A Special Message for Taxpayers:

Your 1964 forms and instructions have been revised in accordance with the Revenue Act of 1964 which reduced tax rates and provided a minimum standard deduction.

Many other changes have been made to conform to the new legislation which provided:

Higher ceilings on charitable contributions and the retirement income credit;

Benefits for persons 65 or over on medical expenses and sales of their residences;

Deductions for moving expenses;

Restrictions on the sick pay exclusion and the deduction for taxes paid;

An increase in the dividends exclusion and a decrease in the dividends received credit; and

An averaging system to moderate the effects of unusual increases in income.

During the past year, continued progress has been made in installing our Automatic Data Processing system, and some parts of the system are now operative in all of the 50 States. This system is designed to give you better service and more efficient and effective enforcement of the tax laws. Our aim is to make sure that everyone pays his share—and no more—of the cost of keeping America safe, prosperous, and healthy.

For your own protection and to promote fast, accurate processing of your return, please watch these points—

NAME AND ADDRESS—If your return form is not pre-addressed, be sure you enter your name and address correctly.

COPY YOUR SOCIAL SECURITY NUMBER, exactly as it appears on your account card. This number is important to rapid processing of your return and to identifying your tax affairs.

BE SURE TO FILL OUT EACH ITEM on the form which applies to you. Be accurate. Follow the instructions. List all income such as wages, dividends, interest, etc. Take all allowable deductions.

ATTACH FORMS W–2 to your return. If not available, please explain.

BE SURE TO SIGN YOUR RETURN.

FILE EARLY—before the April 15 deadline.

These instructions cover the most common aspects of the tax laws and regulations. If you have questions, telephone or visit any Internal Revenue Office. We will be glad to help you.

Commissioner of Internal Revenue

o59—16--78044-1

Instructions for Preparing Your Federal Income Tax Return Form 1040 for 1964

INTERNAL REVENUE SERVICE

INSTRUCTIONS FORM 1040 (1964)

HOW TO USE FORM 1040
(To be filed not later than April 15)

Individuals have two return forms to choose from, Form 1040 and card form, Form 1040A. Form 1040 is limited to a single sheet. Supporting schedules may be attached according to the individual needs of each taxpayer.

Generally, if your income was entirely from salary, wages, interest, dividends, and sources other than those for which schedules (B, C, D, and F) are required as prescribed below, you will need only Form 1040. You can use it whether you take the standard deduction or itemize deductions.

If you have income from sources listed below, complete and attach one or more of the following forms:

Schedule B for income from pensions, annuities, rents, royalties, partnerships, estates, trusts, etc.;

Schedule C for income from a personally owned business;

Schedule D for income from the sale or exchange of property; and

Schedule F for income from farming.

These schedules as well as other supporting schedules described in these instructions may be obtained from any Internal Revenue Service office.

WAGE EARNERS WITH LESS THAN $10,000 INCOME

You can use a simpler return (Form 1040A), printed on a punch card, if:

1. Your income was less than $10,000, AND

2. It consisted of wages reported on withholding statements (Forms W–2) and not more than $200 total of other wages, interest, and dividends, AND

3. Instead of itemizing deductions, you wish to use the tax table or to take the standard deduction which is generally the higher of:
   (a) the 10-percent standard deduction—about 10 percent of your income, or
   (b) the minimum standard deduction—an amount equal to $200 ($100 if married and filing separate return) plus $100 for each exemption claimed on item 15 on the back of your Form 1040A.

The instructions for Form 1040A provide further information about its use. One of the special features is that if your income is less than $5,000, you can choose to have the Internal Revenue Service figure your tax for you. You can obtain these forms from most banks and some post offices.

LOCATIONS OF DISTRICT DIRECTORS' OFFICES

Following is a list of the District Directors' offices. If there is more than one District Director's office in your State and you are not sure which one to use, consult your local post office.

ALABAMA—Birmingham, Ala., 35203.
ALASKA—Anchorage, Alaska, 99501.
ARIZONA—Phoenix, Ariz., 85025.
ARKANSAS—Little Rock, Ark., 72203.
CALIFORNIA—Los Angeles, Calif., 90012; San Francisco, Calif., 94102.
COLORADO—Denver, Colo., 80202.
CONNECTICUT—Hartford, Conn., 06115.
DELAWARE—Wilmington, Del., 19801.
DISTRICT OF COLUMBIA—Baltimore, Md., 21202.
FLORIDA—Jacksonville, Fla., 32202.
GEORGIA—Atlanta, Ga., 30303.
HAWAII—Honolulu, Hawaii, 96813.
IDAHO—Boise, Idaho, 83701.
ILLINOIS—Chicago, Ill., 60602; Springfield, Ill., 62704.
INDIANA—Indianapolis, Ind., 46204.
IOWA—Des Moines, Iowa, 50309.
KANSAS—Wichita, Kans., 67202.
KENTUCKY—Louisville, Ky., 40202.
LOUISIANA—New Orleans, La., 70130.
MAINE—Augusta, Maine, 04330.
MARYLAND—Baltimore, Md., 21202.
MASSACHUSETTS—Boston, Mass., 02115.
MICHIGAN—Detroit, Mich., 48226.
MINNESOTA—St. Paul, Minn., 55101.
MISSISSIPPI—Jackson, Miss., 39202.
MISSOURI—St. Louis, Mo., 63101.
MONTANA—Helena, Mont., 59601.
NEBRASKA—Omaha, Nebr., 68102.
NEVADA—Reno, Nev., 89505.
NEW HAMPSHIRE—Portsmouth, N.H., 03801.
NEW JERSEY—Newark, N.J., 07102.
NEW MEXICO—Albuquerque, N. Mex., 87101.
NEW YORK—Brooklyn, N.Y., 11201; 120 Church Street, New York, N.Y., 10007; Albany, N.Y.; 12210; Buffalo, N.Y., 14202.
NORTH CAROLINA—Greensboro, N.C., 27401.
NORTH DAKOTA, Fargo, N. Dak., 58102.
OHIO—Cleveland, Ohio, 44113; Cincinnati, Ohio, 45202.
OKLAHOMA—Oklahoma City, Okla., 73102.
OREGON—Portland, Oreg., 97232.
PANAMA CANAL ZONE—Director of International Operations, Internal Revenue Service, Washington, D.C., 20225.
PENNSYLVANIA—Philadelphia, Pa., 19108; Pittsburgh, Pa., 15230.
PUERTO RICO—Director of International Operations, Internal Revenue Service, 1105 Fernandez Juncos Avenue, Santurce, P.R., 00907.
RHODE ISLAND—Providence, R.I., 02907.
SOUTH CAROLINA—Columbia, S.C., 29201.
SOUTH DAKOTA—Aberdeen, S. Dak., 57401.
TENNESSEE—Nashville, Tenn., 37203.
TEXAS—Austin, Tex., 78701; Dallas, Tex., 75201.
UTAH—Salt Lake City, Utah, 84110.
VERMONT—Burlington, Vt., 05401.
VIRGINIA—Richmond, Va., 23240.
VIRGIN ISLANDS—Permanent residents: Department of Finance, Tax Department, Charlotte Amalie, St. Thomas, V.I., 00801; Others: Director of International Operations, Internal Revenue Service, 1105 Fernandez Juncos Avenue, Santurce, P.R., 00907.
WASHINGTON—Tacoma, Wash., 98402.
WEST VIRGINIA—Parkersburg, W. Va., 26102.
WISCONSIN—Milwaukee, Wis., 53202.
WYOMING—Cheyenne, Wyo., 82001.
FOREIGN ADDRESSES—Taxpayers with legal residence in Foreign Countries—Director of International Operations, Internal Revenue Service, Washington, D.C., 20225.

WHO MUST FILE A TAX RETURN

Every citizen or resident of the United States—whether an adult or minor—who had $600 or more income in 1964 must file; if 65 or over, $1,200 or more.

A person with income of less than these amounts should file a return to get a refund if tax was withheld. Generally, a married person with income less than her (his) own personal exemption will get the smaller tax or larger refund by filing a joint return with husband or wife.

c59—16—78044-1

GENERAL INSTRUCTIONS

Earned Income From Sources Outside the United States.—To determine whether an income tax return must be filed, income must be computed without regard to the exclusion provided for income earned from sources outside the United States. If you received such income and believe it is excludable for income tax purposes, attach Form 2555 to your return.

Social Security Numbers.—Be sure to enter your number in the space provided, exactly as shown on your card. If you need a number, file application Form SS–5 with the local office of the Social Security Administration. File the application early to make certain you receive your card before April 15, the deadline for filing your return. If you file an application but do not receive your card by that date—file your return and enter "Applied for" in the space provided for the number.

MEMBERS OF ARMED FORCES

A member of the Armed Forces should give his name, social security number, permanent home address and serial number.

WHEN AND WHERE TO FILE

Please file as early as possible. You must file not later than April 15. Mail your return to the "District Director of Internal Revenue" for the district in which you live (see page 2). U.S. citizens abroad who have no legal residence or place of business in the United States should file with Director of International Operations, Internal Revenue Service, Washington, D.C., 20225.

WHERE TO GET FORMS

As far as practical, the forms are mailed directly to taxpayers. Additional forms may be obtained from any Internal Revenue Service office, and also at most banks and some post offices.

HOW TO PAY

The balance of tax shown to be due on line 18, page 1, of your return on Form 1040 must be paid in full with your return if it amounts to $1.00 or more. Make checks or money orders payable to "Internal Revenue Service."

ROUNDING OFF TO WHOLE DOLLARS

The money items on your return and schedules may be shown in whole dollars. This means that you eliminate any amount less than 50 cents, and increase any amount from 50 cents through 99 cents to the next higher dollar.

ATTACHMENTS TO THE RETURN

Attachments may be used if the lines on the form schedules are not sufficient for your needs. The attachment must contain all required information, follow the format of the official schedules and must be attached to the return in the same sequence as the schedules appear on the official forms. If an attachment is used in place of a schedule having a summary line on page 1 or 2 of Form 1040, the total must be entered on the summary line on page 1 or 2, but need not be entered on the official schedule.

The above does not apply to Schedules C-3 and F-1 (self-employment tax) which the Service separates from the returns and transmits to the Social Security Administration for the recording of information in benefit accounts, or to any tax computation portion of a form or schedule.

MARRIED PERSONS—JOINT OR SEPARATE RETURNS

Advantages of a Joint Return.—Generally it is advantageous for a married couple to file a joint return. There are benefits in figuring the tax on a joint return, which often result in a lower tax than would result from separate returns.

How To Prepare a Joint Return.—You must include all income, exemptions and deductions of both husband and wife. In the return heading, list both names including middle initials (for example: "John F. and Mary L. Doe"). Both must sign the return.

A husband and wife may file a joint return even though one of them had no income. A joint return may not be filed if either husband or wife was a nonresident alien at any time during the taxable year.

When a joint return is filed, the couple assumes full legal responsibility for the entire tax, and if one fails to pay, the other must pay it.

How To Prepare a Separate Return.—Separate returns may be filed by husband and wife where each has income of his own. In such case each should report his or her own income, exemptions and deductions in separate returns. Only the name of the filer should be entered in the name and address area of the return. Check the box "married filing separately," line 1c, page 1 of the return and give the first name and social security number of your husband or wife in the space provided. When filing separate returns, the husband and wife should each claim the allowable deductions paid with his or her own funds. (In community property States, deductions resulting from payments made out of funds belonging jointly to husband and wife may be divided half and half.) If one itemizes and claims actual deductions then both must do so. If one uses the 10 percent standard deduction (instead of the minimum standard deduction—line 11a (2), page 1, Form 1040), then the other may not use the minimum standard deduction.

A separate return may also be filed where only the husband or wife had income. Enter only the name of the one having income in the name and address area. Check the box "married filing separately," line 1c, page 1 of the return and do not enter your wife's (husband's) first name or social security number. To claim the exemption for your wife or husband check the boxes provided in line 2, page 1.

Changes in Marital Status.—If you are married at the end of your taxable year, you are considered married for the entire year. If you are divorced or legally separated on or before the end of your taxable year, you are considered single for the entire year.

If your wife or husband died during the year, you are considered married for the entire year. Generally a joint return may be filed for the year provided you have not remarried before the end of the year. If an executor or administrator has been appointed, the return should be filed by both you and the executor or administrator. If no executor or administrator has been appointed, you may file the return. Indicate you are filing as a surviving husband or wife in the signature area of the return. If a refund is due, attach Form 1310, Statement of Claimant to Refund Due on Behalf of Deceased Taxpayer. You may also be entitled to the benefits of a joint return for the two years following the death of your husband or wife. See "Widows and Widowers," below.

SPECIAL COMPUTATIONS

Unmarried Head of Household.—The law provides special tax rates for any individual who qualifies as a "Head of Household." Only the following persons may qualify: (a) one who is unmarried (or legally separated) at the end of the taxable year, or (b) one who is married at the end of the year to an individual who was a nonresident alien at any time during the taxable year. In addition, you must have furnished over half of the cost of maintaining as your home a household which during the entire year, except for temporary absence, was occupied as the principal place of abode and as a member of such household by (1) any related person other than your unmarried child or stepchild (see list under "Line 3," paragraph 5 on page 4 of these instructions) for whom you are entitled to a deduction for an exemption, unless the deduction arises from a multiple support agreement, or (2) your unmarried child, grandchild, or stepchild, even though such child is not a dependent.

The home you maintain for your father and mother need not be your residence.

See head of household rates on page 10.

Widows and Widowers.—Under certain conditions a taxpayer whose husband (or wife) has died during either of her two preceding taxable years may compute her tax by including only her income, exemptions, and deductions, but otherwise computing the tax as if a joint return had been filed. However, the exemption for the decedent may be claimed only for the year of death.

The conditions are that the taxpayer (a) must not have remarried, (b) must maintain as her home a household which is the principal place of abode of her child or stepchild for whom she is entitled to a deduction for an exemption, and (c) must have been entitled to file a joint return with her husband (or wife) for the year of death.

HOW TO REPORT YOUR INCOME

All income in whatever form received which is not specifically exempt must be included in your income tax return, even though it may be offset by deductions. Examples are given below:

Examples of Income Which Must Be Reported

Wages, salaries, bonuses, commissions, fees, tips, and gratuities.
Dividends.
Interest on bank deposits, bonds, notes.
Interest on U.S. Savings bonds.
Profits from business or profession.
Your share of partnership profits.
Profits from sales or exchanges of real estate, securities, or other property.
Industrial, civil service and other pensions, annuities, endowments.
Rents and royalties from property, patents, copyrights.
Your share of estate or trust income.
Employer supplemental unemployment benefits.
Alimony, separate maintenance or support payments received from (and deductible by) your husband (or wife).
Prizes and awards (such as items received from radio and TV shows, contests, raffles, etc.).

Examples of Income Which Should Not Be Reported

Disability retirement payments and other benefits paid by the Veterans Administration.
Dividends on veterans' insurance.
Life insurance proceeds upon death.
Workmen's compensation, insurance, damages, etc., for injury or sickness.
Interest on State and municipal bonds.
Federal and State social security benefits.
Railroad Retirement Act benefits.
Gifts, inheritances, bequests.

INSTRUCTIONS FOR PAGE 1 OF FORM 1040

Exemptions ($600 for Each Allowable Exemption)

Line 2—YOU AND WIFE

For You.—You, as the taxpayer, are always entitled to at least one exemption. If, at the end of your taxable year, you were either blind or 65 or over, you get two exemptions. If you were both blind and 65 or over, you get three exemptions. Be sure to check the appropriate boxes. Age and blindness are determined as of December 31, 1964. Your age is determined on the day before your actual birthday and, thus, if your 65th birthday was on January 1, 1965, you get the additional exemption for age on your return for 1964.

For Your Wife.—An exemption is allowed for your wife (or husband) if you and she are filing a joint return. If you file a separate return, you may claim her exemptions only if she had no income and did not receive more than half her support from another taxpayer. You are not entitled to an exemption for your wife on your return if she files a separate return for any reason (for example, to obtain a refund of tax withheld where her income is less than $600). Otherwise, your wife's exemptions are like your own—one, if she was neither blind nor 65 or over; two, if she was either blind or 65 or over; three, if she was both blind and 65 or over.

In Case of Death.—If your wife or husband died during 1964, the number of her or his exemptions is determined as of the date of death.

Proof of Blindness.—If totally blind, a statement to that effect must be attached to the return. If partially blind, attach a statement from a qualified physician or a registered optometrist that (1) central visual acuity did not exceed 20/200 in the better eye with correcting lenses, or (2) that the widest diameter of the visual field subtends an angle no greater than 20°

Line 3—CHILDREN, OTHER DEPENDENTS

Enter on line 3a the total number of your children who lived with you during 1964.

Enter on line 3b the total number of dependents from line 3, Part I, page 2 of your return.

Each child, stepchild and other dependent claimed must meet all of the following tests:

1. Income.—Received less than $600 income (if the child was under 19 or was a student, this limitation does not apply), and

2. Support.—Received more than half of his or her support from you (or from husband or wife if a joint return is filed), (see definition below of support), and

3. Married Dependents.—Did not file a joint return with her husband (or his wife), and

4. Nationality.—Was either a citizen or resident of the United States or a resident of Canada, Mexico, the Republic of Panama or the Canal Zone; or was an alien child adopted by and living with a United States citizen abroad, and

5. Relationship.—EITHER (1) for your entire taxable year had your home as his principal place of abode and was a member of your household; OR (2) was related to you (or to husband or wife if a joint return is filed) in one of the following ways:

Child*	Stepbrother	Son-in-law
Stepchild	Stepsister	Daughter-in-law
Mother	Stepmother	The following if related by blood:
Father	Stepfather	
Grand-parent	Mother-in-law	Uncle
	Father-in-law	Aunt
Brother	Brother-in-law	Nephew
Sister	Sister-in-law	Niece
Grandchild		

*Includes a child who is a member of your household if placed with you by an authorized placement agency for legal adoption.

Definition of Support.—Support includes food, shelter, clothing, medical and dental care, education, and the like. Generally, the amount of an item of support will be the amount of expense incurred by the one furnishing such item. If the item of support furnished by an individual is in the form of property or lodging, it will be necessary to measure the amount of such item of support in terms of its fair market value. In computing the amount of support include amounts contributed by the dependent for his own support and also amounts ordinarily excludable from income (for example, social security benefits).

In figuring whether you provide more than half of the support of your child who is a student, you may disregard amounts received by him as scholarships.

Definition of Student.—The law defines a student as an individual who, during each of 5 calendar months during the year, is (*a*) a full-time student at an educational institution or (*b*) 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 a political subdivision of a State.

Children Under 19 and Students.—If your dependent child has income of $600 or over and is under 19, or is a student, he must file an income tax return, report the income, and claim his exemption. If you provide over half of your child's support and meet the other qualifications for claiming a dependent, you may also claim the exemption on your return.

Birth or Death of Dependent.—You can claim a full $600 exemption for a dependent who was born or died during the year if the tests for claiming an exemption for such dependent are met for the part of the year during which he was alive.

c59—16—78044-1

Support by More Than One Taxpayer.—If several persons contributed toward the support of an individual during the taxable year, but none contributed over half of the support, they may designate one of their number to claim the exemption if:

(a) They as a group have provided over half of the support of the individual; and

(b) Each of them, had he contributed over half of the support, would have been entitled to claim the individual as a dependent; and

(c) The person claiming the exemption for the individual contributed over 10 percent of the support; and

(d) Each other person in the group who contributed over 10 percent of the individual's support makes a declaration that he will not claim the individual as a dependent for the year. The declarations must be filed with the return of the person claiming the exemption. Form 2120, Multiple Support Declaration, is available at any Internal Revenue Service office.

Line 5—WAGES, SALARIES, TIPS, ETC.

Report the full amount of your wages, salaries, fees, commissions, tips, bonuses, and other payments for your personal services even though taxes and other amounts have been withheld by your employer. See page 7 for treatment of reimbursed employee business expenses.

If your employer furnishes you a statement showing that a portion of the cost of group term life insurance is taxable to you, include the taxable amount with other payments reported on this line.

All income regardless of where earned must be reported on one Federal tax return.

Payment in Merchandise, etc.—If you are paid in whole or in part in merchandise, services, stock, or other things of value, determine the fair market value of such items and include it in your wages.

Meals and Living Quarters.—Employees who, as a matter of choice, receive meals and lodging from their employers, whether or not designated wages, must include the fair market value in income.

However, if, for the convenience of your employer, your meals are furnished at your place of employment or you are required to accept lodging at your place of employment as a condition of your employment, the value of the meals or lodging is not to be reported.

TAX—CREDITS—PAYMENTS—BALANCE DUE OR REFUND

FIGURING YOUR TAX

Line 10.—The Tax Tables are provided by law and save you the trouble of itemizing deductions and computing your tax. The tables allow $600 for each exemption claimed on your return and also provide for the standard deduction.

Line 11.—The tax rate schedules on page 10 are to be used to figure your tax. Be sure to use the right schedule. See pages 3 and 4 for special computations.

Line 12.—Tax.—If your income has increased substantially this year, it may be to your advantage to figure your tax under the "averaging method." Obtain Schedule "G" from any Internal Revenue Service office for full details.

Line 14.—Income Tax.—Include any tax from Recomputing Prior Year Investment Credit due to early disposition of such property. Also show the amount separately and write "Inv. Cr." to left of the entry. Attach computation.

Line 17a.—Payments.—Include any amounts from the following sources on this line.

Income Tax Withheld.—As reflected on the Forms W-2 which you received from your employers.

Two or More Employers.—If more than $174 of Social Security (F.I.C.A.) employees tax was withheld during 1964 *because either you or your wife received wages from more than one employer,* the excess should be claimed as a credit against income tax. Include any excess of Social Security tax withheld over $174. Also show the amount separately and write "F.I.C.A." to left of the entry. If a joint return, do not add the Social Security tax withheld from both husband and wife to figure the excess over $174; compute the credit separately.

Credit for Taxes Paid by Regulated Investment Companies.—If you are entitled to a credit for taxes paid by a regulated investment company on undistributed capital gains, include the credit on this line and write "Reg. Inv." to left of the entry. To substantiate the credit claimed attach Copy B of **Form 2439.**

Line 17c.—If the total amount shown on this line is substantially less than the amount of tax shown on line 14, you may be liable for the additional charge imposed by law for underpayment of estimated tax. This charge is mandatory unless the taxpayer qualifies for relief under one of the specific exceptions provided by law. Details of this additional charge, and exceptions to it are printed on Form 1040–ES and Form 2210. If you believe one of the exceptions applies, attach a statement or Form 2210 to your return. See paragraph below, headed "Declarations of Estimated Tax" for filing requirements.

Lines 18 and 19.—Tax Due or Refund Under $1.—In order to facilitate the processing of collections and refunds, balances due of less than $1 need not be paid, and overpayments of less than $1 will be refunded only upon separate application to your District Director.

Line 21.—Purchase of U.S. Savings Bonds.—If you are entitled to a refund, you may apply it to the purchase of Series E United States Savings Bonds by checking the first box on line 21, page 1. You will be issued as many bonds as your refund will buy providing it does not leave a balance of less than $1 to be paid by check. The excess will automatically be refunded to you. If you make this election, do not check the second box on line 21. For example, if your refund is $40 you will receive a $50 face value bond and a check for $2.50. Bonds will be issued in the name used in filing your return. If you file a joint return the bonds will be issued only to husband and wife as co-owners.

Declarations of Estimated Tax.—For many taxpayers the withholding tax on wages is not sufficient to keep them paid up on their income tax. In general, the law requires every citizen or resident of the United States to file a Declaration of Estimated Income Tax, **Form 1040–ES,** and to make quarterly payments in advance of filing the annual income tax return if his total expected tax exceeds his withholding (if any) by $40 or more, and he:

(*a*) can reasonably expect gross income exceeding—

(1) $10,000 for a head of a household or a widow or widower entitled to the special tax rate;

(2) $5,000 for other single individuals;

(3) $5,000 for a married individual not entitled to file a joint declaration;

(4) $5,000 for a married individual entitled to file a joint declaration, and the combined income of both husband and wife can reasonably be expected to exceed $10,000; OR

(*b*) can reasonably expect to receive more than $200 from sources other than wages subject to withholding.

Farmers and fishermen may postpone filing their 1965 declarations until January 15, 1966.

Additional Charge for Underpayment of Estimated Tax.—Estimate your tax carefully. Avoid the difficulties of paying a large balance with your return; also the prospect of your being liable for the additional charge imposed by law for underpayment of estimated tax when filing your 1965 income tax return. See instructions for line 17c above.

c59—16—78044—1

Part II

Line 1—DIVIDENDS

If you own stock, the payments you receive out of the company's earnings and profits are dividends and must be reported in your tax return. Usually dividends are paid in cash, but if paid in merchandise or other property, they are taxable at their fair market value.

Enter as item A, above line 1, the gross amount of dividends and other distributions received by you as a shareholder, either directly or through a nominee or other intermediary.

Enter as item B, above line 1, the total of any capital gain dividends and nontaxable distributions included in item A.

Some payers, especially mutual funds and investment club partnerships, distribute both an ordinary dividend and a capital gain at the same time; the check or notice will usually show them separately. You must report the dividend income portion on this line, and the capital gain portion on line 7, Part I of Schedule D (Form 1040).

There are special rules applicable to stock dividends, partial liquidations, stock rights, and redemptions; call your Internal Revenue Service office for more complete information.

You may exclude from your income $100 of dividends received from qualifying domestic corporations.

If a joint return is filed and both husband and wife have dividend income, each one may exclude $100 of dividends received from qualifying corporations, but one may not 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 on a joint return.

Use this line to list your dividends including dividends you receive as a member of a partnership or as a beneficiary of a estate or trust, and to show the amount of the exclusion to which you are entitled. If you receive dividends through a nominee or other intermediary, list the name of such person. Dividends from mutual insurance companies which are a reduction of premiums are not to be included. So-called "dividends" paid on deposits or withdrawable accounts by the following corporations are considered interest and should be reported as interest in line 3; mutual savings banks, cooperative banks, savings and loan associations and credit unions.

Taxable dividends from the following corporations, which do not qualify for the dividends received exclusion and the dividends received credit should be reported on line 1d:

(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.

Line 3—INTEREST

You must include in your return any interest you received or which was credited to your account (whether entered in your passbook or not) and can be withdrawn by you. Interest on bonds, debentures, notes, savings accounts, or loans is taxable, except on State and municipal bonds and securities.

If you own United States Savings or War bonds, the gradual increase in value of each bond is considered interest, but you need not report this interest until you cash the bond or until the year of final maturity, whichever is earlier. However you may at any time elect to report each year the annual increase in value, but 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.

Line 8—OTHER SOURCES

If you cannot find any specific place on your return (or related schedules) to list certain types of income, report it here. Income reported on this line must be identified as to its source. Report here amounts received as alimony, separate maintenance, prizes and awards. Recoveries of bad debts and other items which reduced your tax in a prior year should also be reported here. A refund of State income tax should be entered here. The general rule is that a refund of State income tax is income to the taxpayer if a deduction was taken in a prior year which resulted in a Federal tax benefit. 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 1964, your business or profession lost money instead of making a profit, if 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 1964 income. If the losses exceed your income, the excess is a "net operating loss" which generally may be used to offset your income for the 3 years prior to and the 5 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 of prior year taxes, ask the District Director for Form 1045 to claim a quick refund.

If you had a loss in a prior year which may be carried over to 1964, it should be reported on this line. Attach a statement showing the computation.

Part III

Line 1—SICK PAY EXCLUSION

You may exclude from income amounts received under a wage continuation plan for the period during which you were absent from work on account of personal injuries or sickness. If both you and your employer contribute to the plan, any benefits attributable to your own contributions are excludable without limit, but there are certain limitations on the exclusion of the benefits attributable to your employer's contributions.

To figure your sick pay exclusion you must first determine whether your "sick pay" was over 75 percent of your regular weekly rate of pay.

(*1*) *Over 75 percent*—

If you received over 75 percent of your weekly rate of wages for periods of absence from work because of illness or injury, there is now a 30-calendar day waiting period before you qualify for the exclusion. The waiting period applies even though you were injured or hospitalized. The amount to be excluded thereafter is limited to a rate not to exceed $100 a week.

(*2*) *75 percent or less*—

If you received 75 percent or less of your weekly rate of wages, the waiting period is 7 calendar days, and the exclusion is limited to a rate not to exceed $75 a week. There is no exclusion for the waiting period regardless of whether you were sick or injured, unless you were hospitalized at least 1 day during the period of absence. After 30 calendar days the weekly rate of exclusion is increased to an amount not to exceed $100.

Where the exclusion is limited to a weekly rate of $100 and the payments exceed this rate the exclusion is figured by multiplying the amount received by 100 and dividing the result by the weekly rate of payment.

Where the exclusion is limited to a weekly rate of $75 and the payments exceed this rate the exclusion is figured

o59—16—78044-1

by multiplying the amount received by 75 and dividing the result by the weekly rate of payment.

See Form 2440 for additional information. Attach this form or a statement showing your computation, and indicating the period or periods of absence, regular weekly rate of pay, and whether hospitalized.

The exclusion for periods of absence which began before 1964 should be computed under the 1963 rules.

Line 2—MOVING EXPENSES

Except as noted below, employees, including new employees, can deduct unreimbursed moving expenses (transportation of household goods and members of the household, and meals and lodging while in transit). The deduction is allowed only if (*a*) the change in job location would have required at least 20 additional miles travel if the taxpayer had not moved to a new residence, or, (*b*) he had no former principal place of work, his new place of work is at least 20 miles from his former residence, and (*c*) during the 12-month period immediately following his arrival in the general location of his new principal place of work, the taxpayer is a full-time employee, in such general location, during at least 39 weeks.

See Form 3903 for full details. Attach the form or a statement which includes the amount of your reimbursement and the amount of the expenses. Enter any excess reimbursement on line 8, Part II, page 2 of your return and enter any excess expenses on line 2, Part III, page 2 of your return. If the employer for whom you were already working paid your moving expenses to a new location and the reimbursement equaled the expenses, you should not report the reimbursement or the expenses.

Line 3—EMPLOYEE BUSINESS EXPENSES AND EMPLOYER PAYMENTS

Deductible Expenses and Excess Payments.— You may deduct the expenses shown below to the extent they are not paid by your employer. If employer payments exceed the expenses, the excess must be reported as income on your return.

(1) *Travel and transportation.*—Bus, taxi, plane, train, etc., fares or the cost of operating an automobile in connection with your duties as an employee.

(2) *Meals and lodging.*—If you are temporarily away on business, at least overnight from the city, town, or other general area which constitutes your principal or regular business location.

(3) *Outside salesmen.*—If you are an "outside salesman," you may generally deduct other expenses which are ordinary and necessary in performing your duties, such as selling expenses, stationery, and postage. An "outside salesman" is one who is engaged in full-time solicitation of business for his employer away from the employer's place of business. It does not include a person whose principal activities consist of service and delivery as, for example, a milk driver-salesman.

(4) *Other business expenses.*—If you itemize deductions in Part IV, page 2 of your return, you may also deduct (under the heading "Other Deductions") business expenses other than those described above. Examples of such expenses are professional and union dues, and the cost of tools, materials, etc., not paid for by your employer.

Additional Information.— If you claim a deduction for these employee business expenses you must submit the following information with your return. You may use Form 2106 for this purpose.

(1) The total of all amounts received from or charged to your employer for business expenses,

(2) The amount of your business expenses broken down into broad categories, and

(3) The number of days away from home on business.

If you do not claim a deduction, you must attach the information unless you were required to and did make an adequate accounting for your expenses to your employer. You have made the equivalent of an adequate accounting, if you received an allowance not in excess of $25 per diem in lieu of subsistence, or a mileage allowance not in excess of 15 cents per mile, and established time, place, and business purpose of the travel.

If you operate your own automobile for business purposes, you may figure the cost of operating your automobile at a standard mileage rate of 10 cents per mile for the first 15,000 miles of business use and 7 cents per mile for such use in excess of 15,000 miles rather than deducting the actual expenses. Use of this method is optional on a yearly basis. Actual expenses include gasoline, oil, repairs, license tags, insurance and depreciation.

This simplified method cannot be used if:

(a) depreciation has been claimed using a method other than straight line (or where additional first year depreciation has been claimed), or

(b) you are claiming a deduction in excess of reimbursements received from your employer for automobile expenses.

Whether or not you are required to submit the additional information described above, check the box for expense accounts on page 2 of Form 1040.

Reporting Deductions and Excess Payments.— The expenses and payments are to be reported as follows:

(1) If the employer payments exceed the expenses, report the excess on line 8, Part II, page 2;

(2) If the expenses exceed the payments, the excess expenses for travel and transportation, meals and lodging, and "Outside Salesman," may be deducted on line 3, Part III, page 2. If you itemize deductions the unreimbursed portion of *Other business expenses* may be deducted in Part IV, page 2, under Other deductions; or

(3) If the expenses equaled the payments, no further entry is required on the form.

Part IV—ITEMIZED DEDUCTIONS—If you do not use Tax Table or Standard Deduction

MEDICAL AND DENTAL EXPENSES

If you itemize deductions, you can deduct, within the limits described below, the amounts you paid during the year (not compensated by hospital, health or accident insurance) 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. List on the attachment the name and amount paid to each person or institution.

You can deduct amounts paid for the prevention, cure, correction, or treatment of a physical or mental defect or illness. If you pay someone for both nursing and domestic duties, you can deduct only the nursing cost.

You can deduct amounts paid for transportation primarily for and essential to medical care, but not for any other travel expense even if it benefits your health. Meals and lodging while you are away from home receiving medical treatment may not be treated as medical expense unless they are part of a hospital bill or are included in the cost of care in a similar institution.

Subject to the Limitations Set Forth Below, You CAN Deduct as Medical Expenses Payments To or For:

Physicians, dentists, nurses, and hospitals
Drugs or medicines
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

You CANNOT Deduct Payments For:

Funeral expenses and cemetery plot

c59—16—78044-1

Illegal operations or drugs
Travel ordered or suggested by your doctor for rest or change
Premiums on life insurance
Cosmetics

FIGURING THE DEDUCTION

(A) General Rule:

(1) *Medicine and drugs.*—The total amount paid for medicine and drugs must be reduced by 1 percent of line 9, page 1, Form 1040 for: (a) the taxpayer, wife, dependent parent(s), all of whom were under 65 years of age, and (b) all other dependents regardless of age.

(2) *Medical and dental expenses.*—You can deduct that portion of your medical and dental expenses which exceed 3 percent of line 9, page 1, of Form 1040 and which were paid for the persons described in (1) above.

(B) Special Rule for Certain Persons 65 or over:

The unreimbursed portion of the medical and dental expenses including medicine and drugs are deductible in full for the following persons:

(a) The taxpayer and his wife if EITHER is 65 years of age or over;

(b) A dependent who is 65 or over and who is the mother or father of the taxpayer or his wife.

If you have expenses under both the General Rule and Special Rule, you may obtain Form 2948 from any Internal Revenue Service office to assist you. If however, you have expenses only for those persons described in the Special Rule, attach an itemized list and enter the total amount in line 5 of the medical and dental expense section, Part IV, page 2.

Limitations.—The deduction for medical and dental expenses may not exceed $5,000 multiplied by the number of exemptions claimed on the return (other than the exemptions for age and blindness). However, in no case may the deduction exceed:

(a) $10,000 if the taxpayer is single and not a head of household or a widow or widower entitled to the special tax computation;

(b) $10,000 if the taxpayer is married but files a separate return; or

(c) $20,000 if the taxpayer files a joint return, or is a head of household or a widow or widower entitled to the special tax computation.

(d) If either you or your wife are disabled and 65 or over, you may qualify for an increased maximum limitation. Consult the nearest Internal Revenue Service office for further information.

CONTRIBUTIONS

If you itemize deductions, you can deduct gifts to:

(1) religious, charitable, educational, scientific or literary organizations, and organizations for the prevention of cruelty to children and animals, unless the organization is operated for personal profit, or a substantial part of its activities is the carrying on of propaganda or otherwise attempting to influence legislation; and

(2) fraternal organizations if they are to be used for charitable, religious, etc., purposes; and

(3) veterans' organizations which will use the gifts for public purposes; and

(4) governmental agencies which will use the gifts 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. The law does not allow deductions for gifts to individuals, foreign organizations, or to other types of organizations.

A contribution may be made in money or property (not services). If in property, attach a description of the property, date of gift, and method of valuation except for securities. In addition, for each gift valued at more than $200, set forth any conditions attached to 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. A special rule is provided to determine the amount deductible in the case of a gift of depreciable property described in sections 1245 and 1250 of the Internal Revenue Code (see instructions for Schedule D for definition of sections 1245 and 1250 property). Generally, a charitable deduction for a transfer of a future interest in tangible personal property made after December 31, 1963, is not allowed until the entire interest has been transferred.

Generally, the deduction for contributions may not exceed 20 percent of line 9, page 1. An additional 10 percent is allowable for contributions to churches, a convention or association of churches, tax-exempt educational institutions, tax-exempt hospitals, certain medical research organizations, certain college or university endowment associations; and organizations referred to in paragraphs (1) and (4), above. Attach computation.

If your contributions exceed 30 percent of line 9, page 1, consult the nearest Internal Revenue Service office for a possible carryover deduction.

If you support a student in your home under a written agreement with a charitable or educational institution, you may be entitled to deduct as a contribution a part or all of the amounts you expend to maintain such a student.

You CAN Deduct Gifts To:

Churches, including assessments
Salvation Army, Red Cross
United Funds and Community Chests
Nonprofit schools and hospitals
Veterans' organizations
Boy Scouts, Girl Scouts, and other similar organizations
Nonprofit organizations primarily engaged in conducting research or education for the alleviation and cure of diseases and disabilities such as cancer, cerebral palsy, cystic fibrosis, diseases of the heart, diabetes, mental illness and mental retardation, multiple sclerosis, muscular dystrophy, poliomyelitis, tuberculosis, etc.

You CANNOT Deduct Gifts To:

Relatives, friends, other individuals
Political organizations or candidates
Social clubs
Labor unions
Chambers of commerce
Propaganda organizations

INTEREST

If you itemize deductions, you can deduct interest you paid on your personal debts, such as bank loans or home mortgages. Interest paid on business debts should be reported in the separate schedule in which your business income is reported. Do not deduct interest paid on money borrowed to buy tax-exempt securities or single-premium life insurance. Do not include as interest such items as carrying charges and insurance which are not deductible, and taxes which may be deductible but which should be itemized separately.

If interest charges are not stated separately on installment purchases of personal property (such as automobiles, televisions, etc.), you may deduct an amount equal to 6 percent of the average unpaid monthly balance.

You CAN Deduct Interest On:

Your personal note to a bank or an individual
A mortgage on your home
A life insurance loan, if you pay the interest in cash
Delinquent taxes

You CANNOT Deduct Interest On:

Indebtedness of another person, when you are not legally liable for payment of the interest
A gambling debt or other nonenforceable obligation
A life insurance loan, if interest is added to the loan and you report on the cash basis

TAXES

If you itemize deductions, you can deduct general State or local retail sales taxes if under the laws of the State 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 for

many States are available in Internal Revenue Service offices. 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.

Do not deduct in this part any nonbusiness Federal taxes, or any taxes paid in connection with a business or profession which are deductible in Part II of Schedule B, or Schedule C, or F.

You CAN Deduct:

Real estate taxes
State and local gasoline taxes
General sales taxes
State and local income taxes
Personal property taxes

You CANNOT Deduct:

Any Federal excise taxes on your personal expenditures, such as taxes on theater admissions, furs, jewelry, cosmetics, transportation, telephone, gasoline, etc.
Federal social security taxes
Hunting licenses, dog licenses
Auto inspection fees, tags, drivers licenses
Water taxes
Taxes paid by you for another person
Alcoholic beverage, cigarette, and tobacco taxes
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.

OTHER DEDUCTIONS

Care of Children and Other Dependents.—If deductions are itemized, a woman or a widower (including men who are divorced or legally separated under a decree and who have not remarried) or a husband whose wife is incapacitated or is institutionalized for at least 90 consecutive days or a shorter period if she dies, may deduct expenses paid, not to exceed a total of $600, for one dependent, or not to exceed a total of $900 for two or more dependents for the care of:

(a) dependent children under 13 years of age; or

(b) dependent persons (excluding husband or wife) physically or mentally incapable of caring for themselves;

if such care is to enable the taxpayer to be gainfully employed or to actively seek gainful employment.

In the case of a woman who is married, the deduction is allowed if;

(a) she files a separate return because she has been deserted by her husband, does not know, and did not know his whereabouts at any time during the year, and has applied to a court to compel him to pay support or otherwise to comply with the law or a judicial order; or

(b) she files a joint return with her husband, in which case, the deduction is reduced by the amount (if any) by which their combined income, line 9, page 1, exceeds $6,000. *This limitation does not apply to expenses incurred while the husband is incapable of self-support because he is mentally or physically defective.*

In case of a husband whose wife is incapacitated the deduction is allowed if he files a joint return with his wife, in which case, the deduction is reduced by the amount (if any) by which their combined income, line 9, page 1, exceeds $6,000. *This limitation does not apply to expenses incurred while the wife is institutionalized if she is institutionalized for at least 90 consecutive days or a shorter period if she dies.*

Do not deduct any child care payments to a person for whom you claim an exemption.

If the person who receives the payment performs duties not related to dependent care, only that part of the payment which is for the dependent's care may be deducted.

Attach **Form 2441** or a statement setting forth all pertinent information.

Casualty Losses and Thefts.—If you itemize deductions, you can deduct a net loss resulting from the destruction of your property in a fire, storm, automobile accident, shipwreck, or other losses caused by natural forces limited to the amount in excess of $100 for each loss. Damage to your car by collision or accident can be deducted if due merely to faulty driving but cannot be deducted if due to your willful act or negligence. You can also deduct losses due to theft, but not losses due to mislaying or losing articles.

The amount of loss to be deducted is measured by the fair market value of the property just before the casualty less its fair market value immediately after the casualty (but not more than the cost or other adjusted basis of the property), reduced by any insurance or compensation received and the $100 limitation. Attach an explanation.

You CAN Deduct Losses On:

Property such as your home, clothing, or automobile destroyed or damaged by fire
Property, including cash, which is stolen from you
Loss or damage of property by flood, lightning, storm, explosion, or freezing

You CANNOT Deduct Losses On:

Personal injury to yourself or another person
Accidental loss by you of cash or other personal property
Property lost in storage or in transit
Damage by rust, gradual erosion or deterioration
Animals or plants damaged or destroyed by disease

Expenses for Education.—These expenses may be deducted if primarily for:

(a) Maintaining or improving skills required in your employment or other trade or business, or

(b) Meeting the express requirements of your employer, or the requirements of applicable law or regulations, imposed as a condition to the retention of your salary, status, or employment.

Expenses incurred for obtaining a new position, meeting minimum requirements, a substantial advancement in position, or for personal purposes are not deductible.

The rules for reporting deductible education expenses are the same as those shown on page 7 for the reporting of "Employee Business Expenses."

Miscellaneous.—If you itemize deductions, you can deduct several other types of expenses under "Other Deductions."

If you work for wages or a salary, you can deduct your ordinary and necessary employee business expenses which have not been claimed in Part III, page 2.

You can deduct all ordinary and necessary expenses connected with the production or collection of income, or for the management or protection of property held for the production of income.

If you are divorced or legally separated and are making periodic payments of alimony or separate maintenance under a court decree, you can deduct these amounts. Periodic payments made under either (a) a written separation agreement entered into after August 16, 1954, or (b) a decree for support entered after March 1, 1954, are also deductible. Such payments must be included in the wife's income. You cannot deduct any voluntary payments not made under a court order or a written separation agreement, lump-sum settlements, or specific maintenance payments for support of minor children.

You may deduct gambling losses only to the extent of gambling winnings.

You CAN Deduct Cost Of:

Safety equipment, tools and supplies, used in your job
Dues to unions or professional societies
Business entertainment
Fees to employment agencies

You CANNOT Deduct Cost Of:

Travel to and from work
Entertaining friends
Bribes and illegal payments

Part V

Line 1—DIVIDENDS RECEIVED CREDIT

This credit is equal to 2 percent of qualifying dividends in excess of those which you may exclude from your income. The credit may not exceed:

(a) the total income tax reduced by the foreign tax credit if any; or

(b) 2% of the taxable income.

Taxable income means—

(a) If tax is computed, the amount shown on line 11d, page 1, of Form 1040.

(b) If Tax Table is used, the amount shown on line 9, page 1, Form 1040, less the standard deduction, and less the deduction for exemptions ($600 multiplied by the number of exemptions claimed on line 4, page 1, Form 1040).

c59—16—73044-1

TAX RATE SCHEDULES

If you do not use one of the Tax Tables, then figure your tax on the amount on line 11d, page 1 of your return by using the appropriate tax rate schedule on this page.

Schedule I. SINGLE TAXPAYERS not qualifying for rates in Schedules II and III, and MARRIED PERSONS FILING SEPARATE RETURNS.

If the amount on line 11d, page 1, is: — *Enter on line 12, page 1:*

Not over $500.......... 16% of the amount on line 11d.

Over—	But not over—	Enter on line 12, page 1:	of excess over—
$500	— $1,000....	$80, plus 16.5%	— $500
$1,000	— $1,500....	$162.50, plus 17.5%	— $1,000
$1,500	— $2,000....	$250, plus 18%	— $1,500
$2,000	— $4,000....	$340, plus 20%	— $2,000
$4,000	— $6,000....	$740, plus 23.5%	— $4,000
$6,000	— $8,000....	$1,210, plus 27%	— $6,000
$8,000	— $10,000...	$1,750, plus 30.5%	— $8,000
$10,000	— $12,000...	$2,360, plus 34%	— $10,000
$12,000	— $14,000...	$3,040, plus 37.5%	— $12,000
$14,000	— $16,000...	$3,790, plus 41%	— $14,000
$16,000	— $18,000...	$4,610, plus 44.5%	— $16,000
$18,000	— $20,000...	$5,500, plus 47.5%	— $18,000
$20,000	— $22,000...	$6,450, plus 50.5%	— $20,000
$22,000	— $26,000...	$7,460, plus 53.5%	— $22,000
$26,000	— $32,000...	$9,600, plus 56%	— $26,000
$32,000	— $38,000...	$12,960, plus 58.5%	— $32,000
$38,000	— $44,000...	$16,470, plus 61%	— $38,000
$44,000	— $50,000...	$20,130, plus 63.5%	— $44,000
$50,000	— $60,000...	$23,940, plus 66%	— $50,000
$60,000	— $70,000...	$30,540, plus 68.5%	— $60,000
$70,000	— $80,000...	$37,390, plus 71%	— $70,000
$80,000	— $90,000...	$44,490, plus 73.5%	— $80,000
$90,000	— $100,000..	$51,840, plus 75%	— $90,000
$100,000	— $200,000..	$59,340, plus 76.5%	— $100,000
$200,000	....	$135,840, plus 77%	— $200,000

Schedule II. MARRIED TAXPAYERS FILING JOINT RETURNS and CERTAIN WIDOWS AND WIDOWERS (See page 3).

If the amount on line 11d, page 1, is: — *Enter on line 12, page 1:*

Not over $1,000........ 16% of the amount on line 11d.

Over—	But not over—	Enter on line 12, page 1:	of excess over—
$1,000	— $2,000...	$160, plus 16.5%	— $1,000
$2,000	— $3,000...	$325, plus 17.5%	— $2,000
$3,000	— $4,000...	$500, plus 18%	— $3,000
$4,000	— $8,000...	$680, plus 20%	— $4,000
$8,000	— $12,000..	$1,480, plus 23.5%	— $8,000
$12,000	— $16,000..	$2,420, plus 27%	— $12,000
$16,000	— $20,000..	$3,500, plus 30.5%	— $16,000
$20,000	— $24,000..	$4,720, plus 34%	— $20,000
$24,000	— $28,000..	$6,080, plus 37.5%	— $24,000
$28,000	— $32,000..	$7,580, plus 41%	— $28,000
$32,000	— $36,000..	$9,220, plus 44.5%	— $32,000
$36,000	— $40,000..	$11,000, plus 47.5%	— $36,000
$40,000	— $44,000..	$12,900, plus 50.5%	— $40,000
$44,000	— $52,000..	$14,920, plus 53.5%	— $44,000
$52,000	— $64,000..	$19,200, plus 56%	— $52,000
$64,000	— $76,000..	$25,920, plus 58.5%	— $64,000
$76,000	— $88,000..	$32,940, plus 61%	— $76,000
$88,000	— $100,000.	$40,260, plus 63.5%	— $88,000
$100,000	— $120,000.	$47,880, plus 66%	— $100,000
$120,000	— $140,000.	$61,080, plus 68.5%	— $120,000
$140,000	— $160,000.	$74,780, plus 71%	— $140,000
$160,000	— $180,000.	$88,980, plus 73.5%	— $160,000
$180,000	— $200,000.	$103,680, plus 75%	— $180,000
$200,000	— $400,000.	$118,680, plus 76.5%	— $200,000
$400,000	....	$271,680, plus 77%	— $400,000

Schedule III. Unmarried (or legally separated) taxpayers who qualify as HEAD OF HOUSEHOLD (See page 3).

If the amount on line 11d, page 1, is: — *Enter on line 12, page 1:*

Not over $1,000......... 16% of the amount on line 11d.

Over—	But not over—	Enter on line 12, page 1:	of excess over—
$1,000	— $2,000...	$160, plus 17.5%	— $1,000
$2,000	— $4,000...	$335, plus 19%	— $2,000
$4,000	— $6,000...	$715, plus 22%	— $4,000
$6,000	— $8,000...	$1,155, plus 23%	— $6,000
$8,000	— $10,000..	$1,615, plus 27%	— $8,000
$10,000	— $12,000..	$2,155, plus 29%	— $10,000
$12,000	— $14,000..	$2,735, plus 32%	— $12,000
$14,000	— $16,000..	$3,375, plus 34%	— $14,000
$16,000	— $18,000..	$4,055, plus 37.5%	— $16,000
$18,000	— $20,000..	$4,805, plus 39%	— $18,000
$20,000	— $22,000..	$5,585, plus 42.5%	— $20,000
$22,000	— $24,000..	$6,435, plus 43.5%	— $22,000
$24,000	— $26,000..	$7,305, plus 45.5%	— $24,000
$26,000	— $28,000..	$8,215, plus 47%	— $26,000
$28,000	— $32,000..	$9,155, plus 48.5%	— $28,000
$32,000	— $36,000..	$11,095, plus 51.5%	— $32,000
$36,000	— $38,000..	$13,155, plus 53%	— $36,000
$38,000	— $40,000..	$14,215, plus 54%	— $38,000
$40,000	— $44,000..	$15,295, plus 56%	— $40,000
$44,000	— $50,000..	$17,535, plus 58.5%	— $44,000
$50,000	— $52,000..	$21,045, plus 59.5%	— $50,000
$52,000	— $60,000..	$22,235, plus 61%	— $52,000
$60,000	— $64,000..	$27,115, plus 62%	— $60,000
$64,000	— $70,000..	$29,595, plus 63.5%	— $64,000
$70,000	— $76,000..	$33,405, plus 65%	— $70,000
$76,000	— $80,000..	$37,305, plus 66%	— $76,000
$80,000	— $88,000..	$39,945, plus 67%	— $80,000
$88,000	— $90,000..	$45,305, plus 69%	— $88,000
$90,000	— $100,000.	$46,685, plus 69.5%	— $90,000
$100,000	— $120,000.	$53,635, plus 71%	— $100,000
$120,000	— $140,000.	$67,835, plus 72.5%	— $120,000
$140,000	— $160,000.	$82,335, plus 74%	— $140,000
$160,000	— $180,000.	$97,135, plus 75%	— $160,000
$180,000	— $200,000.	$112,135, plus 75.5%	— $180,000
$200,000	....	$127,235, plus 77%	— $200,000

c59—16—78044-1

1964 TAX TABLES

FOR PERSONS WITH INCOMES UNDER $5,000 WHO DO NOT ITEMIZE ON PAGE 2 OF FORM 1040

Find your tax after selecting the proper Tax Table from those listed below based on your filing status (line 1, page 1, Form 1040).

TABLE A—For Married Persons Filing Joint Returns
TABLE B—For Single Persons
TABLE C—For Married Persons Filing Separate Returns, *Using 10-Percent Standard Deduction*
TABLE D—For Married Persons Filing Separate Returns, *Using Minimum Standard Deduction*
TABLE E—For Unmarried Head of Household

Tables A, B, and E reflect the lowest tax after taking both the 10 percent standard deduction and the minimum standard deduction into account.

TAX TABLE A—FOR MARRIED PERSONS FILING JOINT RETURNS★

This table is designed to allow for the standard deduction

Read down the income columns below until you find the line covering the total income (line 9, page 1, Form 1040). Then read across to the appropriate column headed by the number corresponding to the number of your exemptions, this is your tax.

If your total income is—		And the number of exemptions is—	
At least	But less than	2	3 (If 4 or more there is no tax)
		Your tax is—	
$0	$1, 600	$0	$0
1, 600	1, 625	2	0
1, 625	1, 650	6	0
1, 650	1, 675	10	0
1, 675	1, 700	14	0
1, 700	1, 725	18	0
1, 725	1, 750	22	0
1, 750	1, 775	26	0
1, 775	1, 800	30	0
1, 800	1, 825	34	0
1, 825	1, 850	38	0
1, 850	1, 875	42	0
1, 875	1, 900	46	0
1, 900	1, 925	50	0
1, 925	1, 950	54	0
1, 950	1, 975	58	0
1, 975	2, 000	62	0
2, 000	2, 025	66	0
2, 025	2, 050	70	0
2, 050	2, 075	74	0
2, 075	2, 100	78	0
2, 100	2, 125	82	0
2, 125	2, 150	86	0
2, 150	2, 175	90	0
2, 175	2, 200	94	0
2, 200	2, 225	98	0
2, 225	2, 250	102	0
2, 250	2, 275	106	0
2, 275	2, 300	110	0
2, 300	2, 325	114	2
2, 325	2, 350	118	6
2, 350	2, 375	122	10
2, 375	2, 400	126	14
2, 400	2, 425	130	18
2, 425	2, 450	134	22
2, 450	2, 475	138	26
2, 475	2, 500	142	30
2, 500	2, 525	146	34
2, 525	2, 550	150	38
2, 550	2, 575	154	42
2, 575	2, 600	158	46
2, 600	2, 625	162	50
2, 625	2, 650	166	54
2, 650	2, 675	170	58
2, 675	2, 700	174	62
2, 700	2, 725	179	66
2, 725	2, 750	183	70
2, 750	2, 775	187	74
2, 775	2, 800	191	78

If your total income is—		And the number of exemptions is—				
At least	But less than	2	3	4	5	6 (If 7 or more there is no tax)
		Your tax is—				
$2, 800	$2, 825	$195	$82	$0	$0	$0
2, 825	2, 850	199	86	0	0	0
2, 850	2, 875	203	90	0	0	0
2, 875	2, 900	207	94	0	0	0
2, 900	2, 925	212	98	0	0	0
2, 925	2, 950	216	102	0	0	0
2, 950	2, 975	220	106	0	0	0
2, 975	3, 000	224	110	0	0	0
3, 000	3, 050	230	116	4	0	0
3, 050	3, 100	238	124	12	0	0
3, 100	3, 150	247	132	20	0	0
3, 150	3, 200	255	140	28	0	0
3, 200	3, 250	263	148	36	0	0
3, 250	3, 300	271	156	44	0	0
3, 300	3, 350	280	164	52	0	0
3, 350	3, 400	288	172	60	0	0
3, 400	3, 450	296	181	68	0	0
3, 450	3, 500	304	189	76	0	0
3, 500	3, 550	313	197	84	0	0
3, 550	3, 600	321	205	92	0	0
3, 600	3, 650	329	214	100	0	0
3, 650	3, 700	338	222	108	0	0
3, 700	3, 750	347	230	116	4	0
3, 750	3, 800	356	238	124	12	0
3, 800	3, 850	364	247	132	20	0
3, 850	3, 900	373	255	140	28	0
3, 900	3, 950	382	263	148	36	0
3, 950	4, 000	391	271	156	44	0
4, 000	4, 050	399	280	164	52	0
4, 050	4, 100	407	288	172	60	0
4, 100	4, 150	415	296	181	68	0
4, 150	4, 200	423	304	189	76	0
4, 200	4, 250	430	313	197	84	0
4, 250	4, 300	438	321	205	92	0
4, 300	4, 350	446	329	214	100	0
4, 350	4, 400	454	338	222	108	0
4, 400	4, 450	462	347	230	116	4
4, 450	4, 500	470	356	238	124	12
4, 500	4, 550	478	364	247	132	20
4, 550	4, 600	486	373	255	140	28
4, 600	4, 650	493	382	263	148	36
4, 650	4, 700	501	391	271	156	44
4, 700	4, 750	509	399	280	164	52
4, 750	4, 800	518	408	288	172	60
4, 800	4, 850	526	417	296	181	68
4, 850	4, 900	534	426	304	189	76
4, 900	4, 950	542	434	313	197	84
4, 950	5, 000	550	443	321	205	92

★ This table may also be used by certain widows or widowers who qualify for special tax rates.

c59—16—78044-1

TAX TABLE B—FOR SINGLE PERSONS

This table is designed to allow for the standard deduction.

Read down the income columns below until you find the line covering the total income (line 9, page 1, Form 1040). Then read across to the appropriate column headed by the number corresponding to the number of your exemptions, this is your tax.

If your total income is—		And the number of exemptions is—		
At least	But less than	1	2	3 If 4 or more there is no tax
		Your tax is—		
$0	$900	$0	$0	$0
900	925	2	0	0
925	950	6	0	0
950	975	10	0	0
975	1,000	14	0	0
1,000	1,025	18	0	0
1,025	1,050	22	0	0
1,050	1,075	26	0	0
1,075	1,100	30	0	0
1,100	1,125	34	0	0
1,125	1,150	38	0	0
1,150	1,175	42	0	0
1,175	1,200	46	0	0
1,200	1,225	50	0	0
1,225	1,250	54	0	0
1,250	1,275	58	0	0
1,275	1,300	62	0	0
1,300	1,325	66	0	0
1,325	1,350	70	0	0
1,350	1,375	74	0	0
1,375	1,400	78	0	0
1,400	1,425	82	0	0
1,425	1,450	86	0	0
1,450	1,475	90	0	0
1,475	1,500	94	0	0
1,500	1,525	99	0	0
1,525	1,550	103	0	0
1,550	1,575	107	0	0
1,575	1,600	111	0	0
1,600	1,625	115	2	0
1,625	1,650	119	6	0
1,650	1,675	123	10	0
1,675	1,700	127	14	0
1,700	1,725	132	18	0
1,725	1,750	136	22	0
1,750	1,775	140	26	0
1,775	1,800	144	30	0
1,800	1,825	148	34	0
1,825	1,850	152	38	0
1,850	1,875	156	42	0
1,875	1,900	160	46	0
1,900	1,925	165	50	0
1,925	1,950	169	54	0
1,950	1,975	173	58	0
1,975	2,000	178	62	0
2,000	2,025	182	66	0
2,025	2,050	187	70	0
2,050	2,075	191	74	0
2,075	2,100	195	78	0
2,100	2,125	200	82	0
2,125	2,150	204	86	0
2,150	2,175	208	90	0
2,175	2,200	213	94	0
2,200	2,225	217	99	0
2,225	2,250	222	103	0
2,250	2,275	226	107	0
2,275	2,300	230	111	0
2,300	2,325	235	115	2
2,325	2,350	239	119	6
2,350	2,375	243	123	10
2,375	2,400	248	127	14
2,400	2,425	252	132	18
2,425	2,450	257	136	22

If your total income is—		And the number of exemptions is—					
At least	But less than	1	2	3	4	5	6 If 7 or more there is no tax
		Your tax is—					
$2,450	$2,475	$261	$140	$26	$0	$0	$0
2,475	2,500	266	144	30	0	0	0
2,500	2,525	270	148	34	0	0	0
2,525	2,550	275	152	38	0	0	0
2,550	2,575	279	156	42	0	0	0
2,575	2,600	284	160	46	0	0	0
2,600	2,625	288	165	50	0	0	0
2,625	2,650	293	169	54	0	0	0
2,650	2,675	297	173	58	0	0	0
2,675	2,700	302	178	62	0	0	0
2,700	2,725	306	182	66	0	0	0
2,725	2,750	311	187	70	0	0	0
2,750	2,775	315	191	74	0	0	0
2,775	2,800	320	195	78	0	0	0
2,800	2,825	324	200	82	0	0	0
2,825	2,850	329	204	86	0	0	0
2,850	2,875	333	208	90	0	0	0
2,875	2,900	338	213	94	0	0	0
2,900	2,925	343	217	99	0	0	0
2,925	2,950	348	222	103	0	0	0
2,950	2,975	353	226	107	0	0	0
2,975	3,000	358	230	111	0	0	0
3,000	3,050	365	237	117	4	0	0
3,050	3,100	374	246	125	12	0	0
3,100	3,150	383	255	134	20	0	0
3,150	3,200	392	264	142	28	0	0
3,200	3,250	401	273	150	36	0	0
3,250	3,300	410	282	158	44	0	0
3,300	3,350	419	291	167	52	0	0
3,350	3,400	428	300	176	60	0	0
3,400	3,450	437	309	184	68	0	0
3,450	3,500	446	318	193	76	0	0
3,500	3,550	455	327	202	84	0	0
3,550	3,600	464	336	211	92	0	0
3,600	3,650	473	345	219	101	0	0
3,650	3,700	482	355	228	109	0	0
3,700	3,750	491	365	237	117	4	0
3,750	3,800	500	375	246	125	12	0
3,800	3,850	509	385	255	134	20	0
3,850	3,900	518	395	264	142	28	0
3,900	3,950	527	405	273	150	36	0
3,950	4,000	536	415	282	158	44	0
4,000	4,050	545	425	291	167	52	0
4,050	4,100	554	434	300	176	60	0
4,100	4,150	563	443	309	184	68	0
4,150	4,200	572	452	318	193	76	0
4,200	4,250	581	461	327	202	84	0
4,250	4,300	590	470	336	211	92	0
4,300	4,350	599	479	345	219	101	0
4,350	4,400	608	488	355	228	109	0
4,400	4,450	617	497	365	237	117	4
4,450	4,500	626	506	375	246	125	12
4,500	4,550	635	515	385	255	134	20
4,550	4,600	644	524	395	264	142	28
4,600	4,650	653	533	405	273	150	36
4,650	4,700	662	542	415	282	158	44
4,700	4,750	671	551	425	291	167	52
4,750	4,800	680	560	435	300	176	60
4,800	4,850	689	569	445	309	184	68
4,850	4,900	698	578	455	318	193	76
4,900	4,950	707	587	465	327	202	84
4,950	5,000	716	596	475	336	211	92

TAX TABLE C—FOR MARRIED PERSONS FILING SEPARATE RETURNS, USING 10-PERCENT STANDARD DEDUCTION

Read down the income columns below until you find the line covering the total income (line 9, page 1, Form 1040). Then read across to the appropriate column headed by the number corresponding to the number of your exemptions, this is your tax.

If your total income is—		And the number of exemptions is—			If your total income is—		And the number of exemptions is—						
At least	But less than	1	2	3 (If 4 or more there is no tax)	At least	But less than	1	2	3	4	5	6	7 (If 8 or more there is no tax)
		Your tax is—					Your tax is—						
$0	$675	$0	$0	$0	$2,325	$2,350	$251	$147	$49	$0	$0	$0	$0
675	700	3	0	0	2,350	2,375	255	150	52	0	0	0	0
700	725	7	0	0	2,375	2,400	259	154	56	0	0	0	0
725	750	10	0	0	2,400	2,425	263	158	59	0	0	0	0
750	775	14	0	0	2,425	2,450	267	161	63	0	0	0	0
775	800	17	0	0	2,450	2,475	271	165	67	0	0	0	0
800	825	21	0	0	2,475	2,500	275	169	70	0	0	0	0
825	850	25	0	0	2,500	2,525	279	173	74	0	0	0	0
850	875	28	0	0	2,525	2,550	283	177	77	0	0	0	0
875	900	32	0	0	2,550	2,575	287	181	81	0	0	0	0
900	925	35	0	0	2,575	2,600	291	185	85	0	0	0	0
925	950	39	0	0	2,600	2,625	295	189	88	0	0	0	0
950	975	43	0	0	2,625	2,650	299	193	92	0	0	0	0
975	1,000	46	0	0	2,650	2,675	303	197	96	0	0	0	0
1,000	1,025	50	0	0	2,675	2,700	307	201	100	3	0	0	0
1,025	1,050	53	0	0	2,700	2,725	311	205	103	7	0	0	0
1,050	1,075	57	0	0	2,725	2,750	315	209	107	10	0	0	0
1,075	1,100	61	0	0	2,750	2,775	320	213	111	14	0	0	0
1,100	1,125	64	0	0	2,775	2,800	324	217	114	17	0	0	0
1,125	1,150	68	0	0	2,800	2,825	328	220	118	21	0	0	0
1,150	1,175	71	0	0	2,825	2,850	332	224	122	25	0	0	0
1,175	1,200	75	0	0	2,850	2,875	336	228	126	28	0	0	0
1,200	1,225	79	0	0	2,875	2,900	340	232	129	32	0	0	0
1,225	1,250	82	0	0	2,900	2,925	344	236	133	35	0	0	0
1,250	1,275	86	0	0	2,925	2,950	349	240	137	39	0	0	0
1,275	1,300	90	0	0	2,950	2,975	353	244	140	43	0	0	0
1,300	1,325	93	0	0	2,975	3,000	358	248	144	46	0	0	0
1,325	1,350	97	1	0	3,000	3,050	365	254	150	52	0	0	0
1,350	1,375	101	4	0	3,050	3,100	374	262	157	59	0	0	0
1,375	1,400	105	8	0	3,100	3,150	383	270	165	66	0	0	0
1,400	1,425	108	11	0	3,150	3,200	392	278	173	73	0	0	0
1,425	1,450	112	15	0	3,200	3,250	401	286	180	80	0	0	0
1,450	1,475	116	19	0	3,250	3,300	410	295	188	88	0	0	0
1,475	1,500	119	22	0	3,300	3,350	419	303	196	95	0	0	0
1,500	1,525	123	26	0	3,350	3,400	428	311	204	103	6	0	0
1,525	1,550	127	29	0	3,400	3,450	437	319	212	110	13	0	0
1,550	1,575	131	33	0	3,450	3,500	446	327	220	118	20	0	0
1,575	1,600	134	37	0	3,500	3,550	455	335	228	125	28	0	0
1,600	1,625	138	40	0	3,550	3,600	464	344	236	132	35	0	0
1,625	1,650	142	44	0	3,600	3,650	473	353	243	140	42	0	0
1,650	1,675	145	47	0	3,650	3,700	482	362	251	147	49	0	0
1,675	1,700	149	51	0	3,700	3,750	491	371	259	155	56	0	0
1,700	1,725	153	55	0	3,750	3,800	500	380	268	162	64	0	0
1,725	1,750	157	58	0	3,800	3,850	509	389	276	170	71	0	0
1,750	1,775	160	62	0	3,850	3,900	518	398	284	178	78	0	0
1,775	1,800	164	65	0	3,900	3,950	527	407	292	186	85	0	0
1,800	1,825	168	69	0	3,950	4,000	536	416	300	194	93	0	0
1,825	1,850	172	73	0	4,000	4,050	545	425	308	201	100	4	0
1,850	1,875	176	76	0	4,050	4,100	554	434	316	209	108	11	0
1,875	1,900	180	80	0	4,100	4,150	563	443	324	217	115	18	0
1,900	1,925	184	84	0	4,150	4,200	572	452	332	225	122	25	0
1,925	1,950	188	87	0	4,200	4,250	581	461	341	233	130	32	0
1,950	1,975	192	91	0	4,250	4,300	590	470	350	241	137	40	0
1,975	2,000	196	95	0	4,300	4,350	599	479	359	249	145	47	0
2,000	2,025	199	98	2	4,350	4,400	608	488	368	257	152	54	0
2,025	2,050	203	102	5	4,400	4,450	617	497	377	265	160	61	0
2,050	2,075	207	106	9	4,450	4,500	626	506	386	273	167	68	0
2,075	2,100	211	109	13	4,500	4,550	635	515	395	281	175	76	0
2,100	2,125	215	113	16	4,550	4,600	644	524	404	289	183	83	0
2,125	2,150	219	117	20	4,600	4,650	653	533	413	297	191	90	0
2,150	2,175	223	121	23	4,650	4,700	662	542	422	305	199	98	1
2,175	2,200	227	124	27	4,700	4,750	671	551	431	313	207	105	8
2,200	2,225	231	128	31	4,750	4,800	680	560	440	322	215	113	16
2,225	2,250	235	132	34	4,800	4,850	689	569	449	330	222	120	23
2,250	2,275	239	135	38	4,850	4,900	698	578	458	338	230	127	30
2,275	2,300	243	139	41	4,900	4,950	707	587	467	347	238	135	37
2,300	2,325	247	143	45	4,950	5,000	716	596	476	356	246	142	44

TAX TABLE D—FOR MARRIED PERSONS FILING SEPARATE RETURNS, USING MINIMUM STANDARD DEDUCTION

Read down the income columns below until you find the line covering the total income (line 9, page 1, Form 1040). Then read across to the appropriate column headed by the number corresponding to the number of your exemptions, this is your tax.

If your total income is—		And the number of exemptions is—		
At least	But less than	1	2	3 (If 4 or more there is no tax)
		Your tax is—		
$0	$800	$0	$0	$0
800	825	2	0	0
825	850	6	0	0
850	875	10	0	0
875	900	14	0	0
900	925	18	0	0
925	950	22	0	0
950	975	26	0	0
975	1,000	30	0	0
1,000	1,025	34	0	0
1,025	1,050	38	0	0
1,050	1,075	42	0	0
1,075	1,100	46	0	0
1,100	1,125	50	0	0
1,125	1,150	54	0	0
1,150	1,175	58	0	0
1,175	1,200	62	0	0
1,200	1,225	66	0	0
1,225	1,250	70	0	0
1,250	1,275	74	0	0
1,275	1,300	78	0	0
1,300	1,325	82	0	0
1,325	1,350	86	0	0
1,350	1,375	90	0	0
1,375	1,400	94	0	0
1,400	1,425	99	0	0
1,425	1,450	103	0	0
1,450	1,475	107	0	0
1,475	1,500	111	0	0
1,500	1,525	115	2	0
1,525	1,550	119	6	0
1,550	1,575	123	10	0
1,575	1,600	127	14	0
1,600	1,625	132	18	0
1,625	1,650	136	22	0
1,650	1,675	140	26	0
1,675	1,700	144	30	0
1,700	1,725	148	34	0
1,725	1,750	152	38	0
1,750	1,775	156	42	0
1,775	1,800	160	46	0
1,800	1,825	165	50	0
1,825	1,850	169	54	0
1,850	1,875	173	58	0
1,875	1,900	178	62	0
1,900	1,925	182	66	0
1,925	1,950	187	70	0
1,950	1,975	191	74	0
1,975	2,000	195	78	0
2,000	2,025	200	82	0
2,025	2,050	204	86	0
2,050	2,075	208	90	0
2,075	2,100	213	94	0
2,100	2,125	217	99	0
2,125	2,150	222	103	0
2,150	2,175	226	107	0
2,175	2,200	230	111	0
2,200	2,225	235	115	2
2,225	2,250	239	119	6
2,250	2,275	243	123	10
2,275	2,300	248	127	14
2,300	2,325	252	132	18
2,325	2,350	257	136	22
2,350	2,375	261	140	26
2,375	2,400	266	144	30

If your total income is—		And the number of exemptions is—						
At least	But less than	1	2	3	4	5	6	7 (If 8 or more there is no tax)
		Your tax is—						
$2,400	$2,425	$270	$148	$34	$0	$0	$0	$0
2,425	2,450	275	152	38	0	0	0	0
2,450	2,475	279	156	42	0	0	0	0
2,475	2,500	284	160	46	0	0	0	0
2,500	2,525	288	165	50	0	0	0	0
2,525	2,550	293	169	54	0	0	0	0
2,550	2,575	297	173	58	0	0	0	0
2,575	2,600	302	178	62	0	0	0	0
2,600	2,625	306	182	66	0	0	0	0
2,625	2,650	311	187	70	0	0	0	0
2,650	2,675	315	191	74	0	0	0	0
2,675	2,700	320	195	78	0	0	0	0
2,700	2,725	324	200	82	0	0	0	0
2,725	2,750	329	204	86	0	0	0	0
2,750	2,775	333	208	90	0	0	0	0
2,775	2,800	338	213	94	0	0	0	0
2,800	2,825	343	217	99	0	0	0	0
2,825	2,850	348	222	103	0	0	0	0
2,850	2,875	353	226	107	0	0	0	0
2,875	2,900	358	230	111	0	0	0	0
2,900	2,925	363	235	115	2	0	0	0
2,925	2,950	368	239	119	6	0	0	0
2,950	2,975	373	243	123	10	0	0	0
2,975	3,000	378	248	127	14	0	0	0
3,000	3,050	385	255	134	20	0	0	0
3,050	3,100	395	264	142	28	0	0	0
3,100	3,150	405	273	150	36	0	0	0
3,150	3,200	415	282	158	44	0	0	0
3,200	3,250	425	291	167	52	0	0	0
3,250	3,300	435	300	176	60	0	0	0
3,300	3,350	445	309	184	68	0	0	0
3,350	3,400	455	318	193	76	0	0	0
3,400	3,450	465	327	202	84	0	0	0
3,450	3,500	475	336	211	92	0	0	0
3,500	3,550	485	345	219	101	4	0	0
3,550	3,600	495	355	228	109	12	0	0
3,600	3,650	505	365	237	117	20	0	0
3,650	3,700	515	375	246	125	28	0	0
3,700	3,750	525	385	255	134	36	0	0
3,750	3,800	535	395	264	142	44	0	0
3,800	3,850	545	405	273	150	52	0	0
3,850	3,900	555	415	282	158	60	0	0
3,900	3,950	565	425	291	167	68	0	0
3,950	4,000	575	435	300	176	76	0	0
4,000	4,050	585	445	309	184	84	0	0
4,050	4,100	595	455	318	193	92	0	0
4,100	4,150	605	465	327	202	101	4	0
4,150	4,200	615	475	336	211	109	12	0
4,200	4,250	625	485	345	219	117	20	0
4,250	4,300	635	495	355	228	125	28	0
4,300	4,350	645	505	365	237	134	36	0
4,350	4,400	655	515	375	246	142	44	0
4,400	4,450	665	525	385	255	150	52	0
4,450	4,500	675	535	395	264	158	60	0
4,500	4,550	685	545	405	273	167	68	0
4,550	4,600	695	555	415	282	176	76	0
4,600	4,650	705	565	425	291	184	84	0
4,650	4,700	715	575	435	300	193	92	0
4,700	4,750	725	585	445	309	202	101	4
4,750	4,800	735	595	455	318	211	109	12
4,800	4,850	746	605	465	327	219	117	20
4,850	4,900	758	615	475	336	228	125	28
4,900	4,950	769	625	485	345	237	134	36
4,950	5,000	781	635	495	355	246	142	44

c59—16—78044-1

TAX TABLE E—FOR UNMARRIED HEAD OF HOUSEHOLD

This table is designed to allow for the standard deduction.

Read down the income columns below until you find the line covering the total income (line 9, page 1, Form 1040). Then read across to the appropriate column headed by the number corresponding to the number of your exemptions, this is your tax.

If your total income is—		And the number of exemptions is—		
At least	But less than	1	2	3 (If 4 or more there is no tax)
		Your tax is—		
$0	$900	$0	$0	$0
900	925	2	0	0
925	950	6	0	0
950	975	10	0	0
975	1,000	14	0	0
1,000	1,025	18	0	0
1,025	1,050	22	0	0
1,050	1,075	26	0	0
1,075	1,100	30	0	0
1,100	1,125	34	0	0
1,125	1,150	38	0	0
1,150	1,175	42	0	0
1,175	1,200	46	0	0
1,200	1,225	50	0	0
1,225	1,250	54	0	0
1,250	1,275	58	0	0
1,275	1,300	62	0	0
1,300	1,325	66	0	0
1,325	1,350	70	0	0
1,350	1,375	74	0	0
1,375	1,400	78	0	0
1,400	1,425	82	0	0
1,425	1,450	86	0	0
1,450	1,475	90	0	0
1,475	1,500	94	0	0
1,500	1,525	98	0	0
1,525	1,550	102	0	0
1,550	1,575	106	0	0
1,575	1,600	110	0	0
1,600	1,625	114	2	0
1,625	1,650	118	6	0
1,650	1,675	122	10	0
1,675	1,700	126	14	0
1,700	1,725	130	18	0
1,725	1,750	134	22	0
1,750	1,775	138	26	0
1,775	1,800	142	30	0
1,800	1,825	146	34	0
1,825	1,850	150	38	0
1,850	1,875	154	42	0
1,875	1,900	158	46	0
1,900	1,925	162	50	0
1,925	1,950	167	54	0
1,950	1,975	171	58	0
1,975	2,000	175	62	0
2,000	2,025	180	66	0
2,025	2,050	184	70	0
2,050	2,075	188	74	0
2,075	2,100	193	78	0
2,100	2,125	197	82	0
2,125	2,150	202	86	0
2,150	2,175	206	90	0
2,175	2,200	210	94	0
2,200	2,225	215	98	0
2,225	2,250	219	102	0
2,250	2,275	223	106	0
2,275	2,300	228	110	0
2,300	2,325	232	114	2
2,325	2,350	237	118	6
2,350	2,375	241	122	10
2,375	2,400	245	126	14
2,400	2,425	250	130	18
2,425	2,450	254	134	22

If your total income is—		And the number of exemptions is—					
At least	But less than	1	2	3	4	5	6 (If 7 or more there is no tax)
		Your tax is—					
$2,450	$2,475	$258	$138	$26	$0	$0	$0
2,475	2,500	263	142	30	0	0	0
2,500	2,525	267	146	34	0	0	0
2,525	2,550	272	150	38	0	0	0
2,550	2,575	276	154	42	0	0	0
2,575	2,600	280	158	46	0	0	0
2,600	2,625	285	162	50	0	0	0
2,625	2,650	289	167	54	0	0	0
2,650	2,675	293	171	58	0	0	0
2,675	2,700	298	175	62	0	0	0
2,700	2,725	302	180	66	0	0	0
2,725	2,750	307	184	70	0	0	0
2,750	2,775	311	188	74	0	0	0
2,775	2,800	315	193	78	0	0	0
2,800	2,825	320	197	82	0	0	0
2,825	2,850	324	202	86	0	0	0
2,850	2,875	328	206	90	0	0	0
2,875	2,900	333	210	94	0	0	0
2,900	2,925	337	215	98	0	0	0
2,925	2,950	342	219	102	0	0	0
2,950	2,975	347	223	106	0	0	0
2,975	3,000	352	228	110	0	0	0
3,000	3,050	358	234	116	4	0	0
3,050	3,100	367	243	124	12	0	0
3,100	3,150	375	252	132	20	0	0
3,150	3,200	384	261	140	28	0	0
3,200	3,250	392	269	148	36	0	0
3,250	3,300	401	278	156	44	0	0
3,300	3,350	410	287	164	52	0	0
3,350	3,400	418	296	173	60	0	0
3,400	3,450	427	304	182	68	0	0
3,450	3,500	435	313	191	76	0	0
3,500	3,550	444	322	199	84	0	0
3,550	3,600	452	331	208	92	0	0
3,600	3,650	461	340	217	100	0	0
3,650	3,700	469	349	226	108	0	0
3,700	3,750	478	359	234	116	4	0
3,750	3,800	487	368	243	124	12	0
3,800	3,850	495	378	252	132	20	0
3,850	3,900	504	387	261	140	28	0
3,900	3,950	512	397	269	148	36	0
3,950	4,000	521	406	278	156	44	0
4,000	4,050	529	415	287	164	52	0
4,050	4,100	538	424	296	173	60	0
4,100	4,150	546	432	304	182	68	0
4,150	4,200	555	441	313	191	76	0
4,200	4,250	563	449	322	199	84	0
4,250	4,300	572	458	331	208	92	0
4,300	4,350	581	467	340	217	100	0
4,350	4,400	589	475	349	226	108	0
4,400	4,450	598	484	359	234	116	4
4,450	4,500	606	492	368	243	124	12
4,500	4,550	615	501	378	252	132	20
4,550	4,600	623	509	387	261	140	28
4,600	4,650	632	518	397	269	148	36
4,650	4,700	640	526	406	278	156	44
4,700	4,750	649	535	416	287	164	52
4,750	4,800	658	544	425	296	173	60
4,800	4,850	666	552	435	304	182	68
4,850	4,900	675	561	444	313	191	76
4,900	4,950	683	569	454	322	199	84
4,950	5,000	692	578	463	331	208	92

c59—16—78044-1

Part I

PENSIONS AND ANNUITIES

Noncontributory Annuities.—If the employee did not contribute to the cost and was not subject to tax on his employer's contributions, the full amount of an annuity or a pension of a retired employee must be included in his income.

Other Annuities. — Amounts received from other 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.

Part I is provided for reporting the taxable portion of the annuity. If you are receiving payments on more than one pension or annuity, fill out a separate Part I for each one.

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 and it will not be necessary to recompute your taxable portion each year unless the payments you receive change in amount. 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. —There is a special rule provided for amounts received as employees' annuities where part of the cost is contributed by the *employer* and the amount contributed by the *employee* will be returned within 3 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 3 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 3 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. Consult the Internal Revenue Service.

Part II

RENTS AND ROYALTIES

If you are not engaged in selling real estate to customers, but receive rent from property owned or controlled by you, or royalties from copyrights, patents, mineral leases, and similar rights, report the total amount received in this part. If property other than money was received as rent, its fair market value should be reported.

In the case of buildings you can deduct depreciation, as explained on page B–2. 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.

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 portion. 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.

Room rent and other space rentals should be reported as business income in separate Schedule C (Form 1040) if services are rendered to the occupant; otherwise, report such income in this part. If you are engaged in the business of selling real estate, you should report rentals received in separate Schedule C.

Part III

PARTNERSHIPS AND ESTATES OR TRUSTS

Partnerships.—A partnership does not pay income tax unless it elects to be taxed on the same basis as a domestic corporation. It does, however, file an information return on **Form 1065.** Only one **Form 1065** need be filed for each partnership. Each partner must report his share of the partnership's income.

Include in this part your share of the ordinary income (whether actually received by you or not) or the net loss of a partnership, joint venture, or the like, whose taxable year ends within or with the year covered by your return. Other items of income, deductions, etc., to be carried to the appropriate schedule of your individual return are shown in Schedule K of the partnership return. Your share of income of the following classes should be entered on the appropriate lines and schedules of your return:

- Dividends.
- Interest.
- Gains from the sale or exchange of capital assets and other property.

If the partnership is engaged in a trade or business, the individual partner may be subject to the self-employment tax on his share of the self-employment income from the partnership. In this case the partner's share of partnership self-employment net earnings (or loss) should be entered on line 5(b), separate Schedule C–3. Members of farm partnerships should use Schedule F–1 to figure self-employment tax.

c59—16—78044-1

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 on line 1 of this part except that portion which is reportable as a long-term capital gain in separate Schedule D. Neither type of income is eligible for the dividends received credit or the exclusion. Your share of any net operating loss should be treated just as if the loss were from a proprietorship.

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. Your share of income of the following classes should be entered on the appropriate lines and schedules of your return:

Dividends.

Interest.

Gains from the sale or exchange of capital assets and other property.

All other taxable income from estates and trusts should be included in this part. Any depreciation (on estate or trust property) which is allocable to you may be subtracted from estate or trust income so that only the net income received will be included in your return. Information regarding these items may be obtained from the fiduciary.

Part IV—DEPRECIATION

A reasonable allowance for the exhaustion, wear and tear, and obsolescence of property used in the trade or business or of property held by the taxpayer for the production of income shall be allowed as a depreciation deduction. The allowance does not apply to inventories or stock-in-trade nor to land apart from the improvements or physical development added to it.

The cost (or other basis) to be recovered should be charged off over the expected useful life of the property. Similar assets may be grouped together as one item for reporting purposes.

In computing the basis on which depreciation may be taken for personal property, other than livestock, salvage value need not be taken into account, if it does not exceed 10% of the cost or other basis of the property. If the salvage value exceeds 10%, only the excess need be taken into account. These provisions apply to property with a useful life of 3 years or more which was acquired after October 16, 1962.

The basis of any property which was reduced in a prior year by the investment credit should be increased as of the first day of your taxable year beginning in 1964 by the amount of the reduction previously required.

Alternative Depreciation Guidelines and Rules.—Revenue Procedure 62–21, dated July 12, 1962, sets forth alternative standards and procedures for determining depreciation. These guideline lives for guideline classes (broad categories not item-by-item) are in most cases substantially shorter than those previously used. These guideline lives and rules are applicable to all depreciable property including existing assets as well as new acquisitions; however, they do not supersede existing rules and procedures for any taxpayer who wishes to continue to use them.

Taxpayers who wish to use the new provisions must use them for all assets in a particular guideline class. Taxpayers may use class lives equal to or longer than the guideline lives for 3 years and may continue to use them thereafter if certain standards are met and replacement practices are consistent with the lives used.

The depreciation schedule provided on the return is to be used for reporting depreciation under both Revenue Procedure 62–21 and previously prescribed rules and standards. Although depreciation reported under the revenue procedure should be shown on the basis of group and guideline class, it is not necessary to disturb your present depreciation accounts.

Revenue Procedure 62–21 is contained in IRS Publication No. 456 (Rev. 8–64). This publication may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D.C., 20402, for 30 cents.

Following is a brief description of the various methods of depreciation which may be used under either Revenue Procedure 62–21 or previously prescribed rules and standards.

Straight-Line Method.—To compute the deduction, determine the cost (or other basis) of the property and deduct the total depreciation allowed or allowable. Divide the result by the number of years of useful life remaining to the asset—the quotient is the depreciation deduction.

Declining Balance Method.—A uniform rate is applied each year to the remaining cost or other basis of property (without adjustment for salvage value) determined at the beginning of such year, but depreciation must stop when the unrecovered cost is reduced to salvage value. For property acquired before January 1, 1954, or used property whenever acquired, the rate of depreciation under this method may not exceed one and one-half times the applicable straight-line rate.

Special Rules for New Assets Acquired After December 31, 1953.—The cost or other basis of an asset acquired after December 31, 1953, may be depreciated under methods proper before that date; or, it may be depreciated under any of the following methods provided (1) that the asset is tangible, (2) that it has an estimated useful life of 3 years or more, and (3) that the original use of the asset commenced with the taxpayer and commenced after December 31, 1953.

(a) *Declining balance method.*—This method may be used with a rate not in excess of twice the applicable straight-line rate.

(b) *Sum of the years-digits method.*—The deduction for each year is computed by multiplying the cost or other basis of the property (reduced by estimated salvage value) by the number of years of useful life remaining (including the year for which the deduction is computed) and dividing the product by the sum of all the digits corresponding to the years of the estimated useful life of the asset. In the case of a 5-year life this sum would be 15 (5+4+3+2+1). For the first year five-fifteenths of the cost reduced by estimated salvage value would be allowable, for the second year four-fifteenths, etc.

(c) *Other methods.*—A taxpayer may use any consistent method which does not result at the end of any year in accumulated allowances greater than the total of the accumulated allowances which would have resulted from the use of the declining balance method. This limitation applies only during the first two-thirds of the property's useful life.

Additional First-Year Depreciation.—You may elect to write off, in the year assets are first subject to depreciation, 20 percent of the cost (before adjustment for salvage value) of the assets if they are tangible personal property (e.g., equipment, machinery, etc.) acquired by purchase for use in a trade or business or to be held for the production of income. If the aggregate cost of these assets exceeds $10,000 ($20,000 for joint return) the additional depreciation is limited to $2,000 ($4,000 for joint return).

c59—16—78044-1

The additional depreciation is limited to property with a remaining useful life of 6 years or more and which was not acquired from a person (other than a brother or sister) whose relationship to the taxpayer would result in the disallowance of losses. Normal depreciation may also be taken on the cost of the asset reduced by the first-year depreciation.

The additional first-year depreciation for the year should be entered in total on the line provided in the depreciation schedule and is not to be included on the line used to show the regular depreciation of an asset.

Part V

RETIREMENT INCOME CREDIT

You may qualify for this credit which is generally 17 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 term "earned income" means wages, salaries, or 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 rendered by you, not in excess of 30 percent of your share of the net profits of such business, shall be considered as earned 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 such income with your earned income, for the purpose of determining whether you qualify. If a husband and wife both qualify and each has retirement income, each is entitled to the credit.

Retirement income for the purpose of the credit means—

(a) In the case of an individual who is not 65 before the end of his taxable year, only that 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.

(b) In the case of an individual who is 65 or over before the end of his taxable year, income from pensions, annuities, interest, rents, and dividends which 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" set forth below, 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 and other tax-exempt pensions or annuities. 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; and

(b) certain adjustments for earned income.

Alternative computation: The maximum amount of retirement income to be used in figuring the credit for retirement income has been increased from $1,524 to $2,286 for taxpayers who file joint returns (both 65 years of age or over) but who are presently 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.

---------- CUT ALONG THIS LINE ----------

Other Internal Revenue publications containing helpful tax information . . .

They will be available on or about December 1 and may be obtained from your District Director or by mailing this order blank to the Superintendent of Documents, Washington, D.C., 20402.

☐ YOUR FEDERAL INCOME TAX, 1965 Edition. Issued each year to help taxpayers in preparing their income tax returns, this useful booklet contains more detailed information than the instructions which accompany Form 1040. 160 pages, with illustrations.
Catalog No. T 22.44:965 — 50 cents per copy

☐ TAX GUIDE FOR SMALL BUSINESS, 1965 Edition. Published annually, this tax guide answers, in plain layman's language, the Federal tax questions of Corporations, Partnerships, and Sole Proprietorships. 160 pages with illustrations.
Catalog No. T 22.19/2:Sm 1/965 — 50 cents per copy

To: Supt. of Documents
Govt. Printing Office
Washington, D.C. 20402

ORDER FORM

Enclosed find $............... Please send me the publications I have checked above.

Name ....

Street address ....

City, State, and Postal ZIP code ....

U.S. GOVERNMENT PRINTING OFFICE
DIVISION OF PUBLIC DOCUMENTS
WASHINGTON, D.C. 20402

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

OFFICIAL BUSINESS

RETURN AFTER 5 DAYS

Name ....

Street address ....

City, State, and Postal ZIP code ....

Fill in both parts, enclose check or money order and mail in envelope.