. RECORD SIZE	846
5. DATE PREPARED	FEBRUARY 1985
6. SYSTEM	STATISTICS OF INCOME
7. PREPARED BY	NATIONAL ARCHIVES

8. DEFINITION

LINE NO.	DATA ELEMENT	FIELD LOCATION	CLASS A/N	SIGN (If numeric)	SIZE	TYPE OF DATA STANDARD	REFERENCE IDENT. AND PAGE	REFERENCE LINE NO.	NOTE
a.	b.	c.	d.	e.	f.	g.	h.	i.	j.
	FARM - NET PROFIT	407-411	N		5				
	- NET LOSS	412-416	N		5				
	MISCELLANEOUS - INCOME	417-421	N		5				
	- LOSS	422-426	N		5				
	RETIREMENT INCOME CREDITS GEN. RULE BASE - FOR CREDIT	427-431	N		5				
	ALT. BASE - FOR CREDIT	432-436	N		5				
	- TENTATIVE CREDIT	437-441	N		5				
	RECOMPUTED PRIOR YEAR INVESTMENT CREDIT	442-446	N		5				
	TAX CREDITS - OTHER	447-451	N		5				
	- INVESTMENT INCOME	452-456	N		5				
	- FOREIGN TAX	457-461	N		5				
	- RETIREMENT INCOME	462-466	N		5				
	W-2 WITHHOLDING - MALE	467-471	N		5				
	- FEMALE	472-476	N		5				
	WAGES - MALE	477-481	N		5				
	- FEMALE	482-486	N		5				
	FICA - MALE	487-491	N		5				
	- FEMALE	492-496	N		5				
88-150	BLANK/FILLER	497-811			315				
	SORT CONTROL FIELD - MAJOR	812-816	N		5				
	- INTERMEDIATE	817-821	N		5				
	- MINOR	822-826	N		5				

69 027

INPUT, OUTPUT, MASTER DEFINITION (Excluding Reports)

1. PAGE	6 OF 6
2. NAME	1969 INDIVIDUAL TAX MODEL
3. TYPE OF RECORD	☐ INPUT ☐ OUTPUT ☒ MASTER — PACKED DECIMAL
4. RECORD SIZE	846
5. DATE PREPARED	FEBRUARY 1985
6. SYSTEM	STATISTICS OF INCOME
7. PREPARED BY	NATIONAL ARCHIVES

8. DEFINITION

LINE NO.	DATA ELEMENT	FIELD LOCATION	CLASS A/N	SIGN (If numeric)	SIZE	TYPE OF DATA STANDARD	REFERENCE IDENT. AND PAGE	REFERENCE LINE NO.	NOTE
a.	b.	c.	d.	e.	f.	g.	h.	i.	j.
	BLANK	827-836			5 ← 10				
	WEIGHT	837-841	N		5				
	BLANK	842-846			5				

GENERAL SERVICES ADMINISTRATION

GSA Form 2575B (7-70)

National Archives

Washington, DC 20408

Reformatting Note

1969 Individual Tax Model File

The Tape Record Layout and the Field Locations listed in the Explanation of Codes and Fields refer to previous versions of the file and are <u>not</u> applicable to the present format.

69 031

A GUIDE TO THE 1969
INDIVIDUAL INCOME TAX
MODEL TAPE

Individual Income Statistics Sta[illegible]
Statistics Division
January 1975

69 032

CONTENTS

NOTE: TO PREVENT THE DISCLOSURE OF INFORMATION ABOUT INDIVIDUAL TAXPAYERS, CERTAIN ITEMS ARE NOT INCLUDED IN THE FILES PROVIDED USERS WHO ARE NOT AUTHORIZED TO RECEIVE SUCH INFORMATION. THE DELETED ITEMS HAVE BEEN CROSSED OUT IN THE LAYOUT ON PAGE 1 OF THIS BOOKLET.

Brief Sample Description

The 1969 Individual Tax Model file is a random subsample of 93,070 returns selected from the Statistics of Income sample of over 254,000 Forms 1040 filed for 1969.

The coefficients of variation computed for estimates from the Tax Model sample can be expected to be about 40 percent higher than similar estimates derived from the Statistics of Income sample. The table on page 46 gives some indication of the reliability of Tax Model estimates.

A description of the Statistics of Income sample, as well as measures of sampling variability for selected estimates, are shown in the complete report, Statistics of Income—1969, Individual Income Tax Returns.

69 033

SMxx.90.03

360 CORE RECORD LAYOUT

EXHIBIT C

RECORD TITLE		DATE	REFERENCE NUMBER
1969 INDIVIDUAL TAX MODEL FILES 0414, 0514, 0714, 0814 AND 0914	BLOCKED 5:1 RECORD LENGTH 846 BYTES	9-12-72	SHEET 1 OF 4 SHEETS

Field	Name
	~~RECORD TEST~~
	SAMPLE
	~~ORIG ...~~
	~~STATE~~
	SEIN
	SELD
	CODE 12
	CODE 14
	CODE 16
	CODE 18
	DTAOB
	DEPNT
	TOTALEX
	MARS
	TXST
	SEX
	RTIN
	ELPD
	EDED
	~~[illegible]~~
	TXPYR
	ACEX
	BLINDEX
	EXNT
	CODE 37
	CODE 38
	CODE 39
	CODE 40
	CODE 41
	CODE 42
	CODE 43
	CODE 44
	CODE 45
	CODE 46
	CODE 47
	CODE 48
	CODE 49
	~~DOCUMENT LOCATOR NUMBER~~
	~~SOCIAL SECURITY NUMBER~~
1	NUMBER AGE EXEMPT
2	NUMBER TAXPAYER EXEMPTION
3	NUMBER BLIND EXEMPTION
4	NUMBER DEPENDENT EXEMPTION
5	NUMBER OTHER THAN AGE OR BLIND
6	NUMBER TOTAL EXEMPTIONS
7	NUMBER FIELD 7
8	NUMBER FIELD 8
9	NUMBER FIELD 9
10	NUMBER FIELD 10
11	SALARY AND WAGES
12	ADJUSTED GROSS INCOME
13	ADJUSTED GROSS DEFICIT
14	DIVIDENDS — IN AGI
15	DIVIDENDS — EXCLUSION
16	DIVIDENDS — TOTAL BEFORE EXCLUSION
17	INTEREST RECEIVED
18	ADJUSTMENT
19	TOTAL DEDUCTIONS
20	TAXABLE INCOME
21	INCOME TAX BEFORE CREDITS
22	INCOME TAX AFTER CREDITS
23	TAX SURCHARGE
24	TAX SAVINGS INCOME AVERAGING
25	LTCG IN XS OF STCL
26	BALANCE FOR PARTIAL TAX
27	TOTAL INCOME TAX
28	INCOME TAX WITHHELD
29	EXCESS FICA WITHHELD
30	REFUNDABLE CREDITS
31	1969 ESTIMATED TAX PAYMENTS
32	BALANCE DUE
33	POSITIVE AGI ADJUSTMENT
34	NEGATIVE AGI ADJUSTMENT (+)
35	TOTAL OVER PAYMENT
36	TAX PAID WITH RETURN
37	OVER PAYMENT — CREDITED ON 1970 ESTIMATED
38	OVER PAYMENT — REFUNDED
39	SELF EMPLOYMENT TAX

ALL CODES AND FIELDS ARE IN PACKED DECIMAL FORMAT.

BYTE CONFIGURATION

FIELD DEFINERS

- P - PACKED DECIMAL
- Z - ZONED DECIMAL
- G - PACKED, WITHOUT SIGN
- C - CHARACTER, 8-BIT CODE
- X - HEXIDECIMAL, 4-BIT CODE
- B - BINARY

69 034

SMxx.90.03

360 CORE RECORD LAYOUT

EXHIBIT C

RECORD TITLE		DATE	REFERENCE NUMBER
1969 INDIVIDUAL TAX MODEL FILES 0414, 0514, 0714, 0814 AND 0914	BLOCKED 5:1 RECORD LENGTH 846 BYTES	9-12-72	SHEET 2 OF 4 SHEETS

Field	Group	Description	Format
40		TAX BEFORE INCOME AVERAGING	P
41		SHORT TERM CAPITAL LOSS CARRYOVER	P
42		LONG TERM CAPITAL LOSS CARRYOVER	P
43		NET SHORT-TERM GAIN AFTER CARRYOVER	P
44		NET SHORT-TERM LOSS AFTER CARRYOVER	P
45		NET LONG-TERM GAIN AFTER CARRYOVER	P
46		NET LONG-TERM LOSS AFTER CARRYOVER	P
47		NET CAPITAL GAIN	P
48		NET CAPITAL LOSS	P
49		NET LOSS BEFORE LIMITATION	P
50		½ EXCESS LONG TERM GAIN	P
51		ALTERNATIVE TAX	P
52		TOTAL ORDINARY GAIN	P
53	OTHER PROPERTY	NET GAIN	P
54	OTHER PROPERTY	NET LOSS	P
55		RECOVERY OF COST THIS YEAR	P
56	PENSION AND ANNUITY	AMOUNT RECEIVED THIS YEAR	P
57	PENSION AND ANNUITY	TAXABLE PORTION	P
58	BUSINESS OR PROFESSION	NET PROFIT	P
59	BUSINESS OR PROFESSION	NET LOSS	P
60	RENTS	NET INCOME	P
61	RENTS	NET LOSS	P
62	ROYALTIES	NET INCOME	P
63	ROYALTIES	NET LOSS	P
64	PARTNERSHIPS	NET PROFIT	P
65	PARTNERSHIPS	NET LOSS	P
66	ESTATE AND TRUST	NET INCOME	P
67	ESTATE AND TRUST	NET LOSS	P
68	SMALL BUSINESS CORP	NET PROFIT	P
69	SMALL BUSINESS CORP	NET LOSS	P
70	FARM	NET PROFIT	P
71	FARM	NET LOSS	P
72	MISCELLANEOUS	INCOME	P
73	MISCELLANEOUS	LOSS	P
74	RETIREMENT INCOME CREDITS	GENERAL RULE BASE FOR CREDIT	P
75	RETIREMENT INCOME CREDITS	ALT BASE FOR CREDIT	P
76	RETIREMENT INCOME CREDITS	TENTATIVE CREDIT	P
77		RECOMPUTED PRIOR YEAR INVESTMENT CREDIT	P
78	TAX CREDITS	OTHER	P
79	TAX CREDITS	INVESTMENT INCOME	P
80	TAX CREDITS	FOREIGN TAX	P
81	TAX CREDITS	RETIREMENT INCOME	P
82		W-2 Withholding, Male	P
83		W-2 Withholding, Fem.	P
84		Wages Male	P
85		Wages Female	P
86		FICA Male	P
87		FICA Female	P
88		FIELD 88	P
89		FIELD 89	P
90		FIELD 90	P

REFERENCE AND REMARKS

ALL CODES AND FIELDS ARE IN PACKED DECIMAL FORMAT.

69 035

FIELD DEFINERS

P - PACKED DECIMAL
Z - ZONED DECIMAL
S - PACKED, WITHOUT SIGN
C - CHARACTER, 8-BIT CODE
X - HEXIDECIMAL, 4-BIT C
B - BINARY

GPO 833-833

FORM M-5256 (REV. 3-70)

DEPARTMENT OF THE TREASURY - INTERNAL REVENUE SERVICE

SMxx.90.03

360 CORE RECORD LAYOUT

EXHIBIT C

RECORD TITLE		DATE	REFERENCE NUMBER
1969 INDIVIDUAL TAX MODEL FILES 0414, 0614, 0714, 0814 AND 0914	BLOCKED 5:1 RECORD LENGTH 846 BYTES	9-12-72	SHEET 3 OF 4 SHEETS

FIELD 91	FIELD 92	FIELD 93	FIELD 94	FIELD 95	FIELD 96	FIELD 97	FIELD 98	FIELD 99	FIELD 100	FIELD 101	FIELD 102	FIELD 103
FIELD 104	FIELD 105	FIELD 106	FIELD 107	FIELD 108	FIELD 109	FIELD 110	FIELD 111	FIELD 112	FIELD 113	FIELD 114	FIELD 115	FIELD 116
FIELD 117	FIELD 118	FIELD 119	FIELD 120	FIELD 121	FIELD 122	FIELD 123	FIELD 124	FIELD 125	FIELD 126	FIELD 127	FIELD 128	FIELD 129
FIELD 130	FIELD 131	FIELD 132	FIELD 133	FIELD 134	FIELD 135	FIELD 136	FIELD 137	FIELD 138	FIELD 139	FIELD 140	FIELD 141	

REFERENCE AND REMARKS

ALL CODES AND FIELDS ARE IN PACKED DECIMAL FORMAT.

69 036

FIELD DEFINERS

P - PACKED DECIMAL
Z - ZONED DECIMAL
G - PACKED, WITHOUT SIGN
C - CHARACTER, 8-BIT CODE
X - HEXIDECIMAL, 4-BIT CODE
B - BINARY

DEPARTMENT OF THE TREASURY - INTERNAL REVENUE SERVICE

FORM M-5255 (REV. 5-70)
GPO 909-228

SMxx.90.03

360 CORE RECORD LAYOUT

EXHIBIT C

RECORD TITLE		DATE	REFERENCE NUMBER
1969 INDIVIDUAL TAX MODEL FILES 0414, 0614, 0714, 0814 AND 0914	BLOCKED 5:1 RECORD LENGTH 846 BYTES	9-12-72	SHEET 4 OF 4 SHEETS

142	143	144	145	146	147	148	149	150	SORT CONTROL FIELDS		
FIELD 142	FIELD 143	FIELD 144	FIELD 145	FIELD 146	FIELD 147	FIELD 148	FIELD 149	FIELD 150	MAJOR	INTERMEDIATE	MINOR

	WEIGHT		

REFERENCE AND REMARKS

ALL CODES AND FIELDS ARE IN PACKED DECIMAL FORMAT.

69 037

FIELD DEFINERS

P - PACKED DECIMAL
Z - ZONED DECIMAL
G - PACKED, WITHOUT SIGN
C - CHARACTER, 8-BIT CODE
X - HEXIDECIMAL, 4-BIT CODE
B - BINARY

DEPARTMENT OF THE TREASURY - INTERNAL REVENUE SERVICE

FORM M-5256 (REV. 5-70)

GPO 908.228

←Blank→ 1969 INDIVIDUAL TAX MODEL, TAPE RECORD LAYOUT ←Blank→

Project M-69-74

RECODED DISTRICT	0–1
SAMPLE	2–3
ORIG DISTRICT	4–5
STATE CODE	6–7
NATIONAL SELECT	8–9
DISTRICT SELECT	10–11
CODE 12	12–13
CODE 14	14–15
CODE 16	16–17
CODE 18	18–19
OTAOB	20–21
DEPENDENT	22–23
TOTAL EX	24–25
MARS	26
TXST	27
SEX	28
RTIN	29
FLPD	30
FDED	31
REGION	32
TAXPAYER	33
AGE EX	34
BLIND EX	35
TENT	36
CODE 37	37
CODE 38	38
CODE 39	39
CODE 40	40
CODE 41	41
CODE 42	42
CODE 43	43
CODE 44	44
CODE 45	45
CODE 46	46
CODE 47	47
CODE 48	48
CODE 49	49
DOCUMENT LOCATOR NUMBER	50–55
SOCIAL SECURITY NUMBER	56–60

five (5) byte packed decimal fields

1 Age Exemption	2 Taxpayer Exemption	3 Blind Exemption	4 Dependent Exemption	5 Other Than Age or Blind Exemption	6 Total Exemptions	7 Number Field	8 Number Field	9 Number Field	10 Number Field
11 Salaries and Wages	12 Adjusted Gross Income	13 Adjusted Gross Deficit	14 Dividends in Adjusted Gross Income	15 Dividends Exclusions	16 Dividends Before Exclusion	17 Interest Received	18 Adjustment	19 Total Deductions	20 Taxable Income
21 Income Tax Before Credits	22 Income Tax After Credits	23 Tax Surcharge	24 Tax Savings Income Averaging	25 Long-Term Capital Gain in Excess of Short-Term Capital Loss	26 Balance for Partial Tax	27 Total Income Tax	28 Income Tax Withheld	29 Excess FICA	30 Refundable Credits
31 Estimated Tax Payments	32 Balance Due	33 Positive Adjusted Gross Income Adjustment	34 Negative Adjusted Gross Income Adjustment	35 Total Overpayment	36 Tax Paid With Return	37 Overpayment Credited on 1970 Estimated	38 Overpayment Refunded	39 Self-Employment Tax	40 Tax Before Income Averaging
41 Short-Term Capital Loss Carryover	42 Long-Term Capital Loss Carryover	43 Net Short-Term Gain After Carryover	44 Net Short-Term Loss After Carryover	45 Net Long-Term Gain After Carryover	46 Net Long-Term Loss After Carryover	47 Net Capital Gain	48 Net Capital Loss	49 Net Loss Before Limitation	50 One-Half Excess Long-Term Gain
51 Alternative Tax	52 Total Ordinary Gain	53 Other Property Net Gain	54 Other Property Net Loss	55 Recovery of Cost This Year	56 Pensions and Annuities Received This Year	57 Pensions and Annuities Taxable Portion	58 Business or Profession Net Income	59 Business or Profession Net Loss	60 Rents Net Income
61 Rents Net Loss	62 Royalties Net Income	63 Royalties Net Loss	64 Partnerships Net Profit	65 Partnerships Net Loss	66 Estate and Trust Net Gain	67 Estate and Trust Net Loss	68 Small Business Corporation Net Profit	69 Small Business Corporation Net Loss	70 Farm Net Profit
71 Farm Net Loss	72 Miscellaneous Income	73 Miscellaneous Loss	74 Retirement Income Credits: General Rule Base for Credit	75 Alternate Base for Credit	76 Tentative Credit	77 Recomputed Prior Year Investment Credit	78 Other Tax Credits	79 Investment Income Credits	80 Foreign Tax Credit
81 Retirement Income Credit	82 W-2 Withholding Male	83 W-2 Withholding Female	84 Wages Male	85 Wages Female	86 Social Security Tax Male (FICA)	87 Social Security Tax Female (FICA)	88 Amount Field	89 Amount Field	90 Amount Field
91 Amount Field	92 Amount Field	93 Amount Field	94 Amount Field	95 Amount Field	96 Amount Field	97 Amount Field	98 Amount Field	99 Amount Field	100 Major Sort Field
101 Intermediate Sort Field	102 Minor Sort Field	103 Weight	"Code", "Number", and "Amount" fields are blank or filler. Logical Record Length 846, Blocked 5.						

*All codes and fields are in packed decimal

69 038

8. DESCRIPTION OF RECORD CONTENT

A. SYSTEMS TITLE

1969 Individual Tax Model

B. FILE(S) TITLE

1969 Individual Tax Model File

C. PURPOSE OF COLLECTING DATA

Subsample of data collected for use in Statistics of Income publication

D. SCOPE (Content and coverage)

File contains individual income tax return records: income, deductions, exemptions, tax and other data items for a national sample of 90,000 Forms 1040 and 1040A returns.

E. ARRANGEMENT-SORTING SEQUENCE (Logical record key)

Nonbusiness returns with lowest to highest adjusted gross income, then business returns with lowest to highest adjusted gross income

9. SOURCE DOCUMENT(S) USED AS INPUT (Attach samples)

1969 Individual Income Tax Returns, Forms 1040 and 1040A

10. USE OF FILE OUTPUT-PUBLICATION TITLE (Attach copy)

Statistics of Income--1969, Individual Income Tax Returns

11. DATES OF FILE	12. ONETIME STUDY OR SURVEY (S)	13. PERIODIC UPDATE (Specify period)
A. FROM January 1969 thru B. TO December 1969	Annual	Annual

CODE DEFINITIONS

COBOL
CODE
NAME

AGEX — AGE EXEMPTIONS

NO EXEMPTIONS	0
ONE EXEMPTION	1
TWO EXEMPTIONS	2

BLINDEX — BLIND EXEMPTIONS

NO EXEMPTIONS	0
ONE EXEMPTION	1
TWO EXEMPTIONS	2

DEPNT — DEPENDENT EXEMPTIONS

AS PUNCHED	0-99

DLN — DOCUMENT LOCATOR NUMBER
AS PUNCHED

DISTRICT — RECODED AND ORIGINAL DISTRICTS

	ORIG	RECODED
AUGUSTA, MAINE	01	24
PORTSMOUTH, N.H	02	31
BURLINGTON, VT	03	28
BOSTON, MASS	04	25
PROVIDENCE, R.I	05	32
HARTFORD, CONN	06	29
BROOKLYN, N.Y	11	26
MANHATTAN, N.Y	13	30
ALBANY, N.Y	14	23
BUFFALO, N.Y	16	27
NEWARK, N.J	26	09
PHILADELPHIA, PA	23	10
PITTSBURGH, PA	25	11
CINCINNATI, OHIO	31	01
CLEVELAND, OHIO	34	02
INDIANAPOLIS, IND	35	04
CHICAGO, ILL	36	15

DISTRICT — RECODED AND ORIGINAL DISTRICTS (cont'd)

	ORIG	RECODED
SPRINGFIELD, ILL	37	22
DETROIT, MICH	38	03
MILWAUKEE, WIS	39	18
ST. PAUL, MINN	41	21
DES MOINES, IOWA	42	16
ST. LOUIS, MO	43	20
FARGO, N.DAK	45	17
ABERDEEN, S.DAK	46	14
OMAHA, NEBR	47	19
WICHITA, KANS	48	48
WILMINGTON, DEL	51	13
BALTIMORE, MD	52	07
WASHINGTON, D.C	53	08
RICHMOND, VA	54	12
PARKERBURG, WEST VA	55	06
GREENSBORO, N.C	56	36
COLUMBIA, S.C	57	35
ATLANTA, GA	58	33
JACKSONVILLE, FLA	59	38
LOUISVILLE, KY	61	05
NASHVILLE, TENN	62	39
BIRMINGHAM, ALA	63	34
JACKSON, MISS	64	37
PUERTO, RICO	66	61
LITTLE ROCK, ARK	71	45
NEW ORLEANS, LA	72	46
OKLAHOMA CITY, OKLA	73	47
AUSTIN, TEXAS	74	41
DALLAS, TEXAS	75	43
HELENA, MONTANA	81	51
BOISE, IDAHO	82	50

DISTRICT — RECODED AND ORIGINAL DISTRICTS (cont'd)

	ORIG	RECODED
CHEYENNE, WYO	83	42
DENVER, COLO	84	44
ALBUQUERQUE, N.MEX	85	40
PHOENIX, ARIZ	86	54
SALT LAKE CITY, UTAH	87	57
RENO, NEV	88	56
SEATTLE, WASHINGTON	91	59
ANCHORAGE, ALASKA	92	49
PORTLAND, OREGON	93	55
SAN FRANCISCO, CALIFORNIA	94	58
LOS ANGELES, CALIFORNIA	95	53
CP:10	98	60
HONOLULU, HAWAII	99	52

FDED — FORM OF DEDUCTION

ITEMIZED	1
10 PERCENT STANDARD (REPORTED)	2
MINIMUM STANDARD (REPORTED)	3
NO ADJUSTED GROSS INCOME	4
10 PERCENT STANDARD (COMPUTED)	5
MINIMUM STANDARD (COMPUTED)	6

69 040

69

CODE DEFINITIONS (cont'd)

COBOL CODE NAME

FLPD — FILING PERIOD
- BEFORE JANUARY 1, 1965 1
- JANUARY 1, 1965 - MARCH 31, 1968 2
- APRIL 1, 1968 AND AFTER 3

MARS — MARTIAL STATUS
- SINGLE PERSON 1
- MARRIED PERSON FILING JOINT RETURN 2
- SEPARATE RETURN (SPOUSE FILING) 3
- UNMARRIED HEAD OF HOUSEHOLD 4
- SURVIVING SPOUSE 5
- SEPARATE RETURN (SPOUSE NOT FILING) 6

69 04

OTAOB — OTHER THAN AGE OR BLIND EXEMPTIONS AS PUNCHED 0-99

REGION — REGION BY CODE
- CENTRAL REGION 1
- MID-ATLANTIC REGION 2
- MIDWEST REGION 3
- NORTH-ATLANTIC REGION 4
- SOUTHEAST REGION 5
- SOUTHWEST REGION 6
- WESTERN REGION 7
- INTERNATIONAL OPERATION 8

RTIN — RETURN WITH RETIREMENT INCOME CREDIT
- RETURNS WITH NO RETIREMENT INCOME CREDIT 0
- RETURNS WITH NO COMPUTATION SCHEDULE ATTACHED 1
- TAXPAYERS USING GENERAL RULE 2

RTIN — RETURN WITH RETIREMENT INCOME CREDIT (cont'd)
- TAXPAYERS ELIGIBLE FOR BUT NOT USING THE ALTERNATIVE METHOD 3
- TAXPAYERS USING THE ALTERNATIVE METHOD 4

SAMPLE — SAMPLE CODES

DISTRICTS 66 AND 98 RETURNS WITH NON-BUSINESS INCOME
- PYD - UNDER $50,000 09
- UNDER $10,000 11
- $10,000 UNDER $50,000 13
- $50,000 UNDER $100,000 15
- $100,000 OR MORE 17
- PYD - $50,000 OR MORE 19

DISTRICTS 66 AND 98 RETURNS WITH BUSINESS INCOME
- PYD - UNDER $50,000 09
- PYD - $50,000 OR MORE 19
- UNDER $10,000 21
- $10,000 UNDER $30,000 23
- $30,000 UNDER $100,000 26
- $100,000 OR MORE 28

DISTRICTS 66 AND 98 RETURNS WITH TOTAL LOSS UNDER $200,000 ARE INCLUDED IN SAMPLE CODES 09, 11 AND 21

DISTRICTS 66 AND 98 RETURNS WITH TOTAL LOSS $200,000 OR MORE ARE INCLUDED IN SAMPLE CODES 17, 19 AND 28

SAMPLE — SAMPLE CODES (cont'd)

DISTRICTS OTHER THAN 66 AND 98 RETURNS WITH NON-BUSINESS INCOME
- AGI OR LSII UNDER $10,000 11
- $10,000 UNDER $15,000 12
- $15,000 UNDER $20,000 13
- $20,000 UNDER $50,000 14
- $50,000 UNDER $100,000 15
- $100,000 UNDER $200,000 16
- $200,000 AND OVER 17

DISTRICTS OTHER THAN 66 OR 98 WITH BUSINESS INCOME OR LOSS

AGI OR LSII	AND BR	
UNDER $10,000	(UNDER $20,000) ...	21
UNDER $10,000	($20,000 UNDER $50,000)	22
$10,000 UNDER $15,000	(UNDER $50,000) ...	22
UNDER $15,000	($50,000 UNDER $100,000)	23
$15,000 UNDER $20,000	(UNDER $100,000) ..	23
UNDER $20,000	($100,000 UNDER $250,000)	24
$20,000 UNDER $30,000	(UNDER $250,000) ..	24
UNDER $30,000	($250,000 UNDER $500,000)	25
$30,000 UNDER $50,000	(UNDER $500,000) ..	25
UNDER $50,000	($500,000 UNDER $750,000)	26
$50,000 UNDER $100,000	(UNDER $750,000) ..	26

69 042

CODE DEFINITIONS (cont'd)

COBOL
CODE
NAME

SAMPLE SAMPLE CODES (cont'd)

DISTRICTS OTHER THAN 66 OR 98 WITH BUSINESS INCOME OR LOSS (cont'd)

AGI OR LSII	AND BR
UNDER $100,000	($750,000 UNDER $1,000,000).....27
$100,000 UNDER $200,000	(UNDER $1,000,000).27
UNDER $200,000	($1,000,000 OR MORE)...........28
$200,000 AND OVER	(ANY AMOUNT).......28

SEX TAXPAYER SEX
JOINT RETURNS
BOTH 65 AND OVER OR BOTH UNDER 65 1
HUSBAND UNDER 65, WIFE 65 OR OVER...........2
HUSBAND 65 OR OVER, WIFE UNDER 65...........3

OTHER THAN JOINT RETURNS
MALE RETURN.................................4
FEMALE RETURN...............................5

TOTALEX TOTAL EXEMPTIONS
AS PUNCHED..................................1-99

TXNT TAXABLE OR NON-TAXABLE
TAXABLE (INCOME TAX AFTER CREDITS)............1
NON-TAXABLE (NO INCOME TAX AFTER CREDITS).....2

TXPYR TAX PAYER EXEMPTIONS
ONE EXEMPTION.................................1
TWO EXEMPTIONS................................2

TXST TAX STATUS
TAXABLE NORMAL.................... 1
TAXABLE NORMAL WITH INCOME AVERAGING...................... 2
TAXABLE ALTERNATIVE.............. 3
TAXABLE ALTERNATIVE WITH INCOME AVERAGING................ 4
NO TAXABLE INCOME................ 5
NON-TAXABLE NORMAL............... 6
NON-TAXABLE NORMAL WITH INCOME AVERAGING...................... 7
NON-TAXABLE ALTERNATIVE.......... 8
NON-TAXABLE ALTERNATIVE WITH INCOME AVERAGING................ 9

SSN SOCIAL SECURITY NUMBER
AS PUNCHED

5

1969 INDIVIDUALS

CODE DEFINITIONS

69 043

COBOL CODE NAME			
AGEX	AGE EXEMPTIONS		
	NO EXEMPTIONS	0	
	ONE EXEMPTION	1	
	TWO EXEMPTIONS	2	
BLINDEX	BLIND EXEMPTIONS		
	NO EXEMPTIONS	0	
	ONE EXEMPTION	1	
	TWO EXEMPTIONS	2	
DEPNT	DEPENDENT EXEMPTIONS		
	AS PUNCHED	0-99	
DLN	DOCUMENT LOCATOR NUMBER		
	AS PUNCHED		
DISTRICT	RECODED AND ORIGINAL DISTRICTS	ORIG	RECODED
	AUGUSTA, MAINE	01	24
	PORTSMOUTH, N.H	02	31
	BURLINGTON, VT	03	28
	BOSTON, MASS	04	25
	PROVIDENCE, R.I	05	32
	HARTFORD, CONN	06	29
	BROOKLYN, N.Y	11	26
	MANHATTAN, N.Y	13	30
	ALBANY, N.Y	14	23
	BUFFALO, N.Y	16	27
	NEWARK, N.J	22 26	09
	PHILADELPHIA, PA	23	10
	PITTSBURGH, PA	25	11
	CINCINNATI, OHIO	31	01
	CLEVELAND, OHIO	34	02
	INDIANAPOLIS, IND	35	04
	CHICAGO, ILL	36	15

COBOL CODE NAME			
DISTRICT	RECODED AND ORIGINAL DISTRICTS (cont'd)	ORIG	RECODED
	SPRINGFIELD, ILL	37	22
	DETROIT, MICH	38	03
	MILWAUKEE, WIS	39	18
	ST. PAUL, MINN	41	21
	DES MOINES, IOWA	42	16
	ST. LOUIS, MO	43	20
	FARGO, N.DAK	45	17
	ABERDEEN, S.DAK	46	14
	OMAHA, NEBR	47	19
	WICHITA, KANS	48	48
	WILMINGTON, DEL	51	13
	BALTIMORE, MD	52	07
	WASHINGTON, D.C	53	08
	RICHMOND, VA	54	12
	PARKERBURG, WEST VA	55	06
	GREENSBORO, N.C	56	36
	COLUMBIA, S.C	57	35
	ATLANTIA, GA	58	33
	JACKSONVILLE, FLA	59	38
	LOUISVILLE, KY	61	05
	NASHVILLE, TENN	62	39
	BIRMINGHAM, ALA	63	34
	JACKSON, MISS	64	37
	PUERTO, RICO	66	61
	LITTLE ROCK, ARK	71	45
	NEW ORLEANS, LA	72	46
	OKLAHOMA CITY, OKLA	73	47
	AUSTIN, TEXAS	74	41
	DALLAS, TEXAS	75	43
	HELENA, MONTANA	81	51
	BOISE, IDAHO	82	50

COBOL CODE NAME			
DISTRICT	RECODED AND ORIGINAL DISTRICTS (cont'd)	ORIG	RECODED
	CHEYENNE, WYO	83	42
	DENVER, COLO	84	44
	ALBUQUERQUE, N.MEX	85	40
	PHOENIX, ARIZ	86	54
	SALT LAKE CITY, UTAH	87	57
	RENO, NEV	88	56
	SEATTLE, WASHINGTON	91	59
	ANCHORAGE, ALASKA	92	49
	PORTLAND, OREGON	93	55
	SAN FRANCISCO, CALIFORNIA	94	58
	LOS ANGELES, CALIFORNIA	95	53
	CP:10	98	60
	HONOLULU, HAWAII	99	52
FDED	FORM OF DEDUCTION		
	ITEMIZED	1	
	10 PERCENT STANDARD (REPORTED)	2	
	MINIMUM STANDARD (REPORTED)	3	
	NO ADJUSTED GROSS INCOME	4	
	10 PERCENT STANDARD (COMPUTED)	5	
	MINIMUM STANDARD (COMPUTED)	6	

CODE DEFINITIONS (cont'd)

COBOL CODE NAME

FLPD FILING PERIOD
- BEFORE JANUARY 1, 1965............ 1
- JANUARY 1, 1965 - MARCH 31, 1968.................. 2
- APRIL 1, 1968 AND AFTER........... 3

MARS MARTIAL STATUS
- SINGLE PERSON..................... 1
- MARRIED PERSON FILING JOINT RETURN.................... 2
- SEPARATE RETURN (SPOUSE FILING)... 3
- UNMARRIED HEAD OF HOUSEHOLD....... 4
- SURVIVING SPOUSE.................. 5
- SEPARATE RETURN (SPOUSE NOT FILING)............. 6

OTAOB OTHER THAN AGE OR BLIND EXEMPTIONS AS PUNCHED.................... 0-99

REGION REGION BY CODE
- CENTRAL REGION.................... 1
- MID-ATLANTIC REGION............... 2
- MIDWEST REGION.................... 3
- NORTH-ATLANTIC REGION............. 4
- SOUTHEAST REGION.................. 5
- SOUTHWEST REGION.................. 6
- WESTERN REGION.................... 7
- INTERNATIONAL OPERATION........... 8

RTIN RETURN WITH RETIREMENT INCOME CREDIT
- RETURNS WITH NO RETIREMENT INCOME CREDIT.................. 0
- RETURNS WITH NO COMPUTATION SCHEDULE ATTACHED............... 1
- TAXPAYERS USING GENERAL RULE...... 2

RTIN RETURN WITH RETIREMENT INCOME CREDIT (cont'd)
- TAXPAYERS ELIGIBLE FOR BUT NOT USING THE ALTERNATIVE METHOD......................... 3
- TAXPAYERS USING THE ALTERNATIVE METHOD............. 4

SAMPLE SAMPLE CODES

DISTRICTS 66 AND 98 RETURNS WITH NON-BUSINESS INCOME
- PYD - UNDER $50,000.............09
- UNDER $10,000....................11
- $10,000 UNDER $50,000............13
- $50,000 UNDER $100,000...........15
- $100,000 OR MORE.................17
- PYD - $50,000 OR MORE............19

DISTRICTS 66 AND 98 RETURNS WITH BUSINESS INCOME
- PYD - UNDER $50,000...........09
- PYD - $50,000 OR MORE..........19
- UNDER $10,000..................21
- $10,000 UNDER $30,000..........23
- $30,000 UNDER $100,000.........26
- $100,000 OR MORE...............28

DISTRICTS 66 AND 98 RETURNS WITH TOTAL LOSS UNDER $200,000 ARE INCLUDED IN SAMPLE CODES 09, 11 AND 21

DISTRICTS 66 AND 98 RETURNS WITH TOTAL LOSS $200,000 OR MORE ARE INCLUDED IN SAMPLE CODES 17, 19 AND 28

SAMPLE SAMPLE CODES (cont'd)

DISTRICTS OTHER THAN 66 AND 98 RETURNS WITH NON-BUSINESS INCOME
- AGI OR LSII UNDER $10,000............ 11
- $10,000 UNDER $15,000................ 12
- $15,000 UNDER $20,000................ 13
- $20,000 UNDER $50,000................ 14
- $50,000 UNDER $100,000............... 15
- $100,000 UNDER $200,000.............. 16
- $200,000 AND OVER.................... 17

DISTRICTS OTHER THAN 66 OR 98 WITH BUSINESS INCOME OR LOSS

AGI OR LSII	AND BR	
UNDER $10,000	(UNDER $20,000)...	21
UNDER $10,000	($20,000 UNDER $50,000).......	22
$10,000 UNDER $15,000	(UNDER $50,000)...	22
UNDER $15,000	($50,000 UNDER $100,000).....	23
$15,000 UNDER $20,000	(UNDER $100,000)..	23
UNDER $20,000	($100,000 UNDER $250,000)......	24
$20,000 UNDER $30,000	(UNDER $250,000)..	24
UNDER $30,000	($250,000 UNDER $500,000)......	25
$30,000 UNDER $50,000	(UNDER $500,000)..	25
UNDER $50,000	($500,000 UNDER $750,000)......	26
$50,000 UNDER $100,000	(UNDER $750,000)..	26

69 04

CODE DEFINITIONS (cont'd)

COBOL
CODE
NAME

SAMPLE — SAMPLE CODES (cont'd)

DISTRICTS OTHER THAN 66 OR 98 WITH BUSINESS INCOME OR LOSS (cont'd)

AGI OR LSII	AND BR	
UNDER $100,000	($750,000 UNDER $1,000,000)	27
$100,000 UNDER $200,000	(UNDER $1,000,000)	27
UNDER $200,000	($1,000,000 OR MORE)	28
$200,000 AND OVER	(ANY AMOUNT)	28

SEX — TAXPAYER SEX
- JOINT RETURNS
  - BOTH 65 AND OVER OR BOTH UNDER 65 1
  - HUSBAND UNDER 65, WIFE 65 OR OVER...........2
  - HUSBAND 65 OR OVER, WIFE UNDER 65...........3
- OTHER THAN JOINT RETURNS
  - MALE RETURN.................................4
  - FEMALE RETURN...............................5

TOTALEX — TOTAL EXEMPTIONS
- AS PUNCHED...................................1-99

TXNT — TAXABLE OR NON-TAXABLE
- TAXABLE (INCOME TAX AFTER CREDITS)............1
- NON-TAXABLE (NO INCOME TAX AFTER CREDITS).....2

TXPYR — TAX PAYER EXEMPTIONS
- ONE EXEMPTION.................................1
- TWO EXEMPTIONS................................2

TXST — TAX STATUS
- TAXABLE NORMAL................... 1
- TAXABLE NORMAL WITH INCOME AVERAGING...................... 2
- TAXABLE ALTERNATIVE.............. 3
- TAXABLE ALTERNATIVE WITH INCOME AVERAGING............... 4
- NO TAXABLE INCOME................ 5
- NON-TAXABLE NORMAL............... 6
- NON-TAXABLE NORMAL WITH INCOME AVERAGING...................... 7
- NON-TAXABLE ALTERNATIVE.......... 8
- NON-TAXABLE ALTERNATIVE WITH INCOME AVERAGING............... 9

SSN — SOCIAL SECURITY NUMBER
- AS PUNCHED

69 045

Explanation of Fields in the 1969 Individual Tax Model

STATISTICAL PROCESSING HANDBOOK FOR INDIVIDUAL INCOME TAX RETURNS

232 Codes--Cont. (6)

	35-41 Exemptions	Boxes Checked	Code	Form 1040
Field 2	35 Taxpayer	one two	1 2	Lines 7a and 7b (Regular)
Field 1	36 Age	Neither one two	0 1 2	Lines 7a and 7b (65 or over)
Field 3	37 Blind	Neither one two	0 1 2	Lines 7a and 7b (Blind)

	Columns	Description	Code	Source
Field 4	38-39 Dependents	Total of lines 8 and 9.	00-99	Form 1040, lines 8 and 9
Field 6	40-41 Total exemptions	Sum of all exemptions claimed. If the taxpayer shows only a total, check the filing status and taxpayer signatures. For joint returns enter "2" in column 35 for taxpayer exemptions and for all other returns enter "1" for taxpayer exemptions. Make no other entries for exemptions except the total in columns 40-41.	01-99	Form 1040, line 10
	42 Job Frequency (Male)	Code for the number of W-2 Forms attached to return or taxpayer's statement indicating gross salaries and withholding. If more than 9 W-2 Forms are attached, enter code 9.	0-9	Form W-2
	43 Job Frequency (Female)	Code for the number of W-2 Forms attached to return or taxpayer's statement indicating gross salaries and withholding. If more than 9 W-2 Forms are attached, enter code 9.	0-9	Form W-2
	44-45 Schedule C	Code for the actual number of schedules edited.	00-99	Schedule C
	46-47 Schedule F	Code for the actual number of schedules edited.	00-99	Schedule F

Note: The sum of Cols. 44-47 should equal total "businesses" (Cards 12 or 17 cols. 42-43)

233 Heading of Edit Sheet

The heading of the edit sheet will be completed for returns with sample codes 17 and 28 and for Washington, D.C. returns at the Mid-Atlantic Service Center as follows:

Taxpayer(s) full name: Last name, followed by first name and middle initial and home address as shown on return: Number, street, city, state, and Zip code.

234 Money Fields (Amounts)

(1) The following instructions relate to money amounts entered for non-business data for Cards 01 through 11 on Form 2752, Edit Sheet.

(a) To ascertain if an amount shown on a schedule is not shown on a return line, examine the return and attached schedules (official and taxpayers' own) before making entries on the edit sheet.

(b) Enter money amounts in unrounded dollars.

(c) Use taxpayers' entries at all times except when corrections have been made by the Examination Branch or Error Correction Branch and these corrections are consistent with the other affected amounts on the return or when exceptions are specifically indicated in the instructions for certain items.

(d) If no entry is shown on the return or attached schedules, leave the field blank unless the taxpayer merely failed to fill in a line. In this case compute the proper amounts, if possible, and make the entry. Example: The taxpayer made an entry of $200 on line 6, (Schedule T) and also entered the same amount on line 10. He had no credits, (retirement, investment, or foreign), but he failed to enter the $200 on line 15. The entry for Income tax after credits (Card 10, Field 6) which is normally entered on line 15 would be $200 even though there is not an entry on the line.

Card 01 Field	Form 1040 Reference	Explanation or Special Instructions
4 Selection amount		Based on the amount shown on the computer sample selection sheet under the column "SEL AMT", enter the actual amount shown. For OIO returns (district codes 66 and 98) enter zeros in this field.
Field 11 5. Wages, salaries, tips, etc.		Includes: Fees, commissions, bonuses, merchandise, meals and living quarters in lieu of wages. These items should be taken out of miscellaneous income on Schedule E, Part III col.(d). Also include in this field amounts of W-2 income shown on Schedules C or F. If W-2 income is the only income on a Schedule C or F, edit the expenses as Employee Business Expense and enter in "Adjustments". If there is business income as well as W-2 income on the Schedule C or F, edit the expenses as business expenses in Cards 12-23.

234 Money Fields (Amounts)--Cont. (1)

	Card 01 Field	Form 1040 Reference	Explanation or Special Instruction
	5. Wages, salaries, tips, etc. (Cont.)	Line 11	Other items which should be included are: director's fees, jury income, pension trust income, profit sharing income, and reserve training pay.
Field 16	6. Total dividends before exclusion (domestic and foreign)	Line 12a, or schedule B, Part 1, line 6	
Field 14	7. Dividends in AGI	Line 12c	Do not enter a negative amount. If the taxpayer arrives at a negative amount and carries it into Adjusted Gross income, adjust Dividend exclusion and/or Total dividends and distributions to arrive at "zero" for dividends in AGI. Make an offsetting entry in Other sources loss.
	Card 02 Field		
Field 17	1. Interest received	Line 13	
	2. Other income	Line 14 (+)	Check: There should be schedules attached to correspond to the boxes checked. If schedules are not attached, accept the taxpayer's entry. (1) If an amount here represents net business income not covered by a business schedule, assign the appropriate industry code beside line 14, construct the appropriate business information in Cards 12-23; and include the net amount in business or professional profit/loss or farm profit/loss. (2) If an amount on line 14 is identified as capital gains dividends or is not identified and equals ½ of schedule B, Part I line 3 and a Schedule D is not attached to the return, enter the amount as Net capital gain (Card 06, Field 1) and double the amount and enter the computed amount for Net long-term gain after carryover (Card 05, Field 4).

234 Money Fields (Amounts)--Cont. (2)

	Card 02 Field	Form 1040 Reference	Explanation of Special Instruction
	2. Other income (cont.)	Line 14 (+)	(3) Do not move patronage dividends unless there is an indication that they pertain to a business or farm. Agricultural program payments should always be moved to a Schedule F.
	3. Other loss	Line 14 (-)	Same as Field 2. Enter negative amount. Check: Cannot have entries in both Fields 2 and 3.
Field 18	4. Adjustments	Line 15b	(1) This field includes sick pay, moving expenses, employee "business" expense, and payments to retirement plans from separate taxpayer forms or schedules. If employee "business" expenses are included under itemized deductions, leave where reported by taxpayer.
			(2) When line 15b amount equals exemptions and/or itemized deductions, edit this amount in "Other loss" Card 02, Field 3.
Field 12	5. Adjusted gross income	Line 15c	(1) Use Examination Branch and Error Correction Branch changes, if shown, as explained in 234:(1)(c); otherwise do not change taxpayer's entry.
			(2) "Breakeven" returns (zero, dash, or blank): Leave the card field blank.
			(3) Income which is excluded under provisions of Code Sec. 911 (income of a U.S. citizen residing in a foreign country) and income excluded by treaty provisions should not be included in total income or any of the income source fields. If all income is excluded for these reasons, reject the return with a reject code 1.
			(4) If total income changes because business income was removed from salaries and wages, business expenses from itemized deductions, or adjustments from itemized deductions, etc., do not change taxable income and do not recompute medical deduction.
Field 13	6. Deficit	Line 15c (-)	Field 5 instruction applies: Cannot have entries in both Fields 5 and 6. Code check: The code for column 20 should be 5 (Non-taxable).

234 Money Fields (Amounts)--Cont. (3)

	Card 02 Field	Form 1040 Reference	Explanation or Special Instruction
	7. Tax from tax table	Line 16	This field is for tax table returns only. Check: Box A,B, or C on line 18 should be checked. Note: For non-compute returns, the editor should enter adjusted gross income, total number of exemptions, and withholding amount. Computation of tax, surcharge, and balance due or overpayment will be done by the computer. This instruction also applies to OIO returns using tax table.
	Card 03 Field		
	1. Tax surcharge	Line 17	Card 02, Field 7 instruction applies. (This field may be blank even though Card 02, Field 7 has an entry).
Field 27	2. Total income tax	Line 18	(Enter from line 18.) Verfication check: sum of lines 16 and 17 or amount from schedule T, line 18. NOTE: For non-compute returns, the editor should enter adjusted gross income, total number of exemptions, and withholding amount. Computation of Tax, surcharge, and balance due or overpayment will be done by the computer. This instruction also applies to OIO returns.
Field 28	3. Income tax withheld	Line 19	Income tax withheld (W-2). Enter the line 19 amount in this field even if salaries and wages are not reported. If the taxpayer's entry was not accepted during revenue processing because there was not an entry on line 11, do not accept the revenue processing change unless there is a definite indication that the amount was not income tax withheld.
Field 29	4. Excess FICA withheld	Line 20	FICA payments by the taxpayer(s) in excess of legal requirements. Example: More than $374 social security (FICA) tax withheld by one or more employers for one filer during the year. If a joint return, both filers could possibly have excess FICA. If this item is reported in

234 Money Fields (Amounts)--Cont. (4)

	Card 03 Field	Form 1040 Reference	Explanation or Special Instruction
	4. Excess FICA withheld (Cont.)	Line 20	itemized deductions, leave it there unless complete error resolution adjustments have been made. If the taxpayer's entry is completely disallowed during revenue processing, use the corrected figures. In all other cases use taxpayer's reported figure (even if it equals W-2 amount).
Field 30	5. Refundable credits	Line 21	Enter line 21 amount. Verification check: Form 4136 and /or Form 2439
Field 31	6. 1969 Estimated tax payments and credits	Line 22	Includes 1968 overpayment credit and 1969 advance payments. SOI does not differentiate between advance payments and estimated tax payments.
Field 32	7. Balance due	Line 24	The excess of line 18 over line 23.
	Card 04 Field		
Field 36	1. Tax paid with return	Line 24	Remittance returns only: (1) Full paid - line 24 is blue circled. Enter this amount. (2) Part paid - line 24 is not blue circled. Enter blue pencil amount shown at top right of return. This amount should be less than the amount shown on line 24. (3) Over paid - Enter the amount that has been blue circled on line 24 or the blue pencil amount at top right of return even if it is larger than balance due. There should be an entry in this field only if there is an entry for balance due.
Field 37	2. Overpayment credited on 1970 estimated tax	Line 26a	Entry shown only if taxpayer elects. If disallowed during revenue processing, use corrected figures. No entry: Leave blank
Field 38	3. Overpayment refunded	Line 26b	Check: Line 23 minus line 18
	4. Total itemized deductions	Schedule A, Line 17	Enter the amount shown on schedule A, line 17. This amount should equal the sum of lines, 9,10,14,15, and 16, if it doesn't, do not make any changes, accept taxpayer's total. Note: This item will not be available if schedules A or T are not attached.

69 051

234 Money Fields (Amounts)--Cont. (5)

	Card 04 Field	Form 1040 Reference	Explanation or Special Instruction
Field 58	5. Business or professional net profit	Schedule C, Line 27 (+)	Check for attached business schedules (C or taxpayer's own). Enter net positive amount from all schedules coded 0710-9101 and 9102, when appropriate, per instructions in Sec. 241.5. If a Schedule C is attached and there is not an entry on line 27 but the income is included on Form 1040, line 14 enter the appropriate amount in this field. If the income is not included on Form 1040, line 14, edit the business schedule but do not enter an amount in this field.
Field 59	6. Business or professional net loss	Schedule C, Line 27 (-)	Same as Field 5. Enter negative amount. Check: Cannot have entries in both Fields 5 and 6.
Field 41	7. Short-term capital loss carryover	Schedule D, Part I, Line ?	NOTE: If a Schedule D has income which has not been included in total income or loss, make no entries in Card 04, Field 7 through Card 06, Field 5. If the Schedule D has a net loss and was not included in total income or loss, make all applicable entries in Card 04, Field 7 through Card 05, Field 6, and leave Card 06, Field 2 blank.
	Card 05 Field		
Field 43	1. Net short-term gain after carryover	Schedule D, Part I, Line 4	The positive sum of lines 1-3 (+).
Field 44	2. Net short-term loss after carryover	Part I, Line 4	The negative sum of lines 1-3 (-). Check: Cannot have entries in both Fields 1 and 2.
Field 42	3. Long-term capital loss carryover	Part I, Line 7	Note: Include capital gains and losses from Schedules C and F. When income or loss from sale of cattle is moved from Schedule F to Schedule D, do do not limit the loss to $1,000.

234 Money Fields (Amounts)--Cont. (6)

	Card 05 Field	Form 1040 Reference	Explanation or Special Instructions
Field 45	4. Net long-term gain after carryover	Schedule D, Part I, Line 9	The positive sum of lines 5-8 (+). If a net amount of capital gain can be identified as a long-term or if there is no indication that the amount represents long-term or short-term gain, double the amount and enter it in this field.
Field 46	5. Net long-term loss after carryover	Part I, Line 9	The negative sum of lines 5-8 (-). Check: Cannot have entries in both Fields 4 and 5. If a loss on personal property is shown but was not included in total income, do not include in the entry for this field.
Field 49	6. Net loss before limitation	Part I, Line 10	Enter only the negative sum of lines 4 and 9 (-).
Field 50	7. ½ Excess long-term gain	Part I, Line 11	If line 10 shows a gain, enter 50% of line 9 or 50% of line 10, whichever is smaller.
	Card 06 Field		
Field 47	1. Net gain	Part I, Line 12	Net positive amount (+). If there is an entry on line 12 but the amount was not included in total income, do not pick up the amount.
Field 48	2. Net loss	Part I, Line 13	Net negative amount (-). Check: Cannot have entries in both Fields 1 and 2. If an entry on line 13 was not included in total income, do not pick up the amount.
Field 52	3. Total ordinary gain	Part II, Line 2	Card 06, Field 1 instruction applies. If entry in Part II, line 2 is negative, net that amount with Part III, line 3 and make the resulting entry in Card 06, Field 4 or Field 5.
Field 53	4. Other property net gain	Part III, Line 3	Net positive (+) amount. Card 06, Field 1 instruction applies.

234 Money Fields (Amounts)--Cont. (7)

	Card 06 Field	Form 1040 Reference	Explanation or Special Instruction
Field 54	5. Other property net loss	Schedule D, Part III, Line 3	Net negative (-) amount. Check: Cannot have entries in both Fields 4 and 5. If an entry on line 3 was not included in total income do not pick up the amount.
Field 51	6. Alternative tax	Part IV, Line 6	A taxpayer could have an entry on Schedule D, Part IV, line 6 and not use the alternative tax if it is greater than the amount for tax computation on Schedule T, line 5. Pick up the amount reported by taxpayer if used by the taxpayer. NOTE: If an amount for alternative tax is shown on Schedule D there should be a check in the Schedule D box on Form 1040 line 18.

Schedule E,

Note: (1) If amount of income or loss on a Schedule E is not included in total income on Form 1040 line 14, do not make entries for the Schedule E information. (2) If an amount of Sch. E income is shown with no breakdown between rents and royalties, partnership and small business corporation, or estates or trusts, include the amount in Other income (Card 02, Field 2) or Other loss (Card 02, Field 3).

Pension and Annuity Income

Field 56	7. Amount received this year	Schedule E, Part I Line 3	Enter only that portion of pensions and annuities received in tax year 1969.
	Card 07 Field		
Field 57	1. Taxable portion	Line 5	All amounts which the taxpayer shows as being taxed in the current year are taxable.
Field 60	2. Rents, net income	Schedule E, Part II Line 2 (+)	Positive (+) portion of line 2 attributable to rent. Should equal column 2 minus that portion of columns 4 and 5 attributable to rent. Include delay rentals shown on Schedule E or taxpayer's own schedule

234 Money Fields (Amounts)--Cont.(8)

	Card 07 Field	Form 1040 Reference	Explanation or Special Instruction
Field 61	3. Rents, net loss	Schedule E, Part II, Line 2 (-)	Negative (-) portion of line 2 attributable to rent. Should equal negative result of computation for Card 07, Field 2. Check: Cannot have entries in both Fields 2 and 3.
Field 62	4. Royalties, net income	Line 2 (+)	Enter the Net Positive amount from col. (3). Include royalties from copyrights, patents, oil, gas, and mineral properties. Should equal column 3 minus that portion of columns 4 and 5 attributable to royalties.
Field 63	5. Royalties, net loss	Line 2 (-)	Same as Field 4. Enter negative amount. Check: Cannot have entries in both Fields 4 and 5.
Field 64	6. Partnership net profit	Part III column d (+)	(1) Include positive amounts in column (d) which can be associated with Partnerships in column (b). (2) If the entry in column (d) or taxpayer's own schedule indicates that the partnership income is in the form of capital gains from the partnership, leave the amount in this field instead of attempting to move it to the capital gains schedule. (3) If income from the partnership is entirely from dividends or interest and the taxpayer makes a clear indication of this on the return, move the amount to Interest or Dividends. (4) Allocate partnership fees and salaries to wages, and salaries (Card 01, Field 5).
Field 65	7. Partnership net loss	column d (-)	Same as Field 6. Enter negative amount. Check: Cannot have entries in both Fields 6 and 7.
	Card 08 Field		
Field 66	1. Estates or trusts net income	Schedule E, Part III, column d (+)	Include amounts in column (d) which can be associated with estates and trusts. Combine income and loss amounts if shown separately and enter positive amount. Card 07, Field 6 instructions (2) and (3) apply.

234 Money Fields (Amounts)--Cont. (9)

	Card 08 Field	Form 1040 Reference	Explanation or Special Instruction
Field 67	2. Estates or trusts net loss	Schedule E, Part III, column d (-)	Same as Field 1. Enter negative amount. Check: Cannot have entries in both Fields 1 and 2.
Field 68	3. Small business corporations net profit	column d (+)	Include positive amounts in column (d) which can be associated with small business corporations.
Field 69	4. Small business corporations net loss	column d (-)	Same as Field 3. Enter negative amount. Check: Cannot have entries in both Fields 3 and 4.
Field 72	5. Miscellaneous income	column d (+)	(1) Include positive amounts which cannot be associated with partnership, estate or trust, or small business corporation income. (2) Amounts for rents, royalties, or partnerships should be allocated to the appropriate fields. Leave in "delay rentals" if shown here. Include all "depletion restored" even if shown on schedule E or taxpayer's schedule. (3) If an amount on line 1 Part III is identified as capital gains or is not identified and equals ½ of line 14 Form 1040 and Schedule D is not attached to the return, enter the amount as net capital gain (Card 06, Field 1) and double the amount and enter the computed amount for net long-term gain after carryover (Card 05, Field 4). (4) Do not move patronage dividends unless there is an indication that they pertain to a business or farm. Agricultural Program Payments should always be moved to a Schedule F.
Field 73	6. Miscellaneous loss	Schedule E, Part III column d (-)	Same as field 5. Enter negative amount. Check: Cannot have entries in both Fields 5 and 6.
Field 70	7. Net farm profit	Schedule F, Part I Line 52 (+) or Part V, line 69 (+)	Check for attached business schedule (F or taxpayer's own.) Enter net positive amount from all schedules coded 0110-0198. Card 04, Field 5 instruction dealing with Schedule C applies to Schedule F for this field.

Explanation of Fields in the 1969 Individual Tax Model contd.

234 Money Fields (Amounts)--Cont. (10)

	Card 09 Field	Form 1040 Reference	Explanation or Special Instruction
Field 71	1. Net farm loss	Line 52 (-) or Line 69 (-)	Same as Card 08, Field 7. Enter negative amount. Check: Cannot have entries in both Card 08, Field 7 and Card 09, Field 1.
	2. Schedule G tax	Schedule G, Part IV Line 10 or Part V, Line 14	Enter amount from line 10, regular tax or line 14; alternative tax. This amount should be shown on Form 1040, line 18 and a check in Schedule G box.
Field 74	3. General rule base for retirement credit	Schedule R, Line 7 (a)	Check: Sum of line 6, columns A +B for joint returns, for other than joint returns should equal amount on line 6 of column B (or column A if used).
Field 75	4. Alternative base for credit	Line 7 (b)	If line 7 (b) is blank, use entry on line 7 of Part B if shown.
Field 76	5. Tentative credit	Line 8	If there are no entries on lines 8-11 and there is an entry on line 12, enter that amount in this field.

Schedule T

Note: (1) For Card 09, Field 6-Card 11, Field 1, make entries only if Schedule T or taxpayer's own computation schedule is attached. If Schedule T is not complete, do not make any computations, pick up only what taxpayer has entered or entries made during revenue processing.
(2) If, however, a prior year form was used and a Schedule T has not been inserted, edit from the prior year form all possible entries for Card 09, Field 6 through Card 11, Field 1.
(3) When a correction has been made on Form 1040 during revenue processing and the correction was not carried through on the Schedule T, edit only credits shown on Schedule T. If no credits, leave entire Sch. T portion of edit sheet blank.

	Field	Reference	Explanation
	6. Total deductions	Line 2	
	7. Taxable income	Line 5	
	Card 10 Field		
Field 21	1. Income tax before credits	Line 6	This field is blank if Card 09, Field 7 is blank. Note: This field does not apply to tax table returns.

234 Money Fields (Amounts)--Cont. (11)

	Card 10 Field	Form 1040 Reference Schedule T,	Explanation or Special Instruction
	2. Tax sur-charge	Line 9	Card 10, Field 1 instruction applies. This field may be blank even though Card 10, Field 1 has an entry.
Field 81	3. Retirement income credit	Line 11	Verification check: Schedule R or tax-payer's own schedule.
Field 79	4. Investment credit	Line 12	Verification check: Form 3468 or taxpay-er's own schedule.
Field 80	5. Foreign tax credit	Line 13	Verification check: Form 1116 or tax-payer's own schedule.
Field 22	6. Income tax after credits	Line 15	
Field 39	7. Self employment tax	Line 16	Verification check: Schedule SE or tax-payer's own schedule.
	Card 11 Field		
Field 77	1. Recomputed prior-year in-vestment tax credit	Line 17	Verification check: Form 4255 or tax-payer's own schedule.
Field 82	2. Federal income tax withheld-Male	W-2	Note: If taxpayer has more than one Form W-2 attached to his return, be sure to summarize all amounts before making any entries on edit sheet.
Field 83	3. Federal income tax withheld-Female		
Field 84	4. 1969 Wages subject to withholding plus other 1969 compensa-tion-Male		
Field 85	5. 1969 Wages subject to withholding plus other 1969 compensa-tion-Female		
Field 86	6. F.I.C.A. tax withheld-Male		
Field 87	7. F.I.C.A tax withheld-Female		

Explanation of Fields in Tape File Undefined in the 1969 Editing Instructions

Field	
5	EXEMPTIONS OTHER THAN AGE OR BLINDNESS - a computed amount equal to field 6 - (field 1 + field 3).
15	DIVIDENDS EXCLUSION - an amount equal to line 12b, page 1 of Form 1040.
19	TOTAL DEDUCTIONS - line 2, Schedule T of Form 1040. (NOTE: In the case of taxpayers using the tax tables, a computed amount was entered in Field 19).
20	TAXABLE INCOME - line 5, Schedule T of Form 1040. (See not to Field 19).
23	TAX SURCHARGE - an amount equal to line 17 of Form 1040 <u>or</u> line 9, Schedule T of Form 1040.
24	TAX SAVINGS FROM INCOME AVERAGING - for those returns using income averaging (tax status codes 2, 4, 7 and 9), the difference between tax computed by the regular method and tax computed using the income averaging method.
25	LONG-TERM CAPITAL GAIN IN EXCESS OF SHORT-TERM CAPITAL LOSS- a computed amount equal to field 45 - field 44.
26	BALANCE FOR PARTIAL TAX - line 3 from the computation of Alternative Tax section, Part IV, Schedule D of Form 1040.
33	POSITIVE ADJUSTED GROSS INCOME ADJUSTMENT - information field for Statistics Division use only.
34	NEGATIVE ADJUSTED GROSS INCOME ADJUSTMENT - information field for Statistics Division use only.
35	TOTAL OVERPAYMENT - line 25 of Form 1040.
40	TAX BEFORE INCOME AVERAGING - for returns with tax computed using income averaging (tax status codes 2, 4, 7, and 9), the amount of tax which would have resulted if income averaging was not used.
55	RECOVERY OF COST THIS YEAR - line 4, Part I, Schedule E of Form 1040.
78	OTHER TAX CREDITS - line 14, Schedule T of Form 1040 <u>minus</u> Fields 79-81.

Explanation of Fields in Tape File
Undefined in the 1969 Editing Instructions

Field	
88-150	FIELD - - blank
151-153	SORT FIELDS - blank, for Statistics Division use only.
156	WEIGHT - contains the national sample weight appropriate to the return

THE UPPER LIMIT COEFFICIENT OF VARIATION FOR THE

ESTIMATED NUMBER OF RETURNS, 1969 TAX MODEL

Estimated Number of Returns	RETURNS WITH ADJUSTED GROSS INCOME OR DEFICIT (PERCENT)						
	Under $10,000	$10,000 under $15,000	$15,000 under $20,000	$20,000 under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 and over
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
30	(1)	(1)	(1)	(1)	(1)	(1)	No sampling variability since all returns are in sample
100	(1)	(1)	(1)	(1)	(1)	20.12	
300	(1)	(1)	(1)	(1)	(1)	11.62	
500	(1)	(1)	(1)	(1)	31.32	9.00	
1,000	(1)	(1)	(1)	(1)	22.15	6.36	
3,000	(1)	(1)	(1)	(1)	12.79	3.67	
5,000	(1)	(1)	(1)	29.46	9.91	2.85	
10,000	(1)	(1)	28.33	20.83	7.00	2.01	
15,000	(1)	(1)	23.13	17.01	5.72	1.64	
20,000	(1)	33.46	20.03	14.73	4.95	1.42	
25,000	(1)	29.92	17.92	13.17	4.37	1.27	
50,000	(1)	21.16	12.69	9.31	3.13	.89	
100,000	25.81	14.96	8.96	6.59	2.21	(2)	
300,000	14.90	8.64	5.17	3.80	1.28	(2)	
500,000	11.54	6.69	4.01	2.95	(2)	(2)	
1,000,000	8.16	4.73	2.83	2.08	(2)	(2)	
3,000,000	4.71	2.73	1.64	1.20	(2)	(2)	
10,000,000	2.58	1.50	(2)	(2)	(2)	(2)	

Note: The Coefficients of Variation were derived by an "Upper Limit" formula and are expressed as a percent for the frequency estimates. Amount estimates generally have Coefficients of Variation somewhat greater than those of their associated frequencies. For Frequencies not classified by Adjusted Gross Income, Column (2) of the table should be used.

(1) Sample too small to yield reliable estimate of sampling variability.

(2) Not applicable since number of returns in Column (1) exceeds range of possible frequency estimates.

Explanation o
Classifications and Term:

CLASSIFICATIONS

Adjusted gross income classes

The amount of adjusted gross income reported by the taxpayer on his return was generally the basis for classifying data by size of income. Returns with deficit and those on which income and loss were equal were classified as having "No adjusted gross income" and appear as a separate class.

Marital status

The five marital classifications were:

(1) Joint returns of husbands and wives,
(2) Separate returns of husbands and wives,
(3) Returns of heads of household,
(4) Returns of surviving spouse, and
(5) Returns of single persons not head of household or surviving spouse.

Marital status was usually determined as of the last day of the tax year. If one spouse died during the tax year, the other was considered married for the entire year. If a taxpayer was divorced during the tax year and did not remarry, he was considered to be single for the entire year. Each of the above classifications is described under a separate heading.

Method of tax computation

Line 18, page 1 and Schedules D and G of Forms 1040 were used as a basis for classifying income tax returns according to the method of tax computation used:

The three methods of tax computation were:

(1) Normal tax and surtax,
(2) Alternative computation of tax, and
(3) Income averaging (actually a method of computing income subject to tax).

Each is described under separate heading in the Explanation of Terms below.

Regions and States

State classifications were based on the district code given each return in the Internal Revenue Service district or regional service center in which it was filed. Districts, or groups of districts, were identical with State boundaries, except that the District of Columbia was a part of the Baltimore, Maryland, Internal Revenue District. However, District of Columbia returns were coded separately based on the street address and ZIP code shown on each return. The Office of International Opera tions had charge of returns with addresses outside th 50 States and the District of Columbia. These include returns from the Virgin Islands, Panama Canal Zone, ar returns with foreign addresses, all of which are shown i the State statistics under "Other areas." Qualifying re turns filed by bona fide residents of Puerto Rico, als processed by the Office of International Operations, ar shown separately in the State data.

Each of the seven Internal Revenue Regions was com posed of a group of districts, as shown by the map in sec tion 5, and each had a service center in which return filed with the service center or through the district of fices were processed.

National totals in the State and regional tables diffe slightly from those presented elsewhere because of dif ferences in computing the national and district samplir weights used to derive the statistics. Other limitation can be found in section 5--State and Metropolitan Are Data.

Returns with standard deduction or with itemized deductions

This classification of returns was basically determine by the presence or absence of nonbusiness itemize deductions.

Returns with itemized deductions were those return which had positive adjusted gross income against whic the taxpayer claimed itemized nonbusiness deductions i computing his taxable income. A relatively few return which showed no deductions were classified as itemize deduction returns. This was because when married per sons filed separate returns and all of their itemized de ductions were claimed on one of the returns, the othe spouse was required to file the same type of return eve though no deductions were claimed.

Standard deduction returns included the following

(1) Returns with adjusted gross income under $5,00 on which the income tax was determined from the "ta table," and

(2) All other returns on which the taxpayer electe to use the 10 percent or minimum standard deduction

Standard metropolitan statistical areas

A taxpayer's post office address and the Internal Reve nue district code assigned to his return were the base for a return's inclusion in one of the 125 standard metro politan statistical areas listed in text table 5B of sectio

69 062

5. These 125 areas conformed to the 1969 definitions developed by the Office of Management and Budget and had the largest populations within the 50 States based on the 1960 Census.

Tax rate classes

Tax rates were used to classify data for some of the tables included in section 3 of this report. A tax rate class was the percentage at which all or a portion of an individual's income was taxed. ''Returns with the tax rate as the marginal rate'' referred to the highest rate used by a taxpayer in computing his tax.

See also the example and text in section 3--Tax Computation and Tax Rates.

Tax rate schedules

The three tax rate schedules designed for individual income taxpayers were for:

(1) Joint returns and returns of surviving spouse,
(2) Separate returns of husbands and wives and returns of single persons not head of household or surviving spouse, and
(3) Returns of heads of household.

Reproductions of these schedules can be found in section 9--Forms and Instructions.

Taxable and nontaxable returns

Taxability or nontaxability was determined by the presence or absence of income tax after credits. Many returns showed a liability for self-employment tax or tax from recomputing prior year investment credit; however, these taxes were disregarded for purpose of this classification.

Taxpayers age 65 or over

The presence of the additional exemption allowed taxpayers age 65 or over was used as the basis of this classification. In the case or joint returns of husbands and wives, some had only one additional exemption for age 65 or over while others had two additional exemptions for age, indicating that both husband and wife were 65 or more. Whether one or two exemptions were claimed, the return was considered a return of a taxpayer age 65 or over.

TERMS

Explanations of terms are designed to aid the user in interpreting the statistical content of this report and should not be construed as interpretations of the Internal Revenue Code, or related regulations, procedures, or policies. Code sections cited were those in effect for 1969.

Adjusted gross income

This amount was the result of reducing gross income from all sources subject to tax by deductions such as the following:

(1) Ordinary and necessary expenses of operating a trade or business,
(2) Employee business and moving expenses,
(3) Expense deductions attributable to rents and royalties,
(4) Expenses of outside salesmen attributable to earning a salary, commission, or other compensation,
(5) Depreciation and depletion allowed life tenants and income beneficiaries of property held in trust,
(6) Exclusion of allowable sick pay if the sick pay was included in gross salary,
(7) Deductible losses from sales of capital assets and other property,
(8) Deductible half of the excess of net long-term capital gain over net short-term capital loss,
(9) Business net operating loss carryover, and
(10) Contributions to a retirement fund by the self-employed.

A deficit adjusted gross income occurred when the allowable deductions or losses exceeded gross income.

Alternative computation of tax

Under the alternative computation, half the excess of net long-term capital gain over net short-term capital loss was included in taxable income, and tax before credits was 50 percent of the excess plus an amount calculated by applying the normal tax and surtax rates to the balance of taxable income. The effect was to tax long-term capital gains at a maximum rate of 25 percent and all other income at the regular rates.

This method of income tax computation was available to taxpayers with a long-term capital gain in adjusted gross income whose taxable income, including long-term capital gains, exceeded $52,000 on joint returns and returns of surviving spouse, $38,000 on returns of head of household, or $26,000 on single returns or on returns of married persons filing separately. These were the points at which the combined normal tax and surtax marginal rates on the different rate schedules exceeded 50 percent.

Alternative method for computation of retirement income credit

See ''Retirement income credit.''

Balance due after remittance

This amount was the difference between ''Tax due at time of filing'' and any remittance tendered by the taxpayer with his return.

Balance for partial tax

See ''Alternative computation of tax.''

Business or profession net profit or net loss

This source was reported by individuals who were proprietors of a business or members of a profession. When there were two or more proprietorships operated by the taxpayer, the single amount of profit or loss included in adjusted gross income represented the combined profit and loss from all business activities. The proprietor was required to exclude dividends and other investment income from business profits and to include them instead with the

69 063

various types of investment income for which separate provision was made on the individual income tax return.

Business costs and expenses were deductible from gross receipts or gross sales in arriving at net profit or loss. Compensation of the proprietor was taxable income and therefore not allowed as a business deduction in computing net profit. The carryover of a prior year net operating loss was not considered a business expense but was offset instead against ''other income'' on the proprietor's income tax return.

Information on business receipts and expenditures can be found in *Statistics of Income--Business Income Tax Returns*.

Capital gains and losses

See ''Sales of capital assets.''

Capital loss carryover

See ''Sales of capital assets.''

Credit on 1970 tax

This credit was the part of the overpayment on 1969 tax which the taxpayer specifically requested be credited to his estimated tax for 1970.

Dividend exclusion

A taxpayer could exclude up to $100 of eligible dividends from adjusted gross income. On joint returns, the maximum exclusion was $200 if both husband and wife received eligible dividends, each excluding up to $100 against his respective dividend income. For a further explanation of eligible dividends see ''Domestic and foreign dividends received.''

Dividends in adjusted gross income

Total domestic and foreign dividends less the dividend exclusion equalled dividends in adjusted gross income.

For further explanation see ''Domestic and foreign dividends received'' and ''Dividend exclusion.''

Domestic and foreign dividends received

Domestic and foreign dividends received included--

(1) Dividends eligible for exclusion consisting of dividends from domestic corporations received directly, or indirectly as a beneficiary of income from estates or trusts, or as included in a partner's share of partnership profits.

(2) Dividends not eligible for exclusion consisting of dividends from--

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

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

Domestic and foreign dividends did not include capital gain distributions from regulated investment companies or nontaxable distributions of stock or stock rights turns of capital, or liquidation distributions. Als cluded were so-called dividends on deposits or drawable accounts in mutual saving banks, cooper banks, savings and loan associations, and credit un

Estates and trusts net income or loss

This was the beneficiaries' share of fiduciary inc (with the exception of the items described below w were reported separately) from any estate or trust. come from estates and trusts included amounts requ to be distributed and amounts credited to a beneficia account from current year fiduciary income, whethe not actually received by him. It also included his sha any accumulation distribution made by the fiduciary complex trust which distributed income accumulat prior tax years. The beneficiary's share of these dis butions was reduced by his share of depletion and de ciation before reporting the net amount as part of adju gross income.

The taxpayers also excluded from estate or trus come his share of dividends, interest, and gains or lo from sales of capital assets and other property. Such come (which comprised the largest portion of income f an estate or trust) was reported on the tax return on separate lines provided for this purpose. A loss fron estate or trust was allocated to the beneficiary only u termination of an estate or trust which had a net ope ing loss carryover or a capital loss carryover, or for last tax year had deductions (other than for exempt and charitable contributions) in excess of gross inco

Additional information on estate and trust income be found in *Statistics of Income--1965, Fiduciary, C and Estate Tax Returns*.

Excess social security taxes withheld

See ''Income tax withheld.''

Exemptions

In the computation of taxable income, a $600 deduct was allowed for each exemption claimed. An exempt was allowed for each taxpayer shown on a return (on jo returns husband and wife were each regarded as a t payer). If either husband or wife filed a separate retu the other spouse's exemption could be claimed on t return only if the spouse did not file a return, had gross income, and was not the dependent of anoth taxpayer.

Additional exemptions were allowed for a taxpayer spouse who was either age 65 or over or who was bli before the close of the taxable year. Exemptions we also allowed for qualified dependents who had less th $600 gross income and who received more than half the support from the taxpayer.

The total number of exemptions shown in this rep includes some duplication. This occurred in the case of

(1) dependents who had less than $600 gross incom but filed a return to obtain a refund of tax withheld wages, and

(2) dependents under 19 years of age or students w were required to file a return because their gross incom were $600 or more.

In each of these instances individuals were counted twice, as taxpayers filing their own returns and as dependents on another taxpayer's return.

Farm net profit or net loss

This source was reported by individuals who were proprietors of a farm. When there were two or more proprietorship farms operated by the taxpayer, the single amount of profit or loss included in adjusted gross income represented the combined profit and loss from farm business activities.

Farm business costs and expenses were deductible from gross farm business receipts in arriving at farm net profit or loss. Gain from sales of livestock held for breeding purposes and of land with unharvested crops was reported on the separate schedule for sales of property (Schedule D) and was not reflected in farm net profit or loss.

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

Foreign tax credit

A credit against income tax was permitted for foreign taxes paid only if nonbusiness deductions were itemized and the foreign tax was excluded from those deductions. The credit related to the income and profits taxes paid to foreign countries or possessions of the United States and included the taxpayer's share of such taxes paid through partnerships and fiduciaries. In general, the tax credit was limited to the same proportion of the income tax before credits as the taxable income from foreign sources bore to the entire taxable income, but could not exceed the amount of foreign tax paid. Amounts in excess of the limitation could be carried over for use in computing the credit for other years.

Form W-2, Wage and Tax Statement

Employers were required to furnish a Form W-2, Wage and Tax Statement, to each employee from whom income tax was withheld or would have been withheld if the employee had claimed no more than one exemption during calendar year 1969. Forms W-2 showed the amounts of Federal income tax withheld, wages paid subject to withholding, other compensation (amounts includible in gross income but not subject to income tax withholding such as traveling or other expense allowances of employees), and FICA (social security) tax withheld.

See section 1, Returns Filed and Sources of Income, for an explanation of the difference between statistics for items reported on Form W-2 and comparable items reported on the return itself.

General rule method for computation of retirement income credit

See "Retirement income credit."

Heads of households, returns of

These returns were filed by persons who furnished over half the cost of maintaining a household for the entire year for at least one qualifying relative. This classification was available only to unmarried persons, married persons legally separated, or persons married to nonresident aliens.

A special tax rate schedule was provided for head of household which gave approximately half the benefit of the joint return schedule.

Income averaging

The income averaging computation permitted a part of an unusually large amount of taxable income for any one year to be taxed at lower rates, thus resulting in a reduction of the over-all amount of tax due. An eligible individual could choose this computation if his averageable income for the year was more than $3,000.

"Averageable income" was the amount by which "adjusted taxable income" exceeded 133-1/3 percent of "average base period income" (the average of taxable income with certain other adjustments, for the 4 preceding tax years). Briefly, the income averaging computation operated to tax all averageable income at the same rate which applied to the first one-fifth of such income.

"Adjusted taxable income," from which the averageable income was derived, covered all types of taxable income except net long-term capital gains, income from gifts or inheritances, or wagering income. See Schedule G, Income Averaging, reproduced in the section on "Forms and Instructions," for an explanation of the computation involved.

Income subject to tax

For returns with normal tax and surtax, the income subject to tax was "taxable income." For returns with alternative tax computation, the income subject to tax was either:

(1) Taxable income, when that amount exceeded one-half the excess net long-term capital gain over net short-term capital loss, or

(2) One-half excess net long-term capital gain over net short-term capital loss when that amount equaled or exceeded taxable income.

Income tax after credits

Income tax after credits was determined by subtracting statutory credits from the total of income tax before credits and the tax surcharge. It did not include self-employment tax or tax from recomputing prior year investment credit, nor did it take into account refundable credits.

Income tax before credits

Generally, this was the tax liability computed on taxable income based on:

(1) The regular combined normal tax and surtax including tax from the optional "tax tables,"

(2) Alternative tax, or

(3) Tax computed using the income averaging provisions.

Income tax before credits did not include the 10 percent surcharge on tax.

69 065

For many returns, income tax before credits had to be derived for the statistics because for 1969 Schedule T, on which income tax before credits was computed, did not always have to be filed with the return.

Income tax withheld

Tax withheld represented amounts deducted by employers from salaries, wages, tips, and other forms of remuneration. An employer could use either the "percentage" or "wage bracket" method in determining the amount to be withheld. Both methods were based on graduated withholding rates ranging from 14 percent to 33 percent.

For 1969, statistics on income tax withheld also include excess social security taxes withheld. If more than $374.40 of social security (FICA) tax was withheld in 1969 from an employee because he worked for more than one employer, the excess could be taken as a credit toward payment of the employee's income tax. In the case of a joint return, the credit was computed separately for each taxpayer.

Increase in tax due to surcharge

See "Surcharge."

Increase in tax credits due to surcharge

See "Surcharge."

Interest received

Interest received was the taxable portion of interest received from bonds, debentures, notes, mortgages, personal loans, bank deposits, and savings accounts. Excluded, for example, was the interest on State and local Government obligations which was tax-exempt and therefore did not have to be reported on the tax return.

Investment credit

In general, the investment credit applied against income tax was 7 percent of a taxpayer's qualified investment in certain new and used depreciable assets, chiefly machinery and equipment, with a useful life of 4 years or more. Qualified investment was defined as cost or basis reduced by:

(1) one-third if the useful life was at least 6 years but less than 8 years, or

(2) two-thirds if the useful life was at least 4 years but less than 6 years.

Total qualified investment was limited to $50,000 for used property and was reduced by 4/7 if the investment was in public utility property. Income tax against which the credit was applied was first reduced by the foreign tax and retirement income credits. If the amount of tax remaining was more than $25,000, the credit could not exceed $25,000 plus 50 percent of the tax liability over that amount. Amounts in excess of this limitation could be carried over (or carried back) for a prescribed number of years to be claimed as a credit.

The Tax Reform Act of 1969 provided that the inve ment credit would no longer be available for prope acquired after April 18, 1969 or for property on wh construction, reconstruction, or erection began after t date. However, certain exceptions were provided property constructed or acquired under a binding contr entered into before April 19, 1969. The new law also p vided a limitation of 20 percent on unused credits wh could be claimed as a carryover to any year after 19 However, the Act extended the carryover period fro to 10 years in certain cases.

Itemized deductions

Itemized deductions from adjusted gross income cc be claimed for contributions, interest paid, taxes, me cal expenses, and other deductions for which no spec line or schedule was provided on the return. Such ot deductions included unreimbursed casualty and th losses, alimony payments, child care expense, edu tional expense, and certain expenses connected with taxpayer's employment.

Itemized deductions were tabulated on returns w positive adjusted gross income even though they were excess of taxable income. On breakeven or deficit a justed gross income returns, the taxpayer had alre reached a nontaxable state without the necessity of item ing; consequently, itemized deductions were not tabula on these returns even though the taxpayer may have e tered itemized deductions on his return form.

Joint returns of husbands and wives

These were either returns on which married taxpaye reported their combined income or returns of marr taxpayers where only one spouse had income but e emptions of both were claimed. Generally, the filing o joint return resulted in a tax saving because of "inco splitting" which was automatically provided for in joint return tax rate schedule.

Marginal tax rates

The marginal tax rate was the highest rate used b taxpayer in computing tax. Since it applied to income excess of a specified amount, the marginal rate var from taxpayer to taxpayer. For example, if a joint retu showed income subject to tax of $11,000, the tax ra schedule (reproduced in the income tax return facsim at the end of this report) indicates tax as $1,380 plus percent of the excess of $8,000. The marginal rate this case was 22 percent, and the income taxed at t marginal rate was $3,000 ($11,000 minus $8,000). S also the example in the text in section 3--Tax Comp tation and Tax Rates.

Minimum standard deduction

See "Standard deduction."

Miscellaneous income or loss

See "Other sources of income (or loss)."

69 066

Normal tax and surtax

The income tax imposed upon taxable income subject to normal tax and surtax rates was divided into a:

(1) Normal tax of 3 percent of taxable income, and

(2) Surtax levied on a scale graduated in relation to size of taxable income.

To facilitate computation, the normal tax and surtax rates were combined in the tax tables furnished to the public.

One-half excess long-term gain

See "Alternative computation of tax."

Ordinary gain from sales of depreciable property

Included here was that portion of gain not eligible for treatment as a long-term capital gain (under section 1231) from sales of depreciable property specified in sections 1245 and 1250 of the Internal Revenue Code and thereby not qualified to be taxed at the special capital gains rate.

The depreciable property to which section 1245 applied was (1) personal property other than livestock, whether tangible (such as machinery and equipment), or intangible (such as patents or copyrights), and (2) other tangible property including certain realty other than buildings and their structural components, if it was an integral part of certain specified business activities, or which constituted research or storage facilities used in connection with such activities. The business activities qualifying were manufacturing, production, or extraction, or the providing of transportation, communication, electrical energy, gas, water, or sewage disposal services.

The depreciable property to which section 1250 applied was real property not already covered by section 1245. In general, this property consisted of buildings or their structural components in the case of tangible property, or represented leaseholds of land, in the case of intangible property.

The amount of gain on dispositions of property under sections 1245 and 1250, treated as ordinary gain generally depended upon the amount of depreciation claimed on the asset although other factors were also considered in the case of section 1250 dispositions.

Under section 1245, the amount of gain treated as ordinary income was based, generally, on depreciation allowed or allowable after 1961.

Under section 1250, the amount of gain treated as ordinary gain was based, in general, on the depreciation allowed or allowable after 1963. But this "depreciation recapture" was further qualified so that if the property was held for more than 1 year before it was disposed of, ordinary gain was reduced to the difference between the depreciation computed under some accelerated method, and the depreciation computed assuming the straight-line method. If the property was held more than 20 months, the "recapture" was further reduced to a proportion of this difference until, when the property was held for 10 years, the "recapture" as ordinary gain was not applicable at all.

Other sources (net)

Included here were such items as alimony received, prizes, awards, sweepstakes winnings, gambling profits, recovery of bad debts and taxes deducted in a prior year, insurance received as reimbursement for medical expenses taken in a previous year, and any other income subject to tax for which no entry was provided on the return form.

Taxpayers were required to apply any deduction for business net operating losses against "other income." In general, these amounts represented prior year losses of proprietors, partners, and shareholders of Small Business Corporations electing to be taxed through owners that exceeded the adjusted gross income of the loss year.

For 1969, statistics on other sources of income or loss also include amounts shown separately in prior years as statutory adjustments. These were special deductions from gross income used in arriving at adjusted gross income. Included here were the following:

(1) Sick pay exclusion,

(2) Self-employed retirement deduction,

(3) Employee business expense deduction, and

(4) Employee moving expense deduction.

For 1969, "statutory adjustments" in arriving at adjusted gross income could not always be separately identified. Many low-income taxpayers using Form 1040 for the first time following discontinuance of Form 1040A, the short punchcard form, apparently reported a variety of unrelated items as statutory adjustments including, in some instances, their total personal deductions.

Other tax credits

"Other tax credits" included (1) the credit for withholding on tax-free covenant bond interest allowed only if nonbusiness deductions were itemized, and (2) the "throwback tax credit," whether claimed on a standard or itemized deduction return. Also included were unidentified amounts of retirement income, investment, or foreign tax credits.

The credit for tax-free covenant bonds was for the tax paid on the bond interest by the issuing corporation for the owners. Bonds with a tax-free covenant were issued prior to 1934 and provided that the corporation pay part of the income tax on the interest usually at the rate of 2 percent.

The throwback tax credit was the recipient's pro rata share of taxes paid by a complex trust in preceding tax years which would not have been payable by the trust had the trust in fact distributed income currently to the beneficiaries instead of accumulating it before distribution. Thus, income tax paid on accumulation distributions deemed distributed in prior years was not refunded to the trust but was allowed as a credit against the income tax liability of the recipients.

Credits in excess of the total tax were treated as an overpayment and as such were refundable.

For many returns, "other" tax credits had to be derived for the statistics because for 1969 Schedule T, on which "other" tax credits were shown, did not always have to be filed with the return.

Other taxpayments

Included here for purposes of table 3D in section 3 was the sum of the following taxpayments:

(1) Income tax withheld (including excess social security taxes withheld), and

(2) Refundable credits.

Each of the above is described under separate heading.

Overpayment

An overpayment of tax occurred when the sum of the tax withheld, payments on declaration of estimated tax, and refundable taxpayment credits, exceeded the combined income tax after credits, self-employment tax, and tax from recomputing prior year investment credit. Overpayments could be refunded or, at the taxpayer's election, taken as a credit on the subsequent year's estimated tax, or taken partly as a refund and partly as a credit against estimated tax.

Partnership net profit or net loss

Partnership net profit or loss was reported by persons who were members of a partnership, syndicate, joint venture, or association. The taxpayer's profit or loss shown was his share only of the ordinary income or loss of the enterprise together with payments made to him as a salary or for the use of capital. If the individual was a member of more than one partnership, the single amount of partnership profit or loss reported in adjusted gross income, whether actually received or not, was the combination of all his shares.

The ordinary income of the partnership did not include dividends qualifying for the exclusion, net short- and long-term capital gain or loss, and interest on tax-free covenant bonds. The partner's share of each of these items was reported by him in its respective source of income on the return form.

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

Payments on 1969 declaration of estimated income tax

These payments, summarized on the individual income tax return, were paid with the 1969 Declaration of Estimated Income Tax, Form 1040ES. The amount reported included any credit which was applied against the estimated tax by reason of an overpayment of the 1968 tax liability.

Pensions and annuities

Pensions and annuities represented the taxable portion of the amounts received during the year. The full amount of a pension or annuity received by a retired employee who contributed nothing toward the cost was taxable. If the recipient contributed to the cost, methods were provided for computing the nontaxable amount to be excluded. The method used depended upon the type of pension or annuity but, in general, was designed to estimate the portion of receipts that represented recovery of recipient's cost.

Pensions and annuities, taxable portion

See "Pensions and annuities."

Recovery of cost

See "Pensions and annuities."

Refund

A refund of tax included all overpayments not applied by the taxpayer as a credit to the next year's estimated tax. See "Overpayment."

Refundable credits

"Refundable credits" represented certain nonhighway Federal gasoline taxes or tax withheld by regulated investment companies. Such credits were combined with other prepayments on the tax return, and any amounts in excess of the income tax liability were refundable.

The credit for nonhighway Federal gasoline taxes could be claimed by any individual for Federal taxes paid on:

(1) gasoline used--

(a) on a farm for farming purposes,

(b) other than as fuel in a highway vehicle,

(c) in furnishing scheduled common carrier public passenger land transportation along regular routes.

(2) lubricating oil used other than in a highway motor vehicle.

Tax withheld by regulated investment companies was the shareholder's share of taxes withheld on the net long-term capital gain realized by a regulated investment company but not actually distributed. The shareholder was entitled to a credit for the 25 percent tax paid by the company as an offset against the income tax he paid for the year.

Rent net income or loss

Rent net income or loss constituted a part of adjusted gross income and was determined by deducting from gross rents amounts for depreciation, repairs, maintenance, interest, taxes, commissions, advertising, fuel, insurance, janitor service, and other allowable expenses related to the rented property.

Retirement income credit

A credit for "retirement income" was allowed an individual if he received "earned income" of more than $600 in each of any 10 calendar years prior to the tax year for which the credit was computed.

Retirement income for taxpayers under 65 years of age was defined as pension and annuity income received under public retirement systems. Retirement income for taxpayers age 65 or over was defined as all pension and annuity income plus dividends in adjusted gross income, interest, and gross rents.

Two methods were provided for computation of the credit:

(1) Under the general rule, the tentative credit was 15 percent applied to the lesser of retirement income received during the year or $1,524 for each qualified re-

tiree (on joint returns, if each spouse met the past earnings and current retirement income requirements, the total retirement income limitation for both was $3,048) reduced by earned income and by social security, railroad retirement, or other tax-free pensions and annuities excluded from gross income, and

(2) An alternative method was available if a husband and wife filed a joint return, were both age 65 or over, and at least one met the earned income requirement. This method provided a $2,286 limitation on the base of the tentative credit. As under the general rule, the base was reduced by earned income and tax-free pension and annuity payments excluded from gross income.

Earned income was defined, in general, as salaries, wages, and other compensation for personal services rendered with certain adjustments based on the taxpayer's age as follows:

(1) Taxpayers under 62 years of age were required to reduce the maximum amount of retirement income for credit computation by earned income in excess of $900,

(2) Taxpayers age 62 but under 72 were required to reduce the maximum amount of retirement income by 50 cents for every dollar earned in excess of $1,200 but less than $1,700; earned income in excess of $1,700 reduced the maximum dollar for dollar,

(3) Taxpayers 72 years of age or older had no reduction for earned income.

The actual credit, however computed, could not exceed the income tax reduced by credits for foreign taxes and for tax withheld on tax-free covenant bond interest. For purposes of the income tax surcharge, taxpayers eligible for the retirement income credit could reduce income tax before credits by the credit and then compute their surcharge on the remaining tax.

Royalty net income or loss

Net royalties consisted of gross royalties less deductions for depletion, depreciation, office rent, legal fees, clerical help, interest, taxes, and similar items. Gross royalties included revenues from oil, gas, and other mineral rights; revenue from patents, copyrights on literary works, trademarks, formulae, and so on.

Salaries and wages (gross)

Gross salaries and wages as reported on the tax return were amounts of compensation for personal services prior to statutory adjustments which reduced salaries and wages by the sick pay exclusion and certain expenses connected with employment. Also included were commissions, bonuses, tips, fees, excess reimbursement over employee business expenses, and the value of nonmonetary payments for services, e.g., merchandise, accomodations, or property. Identifiable amounts for any of these categories which may have been reported by taxpayers in "other sources of income" were treated as salaries and wages for the statistics. Excluded were portions of salaries and wages earned abroad which were tax-exempt under special provisions of the law.

Also shown in this report are data for "Wages and other compensation" as shown on Form W-2. This concept differs slightly from "Salaries and wages" (gross) as reported on Form 1040, as is explained in section 1.

Sales of capital assets

In general, capital assets for tax purposes meant property regarded or treated as an investment, such as stocks, bonds, and nonbusiness real estate including a personal residence. Thus, property held for sale during the ordinary course of business operations and real and depreciable property held in connection with a business were among the property types not covered by the tax definition of capital assets.

If capital assets were held for more than 6 months, only half of the gain on their sale was taxable and in many instances at a rate lower than otherwise (see "Alternative computation of tax"). If sales resulted in a loss, regardless of how long the asset was held, the loss could be completely offset against capital gains and to a limited extent against ordinary income. However, capital losses from sales of property held for personal use were not deductible.

Certain assets used in a business and thus not covered by the definition of capital assets could nevertheless be treated as capital assets under special conditions. Livestock held for breeding purposes, unharvested crops sold with the land they grew on, certain natural resources including timber, and, to a diminishing extent, real and depreciable business property, were among the asset types specifically accorded this treatment.

If held more than 6 months the gain upon sale of these assets received the special capital gains treatment. However, unlike capital assets, sales of these assets were also given preferential treatment when they resulted in a loss. In contrast to a capital loss, such losses were deductible in full during the current year.

For a description of the tax treatment of gains from sales of real and depreciable business assets, see "Ordinary gain from sales of depreciable property."

Net short-term gain or loss.--Gains and losses from sales or exchanges of capital assets held 6 months or less were considered to be short-term. To obtain the net short-term gain or loss, gains and losses from current year transactions were combined with--

(1) any capital loss carryover from 1959-1963,

(2) any short-term capital loss carryover from 1964-68, and

(3) any net short-term gain or loss received from partnerships or fiduciaries.

Net long-term gain or loss.--Gains and losses from sales or exchanges of capital assets (or property treated as capital assets) held more than 6 months were considered to be long-term and therefore eligible for special beneficial tax treatment (see "Net gain" below and "Alternative computation of tax"). To obtain the net long-term gain or loss, gains and losses from current year transactions were combined with--

(1) any net long-term gain or loss received from partnerships or fiduciaries,

(2) any capital gain distributions of regulated investment companies, mutual funds and real estate investment trusts,

(3) net long-term gains included in the profits of Small Business Corporations electing to be taxed through shareholders (reduced by the special tax computed at the company level), and

(4) any long-term capital loss carryover from 1964-68.

Short-term capital loss carryover.--This carryover was the unused portion of any net capital loss sustained from 1959-1963 and any net short-term loss sustained since 1963 which exceeded the loss year's net capital gain or the $1,000 maximum net capital loss deduction.

Long-term capital loss carryover.--This carryover was the unused portion of net long-term loss sustained since 1963 which exceeded the loss year's net short-term capital gain or the $1,000 maximum deduction for net capital loss. If both a net short-term loss and net long-term loss were incurred, the net short-term loss was offset first.

Net gain.--In computing the gain in adjusted gross income, the net short-term gain or loss was combined with the net long-term gain or loss and the resultant gain if long-term was reduced 50 percent. The amount of net gain in adjusted gross income conformed to one of several conditions, namely, (a) on returns with a net long-term gain, the amount included in adjusted gross income was 50 percent of the excess net long-term gain over net short-term loss, (b) on returns with only a net long-term gain, 50 percent of the gain, (c) on returns with both net short- and long-term gain, the entire amount of net short-term gain combined with 50 percent of the net long-term gain, (d) on returns with only a net short-term gain, the entire net gain, and (e) on other returns, the entire excess of net short-term gain over net long-term loss.

Net loss.--In computing net loss in adjusted gross income the net short-term gain or loss was merged with the net long-term gain or loss, and the excess loss was allowed to the extent of the smallest of (1) the capital loss, (2) taxable income (adjusted gross income if the "tax table" was used) computed without regard to capital gains and losses and the deduction for personal exemptions, or (3) $1,000.

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

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

In general, property other than capital assets related to property of a business nature in contrast to personal investments which were capital assets. Included were sales of property such as inventories and stock in trade; literary, musical, or artistic compositions created by the taxpayer; and losses on sales of depreciable and real property used in a trade or business. Each taxpayer included his share of such gain or loss received through partnerships and fiduciaries. In contrast to capital gain or loss, gain or loss from these transactions were included in their entirety in computing adjusted gross income. Losses on sales or exchanges of small business investment company stock were ordinary losses rather than capital losses. Also, losses on small business stock were ordinary losses to the original holders; however, this ordinary loss was limited to $25,000 on separate returns and $50,000 on joint returns. Gains on sales of small business stock and small business investment company stock were not included in this category, but were shown as capital gains.

Ordinary gain on sales of depreciable property is shown as a separate item.

Self-employment tax

This tax--levied under the Social Security system--was reported by each individual who had self-employment earnings of at least $400 derived from a proprietorship or from his share of partnership profits. Citizens employed by foreign governments or international organizations were subject to self-employment tax on salaries for 1960 and subsequent years. Certain types of income and deductions such as investment income, capital gain or loss, net operating loss deduction, and casualty losses were not allowed in computing self-employment earnings.

The maximum amount subject to self-employment tax for 1969 was $7,800 reduced by any wages on which social security tax had been withheld by an employer. The maximum self-employment tax payable was $538.20 based on the 6.9 percent rate in effect for that year. Nonrefundable income tax credits could not be applied against this tax.

Separate returns of husbands and wives

Generally, these were returns of married persons, each of whom filed a return independent of his spouse and reported only his own income, exemptions, and tax. Also included were returns of married persons where only one spouse had income but elected to use this classification and returns with community income divided between husband and wife.

If either husband or wife filed a separate return, the other spouse's exemption could be claimed on that return, only if the spouse did not file a return, had no gross income, and was not the dependent of another taxpayer.

Single persons, returns of

There were returns of unmarried persons who did not qualify as head of household or surviving spouse.

Small Business Corporation profit or loss

Net income of loss of a qualified Small Business Corporation (defined in section 1371 of the Code), whether or not distributed, was taxed directly through each shareholder.

To qualify as a Small Business Corporation, a company had to be a domestic corporation with no more than ten shareholders, each of which was an individual (or as estate) and no one of which was a nonresident alien. The corporation could have only one class of stock and could not be a member of an affiliated group eligible to file a consolidated return. Also, it could not receive more than 20 percent of its gross receipts from Personal Holding Company income (rent, royalties, interest, annuities, and gains from sales or exchanges of stock and securities), and could not receive more than 80 percent of its gross receipts from sources outside the United States.

The income of the Small Business Corporation shown in this report is the amount taxable to shareholders as ordinary income. Net long-term capital gain, reduced by the special tax imposed at the corporate level, retained its character in the hands of the shareholders and is included in the statistics for net gain or loss from sales of capital assets. Shareholders were allowed to deduct their share of the corporate losses from other forms of individual income. Undistributed income earned in previous years was taxable to shareholders in the year it was earned, and could be distributed during the current year without any further tax.

More detailed information on Small Business Corporations can be found in *Statistics of Income--Business Income Tax Returns and Statistics of Income--Corporation Income Tax Returns.*

Standard deduction

A taxpayer was allowed a standard deduction in lieu of itemizing his deductible personal expenses. The taxpayer elected the larger of the regular 10 percent standard deduction or the minimum standard deduction. The "regular" deduction was 10 percent of adjusted gross income, and the minimum standard deduction was $200 ($100 for married taxpayers filing separately) plus $100 for each exemption. In neither case could the deduction exceed $1,000, ($500 for married taxpayers filing separately). If married and filing separately, both taxpayers had to elect the same type of standard deduction.

For the following returns, the standard deduction had to be derived for the statistics:

(1) Returns of taxpayers who selected the optional "tax tables" to compute their tax. These taxpayers did not report an amount for standard deduction since the deduction was already built into the tables, and

(2) Returns with which Schedule T, on which the standard deduction was shown, was not filed.

Statutory adjustments

See "Other sources of income (or loss)."

Surcharge

In addition to the regular tax liability, a tax surcharge was imposed for the period January 1, 1969 through December 31, 1969. Figured on an annual basis, the surcharge was 10 percent of income tax reduced by any retirement income credit. Surcharge tables were provided for taxpayers whose regular tax was less than $735.

Some taxpayers who reported income tax before credits did not show a surcharge for the following reasons:

(1) Taxpayers with small amounts of tax, up to $148, $223, or $293, depending on marital status, were exempt from surcharge;

(2) The surcharge was applied at an effective rate of less than 10 percent when tax was less than twice these amounts;

(3) One credit was actually allowed in computing tax for surcharge purposes, the retirement income credit, and in some cases this credit may have been large enough to offset the income tax completely;

Not all of the surcharge resulted in an increase in income tax. This is borne out by table 3.8 which shows the "increase in tax due to surcharge" to be less than the surcharge itself. An increase in the amount of tax credits claimed was the cause. The size of an individual's tax before credits could often determine how much of his allowable credits (e.g. retirement income and investment credits) could actually be used. Since the surcharge like the rest of the income tax could be reduced by credits, the larger total of tax before credits plus the surcharge permitted larger portions of allowable credits to be used. This increase in tax credits was applied against the surcharge.

For many returns, the tax surcharge had to be computed for the statistics because Schedule T, on which the tax surcharge was shown, did not always have to be filed with the return.

The surcharge statistics for 1968 are not directly comparable with the surcharge statistics for 1969. In 1969, the surcharge was not shown as a separate item on many returns (i.e. those of taxpayers who were not required to file a Schedule T); therefore, it was derived for each return on which it was due, even though some taxpayers may have failed to include the amount in their tax computations. For 1968, on the other hand, the surcharge was not derived if not shown by the taxpayer.

Surviving spouses, returns of

These returns were filed by widows or widowers whose spouse had died during either of the two preceding tax years, who had not remarried, and who had maintained a home which was the principal abode of a child or stepchild for whom the taxpayer was entitled to an exemption.

Surviving spouse taxpayers could use the joint return tax rates for the two taxable years following the year of death of the spouse; however, the deceased spouse could not be claimed as an exemption, except for the year of death. Thereafter, the special rates for surviving spouse halfway between the joint and single return tax rates applied.

Tax credits

Included here were the following credits applied against income tax:

(1) Retirement income credit,
(2) Investment credit,
(3) Foreign tax credit, and
(4) "Other" tax credits.

Each of the above is described under separate heading.

Tax due at time of filing

Tax due was reported on returns where the tax withheld and the payment on declarations of estimated tax (together with other prepayment credits reported with them) were insufficient to cover the total of income tax after credits (which included the surcharge), self-employment tax, and tax from recomputing prior year investment credit.

The balance of tax due was payable upon filing with all Forms 1040 showing adjusted gross income of $5,000 or more. Taxpayers with income under $5,000 which consisted only of wages subject to withholding and not more than $200 of dividends, interest, and other wages, and who did not claim any statutory adjustments could elect to have the Internal Revenue Service compute their tax and be billed for any balance due. Other taxpayers with income under $5,000 were required to remit any balance due with their Form 1040.

Tax from recomputing prior year investment credit

The investment credit provisions of the law included a "recapture rule" which required taxpayers to pay back all or a portion of any investment credit taken on property disposed of before the end of the useful life claimed in computing the credit. The law specified that if property qualifying for credit was disposed of before the end of its estimated useful life, the tax for the year of disposal was increased by the difference between the credit originally allowed and the credit that would have been allowed if the computation had been on a shorter useful life.

Unless a credit was refundable, it could not be applied against this tax.

Taxable income

Taxable income was the amount to which tax rates were usually applied in arriving at income tax before credits. It was determined by subtracting from adjusted gross income itemized deductions or the standard deduction and the number of personal exemptions claimed multiplied by $600.

For many returns, taxable income had to be derived for the statistics because Schedule T, on which taxable income was shown, did not always have to be filed with the return.

Taxpayments

These payments were, in effect, made before the return was filed and were applied against tax liability to determine the amount payable. They included the following:

(1) Income tax withheld (including excess social security taxes withheld),

(2) Refundable credits, and

(3) Payments on 1969 declarations of estimated tax.

Taxpayments in excess of total tax were refundable. Each of the above is described under separate heading.

Tax savings due to income averaging

In this report the amount of tax savings is the difference between the tax resulting from the income averaging computation, usually shown on Schedule G, and the amount of tax that would result if the income averaging provisions were not used.

Tax withheld

See "Income tax withheld."

Ten Percent Standard Deduction

See "Standard deduction."

Tentative credit

See "Retirement income credit."

Total deductions

This classification included personal deductions, both standard and itemized.

Total tax liability

Total tax liability was the sum of:

(1) Income tax after credits (including surcharge), plus

(2) Self-employment tax, plus

(3) Tax from recomputing prior year investment credit.

Form **1040** Combined with Form 1040A **US** Department of the Treasury / Internal Revenue Service **Individual Income Tax Return** **1969**

For the year January 1—December 31, 1969, or other taxable year beginning ...., 1969, ending ...., 19....

Please print or type

First name and initial (if joint return, use first names and middle initials of both) | Last name | Your social security number

Present home address (Number and street or rural route) | Your occupation

City, town or post office, State and ZIP code | Spouse's social security number

Enter below name and address used on your return for 1968 (if same as above write "Same"). If none filed, give reason. If changing from separate to joint or joint to separate returns, enter 1968 names and addresses. | Spouse's occupation

Name and address of employer at time of filing

Your Filing Status—(Check only one)

1 ☐ Single
2 ☐ Married filing joint return (even if only one had income)
3 ☐ Married filing separate return and spouse is also filing a return. If this item checked give spouse's social security number in space provided above and enter first name here ⊳
4 ☐ Unmarried Head of Household
5 ☐ Surviving widow(er) with dependent child
6 ☐ Married filing separate return and spouse is not filing a return

Your Exemptions

Check boxes for exemptions which apply — Regular / 65 or over / Blind

7a Yourself . . . . . ☐ ☐ ☐
7b Spouse (applies only if line 2 or line 6 is checked) . . . ☐ ☐ ☐ } Enter number of boxes checked ⊳

8 First names of your dependent children who lived with you

Enter number ⊳

9 OTHER DEPENDENTS (a) NAME—Enter figure 1 in the last column to right for each name listed (if more space is needed, use other side)	(b) Relationship	(c) Months lived in your home. See instructions, B–2.	(d) $600 or more income?	(e) Support you furnished. If 100% write "ALL."	(f) Support furnished by dependent and others
				$	$ ⊳
					⊳

10 Total exemptions from lines 7, 8, and 9 above . . . . ⊳

Your Income

11 Wages, salaries, tips, etc. (Attach Form W–2 to back. If unavailable, explain on back) . | 11

12a Dividends [Total before exclusion] $ divvee [See item 2 on 1040–1] 12b Less Exclusion $ divvee Balance ⊳ | 12c divagi

13 Interest (Enter total here and if over $100, also list in Schedule B, Part II) . . . . | 13

14 Other income: Total from attached schedules (check schedules used—C ☐, D ☐, E ☐, F ☐) . . | 14

15a Total [Add lines 11, 12c, 13 & 14] $, 15b Less Adjustments [See 1040–1] $, Adjusted Gross Income ⊳ | 15c

Your Tax and Surcharge

○ *If line 15c is $5,000 or more, go to Schedule T, to figure tax and surcharge. (Omit lines 16 and 17.)*
○ *Go to Sch. T to figure tax and surcharge if you itemize deductions; or claim retirement income credit, foreign tax credit, or investment credit; or if you owe self-employment tax or tax from recomputing prior year investment credit. (Omit lines 16 and 17.)*
○ *If neither of above two items applies, go to Tax Tables instead of Sch. T. Complete lines 16, 17, & 18.*

16 Tax from Tax Table (see tables on T–2 and T–3) . . . . | 16

17 Tax surcharge on line 16 (see T–1 for tax surcharge tables) . | 17

See 1040–1 for rules under which the IRS will figure your tax and surcharge.

18 Enter total of lines 16 and 17 OR amount from Schedule T, line 18, if applicable (check if from Tax Table A ☐, B ☐, C ☐; Tax Rate Sch. ☐, Sch. D ☐, or Sch. G ☐) . | 18

Your Credits

19 Total Federal income tax withheld (attach Forms W–2 to back) | 19
20 Excess F.I.C.A. tax withheld (two or more employers—see R–2) . . . | 20
21 ☐ Nonhighway Federal gasoline tax, Form 4136; ☐ Reg. Inv., Form 2439 | 21
22 1969 Estimated tax payments (include 1968 overpayment allowed as a credit) | 22

Make check or money order payable to Internal Revenue Service.

23 Total (add lines 19, 20, 21, and 22) . . . . . | 23

Balance Due or Refund

24 If line 18 is larger than line 23, enter BALANCE DUE. Pay in full with return ⟶ | 24

25 If line 23 is larger than line 18, enter OVERPAYMENT ⟶ | 25

26 Line 25 to be: (a) Credited on 1970 estimated tax ⊳ $; (b) Refunded ⊳ $

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete.

Sign here

Your signature — Date

Spouse's signature (if filing jointly, BOTH must sign even if only one had income)

Signature of preparer other than taxpayer, based on all information of which he has any knowledge. — Date

Address

69 073

16–60588—1

Please attach Copy B of Form W–2 to back

Please attach Check or Money Order here

We've combined Forms 1040 and 1040A:

There are nearly 75 million people who file income tax returns. They have different kinds of income, different kinds of deductions, credits, and exclusions. No one form can possibly suit all of them. That's why we have developed a new return system that takes the place of both the old Form 1040 and the old Form 1040A. It is a building-block system. You start with a basic one-page form (still called Form 1040). Nearly half of the taxpayers will need no other forms. The other half will add special schedules or forms only as they need them.

Attach Copy B of Form W-2 here.

How to Prepare Your Return

- Fill out the new Form 1040—whether or not you need to attach any schedules. Usually you can file a complete return on the one-page form, if:
  - —All your income was from wages, dividends (not more than $100), and interest (not more than $100), AND you have no adjustments for:
  - —Sick pay
  - —Moving expenses
  - —Employee business expenses
  - —Payments as a self-employed person to a retirement plan, AND
  - —You do not itemize deductions.

- Add the following schedule(s) as required—

1. Schedule A if you:
   —Itemize deductions.
2. Schedule B if you:
   —Have gross dividends and other distributions on stock in excess of $100.
   —Have interest income in excess of $100.
3. Schedule C if you:
   —Have income (or loss) from a business (other than a farm) to include in line 14.
4. Schedule D if you:
   —Have gains (or loss) from sales or exchanges of property to include in line 14.
5. Schedule E if you have income from:
   (To include in line 14.)
   —Pensions or annuities
   —Rents or royalties,
   —Partnerships, estates or trusts, small business corporations, or miscellaneous sources.
6. Schedule F if you:
   —Have farm income (or loss) to include in line 14.
7. Schedule G if you:
   —Claim the benefits of income averaging.
8. Schedule R if you:
   —Claim a retirement income credit.
9. Schedule SE if you:
   —Report net earnings from self-employment.
10. Schedule T if you:
    —Are subject to self-employment tax,
    —Are subject to tax from recomputing prior year investment credit,
    —Claim a retirement income credit
    —Claim investment credit
    —Claim foreign tax credit.

Income adjustments—

Line 15b.—Your income can be reduced by the following adjustments:

- Sick pay (attach Form 2440)
- Moving Expenses (attach Form 3903)
- Employee business expenses (attach Form 2106)
- Payments to self-employment retirement plans (attach Form 2950SE).

Rules for IRS computation of tax—

If line 15a is under $5,000 and consisted only of wages subject to withholding and not more than $200 of dividends, interest, and nonwithheld wages, and you are not claiming any adjustments on line 15b, you can have IRS figure your tax by omitting lines 16, 17, 18, 20, 21, 22, 23, 24, 25, and 26 (but complete line 19). If you are filing a joint return, show husband's income and wife's income separately in the space to the right of line 15c. Identify husband's income by marking (H) and wife's income by marking (W).

Note: If the IRS figures your tax and surcharge, the law does not permit the IRS to allow you the benefits of: (1) the retirement income credit, (2) head of household or surviving spouse status, and (3) minimum standard deduction, if you are married and filing a separate return. If you are entitled to any of these benefits, it is to your advantage to figure your own tax and surcharge.

Addresses of Internal Revenue Offices

If you are located in:	Send your return to:
Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee	Internal Revenue Service Center 4800 Buford Highway Chamblee, Georgia 30006
Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania, Virginia	Internal Revenue Service Center 11601 Roosevelt Boulevard Philadelphia, Pennsylvania 19155
Indiana, Kentucky, Michigan, Ohio, West Virginia	Internal Revenue Service Center Cincinnati, Ohio 45298
Arkansas, Colorado, Kansas, Louisiana, New Mexico, Oklahoma, Texas, Wyoming	Internal Revenue Service Center 3651 S. Interregional Highway Austin, Texas 78740
Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington	Internal Revenue Service Center 1160 West 1200 South St. Ogden, Utah 84405
Illinois, Iowa, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Wisconsin	Internal Revenue Service Center 2306 E. Bannister Road Kansas City, Missouri 64170
Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont	Internal Revenue Service Center 310 Lowell Street Andover, Massachusetts 01812
Panama Canal Zone, American Samoa, Guam	Director of International Operations Internal Revenue Service Washington, D.C. 20225
Puerto Rico (or if excluding income under section 933) Virgin Islands: Non-permanent residents	Director of International Operations U.S. Internal Revenue Service Ponce de Leon Ave. and Bolivia St. Hato Rey, Puerto Rico 00917
Virgin Islands: Permanent residents	Department of Finance, Tax Division Charlotte Amalie St. Thomas, Virgin Islands 00801

U.S. citizens with foreign addresses (except A.P.O. and F.P.O.) and those excluding income under sec. 911 or 931: file with Director of International Operations, Internal Revenue Service, Washington, D.C. 20225.

If you claim more than two dependents on line 9, show the required information below. You may also use this space to explain a missing Form W-2.

☆☆☆☆ U.S. GOVERNMENT PRINTING OFFICE: 1969—O-354-311 (E.I. 13-3566295) 16—80383-1

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SCHEDULE A
(Form 1040)
Department of the Treasury
Internal Revenue Service

Itemized Deductions

► See instructions on A-1 and A-2.
► If you use this schedule, attach it to Form 1040.

1969

Name as shown on Form 1040

Social Security Number

Medical and dental expenses (not compensated by insurance or otherwise) for medicine and drugs, doctors, dentists, nurses, hospital care, insurance premiums for medical care, etc.

1 One half of insurance premiums for medical care (but not more than $150) . .
2 Medicine and drugs . . . .
3 Enter 1% of line 15c, Form 1040 . . .
4 Subtract line 3 from line 2. Enter difference (if less than zero, enter zero) . .
5 Itemize other medical and dental expenses (include balance of insurance premiums for medical care not deducted on line 1) . . . .
6 Total (add lines 4 and 5) . . . . .
7 Enter 3% of line 15c, Form 1040 . . .
8 Subtract line 7 from line 6. Enter difference (if less than zero, enter zero) . .
9 Total deductible medical and dental expenses (add lines 1 and 8) . . . . ►

Taxes.—Real estate . . . .
State and local gasoline . . . . . .
General sales (see sales tax tables) . . .
State and local income . . . .
Personal property. . . . .

10 Total taxes . . . . ►

Contributions.—Cash—including checks, money orders, etc. (Itemize)

11 Total cash contributions . . . .
12 Other than cash (see instructions on A-1 for required statement). Enter total for such items here . . . .
13 Carryover from prior years (see instructions on A-2) . . . . . .
14 Total contributions (add lines 11, 12, and 13—see instructions on A-2 for limitation) . . . . ►

Interest expense—Home mortgage . .
Installment purchases . . . . . .
Other (Itemize) . . . .

15 Total interest expense . . . . . ►

Miscellaneous deductions for child care, alimony, union dues, casualty losses, etc. (see instructions on A-2)

16 Total miscellaneous deductions . ►

17 TOTAL ITEMIZED DEDUCTIONS (add lines 9, 10, 14, 15, and 16—enter here and on Schedule T, line 2) . ► to be Cd

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Instructions for Schedule A (Form 1040)—1969

Itemized vs. Standard Deduction.—Deductions may be itemized for medical and dental expenses, certain taxes, charitable and other contributions, interest expense, casualty losses, child care, and other items described here. If you take the standard deduction, you will get an amount equal to 10 percent of the income you report on line 15c of Form 1040, but not less than $200 plus $100 for each exemption claimed on line 10 of Form 1040 (subtract $100 if married and filing separately). The maximum standard deduction is $1,000 ($500 if married and filing separately).

Medical and Dental Expenses

You can deduct, within the limits of lines 1, 3 and 7, the amounts you paid during the year (not compensated by hospital, health or accident insurance, or otherwise) for medical or dental expenses for yourself, your wife, or any dependent who received over half of his support from you whether or not the dependent had $600 or more income.

If you pay someone for both nursing and domestic duties, you can deduct only the nursing cost.

You Can Deduct Payments To or For.—Physicians, dentists, nurses, and other professional practitioners; drugs or medicines; hospitals; transportation necessary to get medical care; eyeglasses, artificial teeth, medical or surgical appliances, braces, etc.; X-ray examinations or treatment; premiums on hospital or medical insurance; and meals and lodging if part of cost of care in a hospital or similar institution.

You Cannot Deduct Payments For.—Funeral expenses and cemetery plot; illegal operations or drugs; travel ordered or suggested by your doctor for rest or change; premiums on life insurance; cosmetics.

Medical Care Insurance.—You can deduct an amount equal to one-half of the insurance premiums paid (but not more than $150) without regard to the limitation on line 7. The other one-half, plus any excess over the $150 limit, is deductible subject to the 3 percent limitation shown on line 7. The $4 monthly payments for supplementary medical insurance under "Medicare" are deductible, but the hospital insurance benefits tax that is included as part of the social security tax and withheld from wages or paid on self-employment income is not deductible.

The 1 percent and 3 percent limitations (see lines 3 and 7) apply in all cases, regardless of your age, or the age of your wife or other dependents.

Taxes

You can deduct general State or local retail sales taxes if they are imposed directly upon the consumer, or if they are imposed on the retailer (or wholesaler in case of gasoline taxes) and the amount of the tax is separately stated by the retailer. In certain cases, you may also deduct State or local selective sales or excise taxes, even though not part of a general sales tax (or tax similar to a general sales tax), if imposed at the general rate of that tax. Average general sales tax tables are provided.

If the amount you paid for your automobile tags is based on the value of the automobile, you can deduct the part based on the value of the automobile as personal property tax.

If you had any other deductible tax which does not fall in one of the five categories shown, describe the tax and enter below "Personal property."

Deduct business Federal taxes, or any taxes paid in connection with a business or profession in Schedules C, E, or F.

You Can Deduct.—Real estate taxes; State and local gasoline taxes; general sales taxes; State and local income taxes; and personal property taxes.

You Cannot Deduct.—Any Federal excise taxes on your personal expenditures, such as taxes on transportation, telephone, gasoline, etc.; Federal social security taxes; hunting licenses, dog licenses; auto inspection fees, tags, drivers licenses; water taxes; taxes you paid for another person; alcoholic beverage, cigarette, and tobacco taxes; or selective sales or excise taxes (such as those on admissions, room occupancy, etc.) even if they are separately stated or imposed on the purchaser, unless imposed at the same rate as the general sales tax.

In general, you cannot deduct taxes assessed for pavements or other improvements, including front-foot benefits, which tend to increase the value of your property.

State Gasoline Tax Table

You may figure the deduction for State tax on gasoline used in your car by using the following table that is based on information available as of August 15, 1969. If all or part of your mileage was driven in a four-cylinder (or less) car, the deduction for that mileage should be one-half of the table amount.

If you can establish that you paid a larger amount, you are entitled to deduct that amount.

Find the rate of gasoline tax for your State in the list below. If the rate of gasoline tax changed in 1969, find the deduction for mileage driven at each rate, and add the two amounts.

Alabama 7¢
Alaska 8¢
Arizona 7¢
Arkansas 7.5¢
California 7¢
  8¢ from June 1 to Sept. 1.
Colorado 6¢
  after May 31, 7¢
Connecticut 7¢
  after June 30, 8¢
Delaware 7¢
Dist. of Col. 7¢
Florida 7¢
Georgia 6.5¢
Hawaii 5¢
Idaho 7¢
Illinois 6¢
  after July 31, 7.5¢
Indiana 6¢
  after March 31, 8¢
Iowa 7¢
Kansas 5¢
  after June 30, 7¢
Kentucky 7¢
Louisiana 7¢
  after January 5, 8¢
Maine 7¢
  after June 30, 8¢
Maryland 7¢
Massachusetts 6.5¢
Michigan 7¢
Minnesota 7¢
Mississippi 7¢
Missouri 5¢
Montana 6.5¢
  after June 30, 7¢
Nebraska 7.5¢
Nevada 6¢
New Hampshire 7¢
New Jersey 7¢
New Mexico 7¢
New York 7¢
North Carolina 7¢
  after June 30, 9¢
North Dakota 6¢
  after June 30, 7¢
Ohio 7¢
Oklahoma 6.58¢
Oregon 7¢
Pennsylvania 7¢
Rhode Island 8¢
South Carolina 7¢
South Dakota 6¢
  after June 30, 7¢
Tennessee 7¢
Texas 5¢
Utah 6¢
  after June 30, 7¢
Vermont 8¢
Virginia 7¢
Washington 9¢
West Virginia 7¢
Wisconsin 7¢
Wyoming 6¢
  after June 30, 7¢

Nonbusiness Mileage Driven	RATE PER GALLON						
	5¢	6¢	6.5¢ & 6.58¢	7¢	7.5¢	8¢	9¢
Under 3,000........	$7	$9	$9	$10	$11	$11	$13
3,000 to 3,499.......	12	14	15	16	17	19	21
3,500 to 3,999.......	13	16	17	19	20	21	24
4,000 to 4,499.......	15	18	20	21	23	24	27
4,500 to 4,999.......	17	20	22	24	25	27	31
5,000 to 5,499.......	19	23	24	26	28	30	34
5,500 to 5,999.......	21	25	27	29	31	33	37
6,000 to 6,499.......	22	27	29	31	33	36	40
6,500 to 6,999.......	24	29	31	34	36	39	43
7,000 to 7,499.......	26	31	34	36	39	41	47
7,500 to 7,999.......	28	33	36	39	42	44	50
8,000 to 8,499.......	29	35	38	41	44	47	53
8,500 to 8,999.......	31	38	41	44	47	50	56
9,000 to 9,499.......	33	40	43	46	50	53	59
9,500 to 9,999.......	35	42	45	49	52	56	63
10,000 to 10,999....	$38	$45	$49	$53	$56	$60	$68
11,000 to 11,999....	41	49	53	57	62	66	74
12,000 to 12,999....	45	54	58	63	67	71	80
13,000 to 13,999....	48	58	63	67	72	77	87
14,000 to 14,999....	52	62	67	73	78	83	93
15,000 to 15,999....	55	66	72	77	83	89	100
16,000 to 16,999....	59	71	77	83	88	94	106
17,000 to 17,999....	63	75	81	88	94	100	113
18,000 to 18,999....	66	79	86	92	99	106	119
19,000 to 19,999....	70	84	91	98	104	111	125
20,000 miles*.......	71	86	93	100	107	114	129

* For over 20,000 miles, use table amounts corresponding to total mileage driven. For example, for 25,000 miles, add the deduction for 5,000 to the deduction for 20,000 miles.

Contributions

You Can Deduct Gifts to.—(a) Religious, charitable, educational, scientific or literary organizations, and organizations for the prevention of cruelty to children or animals, unless the organization is operated for personal profit, or a substantial part of its activities consists of propaganda or attempting to influence legislation.

(b) Fraternal organizations if the gifts are to be used for charitable, religious, etc., purposes.

(c) Certain veterans' organizations.

(d) Governmental agencies that will use the gifts exclusively for public purposes, including civil defense.

Civil defense volunteers may deduct unreimbursed expenses paid for gasoline and other expenses of participation in official civil defense activities.

A contribution may be made in cash (checks, money orders, etc.) or property (not services). If in property, give description of the property, date of gift, and method of valuation except for securities. In addition, for each gift valued at more than $200, state any conditions attached to the gift; manner of acquisition and cost or other basis if owned by you less than 5 years; and attach a signed copy of appraisal, if any. Publication 561, Valuation of Donated Property, furnishes information and guidelines relative to appraisals

(Continued on A–2)

16—80586-1

69 076

SCHEDULE B
(Form 1040)
Department of the Treasury
Internal Revenue Service

Dividend and Interest Income

▷ See instructions on B–1
▷ If you use this schedule, attach it to Form 1040

1969

Name as shown on Form 1040 | Social Security Number

PART I—Dividend Income

1 Gross dividends and other distributions on stock (list payers and amounts—write (H), (W), (J), for stock held by husband, wife, or jointly)

2 Total of line 1 . . . .
3 Capital gain distributions (see instructions on B–1) . . .
4 Nontaxable distributions (see instructions on B–1) . . .
5 Total (add lines 3 and 4) . . . . . .
6 Dividends before exclusion (subtract line 5 from line 2). Enter here and on Form 1040, line 12a . . . . . .

PART II—Interest Income

1 Earnings from savings and loan associations and credit unions (list payers and amounts)

2 Other interest on bank deposits, bonds, tax refunds, etc. (list payers and amounts)

3 Total interest income. Enter here and on Form 1040, line 13 . . . . . .

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69 077

Instructions for Schedule B (Form 1040)—1969

Part I

Dividend Income

Line 1—Gross Dividends and Other Distributions on Stock.—If you own stock, you must report any payments (dividends) you receive out of the company's earnings and profits. Usually dividends are paid in cash, but if paid in merchandise or other property they are taxable at their fair market value.

If you received gross dividends and other distributions as a stockholder (including capital gain dividends and nontaxable distributions) in excess of $100, list in line 1, Part I, Schedule B the gross amounts received. If $100 or less, Schedule B is not required. Include gross amounts received either directly or through a nominee or other intermediary, as a member of a partnership or as a beneficiary of an estate or trust. If you received dividends through a nominee or other intermediary, list his name.

Dividends from mutual insurance companies which are a reduction of premiums are not to be included. So-called "dividends" paid by savings and loan associations, mutual savings banks, cooperative banks, and credit unions on deposits or withdrawable accounts are earnings (interest) and should be reported as interest.

Special rules apply to stock dividends, liquidations, stock rights, conversions and redemptions. They are discussed in **Publication 550, Tax Information on Investment Income and Expenses.**

Line 3—Capital Gain Distributions.—Enter on this line all capital gain dividends. Also include any amounts received as return of capital which exceed the cost (or other basis) of your stock, even though such amounts are designated as nontaxable distributions by the paying corporations. The amounts included on this line must also be included in line 1, Part I, Schedule B, and reported on the appropriate lines of separate Schedule D.

Line 4—Nontaxable Distributions.—Enter on this line the total of nontaxable distributions (return of capital) not included in line 3. Amounts reported here cannot exceed the cost (or other basis) of your stock in paying corporations since amounts received in excess of cost (or other basis) are taxable as gains and must be reported on separate Schedule D as indicated in line 3, above. Any amount entered on line 4 must also be included in line 1, Part I, Schedule B.

Dividends Exclusion

You may exclude on Form 1040, line 12b, up to $100 of dividends received from qualifying domestic corporations.

If a joint return is filed and both husband and wife have dividend income, each may exclude up to $100 of dividends received from qualifying corporations. However, neither of them may use any portion of the $100 exclusion not used by the other. For example, if the husband had $300 in dividends, and the wife had $20, only $120 may be excluded.

Taxable dividends from the following corporations do not qualify for the dividends received exclusion:

(a) Foreign corporations, including your share from a controlled foreign corporation.

(b) So-called exempt organizations (charitable, fraternal, etc.) and exempt farmers' cooperative organizations.

(c) Regulated investment companies except to the extent designated by the company to be taken into account as a dividend for these purposes.

(d) Real estate investment trusts.

(e) China Trade Act corporations.

(f) Corporations deriving 80 percent or more of their income from U.S. possessions and 50 percent or more of their income from the active conduct of a business therein.

Part II

Interest Income

You must report any interest you received or which was credited to your account (whether entered in your passbook or not) and which you can withdraw. If you received interest in excess of $100, list payers and amounts in Part II, Schedule B. Interest on bonds, debentures, notes, savings accounts, or loans is taxable, except on State and municipal bonds and securities. Interest received on tax refunds is taxable and must be included in your return.

If you own United States Savings bonds, the gradual increase in value of each bond is interest, but you need not report this interest until you cash the bond or until the year of final maturity, whichever is earlier. You may at any time elect to report each year the annual increase in value. However, if you do so, you must report in the first year the entire increase to date on all such bonds, and must continue to report the annual increase each year.

Interest on certain industrial development bonds issued after April 30, 1968, is taxable unless the bonds are part of an issue of $1,000,000 or less and substantially all the proceeds are used (1) to acquire, construct, reconstruct or improve land or depreciable property or (2) to redeem all or part of a prior bond issue that was issued to acquire, construct, reconstruct or improve land or depreciable property. For bonds issued after October 24, 1968, a $5,000,000 tax-exempt limitation may be applied in certain situations. The bond issuer will be able to tell you if the increased limitation applies.

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69 078

SCHEDULE C
(Form 1040)
Department of the Treasury
Internal Revenue Service

Profit (or Loss) From Business or Profession
(Sole Proprietorship)

▶ Partnerships, joint ventures, etc., must file on Form 1065
▶ See separate instructions ▶ If you use this schedule, attach it to Form 1040

1969

Name as shown on Form 1040 | Social security number

A Principal business activity ....; product ....
(See separate instructions) (For example: retail—hardware; wholesale—tobacco; services—legal; manufacturing—furniture; etc.)

B Business name .... C Employer Identification Number ....

D Business address .... (ZIP code)

E Indicate method of accounting: (1) ☐ cash; (2) ☐ accrual; (3) ☐ other.

F Was there any substantial change in the manner of determining quantities, costs, or valuations between the opening and closing inventories? ☐ YES ☐ NO. If "Yes," attach explanation.

G Were you required to file Forms 1096 and 1099 or 1087 for the calendar year 1969? (See "Item G" in separate instructions for Schedule C.) ☐ YES ☐ NO. If "Yes," where were they filed? ....

1 Gross receipts or gross sales $............ Less: Returns and allowances $............		$
2 Inventory at beginning of year (if different from last year's closing inventory attach explanation)		
3 Merchandise purchased $............, less cost of any items withdrawn from business for personal use $............		
4 Cost of labor (do not include salary paid to yourself)		
5 Material and supplies		
6 Other costs (explain in Schedule C–1)		
7 Total of lines 2 through 6		
8 Inventory at end of this year		
9 Cost of goods sold and/or operations (subtract line 8 from line 7)		
10 Gross profit (subtract line 9 from line 1)		

OTHER BUSINESS DEDUCTIONS

11 Depreciation (explain in Schedule C–2)		
12 Taxes on business and business property (explain in Schedule C–1)		
13 Rent on business property		
14 Repairs (explain in Schedule C–1)		
15 Salaries and wages not included on line 4 (exclude any paid to yourself)		
16 Insurance		
17 Legal and professional fees		
18 Commissions		
19 Amortization (attach statement)		
20 Retirement plans, etc. (other than your share—see separate instructions)		
21 Interest on business indebtedness		
22 Bad debts arising from sales or services		
23 Losses of business property (attach statement)		
24 Depletion		
25 Other business expenses (explain in Schedule C–1)		
26 Total of lines 11 through 25		
27 Net profit (or loss) (subtract line 26 from line 10). Enter here and include in total on line 14, Form 1040. ALSO enter on Schedule SE, Part I, line 1		

SCHEDULE C–1. EXPLANATION OF LINES 6, 12, 14, AND 25

Line No.	Explanation	Amount	Line No.	Explanation	Amount
		$			$

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CONTINUATION OF SCHEDULE C-1. EXPLANATION OF LINES 6, 12, 14, AND 25

Line No.	Explanation	Amount	Line No.	Explanation	Amount
		$			$

SCHEDULE C-2. EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED ON LINE 11.

—Taxpayers using Revenue Procedures 62-21 and 65-13: Make no entry in column 2, enter the cost or other basis of assets held at end of year in column 3, and enter the accumulated depreciation at end of year in column 4. Note: You may (1) group depreciable assets in accordance with the categories specified below or (2) continue to list your assets in the same manner as in prior years. If you need more space, use Form 4562.

1. Group and guideline class or description of property	2. Date acquired	3. Cost or other basis	4. Depreciation allowed or allowable in prior years	5. Method of computing depreciation	6. Life or rate	7. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below)						
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment						
Other (specify)						
2 Totals						
3 Less: Amount of depreciation claimed elsewhere in Schedule C						
4 Balance—Enter here and on page 1, line 11						

SUMMARY OF DEPRECIATION

	Straight line	Declining balance	Sum of the years-digits	Units of production	Additional first-year (section 179)	Other (specify)	Total
1 Under Rev. Procs. 62-21 and 65-13							
2 Other							

EXPENSE ACCOUNT INFORMATION

Enter information with regard to yourself and your five highest paid employees. In determining the five highest paid employees, expense account allowances must be added to their salaries and wages. However, the information need not be submitted for any employee for whom the combined amount is less than $10,000, or for yourself if your expense account allowance plus line 27, page 1, is less than $10,000. See separate instructions for Schedule C, for definition of "expense account."

Name	Expense account	Salaries and wages
Owner		
1		
2		
3		
4		
5		

Did you claim a deduction for expenses connected with:

(1) Entertainment facility (boat, resort, ranch, etc.)? ☐ YES ☐ NO

(2) Living accommodations (except employees on business)? ☐ YES ☐ NO

(3) Employees' families at conventions or meetings? ☐ YES ☐ NO

(4) Employee or family vacations not reported on Form W-2? ☐ YES ☐ NO

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SCHEDULE D (Form 1040)
Department of the Treasury
Internal Revenue Service

Sales or Exchanges of Property

▷ See instructions on D–1 and D–2.
▷ If you use this schedule, attach it to Form 1040.

1969

Name as shown on Form 1040 | Social Security Number

Part I—CAPITAL ASSETS—Short-term capital gains and losses—assets held not more than 6 months

	a. Kind of property. Indicate security, real estate, or other. (Specify)	b. Description (Examples: 100 sh. of "Z" Co., 2 story brick, etc.)	c. How acquired. Enter letter symbol (See instr.)	d. Date acquired (mo., day, yr.)	e. Date sold (mo., day, yr.)	f. Gross sales price	g. Depreciation allowed (or allowable) since acquisition	h. Cost or other basis, cost of subsequent improvements (if not purchased, attach explanation) and expense of sale	i. Gain or loss (f plus g less h)
1									

2 Enter your share of net short-term gain (or loss) from partnerships and fiduciaries . . . .
3 Enter unused short-term capital loss carryover from preceding taxable years (attach statement) . . . . . .
4 Net short-term gain (or loss) from lines 1, 2, and 3 . . . .

Long-term capital gains and losses—assets held more than 6 months (12 months or more for certain livestock)

5 Enter gain from Part II, line 3 . . . .

Total long-term gross sales price . .

6a Enter your share of net long-term gain (or loss) from partnerships and fiduciaries . . . .
6b Enter your share of net long-term gain from small business corporations (Subchapter S) . . . .
7 Enter unused long-term capital loss carryover from preceding taxable years (attach statement) . . . . .
8 Capital gain dividends . . . .
9 Net long-term gain (or loss) from lines 5, 6a, 6b, 7, and 8 . . . .
10 Combine the amounts shown on lines 4 and 9, and enter the net gain (or loss) here . . . .
11 IF LINE 10 SHOWS A GAIN—Enter 50% of line 9 or 50% of line 10, whichever is smaller. (Enter zero if there is a loss or no entry on line 9.) (See reverse side for computation of alternative tax.) . . . .
12 Subtract line 11 from line 10. Enter here and in Part IV, line 1, on reverse side . . . .
13 IF LINE 10 SHOWS A LOSS—Enter here and in Part IV, line 1, the smallest of: (a) line 10; (b) line 3, Sch. T., (line 15c, Form 1040, if tax table used) computed without capital gains or losses; or (c) $1,000 . . . .

Part II—GAIN FROM DISPOSITION OF DEPRECIABLE PROPERTY UNDER SECTIONS 1245 AND 1250—assets held more than 6 months (see instructions on D–1 for definitions)

Where double headings appear, use the first heading for section 1245 and the second heading for section 1250.

	a. Kind of property and how acquired (If necessary, attach statement of descriptive details not shown below—write 1245 or 1250 to indicate type of asset)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Cost or other basis, cost of subsequent improvements (if not purchased, attach explanation) and expense of sale
1					

f. Depreciation allowed (or allowable) since acquisition: f-1. Prior to January 1, 1952 — OR — Prior to January 1, 1964	f-2. After December 31, 1951 — OR — After December 31, 1963	g. Adjusted basis (e less sum of f-1 and f-2)	h. Total gain (d less g)	i. Ordinary gain (lesser of f-2 or h) — OR — (see instructions)	j. Other gain (h less i)

2 Total ordinary gain. Enter here and in Part IV, line 2, on reverse side . . . .
3 Total other gain. Enter here and in Part I, line 5; however, if the gains do not exceed the losses when this amount is combined with other gains and losses from section 1231 property enter the total of column j in Part III, line 1 . . .

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Part III—PROPERTY OTHER THAN CAPITAL ASSETS

a. Kind of property and how acquired (if necessary, attach statement of descriptive details not shown below)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Depreciation allowed (or allowable) since acquisition	f. Cost or other basis, cost of subsequent improvements (if not purchased, attach explanation) and expense of sale	g. Gain or loss (d plus e less f)
1 Enter gain from Part II, line 3						
2 Enter your share of partnership and fiduciary gain (or loss) from property other than capital assets						
3 Net gain (or loss) from lines 1 and 2. Enter here and in Part IV, line 3.						

Part IV—TOTAL GAINS OR LOSSES FROM SALE OR EXCHANGE OF PROPERTY

1 Net gain (or loss) from Part I, line 12 or 13 . . . .

2 Total ordinary gain from Part II, line 2 . . . .

3 Net gain (or loss) from Part III, line 3 . . . .

4 Total net gain (or loss), combine lines 1, 2, and 3. Enter here and include in total on line 14, Form 1040. . . . . .

COMPUTATION OF ALTERNATIVE TAX—It will usually be to your advantage to use the alternative tax if the net long-term capital gain exceeds the net short-term capital loss, or if there is a net long-term capital gain only, and you are filing (a) a separate return with taxable income exceeding $25,000, or (b) a joint return, or as a surviving husband or wife, with taxable income exceeding $52,000, or (c) as a head of household with taxable income exceeding $38,000.

1 Enter the amount from Schedule T, line 5 . . . .

2 Enter amount from Part I, line 11, on reverse side . . . .

3 Subtract line 2 from line 1 . . . .

4 Enter tax on amount on line 3 (use applicable tax rate schedule on T–1) . . . .

5 Enter 50% of line 2 . . . .

6 Alternative tax (add lines 4 and 5). If smaller than the tax figured on the amount on Schedule T, line 5, enter this alternative tax on Schedule T, line 6. Also check Schedule D box on Form 1040, line 13 . . . .

INSTRUCTIONS (References are to the Internal Revenue Code)

GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY.—Report details in appropriate part or parts.

In column (c) of Part I and column (a) of Parts II and III use the following symbols to indicate how the property was acquired: "A" for purchase on the open market; "B" for exercise of stock option or through employee stock purchase plan; "C" for inheritance or gift; "D" for exchange involving carryover of prior asset basis; and "E" for other.

"Capital assets" defined.—The term "capital assets" means property held by the taxpayer (whether or not connected with his trade or business) but does NOT include—

(a) stock in trade or other property of a kind properly includible in his inventory if on hand at the close of the taxable year;
(b) property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business;
(c) property used in the trade or business of a character which is subject to the allowance for depreciation provided in section 167;
(d) real property used in the trade or business of the taxpayer;
(e) certain government obligations issued on or after March 1, 1941, at a discount, payable without interest and maturing at a fixed date not exceeding 1 year from date of issue;
(f) certain copyrights, literary, musical, or artistic compositions, etc.; or
(g) accounts and notes receivable acquired in the ordinary course of trade or business for services rendered or from the sale of property referred to in (a) or (b) above.

Special rules apply to dealers in securities for determining capital gain or ordinary loss on the sale or exchange of securities. Certain real property subdivided for sale may be treated as capital assets. Sections 1236 and 1237.

If the total distributions to which an employee is entitled under an employees' pension, bonus, or profit-sharing trust plan, which is exempt from tax under section 501(a), are paid to the employee in one taxable year, on account of the employee's separation from service, the aggregate amount of such distribution, to the extent it exceeds the amounts contributed by the employee, shall be treated as a long-term capital gain. (See section 402(a).)

Gain on sale of depreciable property between husband and wife or between a shareholder and a "controlled corporation" shall be treated as ordinary gain.

Gains and losses from transactions described in section 1231 shall be treated as gains and losses from the sale or exchange of capital assets held for more than 6 months if the total of these gains exceeds the total of these losses. If the total of these gains does not exceed the total of these losses, such gains and losses shall not be treated as gains and losses from the sale or exchange of capital assets. Thus, in the event of a net gain, all these transactions should be entered in Part I of Schedule D. In the event of a net loss, all these transactions should be entered in Part III of Schedule D, or in other applicable schedules on Form 1040.

Section 1231 deals with gains and losses arising from—

(a) sale, exchange, or involuntary conversion, of land (including in certain cases unharvested crops sold with the land) and depreciable property if they are used in the trade or business and held for more than 6 months.
(b) sale, exchange, or involuntary conversion of livestock held for draft, breeding, or dairy purposes (but not including poultry) and held for 1 year or more.
(c) the cutting of timber or the disposal of timber, coal, or domestic iron ore, to which section 631 applies, and
(d) the involuntary conversion of capital assets held more than 6 months.

See sections 1231 and 631 for specific conditions applicable.

Gain from disposition of depreciable property under sections 1245 and 1250—assets held more than 6 months (Part II).—*(Report any gain from such property held for 6 months or less in Part III.)* Except as provided below section 1245 property means depreciable (a) personal property (other than livestock) including intangible personal property; (b) tangible real property (except for buildings and their structural components) if used as an integral part of manufacturing, production, or extraction, or of furnishing transportation, communications, electrical energy, gas, water, or sewage disposal services, or used as a research or storage facility in connection with these activities; and (c) elevators and escalators.

Except as provided below section 1250 property means depreciable real property (other than section 1245 property).

See sections 1245(b) and 1250(d) for exceptions and limitations involving: (a) disposition by gift; (b) transfers at death; (c) certain tax-free transactions; (d) like kind exchanges, involuntary conversions; (e) sales or exchanges to effectuate FCC policies and exchanges to comply with S.E.C. orders; (f) property distributed by a partnership to a partner; and (g) disposition of principal residence (section 1250 only).

Column f of Part II.—In computing depreciation allowed or allowable for elevators or escalators, enter in column f-1 depreciation prior to July 1, 1963, and in column f-2 depreciation after June 30, 1963.

(Instructions continued on D–2)

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SCHEDULE E
(Form 1040)
Department of the Treasury
Internal Revenue Service

Supplemental and Miscellaneous Income

▶ See instructions on E–1.
▶ If you use this schedule, attach it to Form 1040.

1969

Name as shown on Form 1040

Social Security Number

Fill out and attach a separate Part I for each pension or annuity. Enter combined total of taxable portions on line 5.

PART I.—Pension and Annuity Income.

• If pension or annuity is fully taxable for 1969, complete only lines 1 and 5. • If not fully taxable, complete all lines including line 2 if applicable.

1 Name of payer ....

2 If employee contribution is recoverable within a 3-year period and you have not recovered your cost tax-free in prior years, show: Your contribution $.........., Recovered in prior years $..........

3 Amount received this year . . . . .

4 Amount excludable . . . . .

5 Taxable portion (subtract line 4 from line 3) . . . . .

PART II.—Rent and Royalty Income

1. Kind and location of property	2. Total amount of rents	3. Total amount of royalties	4. Depreciation (explain below) or depletion (attach computation)	5. Other expenses (Repairs, etc.—explain below)
1 Totals				

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

PART III.—Income or Losses from Partnerships, Estates or Trusts, Small Business Corporations, and Miscellaneous Income

(a) Name and address (for Miscellaneous Income, show source and nature of income in this column)	(b) Check applicable box: Partnership	Estate or Trust	Small Bus. Corp.	Misc. Income	(c) Employer identification number	(d) Income or loss

1 Income (or loss) Total of column (d) . . . . .

TOTAL OF PARTS I, II AND III (Enter here and include in total on line 14, Form 1040) . . .

Explanation of Column 5, Part II

Item	Amount	Item	Amount	Item	Amount

Schedule for Depreciation Claimed in Part II Above

Taxpayers using Revenue Procedures 62–21 and 65–13: Make no entry in column 2, enter the cost or other basis of assets held at end of year in column 3, and enter the accumulated depreciation at end of year in column 4. If you need more space, use Form 4562.

1. Group and guideline class or description of property	2. Date acquired	3. Cost or other basis	4. Depreciation allowed or allowable in prior years	5. Method of computing depreciation	6. Life or rate	7. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below) →						
2 Totals						

SUMMARY OF DEPRECIATION

	Straight line	Declining balance	Sum of the years-digits	Units of production	Additional first-year (section 179)	Other (specify)	Total
1 Under Rev. Procs. 62–21 and 65–13							
2 Other . .							

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Instructions for Schedule E (Form 1040)

Part I.—Pensions and Annuities

Amounts received from annuities, pensions, endowments, or life insurance contracts, whether paid for a fixed number of years or for life, may have a portion of the payment excluded from income. The following types come under this rule: (a) pensions where the employee has either contributed to its cost or has been taxed on his employer's contributions, and (b) amounts paid for a reason other than the death of the insured under an annuity, endowment, or life insurance contract.

General Rule for Annuities.—Generally, amounts received from annuities and pensions are included in income in an amount which is figured upon your life expectancy. This computation and your life expectancy multiple can be found in the regulations covering annuities and pensions. Once you have obtained the multiple it remains unchanged. It is not necessary to recompute your excludable portion each year. In making this computation you can get help from the Internal Revenue Service as well as from some employers and insurance companies.

Special Rule for Certain Types of Employees' Annuities.—A special rule applies for amounts received as employees' annuities if part of the cost is contributed by the *employer* and if the amount contributed by the *employee* will be returned within three years from the date of the first payment received under the contract. If both of these conditions are met, then all the payments received under the contract during the first three years are to be excluded from income until the employee recovers his cost (the amount contributed by him, plus the contributions made by the employer on which the employee was previously taxed). Thereafter, all amounts received are fully taxable. This method of computing taxable income also applies to the employee's beneficiary if the employee died before receiving any annuity or pension payments.

Example: An employee received $200 a month from an annuity. While he worked, he contributed $4,925 toward the cost of the annuity. His employer also made contributions toward the cost of the annuity for which the employee was not taxed. The retired employee would be paid $7,200 during the first three years, which amount exceeds his contribution of $4,925. He would exclude from income all the payments received from the annuity until he has received $4,925. All payments received thereafter are fully taxable.

Death Benefit Exclusion.—If you receive pension or annuity payments as a beneficiary of a deceased employee, and the employee had received no retirement pension or annuity payments, you may be entitled to a death benefit exclusion of up to $5,000. (For details see **Publication 524**, **Retirement Income and Retirement Income Credit.**)

Part II.—Rent and Royalty income

Rents.—If you are not engaged in selling real estate, but receive rent from property you own or control, report the total in column 2, Part II, Schedule E. If you received property other than money as rent, report its fair market value.

In the case of buildings you can deduct depreciation. You can also deduct all ordinary and necessary expenditures on the property, such as taxes, interest, repairs, insurance, agent's commissions, maintenance, and similar items. However, you cannot deduct capital investments or improvements, but must add them to the basis of the property for the purpose of depreciation. For example, a landlord can deduct the cost of minor repairs, but not the cost of major improvements such as a new roof or remodeling. You cannot deduct the value of your own labor.

If You Rent Part of Your House.—If you rent out only part of your property, you can deduct only that portion of your expenses which relates to the rented part. If you cannot determine these expenses exactly, you may figure them on a proportionate basis. For example, if you rent out half of your home and live in the other half, you can deduct only half of the depreciation and other expenses.

Do not report in column 2, Part II, Schedule E, room and other space rentals for which you rendered service to the occupant. Report the rentals received in separate Schedule C. If you are engaged in the business of selling real estate, you should also report rentals received in separate Schedule C.

Royalties.—Report in column 3 royalties from oil, gas or mineral properties, and royalties from copyrights and patents. However, if you hold an operating oil, gas, or mineral interest, report gross income and expenses in separate Schedule C. Under certain circumstances, amounts received on the disposal of coal and iron ore may be treated as the sale of a capital asset. (See **Publication 544**, **Sales and Exchanges of Assets.**)

If State or local taxes were withheld from oil or gas payments you received, report in column 3 the gross amount of royalty, and include the taxes withheld by the producer in column 5, other expenses.

Part III.—Partnerships, Etc.

Partnerships.—If you are a member of a partnership, joint venture, or the like, include in Part III, Schedule E, your share of the ordinary income (whether you actually received it or not), or the net loss for the taxable year which ends within or with the year covered by your return. However, losses are only allowed to the extent of the adjusted basis of your partnership interest at the end of the partnership year in which the losses occurred.

Items of income, deductions, etc., to be carried to your individual return are shown in Schedule K of the partnership return. You should enter on the appropriate lines and schedules of your return your share of income from the following sources:

- Dividends from qualifying domestic corporations.
- Salaries and interest paid by the partnership.
- Gains from the sale or exchange of capital assets and certain other property.

Also, include your share of the specially allocated income and deduction items.

The individual partner must include his distributive share of partnership income (or loss) from the operation of a trade or business which constitutes net earnings from self-employment on separate Schedule SE. Members of farm partnerships should complete Part II of Schedule SE first to figure self-employment tax. For further details see Publication 541, Tax information on Partnership Income and Losses.

Small Business Corporations.—If you are a shareholder in a small business corporation which elects to have its current taxable income taxed to its stockholders, you should report your share of both the distributed and undistributed current taxable income as ordinary income in Part III, Schedule E, except that portion which is reportable in separate Schedule D as a long-term capital gain. Neither type of income is eligible for the dividends exclusion. Shareholders claiming a deduction for a net operating loss must attach to their return a computation of the adjusted basis of their stock in the corporation and the adjusted basis of any indebtedness of the corporation to the shareholders. See sections 1374 and 1376 and the regulations thereunder for limitation on deduction and required adjustments.

Estates and Trusts.—If you are a beneficiary of an estate or trust, report your taxable portion of its income, whether you receive it or not. You should enter your share of income of the following classes on the appropriate lines and schedules of your return:

- Dividends from qualifying domestic corporations.
- Gains from the sale or exchange of capital assets and certain other property.

You should include all other taxable income from estates and trusts in this Part. Any depreciation which is allocable to you on estate or trust property may be subtracted from estate or trust income so that only the net income received will be included in your return. You may get information regarding these items from the fiduciary.

Miscellaneous Income.—Report here certain types of income for which you cannot find a specific place on your return or related schedules. The source of income reported here must be identified in column (a). Report here amounts received as alimony, separate maintenance, prizes and awards; also, recoveries of bad debts and other items which reduced your tax in a prior year. A refund of State income tax should also be entered here. The general rule is that a refund of State income tax is income to the taxpayer if a deduction resulting in a Federal tax benefit was taken for a prior year. Taxpayers using the cash basis report the refund in the year received; taxpayers using the accrual basis report when the claim is allowed. If no claim is filed, report when the taxing authority notifies you of the overpayment.

Net Operating Loss.—If, in 1969, your business or profession lost money, or you had a casualty loss, or a loss from the sale or other disposition of depreciable property or real property used in your trade or business, you can apply the losses against your 1969 income. If the losses exceed your income, the excess is a "net operating loss." Generally it may be used to offset your income for the three years prior to and the five years following this year. The loss must be carried back to the third prior year and any remaining balance brought forward to each succeeding year. If a "carryback" entitles you to a refund, use Form **1045** to claim a quick refund.

If you had a loss in a prior year which may be carried over to 1969, you should enter it as a "minus" figure under "Miscellaneous income." Attach computation.

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SCHEDULE F
(Form 1040)
Department of the Treasury
Internal Revenue Service

Farm Income and Expenses

(Compute social security self-employment tax on Schedule SE)

▷ See separate instructions.
▷ If you use this schedule, attach it to Form 1040.

1969

Name as shown on Form 1040 | Social security number

Business name and address.......... | If you filed Form 943, enter employer identification number here

Location of farm(s) and number of acres in each farm..........

PART I Farm Income—Cash Receipts and Disbursements Method

Do not include sale of livestock held for draft, breeding, or dairy purposes: report such sales on Schedule D.

Sales of Purchased Livestock and Other Items Purchased for Resale

a. Description	b. Amount received	c. Cost or other basis	d. Profit (or loss)
1 Livestock:	$	$	$
2 Other items:			
3 Totals ▷	$	$	$

Sales of Market Livestock and Produce Raised and Held Primarily for Sale and Other Farm Income

Kind	Quantity	Amount
4 Cattle		$
5 Beef calves		
6 Sheep		
7 Swine		
8 Poultry		
9 Dairy products		
10 Eggs		
11 Wool		
12 Cotton		
13 Tobacco		
14 Vegetables		
15 Grain		
16 Fruits and nuts		
17 Other (specify):		

OTHER FARM INCOME

18 Machine work	
19 Patronage dividends	
20 Per-unit retains	
21 Agricultural program payments:	
(1) Cash	
(2) Materials and services	
22 Commodity Credit loans under election (or forfeited)	
23 Federal gasoline tax credit	
24 State gasoline tax refund	
25 Other (specify):	
26 Add lines 4 through 25	$
27 Amount from line 3, column d, above ▷	
28 Gross profit* (add lines 26 and 27) ▷	$

PART II Farm Deductions

Do not include personal or living expenses not attributable to production of farm income, such as taxes, insurance, repairs, etc., on your dwelling.

Items	Amount
29 Labor hired	$
30 Repairs, maintenance	
31 Interest	
32 Rent of farm, pasture	
33 Feed purchased	
34 Seed, plants purchased	
35 Fertilizers, lime	
36 Machine hire	
37 Supplies purchased	
38 Breeding fees	
39 Veterinary, medicine	
40 Gasoline, fuel, oil	
41 Storage, warehousing	
42 Taxes	
43 Insurance	
44 Utilities	
45 Freight, trucking	
46 Conservation expenses	
47 Retirement plans, etc. (other than your share — See separate instructions)	
48 Other (specify):	
49 Add lines 29 through 48 ▷	$
50 Depreciation (from line 54, Part III) ▷	
51 Total deductions. Add lines 49 and 50 ▷	$

52 Net farm profit (or loss) (subtract line 51 from line 28). Enter here and include in total on line 14, Form 1040. ALSO enter on Schedule SE, Part II, line 1a ▷ $

* Use this amount for optional method of computing net earnings from self-employment. (See line 3, Part II, Schedule SE.)

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PART III.—DEPRECIATION (Do not include property you and your family occupy as a dwelling, its furnishings, and other items used for personal purposes).

Taxpayers using Revenue Procedures 62–21 and 65–13: Make no entry in column 2, enter the cost or other basis of assets held at end of year in column 3, and enter the accumulated depreciation at end of year in column 4. Note: You may (1) group depreciable assets in accordance with the categories specified below or (2) continue to list your assets in the same manner as in prior years. If you need more space, use Form 4562.

1. Group and guideline class or description of property	2. Date acquired	3. Cost or other basis	4. Depreciation allowed or allowable in prior years	5. Method of computing depreciation	6. Life or rate	7. Depreciation for this year
53 Total additional first-year depreciation (do not include in items below) →						
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment						
Other (specify)						
54 Totals			Enter here and in Part II, line 50			

SUMMARY OF DEPRECIATION

	Straight line	Declining balance	Sum of the years-digits	Units of production	Additional first-year (section 179)	Other (specify)	Total
a. Under Rev. Procs. 62–21 and 65–13							
b. Other							

PART IV.—FARM INCOME—ACCRUAL METHOD

(Do not include sales of livestock held for draft, breeding, or dairy purposes; report such sales on Schedule D, and omit them from "On hand at beginning of year" column)

Description (Kind of livestock, crops, or other products)	On hand at beginning of year		Purchased during year		Raised during year	Consumed or lost during year	Sold during year		On hand at end of year	
	Quantity	Inventory value	Quantity	Amount paid	Quantity	Quantity	Quantity	Amount received	Quantity	Inventory value
		$		$				$		$
55 Totals, enter here and in Part V below)		$ (Enter on line 65)		$ (Enter on line 66)				$ (Enter on line 57)		$ (Enter on line 56)

PART V.—SUMMARY OF INCOME AND DEDUCTIONS—ACCRUAL METHOD

56 Inventory of livestock, crops, and products at end of year		$
57 Sales of livestock, crops, and products during year		
58 Agricultural program payments: (1) Cash		
(2) Materials and services		
59 Commodity Credit loans under election (or forfeited)		
60 Federal gasoline tax credit		
61 State gasoline tax refund		
62 Other farm income (specify):		
63 Add lines 57 through 62		
64 Total (add lines 56 and 63)		$
65 Inventory of livestock, crops, and products at beginning of year	$	
66 Cost of livestock and products purchased during year		
67 Gross profits (subtract the sum of lines 65 and 66 from line 64)*		$
68 Total deductions from line 51, Part II, page 1		
69 Net farm profit (or loss) (subtract line 68 from line 67). Enter here and include in total on line 14, Form 1040. ALSO enter on Schedule SE, Part II, line 1a		$

* Use this amount for optional method of computing net earnings from self-employment. (See line 3, Part II, Schedule SE.)

69 086

SCHEDULE G
(Form 1040)
Department of the Treasury
Internal Revenue Service

Income Averaging

▶ See instructions on pages 3 and 4.
▶ If you use this schedule, attach it to Form 1040.

1969

Name as shown on Form 1040 | Social security number

PART I.—TAXABLE INCOME AND ADJUSTMENTS

	(a) Computation year 1969	(b) 1st preceding base period year 1968	(c) 2d preceding base period year 1967	(d) 3d preceding base period year 1966	(e) 4th preceding base period year 1965
1 Taxable income (see instruction 1) . . .					
2 Income earned outside of the United States or within U.S. possessions and excluded under sections 911 and 931					
3 Capital gain net income from Schedule D, line 11 or Capital gain dividends reported on Form 1040, page 2, Part II, line 7 (1967–1968)					
4 Net income from gifts, etc., received this year or any base period year. (If $3,000 or less in 1969 do not enter in any year.)					
5 Net income from wagering and other items described in instruction 5					
6 Line 1 plus line 2, less lines 3, 4, and 5 .					
7 Adjusted taxable income or base period income. Enter amount from line 6, or "Zero" if line 6 is less than zero					

PART II.—COMPUTATION OF AVERAGABLE INCOME

1 Adjusted taxable income (line 7, column (a), Part I) . . . .
2 33⅓% of the sum of line 7, columns (b), (c), (d), and (e), Part I. . . . .
3 (a) 25% of the sum of line 3, columns (b), (c), (d), and (e), Part I. NOTE: If an amount less than zero appears in line 6, Part I, see instruction 3(a) under Part II . . . .
(b) Amount from line 3, column (a), Part I . . . .
(c) If line 3(a) is more than line 3(b), enter difference—if not, make no entry. . . . .
4 Averagable income (line 1 less lines 2 and 3(c)) . . . .

COMPLETE THE REMAINING PARTS OF THIS FORM ONLY IF LINE 4 IS MORE THAN $3,000. IF $3,000 OR LESS, YOU DO NOT QUALIFY FOR INCOME AVERAGING. DO NOT FILL IN REST OF FORM.

PART III.—SEGMENTS OF INCOME UNDER AVERAGING

1 Amount from line 2, Part II . . . .
2 Amount from line 3(a), Part II . . . .
3 20% of line 4, Part II . . . .
4 Sum of lines 4 and 5, column (a), Part I, less any income subject to a penalty under section 72(m)(5) which was included in line 5, Part I . . . .
5 If line 3(b) is more than line 3(a), Part II, enter difference—if not, make no entry . . . .
6 Total (sum of lines 1 through 5) . . . .

PART IV.—COMPUTATION OF TAX

1 Tax on the amount on line 6, Part III . . . .
2 Sum of lines 1, 2, and 3, Part III . . . .
3 Tax on amount on line 2 . . . .
4 Sum of lines 1 and 2, Part III . . . .
5 Tax on amount on line 4 . . . .
6 Difference (line 3 less line 5) . . . .
7 Multiply the amount on line 6 by 4 . . . .
8 Total (add lines 1 and 7) . . . .
9 Tax on income subject to the penalty under section 72(m)(5) which was included in line 5, Part I. . . . .
10 Tax (add lines 8 and 9). Enter here and on Schedule T, line 6 if you are not using the alternative tax computation in Part V. Also check Schedule G box on Form 1040, line 18 . . . .

PART V.—COMPUTATION OF ALTERNATIVE TAX

1 Amount from line 10, Part IV			
2 Amount from line 5, Part IV			
3 (a) Amount from line 2, Part II			
(b) Amount from line 3(c), Part II			
(c) Sum of lines 3(a) and 3(b)			
4 Tax on amount on line 3(c)			
5 Difference (line 2 less line 4)			
6 Amount from line 1, Part IV			
7 Sum of lines 1, 2, 3, and 4, Part III			
8 Tax on amount on line 7			
9 Difference (line 6 less line 8)			
10 Sum of lines 5 and 9			
11 Amount from line 3, column (a), Part I			
12 50% of line 11			
13 If line 10 is more than line 12, enter difference—otherwise alternative tax does not apply			
14 Alternative tax (line 1 less line 13). Enter here and on Schedule T, line 6. Also check Schedule G box on Form 1040, line 18.			

Use this space for additional information such as determining base period income in accordance with General Instruction C or itemizing of line 5, Part I, etc.

69 088

This schedule must be attached to your Form 1040 to choose the benefits of income averaging. Only individuals who are citizens or residents of the United States throughout 1969 are eligible for averaging. Corporations, estates and trusts do not qualify.

The income averaging method of computing tax may be to your advantage if your income has increased substantially this year. Under this method your 1969 income which exceeds by one-third the income of your four prior years (1965–1968) is taxed, in effect, by averaging that excess over the five-year period (1965–1969). Basically, the taxable income for each year is the figure utilized. However, since capital gains, wagering income, certain income from gifts, etc., are not subject to averaging, adjustments to the taxable income, as it appears on Form 1040 for each year, are necessary.

A. WHO MAY FILE.—Generally, you may choose the provisions of income averaging for 1969, by filing Schedule G with your Form 1040 if you meet the requirements of (1) citizenship or residence, and (2) support. On a joint return both husband and wife must meet the requirements.

(1) Citizenship or residence requirement.—You must have been a citizen or resident of the United States throughout 1969. A nonresident alien at any time during the five taxable year period ending with 1969 is not eligible.

(2) Support requirement.—You must have furnished at least 50 percent of your own support for each of the years 1965 through 1968. In a year in which you were married it is only necessary that you together with your wife provided at least 50 percent of the support of both of you. For definition of support see Form 1040 Instructions on B–2.

Exceptions. The support requirement is waived if—

(1) You were age 25 or more before the end of 1969 and you were not a full-time student during at least any four of your taxable years beginning after you have attained the age of 21. Thus, generally, if you are age 25 or over and have been out of school for 4 years since age 21, you are eligible for averaging. You are a student for a taxable year if during 5 calendar months of that year you were a full-time student at an educational institution or were pursuing a full-time course of institutional on-farm training under the supervision of an accredited agent of an educational institution or of a State or political subdivision of a State.

(2) More than 50 percent of your adjusted taxable income for 1969 (line 7, column (a), Part I) is attributable to work performed by you in substantial part during two or more of the four taxable years preceding 1969, or

(3) You file a joint return for 1969 and not more than 25 percent of the aggregate adjusted gross income (Form 1040, line 15c) is attributable to you.

B. PROVISIONS INAPPLICABLE.—If you file Schedule G you may not—

(1) Exclude from income any part of your earned income from sources without the United States (see section 911 and Form 2555) or any income from sources within possessions of the United States (see sections 931–934 and Form 4563).

(2) Use the tax tables on T–2 and T–3, of the Form 1040 instructions. You may, however, use the standard deduction.

(3) Avail yourself of the limitation on tax under section 72(n)(2) for income resulting from certain distributions from an employees' trust.

C. BASE PERIOD INCOME RULES.—Your base period income for each of your base period years (1965–1968) must be determined in a manner consistent with your return for 1969. If you make a separate return for 1969, you must determine your separate base period income for each of your base period years. If a husband and wife make a joint return for 1969, they must determine the sum of their separate base period incomes for each base period year. Thus, if you and your wife make a joint return for 1969 and were married and made joint returns with each other for any base period year, your base period income for each such year is to be figured on the basis of your aggregate taxable income for that year. If you make a return for 1969 as a surviving widow(er) (under section 2(b)), your base period income for each of the base period years (1965–1968) is the sum of your base period income and that of your deceased husband (wife) for each such year. If a husband and wife married in 1969 and make a joint return for 1969, and neither person was married from 1965 through 1968, their base period incomes for each of those years is the sum of the husband's separate base period income and that of his wife for each such year.

In some cases the computation of your separate base period income for a base period year may require as many as three computations. The facts in each case determine how many computations are necessary. For instance, if you were married for 1969 and made a joint return with your wife (husband), but had a different wife (husband) for 1969 than for a base period year, two computations are necessary. In such case, your separate base period income for the year in question is the larger of the following amounts:

(1) The amount of your adjusted separate income and deductions for the base period year.

(2) One-half the total amount of base period income resulting from adding your adjusted separate income and deductions to the adjusted separate income and deductions of your wife (husband) for that base period year.

However, if you and your wife file separate returns for 1969, a third computation is necessary. Your separate base period income will be the largest of the amounts determined under (1) and (2) above and:

(3) One-half the total amount of the base period income resulting from adding your adjusted separate income and deductions to the adjusted separate income and deductions of your wife (husband) for 1969 for that base period year.

The amount of your separate income and deductions for a base period year is the excess of your gross income for that year over your allowable deductions. Your separate deductions for any base period year for which you made a separate return are the deductions allowable on that return. If you made a joint return for a base period year, your separate deductions are (1) in the case of deductions allowable in computing your adjusted gross income, the sum of such deductions attributable to your gross income, and (2) in the case of deductions allowable in computing taxable income (exemptions and itemized deductions), the amount resulting from multiplying the amount of such deductions allowable on the joint return by a fraction whose numerator is your adjusted gross income and whose denominator is the aggregate adjusted gross income on the joint return. However, if 85 percent or more of the aggregate adjusted gross income of a husband and wife is attributable to either one, all of the deductions allowable in computing taxable income are allowable to the one to whom such income is attributable. See specific instruction 1, under Part I, on adjusted gross income.

In computing your separate base period income when community property laws are applicable, you must take into account all of the earned income you earned, without regard to the community property laws, or your share of the community earned income under the community property laws, whichever is greater.

If you must determine your separate base period income for any of the base period years, show the computation and give names under which the returns were filed in the space provided on page 2. If additional space is needed show your computation on an attachment. An example illustrating such computation follows:

H and W are calendar year taxpayers who were married and otherwise eligible to choose the benefits of income averaging for the taxable year 1969 for which they made a joint return. W, however, was married to and made a joint return with A for the taxable year 1965. H was unmarried for 1965. H and W compute their base period income for 1965 in the following manner:

	A & W (Joint Return)	A	W	H
Salary	$16,000	$11,500	$4,500	$3,000
Dividends	2,000	500	1,500	1,000
Adjusted Gross Income	$18,000	$12,000	$6,000	$4,000
Total of itemized deductions and personal exemptions	3,600	2,400	1,200 (1)	1,600
Taxable Income (Separate Income and Deductions)	$14,400	$9,600	$4,800	$2,400

(1) $\dfrac{\text{6000 (W's separate adjusted gross income)}}{\text{18000 (A and W's adjusted gross income from joint return)}} \times 3600$ (Total of itemized deductions and personal exemptions on A & W's joint return) = 1200

Method No. 1 — W's separate income and deductions . . . $4,800

Method No. 2 — W and A's taxable income from joint return, $14,400 × 50 percent . . . $7,200

W's separate base period income is $7,200, the larger of the two methods. H and W's base period income (since there are no adjustments) for 1965 is $9,600 (H's separate base period income of $2,400 (unmarried in 1965) plus W's separate base period income of $7,200).

SPECIFIC INSTRUCTIONS

The following instructions are numbered to correspond with the line numbers in each part of the form.

Part I

1 Except as noted below, enter on this line the amount (never less than zero) from—

(a) Schedule T (1969)—line 5

(b) Form 1040 (1965–68)—line 11d, page 1

(c) Form 1040A (1965–68)—line 5, page 4 {Tax Computation Schedule Form 1040A Instructions

For any year for which you use the tax tables to compute your tax, you may arrive at the amount to be entered in line 1, by subtracting from your adjusted gross income (see below) the standard deduction and $600 multiplied by the number of exemptions. Adjusted gross income is—

(a) Form 1040 (1969)—line 15c

(b) Form 1040 (1965–68)—line 9, page 1

(c) Form 1040A (1965–68)—item 7, page 1

NOTE: If you were not married to and did not file a joint return with the same wife (husband) for every year after 1964, or were not single for all those years, it will be necessary to determine the amount to be entered in columns (b), (c), (d), and (e) in accordance with General Instruction C.

2 Enter on this line for each base period year the net amount of income previously excluded from income because it was earned income derived from sources without the United States or from income within its possessions (sections 911 and 931–934). For 1969 you may not exclude such amounts from gross income and they will therefore be reflected in taxable income.

3 If any amount entered in line 1, columns (b), (c), (d), and (e) is an amount determined under Base Period Income Rules (General Instruction C) then the capital gain net income for the same year must be determined using the same method that was used for that year in line 1.

4 You must enter for all years certain amounts of income attributable to interests in property which were received, during 1969, or any base period year (1965 through 1968), as a gift, bequest, devise, or inheritance, but only if the amount of such net income for 1969 exceeds $3,000. (If the property was received prior to 1965 no entry is required.) If you have an interest in more than one piece of property, the income to be taken into account is the sum of the incomes (losses) for the year from each piece of property. If the adjustment is required for 1969 (because it exceeds $3,000), then an entry for this item must be made for all the base period years for income (disregard any net loss(es)) in those years attributable to gifts, etc., received during the base period even though such income for any of these years does not exceed $3,000. Unless you establish the actual amount of net income attributable to an interest in property for all the years 1965 through 1969, the amount of net income is deemed to be 6 percent of the fair market value of such interest on the date of its receipt for all such years.

The above rules do not, however, apply to income attributable to gifts, bequests, devises, or inheritances between husband and wife if they file a joint return for 1969 (including a joint return filed by a survivor with his deceased wife (husband) for 1969), or if one of them files a return as a surviving widow(er) for 1969. The rules do apply where the property transferred was received by the transferor husband (wife) from a third party in any of the years 1965 through 1969, as a gift, bequest, devise, or inheritance.

5 Include income attributable to the following sources in the total to be entered on this line (show itemization in space provided on page 2):

(a) Wagering income. The amount which is attributable to the excess of gains over losses from wagering transactions.

(b) Income from oil and gas properties. The amount received from the sale of any oil or gas property to which section 632 applies.

(c) Claims against the United States. The amount received from the United States to which section 1347 applies.

(d) Excess Community Income. If you are married, a resident of a community property state, and file a separate return for 1969, you must include in this line the excess of the community earned income reportable by you over the amount of such income attributable to your services. No adjustment need be made where the community earned income attributable to your services exceeds 50 percent of the aggregate community earned income. The following example illustrates this.—

	Attributable to Service of H	W	Total
Community Earned Income	$40,000	$20,000	$60,000

(1) H filing a separate return has no adjustment since the amount of earned income attributable to his services ($40,000) exceeds 50 percent of the aggregate community earned income ($30,000).

(2) W filing a separate return must include in the total for this line $10,000, the excess of the community earned income reportable by her ($30,000) over the amount of community earned income attributable to her services ($20,000).

(e) Certain amounts received by owner-employees. The amount of income resulting from a premature or excessive distribution from a qualified employees' pension plan or trust to an employee who is (or was) also an owner of the business. The amount of such income is the amount subject to a penalty under section 72(m)(5).

Part II

3(a). Generally, the entry on this line is one-fourth of the sum of the capital gain net income in line 3, columns (b), (c), (d), and (e), Part I. However, capital gain net income for any base period year may not exceed the base period income (line 7, columns (b), (c), (d), and (e), Part I) for such year computed without reduction by the capital gain net income for such year. Line 6, Part I, indicates whether the adjustment for any year is necessary. If any of the amounts on line 6 in columns (b), (c), (d), and (e) are less than zero, then for that year add lines 3 and 6. If the resulting sum is less than zero your capital gain net income for such year is zero. The following examples will illustrate this.—

Example (1)—

	Column (b), Part I
Line 3	$100
Line 6	(670)
Capital gain net income for this year for purposes of computing entry for line 3(a), Part II	zero

Example (2)—

Line 3	$2000
Line 6	(1300)
Capital gain net income for this year for purposes of computing entry for line 3(a), Part II	$700

Parts IV and V

To figure your tax use the tax rate schedules on T–1 of the instruction booklet for Form 1040.

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69 090

SCHEDULE R (Form 1040)
Department of the Treasury
Internal Revenue Service

Retirement Income Credit

1969

▷ See instructions on R–1.
▷ If you use this schedule, attach it to Form 1040.

Name as shown on Form 1040 | Social Security Number

A. General Rule.—If separate return, use column B only.
If joint return, use column A for wife and column B for husband.

	A	B
Did you receive earned income in excess of $600 in each of any 10 calendar years before 1969? (Widows or widowers see instructions on R–1) . . . If answer above is "Yes" in either column, furnish all information below in that column.	☐ Yes ☐ No	☐ Yes ☐ No
1 Retirement income for taxable year:		
(a) For taxpayers under 65 years of age: Enter only income received from pensions and annuities under public retirement systems (e.g. Fed., State Govts., etc.) included on Form 1040, line 15c . . .		
(b) For taxpayers 65 years of age or older: Enter total of pensions and annuities, interest and dividends included on Form 1040, line 15c, and gross rents from Part II, column 2 of Schedule E . . .		
2 Maximum amount of retirement income for credit computation . . .	$1,524 00	$1,524 00
3 Deduct:		
(a) Amounts received as pensions or annuities under the Social Security Act, the Railroad Retirement Acts (but not supplemental annuities), and certain other exclusions from gross income . . .		
(b) Earned income received (Does not apply to persons 72 years of age or over):		
(1) Taxpayers under 62 years of age, enter amount in excess of $900 . . .		
(2) Taxpayers 62 or over but under 72, enter amount determined as follows: if $1,200 or less, enter zero . . . ; if over $1,200 but not over $1,700, enter ½ of amount over $1,200; or if, over $1,700, enter excess over $1,450 . . .		
4 Total of lines 3(a) and 3(b) . . .		
5 Balance (subtract line 4 from line 2) . . .		
6 Line 5 or line 1, whichever is smaller . . .		

7 (a) Total (add amounts on line 6, columns A and B) . . . If line 7(a) is less than $2,286 and this is a joint return and both husband and wife are age 65 or over, complete the Alternative Computation in B below which may result in a larger credit.	
(b) Amount from line 7 of part B below, if applicable . . .	
8 Tentative credit. Enter 15% of line 7(a) or 15% of line 7(b), whichever is greater . . .	
9 Amount of tax shown on Schedule T, line 6 . . .	
10 Credit claimed for foreign taxes or tax-free covenant bonds . . .	
11 Subtract line 10 from line 9 (if less than zero, enter zero) . . .	
12 Enter here and on Schedule T, line 7, the amount on line 11 or line 8, whichever is smaller . . .	
13 Enter here the Tax Surcharge From Schedule T, line 9 . . .	
14 Add lines 12 and 13 . . .	
15 If line 10 is greater than line 9, enter excess here . . .	
16 Subtract line 15 from line 14 (if less than zero, enter zero) . . .	
17 Credit. Enter here and on Schedule T, line 11, the amount shown on line 16 or line 8, whichever is smaller. . . .	

B. Alternative Computation (after completing lines 1 through 7(a) above)

This method available if:
a. You are married and filing a joint return;
b. Both husband and wife are 65 or over, AND
c. Either one, or both received earned income in excess of $600 in each of any 10 calendar years before 1969.

Furnish the information called for below for both husband and wife even if only one answered "Yes" in column A or B above.

	A—WIFE	B—HUSBAND	
1 Retirement income of both husband and wife from pensions and annuities, interest, and dividends included on Form 1040, line 15c, and gross rents from Part II, column 2 of Schedule E . . .			
2 Maximum amount of retirement income for credit computation . . .			$2,286 00
3 Deduct: (a) Amounts received as pensions or annuities under the Social Security Act, the Railroad Retirement Acts (but not supplemental annuities), and certain other exclusions from gross income . . .			
(b) Earned income received (Does not apply to persons 72 or over): if $1,200 or less, enter zero . . . ; if over $1,200 but not over $1,700 enter ½ of amount over $1,200; or if over $1,700, enter excess over $1,450 . . .			
4 Total of lines 3(a) and 3(b) . . .			
5 Total (add amounts on line 4, columns A and B) . . .			
6 Balance (subtract line 5 from line 2) . . .			
7 Enter here and on line 7(b) of part A above, the amount on line 6 or line 1, whichever is smaller . . .			

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69 091

Instructions for Schedule R (Form 1040)—1969

Retirement Income Credit

You may qualify for this credit, which is generally 15 percent of retirement income, if you received earned income in excess of $600 in each of any 10 calendar years—not necessarily consecutive—before the beginning of your taxable year.

The maximum amount allowed any one individual as a credit against his income tax is $228.60 (15% × $1,524). The maximum allowable credit on a joint return where both husband and wife show $1,524 on part A, line 6, columns A and B, is $457.20.

The term "earned income" means wages, salaries, professional fees, etc., received as compensation for personal services actually rendered. It does not include any amount received as an annuity or pension. If you were engaged in a trade or business in which both personal services and capital were material income-producing factors, a reasonable allowance as compensation for the personal services you rendered, not in excess of 30 percent of your share of the net profits of such business, shall be considered as earned income.

Both husband and wife may take the retirement income credit if both qualify and both have retirement income. If you are a surviving widow (widower) and have not remarried, you may use the earned income of your deceased husband (wife), or you may combine his (her) earned income with yours to determine if you qualify for the credit.

Retirement income for the purpose of the credit means—

(a) In the case of a person who is not 65 before the end of his taxable year, only income received from pensions and annuities under a public retirement system (one established by the Federal government, a State, county, city, etc.) which is included in income in his return.

Disability annuities received by Federal employees prior to normal retirement age that exceed the sick pay exclusion do not qualify as retirement income.

(b) In the case of a person who is 65 or over before the end of his taxable year, income from pensions, annuities, interest, rents and dividends that are included in gross income in his return. (Gross income from rents for this purpose means gross receipts from rents without reduction for depreciation or any other expenses. Royalties are not considered rents for this purpose.)

Except as provided in the "Alternative computation," the amount of the retirement income used for the credit computation may not exceed $1,524 reduced by (a) Any amount received and excluded from income as a pension or annuity under the Social Security Act and Railroad Retirement Acts (but not supplemental annuities) and other tax-exempt pensions or annuities. Line 3(a), General Rule and Alternative Computation, must reflect the gross amount of social security benefits before deduction of any amounts withheld to pay medicare insurance premiums. This reduction does not include (1) that part of a pension or annuity which is excluded from income because it represents, in effect, a return of capital or tax-free proceeds of a like nature, or (2) amounts excluded from income received as compensation for injury or sickness or under accident or health plans. (b) Certain adjustments for earned income.

Alternative Computation. — The maximum amount of retirement income to be used in figuring the credit for retirement income is $2,286 for taxpayers who file joint returns (both 65 years of age or over) but who would otherwise be limited to $1,524 because either the husband or wife did not have earned income in excess of $600 in each of any 10 prior calendar years.

If you meet these requirements, also complete the Alternative Computation to determine which computation results in the larger credit.

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69 092

SCHEDULE SE (Form 1040)
Department of the Treasury Internal Revenue Service

Computation of Social Security Self-Employment Tax

▷ See instructions.
▷ If you use this schedule, attach it to Form 1040.

1969

▷ If you had wages, including tips, of $7,800 or more which were subject to social security taxes, do not fill in this page.
▷ If you had more than one business, combine profits (or losses) from all of your businesses and farms on this Schedule SE. Each self-employed person must file a separate Schedule SE on which he should include the total from all businesses and farms.

Important.—The self-employment income reported below will be credited to your social security record and used in figuring social security benefits.

Name of self-employed person (as shown on social security card)	Social Security Number	Check applicable block
		1 ☐ Male 2 ☐ Female

Business activities subject to self-employment tax (grocery store, restaurant, farm, etc.) ▷

Part I Computation of Net Earnings from BUSINESS Self-Employment (other than farming)

1 Net profit (or loss) shown in Schedule C (Form 1040), line 27 (Enter combined amount if more than one business)
2 Add to net profit (or subtract from net loss) losses of business property shown in Schedule C, line 23
3 Total (or difference)
4 Net income (or loss) from excluded services or sources included on line 3
Specify excluded services or sources
5 Net earnings (or loss) from business self-employment (subtract line 4 from line 3). Enter here and on line 1(a), Part III, below

Part II Computation of Net Earnings from FARM Self-Employment

A farmer may elect to compute net farm earnings using the OPTIONAL METHOD (line 3, below) INSTEAD OF REGULAR METHOD (line 2, below) if his gross profits are: (1) $2,400 or less, or (2) more than $2,400 and net profits are less than $1,600. If your gross profits from farming are not more than $2,400 and you elect to use the optional method, you need not complete lines 1 and 2.

Computation under Regular Method

1 Net farm profit (or loss) from:
(a) Schedule F, line 52 (cash method), or line 69 (accrual method)
(b) Farm partnerships
2 Net earnings from self-employment from farming. Add lines 1(a) and (b)

Computation under Optional Method

3 If gross profits from farming are:*
(a) Not more than $2,400, enter two-thirds of the gross profits
(b) More than $2,400 and the net farm profit is less than $1,600, enter $1,600

*Note.—*Gross profits from farming are the total of the gross profits from Schedule F, line 28 (cash method), or line 67 (accrual method), plus the distributive share of gross profit from farm partnerships as explained in Instructions for Schedule SE.*

4 Enter here and on line 1(b), Part III, below, the amount on line 2 (or line 3, if you use the optional method)

Part III Computation of Social Security Self-Employment Tax

1 Net earnings (or loss) from self-employment—
(a) From business (other than farming—from line 5, Part I, above)
(b) From farming (from line 4, Part II, above)
(c) From partnerships, joint ventures, etc. (other than farming)
(d) From service as a minister, member of a religious order, or a Christian Science practitioner. If you filed Form 4361, check here ☐ and enter zero on this line
(e) From service with a foreign government or international organization
(f) Other (director's fees, etc.). Specify
2 Total net earnings (or loss) from self-employment reported on line 1
(If line 2 is under $400, you are not subject to self-employment tax. Do not fill in rest of page.)
3 The largest amount of combined wages and self-employment earnings subject to social security tax is — $7,800 | 00
4 (a) Total "F.I.C.A." wages as indicated on Form W–2
(b) Unreported tips, if any, subject to F.I.C.A. tax from Form 4137, line 9
(c) Total of lines 4(a) and 4(b)
5 Balance (subtract line 4(c) from line 3)
6 Self-employment income—line 2 or 5, whichever is smaller
7 If line 6 is $7,800, enter $538.20; if less, multiply the amount on line 6 by .069
8 Railroad employee's and railroad employee representative's adjustment for hospital insurance benefits tax from Form 4469
9 Self-employment tax (subtract line 8 from line 7). Enter here and on Schedule T, line 16

69 093

Instructions for Schedule SE (Form 1040)—1969 (Note: Schedule SE replaces Schedules C–3 and F–1.)

Schedule SE provides the Social Security Administration with the information on self-employment income necessary for computing benefits under the social security program. Self-employment tax must be paid regardless of age and even though the individual is receiving social security benefits.

To assure proper credit to your account, enter your name and social security number on Schedule SE exactly as they are shown on your social security card.

Ministers, members of religious orders, and Christian Science practitioners.—Duly ordained, commissioned, or licensed ministers of churches, members of religious orders (who have not taken a vow of poverty), and Christian Science practitioners are now subject to self-employment tax, but may under certain conditions request to exempt their income from service as a minister, member or practitioner by filing Form 4361. Forms, schedules and publications may be obtained from the District Director. If you previously filed an effective waiver certificate Form 2031 to pay self-employment tax, you may not now file for an exempton. See Publication 484, Social Security for Clergymen.

Ministers and members of religious orders must include in their earnings from self-employment (but not for income tax) the rental value of a parsonage or allowance for the rental value of the parsonage and the value of meals and lodging furnished them for the convenience of their employers.

Members of Certain Religious Faiths.—If you have conscientious objections to social security insurance by virtue of your adherence to the established teachings of a recognized religious sect of which you are a member, you may file Form 4029 to obtain exemption from self-employment tax. If you have filed Form 4029, do not file Schedule SE; however, write, "Exempt-Form 4029" on the back of Form 1040.

U.S. citizens employed by foreign governments or international organizations.—A U.S. citizen employed in the United States, Puerto Rico, Guam, American Samoa, or the Virgin Islands by a foreign government, an instrumentality wholly owned by a foreign government, or an international organization which is organized under the International Organizations Immunities Act, is subject to the social security self-employment tax. Report income from such employment on line 1(c), Part III, of this Schedule.

Fee basis State or local government employees.—Fees received for functions and services performed by employees (including public officers who in such capacity are employees) are subject to self-employment tax if such functions and services are performed in positions which are: (1) compensated solely on a fee basis; and (2) not covered under a Federal-State social security coverage agreement. If you filed Form 4415, write, "Exempt-Form 4415" on the back of Form 1040.

Exclusions

Income (or loss) from the following sources and deductions attributable thereto are not taken into account in figuring net earnings from self-employment. Use Part I, line 4 to exclude any such amounts reported on separate Schedule C that should not be taken into account in figuring your self-employment income. Any item of income or expense which was included in line 2, Part II and which does not enter into the computation of net earnings from farm self-employment should be eliminated from line 2, Part II and an explanation attached.

Employees and public officials.—Income (fees, salaries, etc.) from the performance of service as: (a) a public official (except as noted above); (b) an employee or employee representative under the railroad retirement system; or (c) an employee (except as indicated above).

Note.—*Income of an employee 18 or over from the sale of newspapers or magazines to an ultimate consumer is subject to self-employment tax if the income consists of retained profits from such sales.*

Certain payments to retired partners.—Income received by a retired partner under a written plan of the partnership which provides for lifelong periodic retirement payments if the retired partner no longer has any interest in the partnership (except for the right to the retirement payments) and did not perform services for the partnership during the year.

Real estate rentals.—Rentals from real estate, except rentals received in the course of a trade or business as a real estate dealer. This includes cash and crop shares received from a tenant or sharefarmer. Report these amounts in separate Schedule E, Part II. However, rental income from a farm is not excluded if the rental arrangement provides for material participation by the landlord and he does participate materially in the production or in the management of the production of one or more farm products on his land. Such income represents farm earnings and should be reported on Schedules F and SE.

Payments for the use or occupancy of rooms or other space where services are also rendered to the occupant, such as rooms in hotels, boarding houses, apartment houses furnishing hotel services, tourist camps or homes, or space in parking lots, warehouses, or storage garages do not constitute rentals from real estate and are included in determining net earnings from self-employment.

Dividends and interest.—Dividends on shares of stock, and interest on bonds, debentures, notes, certificates, or other evidences of indebtedness, issued with interest coupons or in registered form by a corporation, or by a government or political subdivision thereof, unless received in the course of a trade or business as a dealer in stocks or securities.

Property gains and losses.—Gain or loss: (a) from the sale or exchange of a capital asset; (b) to which sections 631 and 1231 are applicable; or (c) from the sale, exchange, involuntary conversion, or other disposition of property if such property is neither (1) stock in trade or other property of a kind which would properly be includible in inventory if on hand at the close of the taxable year, nor (2) property held primarily for sale to customers in the ordinary course of the trade or business. Report on separate Schedule D.

Net operating losses.—No deduction for net operating losses of other years shall be allowed in determining the net earnings from self-employment. Such deduction should be entered as a "minus" figure on Schedule E, Part III, under "Miscellaneous income."

More Than One Trade or Business

If an individual is engaged in farming and in one or more other trades or businesses, his net earnings from self-employment are the combined net earnings from self-employment of all his trades or businesses. Thus, the loss sustained in one trade or business will operate to reduce the income derived from another trade or business. In such cases, use both Schedule F and Schedule C to determine net profit from the farm and nonfarm activities, respectively. Make the combined computation of self-employment tax on Schedule SE.

Joint Returns

For a joint return, show the name of the one with self-employment income on Schedule SE. If both husband and wife have self-employment income, each must file a separate Schedule SE. However, include the total of profits (or loss) from all businesses on Form 1040, line 14, and enter the combined self-employment tax on Schedule T, line 16.

Community Income

For the purpose of computing net earnings from self-employment, if any of the income from a trade or business including farming is community income, all the income from such trade or business is considered the income of the husband. However, if the wife exercises substantially all the management and control of operation, all of such income is considered the income of the wife. (See "Partnerships" below.)

If separate returns are filed, Schedules C and SE or Schedules F and SE must be attached to the return of the one with self-employment income. Community income included on such schedules must, however, be allocated for income tax purposes on the basis of the community property laws.

Partnerships

In computing his combined net earnings from self-employment, a partner should include his entire share of such earnings from a partnership including any guaranteed payments. No part of that share may be allocated to the partner's wife (or husband) even though the income may, under State law, be community income. However, in the case of a husband and wife farm partnership, like other partnerships, the distributive share of each must be entered as partnership income in separate Schedule E, Part III for income tax purposes, and on Schedule SE, Part II, line 1(b) for self-employment tax purposes. (Report nonfarm partnership income on Part III, line 1(c) for social security purposes.)

Note.—*If a member of a continuing partnership dies, a portion of the deceased partner's distributive share of the partnership's ordinary income (or loss) for the taxable year of the partnership in which he died must be included in the partner's net earnings from self-employment.*

Optional Method for Computing Net Earnings From Farm Self-Employment

If a farmer's gross profits for the year from farming are not more than $2,400 he may report two-thirds of his gross profits from farming instead of his actual net earnings from farming. If his gross profits from farm self-employment are more than $2,400 and his actual net earnings from farming are less than $1,600, he may report $1,600. For the optional method, a partner should compute his share of gross profits from a farm partnership in accordance with the partnership agreement. In the case of guaranteed payments, his share of the partnership's gross profits is his guaranteed payments plus his share of the gross profits after such gross profits are reduced by all guaranteed payments of the partnership.

Share-Farming Arrangements

An individual who undertakes to produce a crop or livestock on land belonging to another for a proportionate share of the crop or livestock produced, or the proceeds thereof, is considered to be an independent contractor and a self-employed person rather than an employee. His net earnings should be reported on Schedule F for income tax and on Schedule SE for self-employment tax purposes.

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SCHEDULE T (Form 1040)
Department of the Treasury
Internal Revenue Service

Tax Computation

1969

▷ If no entry is made on line 14, line 16, or line 17, keep this for your records
▷ If entry is made on line 14, line 16, or line 17, attach to form 1040

Name as shown on Form 1040 | Social Security Number

1 Your adjusted gross income (from line 15c, Form 1040) . . . . AGI
Note.—If your adjusted gross income is less than $5,000 and you choose to take the standard deduction instead of itemizing your deductions, omit lines 2, 3, 4, and 5. Find your tax in the appropriate table (A or B on T–2 or C on T–3). Enter tax on line 6 below.

2 Enter on the line at the right the amount of your deduction figured under one of the following methods:

a If you itemize deductions, enter the total from Schedule A, line 17
OR
b Figure your standard deduction as follows:
(1) Enter 10 percent of line 1 but do not enter more than $1,000 ($500 if married and filing separately) . . $
(2) Enter the sum of: $200 ($100 if married and filing separately) plus $100 for each exemption claimed in line 10 of Form 1040, but do not enter more than $1,000 ($500 if married and filing separately) . . $

Enter the larger of b(1) or b(2) on the line at the right. If your spouse files a separate return, determine your deduction in the same manner that she (he) has.

3 Subtract the amount on line 2 from the amount on line 1 and enter the balance here . . . .
4 Enter number of exemptions claimed on line 10, Form 1040, ... Multiply this number by $600, and enter the amount here . . . .
5 Subtract the amount on line 4 from the amount on line 3 and enter the balance here. This is your taxable income. Figure tax on this amount by using the appropriate Tax Rate Schedule (I, II, or III) on T–1. Enter tax on line 6 below . . . . income
6 Tax . . . . up tax
7 If you claim the retirement income credit, enter amount from Schedule R, line 12, here . . . . . .
8 Subtract line 7 from line 6 . . . .
9 ~~Tax surcharge.~~ If line 8 is less than $735, find surcharge from tax surcharge tables on T–1. If line 8 is $735 or more, multiply amount on line 8 by .10 and enter result here . . . .

10 Total (Add lines 6 and 9) . . . .

11 Retirement income credit from Schedule R, line 17 (attach Schedule R) . . . .
12 Investment credit (attach Form 3468) . . . .
13 Foreign tax credit (attach Form 1116) . . . .

14 Total credits (add lines 11, 12, and 13) . . . .

15 Income tax (subtract line 14 from line 10) . . . .

16 Self-employment tax (attach Schedule SE) . . . .

17 Tax from recomputing prior-year investment credit (attach Form 4255) . . . .
18 Total tax (add lines 15, 16, and 17). Enter here and on line 18, Form 1040 (make no entry on line 16 or 17, Form 1040). Attach Sch. T to Form 1040 only if you made an entry on line 14, 16, or 17 above .

Income Averaging.—If your income has increased substantially this year, it may be to your advantage to figure your tax before surcharge under the "averaging method." Obtain Schedule G from an Internal Revenue Service office for full details.

Alternative Tax.—It will usually be to your advantage to use the alternative tax if your net long-term capital gain exceeds your net short-term capital loss, or if you have a net long-term capital gain only, and you are filing (a) a separate return with taxable income exceeding $26,000, or (b) a joint return, or as a surviving husband or wife, with taxable income exceeding $52,000, or (c) as a head of household with taxable income exceeding $38,000.

Line 9—Tax Surcharge.—The rate for the calendar year 1969 is 10 percent. The tax surcharge is an addition to the regular income tax. See the Tax Surcharge Tables on T–1.

Credit for Foreign Taxes and Tax-Free Covenant Bonds.—You may claim these credits only if you itemize deductions. To claim tax-free covenant bonds credit, enter the amount of credit above line 14, and write "covenant bonds" to left of the entry.

Line 16—Self-Employment Tax.—Enter amount shown on line 9, Part III, Schedule SE.

Line 17—Tax From Recomputing Prior Year Investment Credit.—Enter the amount by which the credit taken in a prior year or years exceeds the credit as recomputed due to early disposition of property. Attach Form 4255.

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