

A Special Message To Taxpayers

This package of forms and instructions is designed to help you prepare your Federal income tax return. We think it will answer most of your questions, but if for any reason you need more information, please feel free to call any Internal Revenue office.

Under the law you must file your return by April 17, 1967. (April 15 is the regular date, but it falls on a weekend this year, so the deadline is the next regular workday if you need it.)

Please try not to wait until the last minute to prepare your return. Allow yourself enough time to get together all the figures on your income and deductions and to look up the answers to any questions you may have. Filing an accurate return will save you time and trouble, and will also save the Government money by making follow-ups unnecessary.

There were few major changes in the law last year, so the tax forms have changed very little. Because many people are entitled to a credit for social security taxes where wages were received from two or more employers, we have added a special line identified as "Excess F.I.C.A. Tax Withheld." Specific places also have been provided for credits allowable for Federal excise taxes on gasoline used off the highway (mostly on farms or in boats) and for taxes paid by regulated investment companies (mutual funds). For a description of these new items, see page 5 of this package.

You can help us and help yourself by doing the following:

Please use the preaddressed return form if one is furnished. If not, be sure to print your name, address, and ZIP code.

Copy your social security number exactly as it appears on your account card.

Be sure to fill out each item on the form that applies to you. You may find it helpful to work right along with the instructions.

Attach Forms W-2 to your return. If you don't have one, please tell us why.

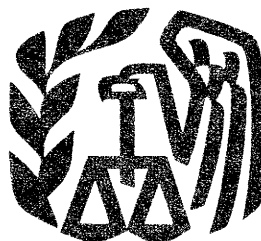
Be sure to sign your return.

We in the Internal Revenue Service sincerely appreciate your cooperation.



COMMISSIONER OF INTERNAL REVENUE

Instructions for Preparing Your Federal Income Tax Return Form 1040 for 1966



INTERNAL
REVENUE
SERVICE

INSTRUCTIONS FORM 1040 (1966)

Investment Credit—Accelerated Depreciation

At the time this package was printed, the Congress was considering a proposal for temporarily modifying the availability of the investment credit and accelerated depreciation. If you are affected by these items, you will have to take into account whatever provisions Congress enacts. The Service will also use news media and any other means available to provide supplemental advice and instructions for those affected.

HOW TO USE FORM 1040

Individuals have two return forms to choose from, Form 1040 and card form, Form 1040A. You can use the simpler return (Form 1040A), printed on a punch card, if:

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

2. It consisted of wages subject to withholding tax 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.

The instructions for Form 1040A provide further information about its use.

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.

Schedules and forms which may be required in addition to Form 1040 include the following:

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;

Schedule F for income from farming;

Schedule G for income averaging;

Form 1310, Statement of Claimant to Refund Due—Deceased Taxpayer;

Form 2106, Statement of Employee Business Expenses;

Form 2120, Multiple Support Declaration;

Form 2210, Statement Relating to

Underpayment of Estimated Income Tax by Individuals;

Form 2440, Statement to Support Exclusion of Sick Pay;

Form 2441, Statement of Expenses for Care of Children and Certain Other Dependents;

Form 2948, Medical and Dental Expense Statement;

Form 3903, Moving Expense Adjustment;

Form 4136, Computation of Credit for Federal Tax on Gasoline and Lubricating Oil; and

Form 4137, Computation of Social Security Tax on Unreported Tip Income.

These schedules and forms as well as other supporting schedules may be obtained from any Internal Revenue Service office.

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 1966 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.

You must also file a timely return to obtain a refund of Federal excise taxes on gasoline and lubricating oil used for nonhighway purposes. See Form 4136

WHEN AND WHERE TO FILE

Please file as early as possible with the District Director of Internal Revenue for your district or with your Internal Revenue Service Center as shown on page 10. File your return on or after January 1, 1967, but not later than Monday, April 17, 1967 (since the April 15th due date falls on a weekend in 1967). 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.

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 Number.—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 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.

An enlisted man may exclude all service compensation for each month for which he served in a combat zone and each month for which he was hospitalized as a result of such service. For this purpose service for any part of a month is considered a full month. A commissioned officer may exclude up to \$200 a month of such compensation. Forms W-2 issued for 1966 by the Armed Forces ordinarily do not include these payments. If there is any doubt as to whether the amount shown on your Form W-2 includes the nontaxable amount, contact the pay office which issued the form. If the nontaxable portion was included on Form W-2, you

will be issued a corrected Form W-2 or a certificate to support exclusion. If you are issued a certificate, deduct the amount shown on the certificate from the wages shown on Form W-2 and include the difference in line 5, and attach the certificate to your return. If you are issued a corrected Form W-2 include the amount shown on that form in line 5.

DECEASED TAXPAYERS

Where a person died in 1966, or in 1967 before filing a return for 1966, the executor, administrator, or surviving wife (husband) must file a return for the decedent. An executor or administrator may elect to file a joint return with the surviving wife (husband). If an executor or administrator has not been appointed, the survivor may file a joint return and indicate that she (he) is filing as surviving wife (husband) in the signature area of the return.

Enter the date of death in the name and address area of the return. If a refund is due, attach Form 1310, Statement of Claimant to Refund Due—Deceased Taxpayer.

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 many banks and post offices.

HOW TO PAY

The balance of tax shown to be due on page 1, line 22, 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."** Please enter your social security number on your check or money order.

ROUNDING OFF TO WHOLE DOLLARS

The money items on your return and schedules may be shown in whole dol-

lars. 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

All applicable items of income, adjustments, tax computation and deductions should be filed in on the official return forms and schedules. If more space is needed attach statements following the format of the official forms and attach them in the same order. The totals indicated on the supporting statements should also be entered on the proper lines of the official forms.

The computations of social security self-employment tax and earnings must be submitted on the official forms, Schedules C-3 and F-1. The computation of employee F.I.C.A. tax on unreported tips must be submitted on the official form, Form 4137.

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, each 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," page 1, line 1c 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—page 1, line 11a(2), 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 in-

come. Enter only the name of the one having income in the name and address area. Check the box "Married filing separately," page 1, line 1c 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 on page 1, line 2.

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. You may also be entitled to the benefits of a joint return for the 2 years following the death of your husband or wife. See "Widows and Widowers," under "Special Computations" below.

SPECIAL COMPUTATIONS

Unmarried Head of Household.—The law provides special tax rates for any individual who qualifies as a "Head of Household." See Schedule III, page 11, and Tax Table B, page 13. 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 on page 4) 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.

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 were being filed. See Schedule II, page 11, and Tax Table B, page 13.

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.
Earnings (interest) from savings and loan associations, mutual savings banks, credit unions, etc.
Interest on tax refunds.
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.
Pensions, annuities, endowments.
Rents and royalties.
Your share of estate or trust income.

Employer unemployment benefits (S.U.B.).
Alimony, separate maintenance or support payments received from (and deductible by) your husband (or wife).
Prizes and awards (contests, raffles, etc.).
Refunds of State and local taxes (principal amounts) if deducted in a prior year and resulted in tax benefits.

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 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, 1966. Your age is determined on the day before your actual birthday and, thus, if your 65th birthday was on January 1, 1967, you get the additional exemption for age on your return for 1966.

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 was not the dependent of 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 1966, 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 first names and the total number of your dependent children who lived with you during 1966.

Enter on line 3b the total number of dependents from page 2, Part I, line 3 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 of support on this page), 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
Father	Stepfather	related by blood:
Grandparent	Mother-in-law	Uncle
Brother	Father-in-law	Aunt
Sister	Brother-in-law	Nephew
Grandchild	Sister-in-law	Niece

*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.

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.

Support by More Than One Taxpayer.—If two or more persons contributed toward the support of an individual see Form 2120, Multiple Support Declaration.

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. If an amount appears on Form W-2 in the box captioned "Other

compensation paid in 1966," add this amount to the amount shown in the box captioned "Wages paid subject to withholding in 1966" and include the total with other payments reported on this line. Also include wages for which you did not receive a Form W-2. See page 7 for treatment of reimbursed employee business expenses.

Tips reported to your employer are included as wages on Form W-2. Tips

not reported to your employer are to be included with other amounts on this line (see Form 4137).

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 11 are to be used to figure your tax. Be sure to use the right schedule. See page 3, "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 14b.—Tax From Recomputing Prior Year Investment Credit.—Enter the amount that the credit taken in a prior year or years exceeds the credit as recomputed due to early disposition of such property. Attach computation.

Line 17.—Federal Income Tax Withheld.—Include income tax withheld as reflected on Forms W-2 on this line.

Line 19.—Excess F.I.C.A. Tax Withheld.—

Two or More Employers.—If more than \$277.20 of social security (F.I.C.A.) employee tax was withheld during 1966 because either you or your wife received wages from more than one employer, the excess should be claimed as a credit against income tax. Enter any excess

of social security tax withheld over \$277.20 on this line. If a joint return, do not add the social security tax withheld from both husband and wife to figure the excess over \$277.20; compute the credit separately.

Line 20.—Include any amounts from the following sources on this line and circle the type of credit or credits.

Credit for Federal Taxes on Gasoline and Lubricating Oil.—If you are entitled to a tax credit for (1) gasoline used (a) on a farm for farming purposes, (b) other than as fuel in a highway vehicle, and (c) in vehicles while engaged in furnishing certain public passenger land transportation service; and (2) lubricating oil used other than in a highway motor vehicle, include the credit on this line. Attach Form 4136. To obtain this credit your return must be timely filed (including any extensions).

Credit for Taxes Paid by Regulated Investment Companies.—Include the credit on this line. Attach Copy B of Form 2439.

Line 21.—Additional Charge For Underpaying Your Tax During The Year.—If the amount on this line is less than 70 percent (66 $\frac{2}{3}$ percent for farmers and fishermen) of the sum of the amounts reported on lines 14a and 14b, you may be liable for an additional charge unless you satisfy one or more of the four specific exceptions as explained on Form 2210. Attach this form or a statement to your return to support your computation of the addi-

tional charge or to describe the specific exceptions you believe apply.

Lines 22 and 23.—Social Security or Railroad Retirement Tax On Tip Income.—If you failed to report tips to your employer or if he had insufficient wages from which to withhold social security (F.I.C.A.) or railroad retirement (R.R.) tax, you must pay these taxes with your income tax return. If any such taxes are due on tips which have been reported to your employer, he will show you the amount due on Form W-2. If the tips were not reported, fill out and attach Form 4137 in the case of tips subject to social security tax. For tips taxable under railroad retirement, contact the nearest Railroad Retirement Board office. This tax should be added to your "Balance Due" (line 22) or subtracted from your "Overpayment" (line 23). On the bottom margin of page 1, write the amount and the words "tax on tips," together with the initials F.I.C.A. or R.R., whichever is applicable. For income tax purposes, be sure all of your tips are included in line 5.

Tax Due or Refund Under \$1.—Balances due of less than \$1 need not be paid, and overpayments of less than \$1 will be refunded only upon separate application.

Declarations of Estimated Tax.—If you expect that your income and self-employment tax for the year will exceed by \$40 or more the tax withheld from your wages, see Form 1040-ES for further information.

INSTRUCTIONS FOR PAGE 2 OF FORM 1040

Part II

Line 1a—DIVIDENDS AND OTHER DISTRIBUTIONS ON STOCK

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 on line 1a the gross amount of dividends, and other distributions you receive as a stockholder, either directly or through a nominee or other inter-

mediary, as a member of a partnership or as a beneficiary of an estate or trust. 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 by savings and loan associations, mutual savings banks, cooperative banks, and credit unions on deposits or withdrawable accounts are earnings (interest) and should be reported as interest on line 2a.

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

Line 1b—EXCLUSION

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

If a joint return is filed and both husband and wife have dividend income, each 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.

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

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

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

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

(d) real estate investment trusts.

(e) China Trade Act corporations.

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

Line 1c—CAPITAL GAIN DISTRIBUTIONS

Enter on this line and in Part I, line 8, of Schedule D (Form 1040) the total of any capital gain dividends included in line 1a.

Line 1d—NONTAXABLE DISTRIBUTIONS

Enter on this line the total of any nontaxable distributions included in line 1a, for example, amounts designated by a paying corporation as a return of capital.

Line 2—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. **Interest received on tax refunds is taxable and must be included in your return.**

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 7—MISCELLANEOUS INCOME

If you cannot find any specific place on your return (or related schedules) to list certain types of income, report it on line 7. 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 for 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 1966, your business or profession lost money, 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 1966 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 1966, 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 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 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.

Line 2—MOVING EXPENSES

Except as noted below, employees, including new employees, can deduct 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 deductible expenses. Enter any excess reimbursement on page 2, Part II, line 7 of your return and enter any excess expenses on page 2, Part III, line 2 of your return. However, if the reimbursement was included on Form W-2 by your employer and the reimbursement is included on page 1, line 5, of your return, merely attach a list of your deductible expenses and enter the total on page 2, Part III, line 2.

If the employer for whom you were already working paid your moving expenses to a new location and the reimbursement equaled the allowable 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 on page 2, Part IV of your return, you may also deduct (under the heading "Miscellaneous deduc-

tions") 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. For higher rates in special cases such as foreign travel consult your District Director.

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

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. See "Note" below.

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 page 2, Part II, line 7.

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

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

Note: If, however, the reimbursement was included on Form W-2 by your employer and the reimbursement is included on page 1, line 5, of your return, attach a statement containing the information set forth under the caption "Additional Information" on this page and enter the total expense on page 2, Part III, line 3.

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 med-

ical 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 other professional practitioners

Drugs or medicines

Hospitals

Transportation necessary to get medical care

Eyeglasses, artificial teeth, medical or surgical appliances, braces, etc.

X-ray examinations or treatment

Premiums on hospital or medical insurance

You CANNOT Deduct Payments For:

Funeral expenses and cemetery plot

Illegal operations or drugs

Travel ordered or suggested by your doctor for rest or change

Premiums on life insurance

Cosmetics

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:

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

(2) 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 7 of the "Medical and dental expense" section, page 2, Part IV.

Limitations.— If your medical and dental expenses exceed \$5,000, consult your District Director for maximum amount which may be deducted.

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; 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 cash (checks, money orders, etc.) 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 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 paragraph (1) which are "publicly supported" as well as organizations referred to in paragraph (4). 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 have contributions carried over from a prior year or years enter them on line 3 and attach computation.

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, CARE
United Funds and Community Chests
Nonprofit schools and hospitals
Veterans' organizations
Boy Scouts, Girl Scouts, and other similar organizations

Nonprofit organizations primarily engaged in research or education for the alleviation and cure of diseases and disabilities such as asthma, cancer, cerebral palsy, cystic fibrosis, diseases of the heart, diabetes, hemophilia, 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.

"Points" paid when buying or selling a residence are not interest.

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

If part or all of the cost of your automobile tags was based on the value of your automobile, then such amount is deductible as personal property tax.

If you had any other deductible tax which does not fit one of the five categories shown, describe the tax and list amount in the space below "Personal property" and include amount in "Total taxes."

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.

Deduct business Federal taxes, or any taxes paid in connection with a business or profession 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

STATE GASOLINE TAX

You may figure the deduction for State tax on gasoline used in your car by using the following table which is based on information available as of August 15, 1966. If all or part of your mileage was driven in a four-cylinder (or less) car, the deduction for that mileage should be one-half of the table amount. If you

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

Find the rate of gasoline tax for your State (county) in the list below. Where the rate of gasoline tax changed in 1966, find the deduction for mileage driven at each rate and add the two amounts.

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

Nonbusiness Mileage Driven	RATE PER GALLON						Nonbusiness Mileage Driven	RATE PER GALLON					
	5¢	6¢	6.5¢ & 6.58¢	7¢	7.5¢	8¢		5¢	6¢	6.5¢ & 6.58¢	7¢	7.5¢	8¢
Under 3,000.....	\$7	\$8	\$9	\$10	\$10	\$11	10,000 to 10,999.....	\$36	\$44	\$47	\$51	\$55	\$58
3,000 to 3,499.....	11	14	15	16	17	18	11,000 to 11,999.....	40	48	52	56	60	64
3,500 to 3,999.....	13	16	17	18	20	21	12,000 to 12,999.....	43	52	56	61	65	69
4,000 to 4,499.....	15	18	19	21	22	24	13,000 to 13,999.....	47	56	61	66	70	75
4,500 to 4,999.....	17	20	21	23	25	26	14,000 to 14,999.....	50	60	65	70	76	81
5,000 to 5,499.....	18	22	24	26	27	29	15,000 to 15,999.....	54	65	70	75	81	86
5,500 to 5,999.....	20	24	26	28	30	32	16,000 to 16,999.....	57	69	74	80	86	92
6,000 to 6,499.....	22	26	28	30	33	35	17,000 to 17,999.....	61	73	79	85	91	97
6,500 to 6,999.....	23	28	30	33	35	38	18,000 to 18,999.....	64	77	84	90	96	103
7,000 to 7,499.....	25	30	33	35	38	40	19,000 to 19,999.....	68	81	88	95	102	108
7,500 to 7,999.....	27	32	35	38	40	43	20,000 miles*.....	70	83	91	98	105	111
8,000 to 8,499.....	29	34	37	40	43	46							
8,500 to 8,999.....	30	36	40	43	46	49							
9,000 to 9,499.....	32	39	42	45	48	51							
9,500 to 9,999.....	34	41	44	47	51	54							

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

MISCELLANEOUS 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 certain expenses. This deduction is 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 on page 1, line 9, 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 on page 1, line 9, 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 willful 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 showing details of each casualty.

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 employee business expenses.

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

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

You can deduct all ordinary and necessary expenses connected with the pro-

duction 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

MAILING ADDRESSES OF DISTRICT DIRECTORS' OFFICES AND INTERNAL REVENUE SERVICE CENTERS

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. Use street address only if shown. Send your return to "Internal Revenue Service" at following addresses:

REFUND RETURNS	OTHER RETURNS	REFUND RETURNS	OTHER RETURNS
Alabama—4800 Buford Highway, Chamblee, Ga. 30006	Birmingham, Ala. 35203	New York—Brooklyn, N.Y. 11201; 120 Church St., New York, N.Y. 10007; Albany, N.Y. 12210; Buffalo, N.Y. 14202	Brooklyn, N.Y. 11201; 120 Church St., New York, N.Y. 10007; Albany, N.Y. 12210; Buffalo, N.Y. 14202
Alaska—1160 West 1200 South, Ogden, Utah 84405	Anchorage, Alaska 99501	North Carolina—4800 Buford Highway, Chamblee, Ga. 30006	Greensboro, N.C. 27401
Arizona—1160 West 1200 South, Ogden, Utah 84405	Phoenix, Ariz. 85025	North Dakota—Fargo, N. Dak. 58102	Fargo, N. Dak. 58102
Arkansas—3651 Interregional Highway, Austin, Tex. 78740	Little Rock, Ark. 72203	Ohio—222 E. Central Parkway, Cincinnati, Ohio 45298	Cleveland, Ohio 44113; Cincinnati, Ohio 45202
California—Los Angeles, Calif. 90012; San Francisco, Calif. 94102	Los Angeles, Calif. 90012; San Francisco, Calif. 94102	Oklahoma—3651 Interregional Highway, Austin, Tex. 78740	Oklahoma City, Okla. 73102
Colorado—3651 Interregional Highway, Austin, Tex. 78740	Denver, Colo. 80202	Oregon—1160 West 1200 South, Ogden, Utah 84405	Portland, Ore. 97232
Connecticut—Hartford, Conn. 06115	Hartford, Conn. 06115	Panama Canal Zone—Director of International Operations, Washington, D.C. 20225	Director of International Operations, Washington, D.C. 20225
Delaware—11601 Roosevelt Blvd., Philadelphia, Pa. 19155	Wilmington, Del. 19802	Pennsylvania—11601 Roosevelt Blvd., Philadelphia, Pa. 19155	Philadelphia, Pa. 19108; Pittsburgh, Pa. 15222
District of Columbia—11601 Roosevelt Blvd., Philadelphia, Pa. 19155	Baltimore, Md. 21202	Puerto Rico—Director of International Operations, U.S. Internal Revenue Service, Ponce de Leon Ave. and Bolivia St., Hato Rey, Puerto Rico 00917	Director of International Operations, U.S. Internal Revenue Service, Ponce de Leon Ave. and Bolivia St., Hato Rey, Puerto Rico 00917
Florida—4800 Buford Highway, Chamblee, Ga. 30006	Jacksonville, Fla. 32202	Rhode Island—Providence, R.I. 02907	Providence, R.I. 02907
Georgia—4800 Buford Highway, Chamblee, Ga. 30006	Atlanta, Ga. 30303	South Carolina—4800 Buford Highway, Chamblee, Ga. 30006	Columbia, S.C. 29201
Hawaii—1160 West 1200 South, Ogden, Utah 84405	Honolulu, Hawaii 96813	South Dakota—Aberdeen, S. Dak. 57401	Aberdeen, S. Dak. 57401
Idaho—1160 West 1200 South, Ogden, Utah 84405	Boise, Idaho 83701	Tennessee—4800 Buford Highway, Chamblee, Ga. 30006	Nashville, Tenn. 37203
Illinois—Chicago, Ill. 60602; Springfield, Ill. 62704	Chicago, Ill. 60602; Springfield, Ill. 62704	Texas—3651 Interregional Highway, Austin, Tex. 78740	Austin, Tex. 78701; Dallas, Tex. 75201
Indiana—222 E. Central Parkway, Cincinnati, Ohio 45298	Indianapolis, Ind. 46204	Utah—1160 West 1200 South, Ogden, Utah 84405	Salt Lake City, Utah 84110
Iowa—Des Moines, Iowa 50309	Des Moines, Iowa 50309	Vermont—Burlington, Vt. 05402	Burlington, Vt. 05402
Kansas—3651 Interregional Highway, Austin, Tex. 78740	Wichita, Kans. 67202	Virginia—11601 Roosevelt Blvd., Philadelphia, Pa. 19155	Richmond, Va. 23240
Kentucky—222 E. Central Parkway, Cincinnati, Ohio 45298	Louisville, Ky. 40202	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	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
Louisiana—3651 Interregional Highway, Austin, Tex. 78740	New Orleans, La. 70130	Washington—1160 West 1200 South, Ogden, Utah 84405	Tacoma, Wash. 98402
Maine—Augusta, Maine 04330	Augusta, Maine 04330	West Virginia—222 E. Central Parkway, Cincinnati, Ohio 45298	Parkersburg, W. Va. 26102
Maryland—11601 Roosevelt Blvd., Philadelphia, Pa. 19155	Baltimore, Md. 21202	Wisconsin—Milwaukee, Wis. 53202	Milwaukee, Wis. 53202
Massachusetts—Boston, Mass. 02203	Boston, Mass. 02203	Wyoming—3651 Interregional Highway, Austin, Tex. 78740	Cheyenne, Wyo. 82001
Michigan—222 E. Central Parkway, Cincinnati, Ohio 45298	Detroit, Mich. 48226	Foreign Addresses—Taxpayers with legal residence in Foreign Countries—Director of International Operations, Internal Revenue Service, Washington, D.C. 20225	Taxpayers with legal residence in Foreign Countries—Director of International Operations, Internal Revenue Service, Washington, D.C. 20225
Minnesota—St. Paul, Minn. 55101	St. Paul, Minn. 55101		
Mississippi—4800 Buford Highway, Chamblee, Ga. 30006	Jackson, Miss. 39202		
Missouri—St. Louis, Mo. 63101	St. Louis, Mo. 63101		
Montana—1160 West 1200 South, Ogden, Utah 84405	Helena, Mont. 59601		
Nebraska—Omaha, Nebr. 68102	Omaha, Nebr. 68102		
Nevada—1160 West 1200 South, Ogden, Utah 84405	Reno, Nev. 89502		
New Hampshire—Portsmouth, N.H. 03801	Portsmouth, N.H. 03801		
New Jersey—11601 Roosevelt Blvd., Philadelphia, Pa. 19155	Newark, N.J. 07102		
New Mexico—3651 Interregional Highway, Austin, Tex. 78740	Albuquerque, N. Mex. 87101		

1966 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.

<i>If the amount on line 11d, page 1, is:</i>		<i>Enter on line 12, page 1:</i>	
Not over \$500.....		14% of the amount on line 11d.	
<i>Over—</i>	<i>But not over—</i>	<i>of excess over—</i>	
\$500	— \$1,000....	\$70, plus 15%	— \$500
\$1,000	— \$1,500....	\$145, plus 16%	— \$1,000
\$1,500	— \$2,000....	\$225, plus 17%	— \$1,500
\$2,000	— \$4,000....	\$310, plus 19%	— \$2,000
\$4,000	— \$6,000....	\$690, plus 22%	— \$4,000
\$6,000	— \$8,000....	\$1,130, plus 25%	— \$6,000
\$8,000	— \$10,000...	\$1,630, plus 28%	— \$8,000
\$10,000	— \$12,000...	\$2,190, plus 32%	— \$10,000
\$12,000	— \$14,000...	\$2,830, plus 36%	— \$12,000
\$14,000	— \$16,000...	\$3,550, plus 39%	— \$14,000
\$16,000	— \$18,000...	\$4,330, plus 42%	— \$16,000
\$18,000	— \$20,000...	\$5,170, plus 45%	— \$18,000

<i>If the amount on line 11d, page 1, is:</i>		<i>Enter on line 12, page 1:</i>	
<i>Over—</i>	<i>But not over—</i>	<i>of excess over—</i>	
\$20,000	— \$22,000...	\$6,070, plus 48%	— \$20,000
\$22,000	— \$26,000...	\$7,030, plus 50%	— \$22,000
\$26,000	— \$32,000...	\$9,030, plus 53%	— \$26,000
\$32,000	— \$38,000...	\$12,210, plus 55%	— \$32,000
\$38,000	— \$44,000...	\$15,510, plus 58%	— \$38,000
\$44,000	— \$50,000...	\$18,990, plus 60%	— \$44,000
\$50,000	— \$60,000...	\$22,590, plus 62%	— \$50,000
\$60,000	— \$70,000...	\$28,790, plus 64%	— \$60,000
\$70,000	— \$80,000...	\$35,190, plus 66%	— \$70,000
\$80,000	— \$90,000...	\$41,790, plus 68%	— \$80,000
\$90,000	— \$100,000...	\$48,590, plus 69%	— \$90,000
\$100,000	\$55,490, plus 70%	— \$100,000

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

<i>If the amount on line 11d, page 1, is:</i>		<i>Enter on line 12, page 1:</i>	
Not over \$1,000.....		14% of the amount on line 11d.	
<i>Over—</i>	<i>But not over—</i>	<i>of excess over—</i>	
\$1,000	— \$2,000....	\$140, plus 15%	— \$1,000
\$2,000	— \$3,000....	\$290, plus 16%	— \$2,000
\$3,000	— \$4,000....	\$450, plus 17%	— \$3,000
\$4,000	— \$8,000....	\$620, plus 19%	— \$4,000
\$8,000	— \$12,000...	\$1,380, plus 22%	— \$8,000
\$12,000	— \$16,000...	\$2,260, plus 25%	— \$12,000
\$16,000	— \$20,000...	\$3,260, plus 28%	— \$16,000
\$20,000	— \$24,000...	\$4,380, plus 32%	— \$20,000
\$24,000	— \$28,000...	\$5,660, plus 36%	— \$24,000
\$28,000	— \$32,000...	\$7,100, plus 39%	— \$28,000
\$32,000	— \$36,000...	\$8,660, plus 42%	— \$32,000
\$36,000	— \$40,000...	\$10,340, plus 45%	— \$36,000

<i>If the amount on line 11d, page 1, is:</i>		<i>Enter on line 12, page 1:</i>	
<i>Over—</i>	<i>But not over—</i>	<i>of excess over—</i>	
\$40,000	— \$44,000...	\$12,140, plus 48%	— \$40,000
\$44,000	— \$52,000...	\$14,060, plus 50%	— \$44,000
\$52,000	— \$64,000...	\$18,060, plus 53%	— \$52,000
\$64,000	— \$76,000...	\$24,420, plus 55%	— \$64,000
\$76,000	— \$88,000...	\$31,020, plus 58%	— \$76,000
\$88,000	— \$100,000...	\$37,980, plus 60%	— \$88,000
\$100,000	— \$120,000...	\$45,180, plus 62%	— \$100,000
\$120,000	— \$140,000...	\$57,580, plus 64%	— \$120,000
\$140,000	— \$160,000...	\$70,380, plus 66%	— \$140,000
\$160,000	— \$180,000...	\$83,580, plus 68%	— \$160,000
\$180,000	— \$200,000...	\$97,180, plus 69%	— \$180,000
\$200,000	\$110,980, plus 70%	— \$200,000

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

<i>If the amount on line 11d, page 1, is:</i>		<i>Enter on line 12, page 1:</i>	
Not over \$1,000.....		14% of the amount on line 11d.	
<i>Over—</i>	<i>But not over—</i>	<i>of excess over—</i>	
\$1,000	— \$2,000....	\$140, plus 16%	— \$1,000
\$2,000	— \$4,000....	\$300, plus 18%	— \$2,000
\$4,000	— \$6,000....	\$660, plus 20%	— \$4,000
\$6,000	— \$8,000....	\$1,060, plus 22%	— \$6,000
\$8,000	— \$10,000...	\$1,500, plus 25%	— \$8,000
\$10,000	— \$12,000...	\$2,000, plus 27%	— \$10,000
\$12,000	— \$14,000...	\$2,540, plus 31%	— \$12,000
\$14,000	— \$16,000...	\$3,160, plus 32%	— \$14,000
\$16,000	— \$18,000...	\$3,800, plus 35%	— \$16,000
\$18,000	— \$20,000...	\$4,500, plus 36%	— \$18,000
\$20,000	— \$22,000...	\$5,220, plus 40%	— \$20,000
\$22,000	— \$24,000...	\$6,020, plus 41%	— \$22,000
\$24,000	— \$26,000...	\$6,840, plus 43%	— \$24,000
\$26,000	— \$28,000...	\$7,700, plus 45%	— \$26,000
\$28,000	— \$32,000...	\$8,600, plus 46%	— \$28,000
\$32,000	— \$36,000...	\$10,440, plus 48%	— \$32,000
\$36,000	— \$38,000...	\$12,360, plus 50%	— \$36,000

<i>If the amount on line 11d, page 1, is:</i>		<i>Enter on line 12, page 1:</i>	
<i>Over—</i>	<i>But not over—</i>	<i>of excess over—</i>	
\$38,000	— \$40,000...	\$13,360, plus 52%	— \$38,000
\$40,000	— \$44,000...	\$14,400, plus 53%	— \$40,000
\$44,000	— \$50,000...	\$16,520, plus 55%	— \$44,000
\$50,000	— \$52,000...	\$19,820, plus 56%	— \$50,000
\$52,000	— \$64,000...	\$20,940, plus 58%	— \$52,000
\$64,000	— \$70,000...	\$27,900, plus 59%	— \$64,000
\$70,000	— \$76,000...	\$31,440, plus 61%	— \$70,000
\$76,000	— \$80,000...	\$35,100, plus 62%	— \$76,000
\$80,000	— \$88,000...	\$37,580, plus 63%	— \$80,000
\$88,000	— \$100,000...	\$42,620, plus 64%	— \$88,000
\$100,000	— \$120,000...	\$50,300, plus 66%	— \$100,000
\$120,000	— \$140,000...	\$63,500, plus 67%	— \$120,000
\$140,000	— \$160,000...	\$76,900, plus 68%	— \$140,000
\$160,000	— \$180,000...	\$90,500, plus 69%	— \$160,000
\$180,000	\$104,300, plus 70%	— \$180,000

TAX TABLES FOR PERSONS WITH INCOMES UNDER \$5,000 WHO DO NOT ITEMIZE DEDUCTIONS ON THEIR RETURNS

If you checked as your filing status on page 1, Form 1040

- Line 1a use —————> TAX TABLE A—For Single Persons
- Line 1b, 1d, or 1e use ———> TAX TABLE B—For Married Persons Filing Joint Returns and Unmarried Head of Household
- Line 1c use —————> TAX TABLE C—For Married Persons Filing Separate Returns

Tables A and B reflect the lowest tax after considering both the 10 percent standard deduction and the minimum standard deduction. Table C shows the tax based on either the 10 percent or the minimum standard deduction.

1966 TAX TABLE A—FOR SINGLE PERSONS

Read down the income columns below until you find the line covering the total income (page 1, line 9, 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	At least	But less than	1	2	3	4	5	6
				If 4 or more there is no tax								If 7 or more there is no tax
Your tax is—		Your tax is—										
\$0	\$900	\$0	\$0	\$0	\$2,450	\$2,475	\$236	\$124	\$23	\$0	\$0	\$0
900	925	2	0	0	2,475	2,500	240	128	26	0	0	0
925	950	5	0	0	2,500	2,525	244	132	30	0	0	0
950	975	9	0	0	2,525	2,550	248	136	33	0	0	0
975	1,000	12	0	0	2,550	2,575	253	139	37	0	0	0
1,000	1,025	16	0	0	2,575	2,600	257	143	40	0	0	0
1,025	1,050	19	0	0	2,600	2,625	261	147	44	0	0	0
1,050	1,075	23	0	0	2,625	2,650	265	151	47	0	0	0
1,075	1,100	26	0	0	2,650	2,675	270	155	51	0	0	0
1,100	1,125	30	0	0	2,675	2,700	274	159	54	0	0	0
1,125	1,150	33	0	0	2,700	2,725	278	163	58	0	0	0
1,150	1,175	37	0	0	2,725	2,750	282	167	61	0	0	0
1,175	1,200	40	0	0	2,750	2,775	287	171	65	0	0	0
1,200	1,225	44	0	0	2,775	2,800	291	175	68	0	0	0
1,225	1,250	47	0	0	2,800	2,825	295	179	72	0	0	0
1,250	1,275	51	0	0	2,825	2,850	299	183	76	0	0	0
1,275	1,300	54	0	0	2,850	2,875	304	187	79	0	0	0
1,300	1,325	58	0	0	2,875	2,900	308	191	83	0	0	0
1,325	1,350	61	0	0	2,900	2,925	312	195	87	0	0	0
1,350	1,375	65	0	0	2,925	2,950	317	199	91	0	0	0
1,375	1,400	68	0	0	2,950	2,975	322	203	94	0	0	0
1,400	1,425	72	0	0	2,975	3,000	327	207	98	0	0	0
1,425	1,450	76	0	0	3,000	3,050	333	213	104	4	0	0
1,450	1,475	79	0	0	3,050	3,100	342	221	111	11	0	0
1,475	1,500	83	0	0	3,100	3,150	350	229	119	18	0	0
1,500	1,525	87	0	0	3,150	3,200	359	238	126	25	0	0
1,525	1,550	91	0	0	3,200	3,250	367	246	134	32	0	0
1,550	1,575	94	0	0	3,250	3,300	376	255	141	39	0	0
1,575	1,600	98	0	0	3,300	3,350	385	263	149	46	0	0
1,600	1,625	102	2	0	3,350	3,400	393	272	157	53	0	0
1,625	1,650	106	5	0	3,400	3,450	402	280	165	60	0	0
1,650	1,675	109	9	0	3,450	3,500	410	289	173	67	0	0
1,675	1,700	113	12	0	3,500	3,550	419	297	181	74	0	0
1,700	1,725	117	16	0	3,550	3,600	427	306	189	81	0	0
1,725	1,750	121	19	0	3,600	3,650	436	315	197	89	0	0
1,750	1,775	124	23	0	3,650	3,700	444	324	205	96	0	0
1,775	1,800	128	26	0	3,700	3,750	453	334	213	104	4	0
1,800	1,825	132	30	0	3,750	3,800	462	343	221	111	11	0
1,825	1,850	136	33	0	3,800	3,850	470	353	229	119	18	0
1,850	1,875	139	37	0	3,850	3,900	479	362	238	126	25	0
1,875	1,900	143	40	0	3,900	3,950	487	372	246	134	32	0
1,900	1,925	147	44	0	3,950	4,000	496	381	255	141	39	0
1,925	1,950	151	47	0	4,000	4,050	504	390	263	149	46	0
1,950	1,975	155	51	0	4,050	4,100	513	399	272	157	53	0
1,975	2,000	159	54	0	4,100	4,150	521	407	280	165	60	0
2,000	2,025	163	58	0	4,150	4,200	530	416	289	173	67	0
2,025	2,050	167	61	0	4,200	4,250	538	424	297	181	74	0
2,050	2,075	171	65	0	4,250	4,300	547	433	306	189	81	0
2,075	2,100	175	68	0	4,300	4,350	556	442	315	197	89	0
2,100	2,125	179	72	0	4,350	4,400	564	450	324	205	96	0
2,125	2,150	183	76	0	4,400	4,450	573	459	334	213	104	4
2,150	2,175	187	79	0	4,450	4,500	581	467	343	221	111	11
2,175	2,200	191	83	0	4,500	4,550	590	476	353	229	119	18
2,200	2,225	195	87	0	4,550	4,600	598	484	362	238	126	25
2,225	2,250	199	91	0	4,600	4,650	607	493	372	246	134	32
2,250	2,275	203	94	0	4,650	4,700	615	501	381	255	141	39
2,275	2,300	207	98	0	4,700	4,750	624	510	391	263	149	46
2,300	2,325	211	102	2	4,750	4,800	633	519	400	272	157	53
2,325	2,350	215	106	5	4,800	4,850	641	527	410	280	165	60
2,350	2,375	219	109	9	4,850	4,900	650	536	419	289	173	67
2,375	2,400	223	113	12	4,900	4,950	658	544	429	297	181	74
2,400	2,425	227	117	16	4,950	5,000	667	553	438	306	189	81
2,425	2,450	231	121	19								

1966 TAX TABLE B—MARRIED FILING JOINTLY*—OR—UNMARRIED HEAD OF HOUSEHOLD

Read down the income columns below until you find the line covering the total income (page 1, line 9, 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 And you are—		3 And you are—		4 And you are—		5 And you are—		6 If 7 or more there is no tax
								An un-married head of a household	A married couple filing jointly	An un-married head of a household	A married couple filing jointly	An un-married head of a household	A married couple filing jointly	An un-married head of a household	A married couple filing jointly	
		Your tax is—					Your tax is—									
\$0	\$900	\$0	\$0	\$0	\$2,450	\$2,475	\$230	\$121	\$121	\$23	\$23	\$0	\$0	\$0	\$0	\$0
900	925	2	0	0	2,475	2,500	234	124	124	26	26	0	0	0	0	0
925	950	5	0	0	2,500	2,525	238	128	128	30	30	0	0	0	0	0
950	975	9	0	0	2,525	2,550	242	131	131	33	33	0	0	0	0	0
975	1,000	12	0	0	2,550	2,575	246	135	135	37	37	0	0	0	0	0
1,000	1,025	16	0	0	2,575	2,600	250	138	138	40	40	0	0	0	0	0
1,025	1,050	19	0	0	2,600	2,625	254	142	142	44	44	0	0	0	0	0
1,050	1,075	23	0	0	2,625	2,650	258	146	146	47	47	0	0	0	0	0
1,075	1,100	26	0	0	2,650	2,675	262	150	149	51	51	0	0	0	0	0
1,100	1,125	30	0	0	2,675	2,700	266	154	153	54	54	0	0	0	0	0
1,125	1,150	33	0	0	2,700	2,725	270	158	157	58	58	0	0	0	0	0
1,150	1,175	37	0	0	2,725	2,750	274	162	161	61	61	0	0	0	0	0
1,175	1,200	40	0	0	2,750	2,775	278	166	164	65	65	0	0	0	0	0
1,200	1,225	44	0	0	2,775	2,800	282	170	168	68	68	0	0	0	0	0
1,225	1,250	47	0	0	2,800	2,825	286	174	172	72	72	0	0	0	0	0
1,250	1,275	51	0	0	2,825	2,850	290	178	176	75	75	0	0	0	0	0
1,275	1,300	54	0	0	2,850	2,875	294	182	179	79	79	0	0	0	0	0
1,300	1,325	58	0	0	2,875	2,900	298	186	183	82	82	0	0	0	0	0
1,325	1,350	61	0	0	2,900	2,925	302	190	187	86	86	0	0	0	0	0
1,350	1,375	65	0	0	2,925	2,950	307	194	191	89	89	0	0	0	0	0
1,375	1,400	68	0	0	2,950	2,975	311	198	194	93	93	0	0	0	0	0
1,400	1,425	72	0	0	2,975	3,000	316	202	198	96	96	0	0	0	0	0
1,425	1,450	75	0	0	3,000	3,050	322	208	204	102	102	4	4	0	0	0
1,450	1,475	79	0	0	3,050	3,100	330	216	211	109	109	11	11	0	0	0
1,475	1,500	82	0	0	3,100	3,150	338	224	219	116	116	18	18	0	0	0
1,500	1,525	86	0	0	3,150	3,200	346	232	226	123	123	25	25	0	0	0
1,525	1,550	89	0	0	3,200	3,250	354	240	234	130	130	32	32	0	0	0
1,550	1,575	93	0	0	3,250	3,300	363	248	241	137	137	39	39	0	0	0
1,575	1,600	96	0	0	3,300	3,350	371	256	249	144	144	46	46	0	0	0
1,600	1,625	100	2	0	3,350	3,400	379	264	256	152	151	53	53	0	0	0
1,625	1,650	103	5	0	3,400	3,450	387	272	264	160	159	60	60	0	0	0
1,650	1,675	107	9	0	3,450	3,500	395	280	271	168	166	67	67	0	0	0
1,675	1,700	110	12	0	3,500	3,550	403	288	279	176	174	74	74	0	0	0
1,700	1,725	114	16	0	3,550	3,600	411	296	286	184	181	81	81	0	0	0
1,725	1,750	117	19	0	3,600	3,650	419	305	294	192	189	88	88	0	0	0
1,750	1,775	121	23	0	3,650	3,700	427	314	302	200	196	95	95	0	0	0
1,775	1,800	124	26	0	3,700	3,750	435	323	310	208	204	102	102	4	4	0
1,800	1,825	128	30	0	3,750	3,800	444	332	318	216	211	109	109	11	11	0
1,825	1,850	131	33	0	3,800	3,850	452	341	326	224	219	116	116	18	18	0
1,850	1,875	135	37	0	3,850	3,900	460	350	334	232	226	123	123	25	25	0
1,875	1,900	138	40	0	3,900	3,950	468	359	342	240	234	130	130	32	32	0
1,900	1,925	142	44	0	3,950	4,000	476	368	350	248	241	137	137	39	39	0
1,925	1,950	146	47	0	4,000	4,050	484	376	358	256	249	144	144	46	46	0
1,950	1,975	150	51	0	4,050	4,100	492	384	365	264	256	152	151	53	53	0
1,975	2,000	154	54	0	4,100	4,150	500	392	372	272	264	160	159	60	60	0
2,000	2,025	158	58	0	4,150	4,200	508	400	379	280	271	168	166	67	67	0
2,025	2,050	162	61	0	4,200	4,250	516	408	386	288	279	176	174	74	74	0
2,050	2,075	166	65	0	4,250	4,300	525	417	394	296	286	184	181	81	81	0
2,075	2,100	170	68	0	4,300	4,350	533	425	401	305	294	192	189	88	88	0
2,100	2,125	174	72	0	4,350	4,400	541	433	408	314	302	200	196	95	95	0
2,125	2,150	178	75	0	4,400	4,450	549	441	415	323	310	208	204	102	102	4
2,150	2,175	182	79	0	4,450	4,500	557	449	422	332	318	216	211	109	109	11
2,175	2,200	186	82	0	4,500	4,550	565	457	430	341	326	224	219	116	116	18
2,200	2,225	190	86	0	4,550	4,600	573	465	437	350	334	232	226	123	123	25
2,225	2,250	194	89	0	4,600	4,650	581	473	444	359	342	240	234	130	130	32
2,250	2,275	198	93	0	4,650	4,700	589	481	451	368	350	248	241	137	137	39
2,275	2,300	202	96	0	4,700	4,750	597	489	459	377	358	256	249	144	144	46
2,300	2,325	206	100	2	4,750	4,800	606	498	467	386	366	264	256	152	151	53
2,325	2,350	210	103	5	4,800	4,850	614	506	474	395	374	272	264	160	159	60
2,350	2,375	214	107	9	4,850	4,900	622	514	482	404	382	280	271	168	166	67
2,375	2,400	218	110	12	4,900	4,950	630	522	490	413	390	288	279	176	174	74
2,400	2,425	222	114	16	4,950	5,000	638	530	497	422	398	296	286	184	181	81
2,425	2,450	226	117	19												

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

1966 TAX TABLE C—FOR MARRIED PERSONS FILING SEPARATE RETURNS

This table is designed to enable married persons filing separate returns to figure their tax choosing either the 10% or minimum standard deduction. However, if one uses the 10% deduction, then both must use it.

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

Table with columns for income ranges, number of exemptions (1-7), and tax amounts. Includes sub-columns for 'At least' and 'But less than' income, and '10%' and 'Minimum' deductions. Rows range from \$0 to \$2,300.

1966 STATE SALES TAX TABLES

If you itemize your deductions, you may use these tables to determine the general sales tax to be entered on page 2, Part IV. However, if you are able to establish that you paid an amount larger than that shown, you are entitled to deduct the larger amount. The tables reflect all purchases other than automobiles. If you bought an automobile, add the sales tax. Gasoline taxes are not included in these tables (see page 9 of the instructions for gasoline tax rates and table).

Income as shown on line 9, page 1, Form 1040	Alabama ¹					Arizona ²					Arkansas					California ³					Colorado ²					Connecticut					District of Columbia													
	Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)													
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5				
Under \$1,000	\$23	\$26	\$33	\$35	\$35	\$19	\$25	\$26	\$33	\$33	\$33	\$19	\$21	\$26	\$27	\$27	\$14	\$17	\$18	\$19	\$18	\$25	\$25	\$32	\$32	\$32	\$9	\$10	\$10	\$13	\$13	\$17	\$18	\$18	\$13	\$13	\$17	\$18	\$18	\$13	\$13	\$17	\$18	\$18
\$1,000-1,499	29	34	43	45	45	24	32	33	41	41	41	25	28	34	36	36	20	24	25	26	23	32	32	40	40	40	13	15	15	17	18	23	24	24	17	18	23	24	24	17	18	23	24	24
\$1,500-1,999	36	42	53	57	57	30	39	41	49	49	49	30	35	42	45	45	26	30	32	33	28	39	39	48	48	48	17	20	20	21	23	28	30	30	21	23	28	30	30	21	23	28	30	30
\$2,000-2,499	42	50	62	67	67	35	45	47	56	56	57	35	41	50	53	54	31	36	39	40	33	45	46	55	55	56	21	24	25	25	28	33	36	36	25	28	33	36	36	25	28	33	36	36
\$2,500-2,999	48	57	70	77	77	39	51	53	63	63	64	40	47	56	61	62	36	42	45	46	38	51	53	62	62	64	25	28	30	29	32	38	41	42	29	32	38	41	42	29	32	38	41	42
\$3,000-3,499	53	64	78	86	87	43	56	59	69	70	71	44	53	62	68	70	41	47	51	52	42	56	59	68	69	71	29	32	35	33	36	43	46	47	33	36	43	46	47	33	36	43	46	47
\$3,500-3,999	58	71	85	94	96	47	61	65	75	76	78	48	58	68	75	77	46	52	57	58	46	61	65	74	76	78	33	36	39	36	40	47	51	52	36	40	47	51	52	36	40	47	51	52
\$4,000-4,499	63	77	92	102	105	51	66	70	80	82	85	52	63	74	81	84	50	57	63	64	50	66	70	79	82	85	37	40	43	37	40	43	39	44	51	56	57	39	44	51	56	57		
\$4,500-4,999	68	83	99	110	113	55	71	75	85	88	91	56	68	80	87	91	54	62	68	69	53	70	75	84	88	91	41	44	47	41	44	47	42	48	55	61	62	42	48	55	61	62		
\$5,000-5,499	72	89	106	118	121	59	75	80	90	94	97	59	73	85	93	97	58	67	73	74	56	74	80	89	94	97	45	48	51	45	48	51	45	51	59	65	67	45	51	59	65	67		
\$5,500-5,999	76	95	112	125	129	62	79	85	94	99	103	62	77	90	99	103	62	72	78	79	59	78	85	94	100	103	49	52	55	48	52	55	48	54	63	69	71	48	54	63	69	71		
\$6,000-6,499	80	100	118	132	137	65	83	90	98	104	109	65	81	95	105	109	66	76	83	84	62	82	90	99	105	109	52	56	59	51	57	67	73	75	51	57	67	73	75					
\$6,500-6,999	84	105	124	139	144	68	87	95	102	109	115	68	85	100	111	115	70	80	88	89	65	86	94	103	110	115	55	60	63	54	60	63	54	60	71	77	79	54	60	71	77	79		
\$7,000-7,499	88	110	130	146	151	71	91	99	106	114	120	71	89	105	117	121	74	84	93	94	68	90	98	107	115	121	58	64	67	57	63	74	81	83	57	63	74	81	83					
\$7,500-7,999	92	115	136	153	158	74	95	103	110	119	125	74	93	109	122	127	78	88	98	99	71	94	102	111	120	126	61	68	71	59	66	77	85	87	59	66	77	85	87					
\$8,000-8,499	96	120	141	159	165	77	99	107	114	124	130	77	97	113	127	133	82	92	103	104	74	98	106	115	125	131	64	71	75	61	69	80	89	91	61	69	80	89	91					
\$8,500-8,999	99	125	146	165	172	80	102	111	118	128	135	80	101	117	132	138	86	96	107	109	77	101	110	119	130	136	67	74	79	63	72	83	93	95	63	72	83	93	95					
\$9,000-9,499	102	130	151	171	179	83	105	115	122	132	140	82	105	121	137	143	89	100	111	113	80	104	114	123	135	141	70	77	82	65	75	86	96	99	65	75	86	96	99					
\$9,500-9,999	105	134	156	177	185	85	108	119	125	136	145	84	109	125	142	148	92	104	115	117	82	107	118	126	139	146	73	80	85	67	78	89	99	103	67	78	89	99	103					
\$10,000-10,999	110	141	163	186	195	89	113	125	130	143	152	88	114	131	149	156	97	110	122	123	86	112	124	131	145	153	78	85	91	70	82	94	104	109	70	82	94	104	109					
\$11,000-11,999	117	150	173	198	208	94	119	132	137	151	161	93	122	139	158	166	104	118	131	132	91	118	132	138	154	163	85	92	98	75	88	100	111	116	75	88	100	111	116					
\$12,000-12,999	123	159	182	209	220	99	125	139	143	159	170	98	129	146	167	176	111	125	140	141	96	124	139	145	162	172	91	98	105	79	94	106	118	123	79	94	106	118	123					
\$13,000-13,999	129	168	191	220	232	104	131	146	149	167	179	103	136	153	176	186	118	132	148	149	101	130	146	151	170	181	97	105	112	83	100	112	125	130	83	100	112	125	130					
\$14,000-14,999	135	176	200	231	244	109	137	153	155	174	187	108	142	160	185	195	125	139	156	157	106	136	153	157	178	190	103	111	119	87	106	117	131	137	87	106	117	131	137					
\$15,000-15,999	141	184	209	241	256	114	142	160	161	181	195	112	148	167	193	204	131	146	164	165	110	141	160	163	186	198	109	117	126	91	111	122	137	144	91	111	122	137	144					
\$16,000-16,999	147	192	217	251	267	119	147	166	167	188	203	116	154	174	201	213	137	153	172	173	114	146	167	169	194	206	115	123	133	95	116	127	143	151	95	116	127	143	151					
\$17,000-17,999	152	200	225	261	278	123	152	172	173	195	211	120	160	181	209	222	143	160	180	181	118	151	173	175	201	214	121	129	140	99	121	132	149	158	99	121	132	149	158					
\$18,000-18,999	157	207	233	271	289	127	157	178	179	202	219	124	166	187	217	231	149	166	188	188	122	156	179	181	208	222	127	135	146	103	126	137	155	164	103	126	137	155	164					
\$19,000-19,999	162	214	241	280	300	131	162	184	185	209	226	128	172	193	225	239	155	172	195	195	126	161	185	186	215	230	132	141	152	106	131	142	160	170	106	131	142	160	170					
\$20,000 and over	167	221	249	289	311	135	167	190	190	215	233	132	177	199	233	247	161	178	202	202	130	166	191	191	222	238	137	147	158	109	136	147	165	176	109	136	147	165	176					

Income as shown on line 9, page 1, Form 1040	Florida					Georgia					Hawaii					Idaho ⁴					Illinois ⁵					Indiana					Iowa								
	Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)								
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4
Under \$1,000	\$9	\$13	\$13	\$13	\$21	\$24	\$30	\$32	\$32	\$36	\$47	\$48	\$53	\$53	\$15	\$20	\$20	\$26	\$26	\$26	\$22	\$29	\$33	\$41	\$41	\$41	\$13	\$17	\$19	\$23	\$23	\$23	\$13	\$18	\$19	\$24	\$24	\$24	
\$1,000-1,499	13	18	19	19	27	32	39	42	42	46	59	61	67	67	19	26	26	34	34	34	28	37	42	51	51	51	17	22	24	29	29	29	17	23	24	30	30	30	
\$1,500-1,999	17	23	24	24	33	39	47	52	52	56	71	74	82	82	23	32	32	41	41	41	35	46	51	61	61	62	21	27	30	35	35	35	21	28	30	36	36	36	
\$2,000-2,499	21	28	29	29	38	46	55	61	61	65	82	86	95	95	27	37	38	47	47	47</																			

1966 STATE SALES TAX TABLES

If you itemize your deductions, you may use these tables to determine the general sales tax to be entered on page 2, Part IV. However, if you are able to establish that you paid an amount larger than that shown, you are entitled to deduct the larger amount. The tables reflect all purchases other than automobiles. If you bought an automobile, add the sales tax. Gasoline taxes are not included in these tables (see page 9 of the instructions for gasoline tax rates and table).

Income as shown on line 9, page 1, Form 1040	Kansas					Kentucky					Louisiana ¹					Maine					Maryland					Massachusetts ²					Michigan				
	Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)				
	1	2	3	4	5	1	2	3	4	5	1	2	3&4	5	5	1	2	3	4	5	5	1	2	3&4	5	5	1	2,3	4	5 and over	1	2	3	4	5
Under \$1,000	\$19	\$24	\$26	\$31	\$31	\$31	\$20	\$23	\$28	\$30	\$30	\$12	\$13	\$17	\$18	\$18	\$13	\$16	\$21	\$21	\$21	\$10	\$10	\$14	\$15	\$15	\$3	\$3	\$5	\$25	\$34	\$36	\$43	\$43	\$43
\$1,000-1,499	24	31	33	39	39	40	26	30	36	39	39	16	18	23	24	24	18	22	27	27	29	14	14	19	20	20	4	4	6	32	43	46	56	56	56
\$1,500-1,999	29	38	41	48	48	50	31	37	44	48	48	20	22	28	30	30	23	28	34	34	36	18	18	24	25	25	5	5	8	39	52	56	67	67	68
\$2,000-2,499	34	44	48	55	56	59	36	43	52	56	56	23	26	33	35	35	28	34	41	41	43	22	22	29	30	30	5	7	10	46	61	66	77	77	80
\$2,500-2,999	38	49	55	62	63	67	41	49	59	63	64	26	30	38	40	40	33	40	47	48	50	26	26	33	35	35	5	9	12	52	69	75	87	87	91
\$3,000-3,499	42	54	61	68	70	75	45	55	65	70	72	29	34	42	45	45	38	45	53	54	56	29	30	37	40	40	6	10	14	57	76	84	95	97	101
\$3,500-3,999	46	59	67	74	77	82	49	60	71	77	79	32	38	46	50	50	43	50	58	60	62	32	34	41	45	45	7	11	15	62	83	92	103	106	111
\$4,000-4,499	49	64	72	80	83	89	53	65	77	84	86	35	41	50	54	55	46	55	63	66	68	35	38	45	49	49	8	12	17	67	89	99	111	115	121
\$4,500-4,999	52	69	77	85	89	96	56	70	82	90	93	38	44	54	58	60	52	60	68	72	74	38	41	49	53	53	9	13	18	72	95	106	118	123	130
\$5,000-5,499	55	73	82	90	95	102	59	75	87	96	99	40	47	57	62	64	56	65	73	77	80	41	44	53	57	57	9	14	19	77	101	113	125	131	139
\$5,500-5,999	58	77	87	95	101	108	62	79	92	102	105	42	50	60	66	68	60	70	78	82	85	44	47	57	61	61	10	14	20	81	107	120	131	138	147
\$6,000-6,499	61	81	92	100	107	114	65	83	97	108	111	44	53	63	70	72	64	75	82	87	90	47	50	60	65	65	11	15	21	85	113	126	137	145	155
\$6,500-6,999	64	85	97	105	112	120	68	87	102	113	117	46	56	66	74	76	68	79	86	92	95	50	53	63	69	69	12	16	22	89	118	132	143	152	163
\$7,000-7,499	67	89	101	109	117	126	71	91	106	118	123	48	59	69	78	80	72	83	90	97	100	52	56	66	73	73	12	17	23	93	123	138	149	159	171
\$7,500-7,999	70	93	105	113	122	132	74	95	110	123	129	50	62	72	82	84	76	87	94	102	105	54	59	69	77	77	13	18	23	97	128	144	155	166	179
\$8,000-8,499	73	96	109	117	127	137	77	99	114	128	135	52	65	75	85	88	80	91	98	107	110	56	62	72	80	81	14	19	24	101	133	150	161	173	186
\$8,500-8,999	76	99	113	121	132	142	80	103	118	133	140	54	68	78	88	92	84	95	102	112	115	58	65	75	83	85	14	20	25	105	138	156	167	180	193
\$9,000-9,499	78	102	117	125	137	147	82	107	122	138	145	56	70	81	91	95	88	99	106	116	119	60	68	78	86	89	14	21	26	108	143	161	172	186	200
\$9,500-9,999	80	105	121	129	142	152	84	110	126	142	150	58	72	84	94	98	92	103	110	120	123	62	71	81	89	92	15	22	27	111	147	166	176	192	207
\$10,000-10,999	83	110	126	135	149	160	88	115	132	149	158	60	76	88	99	103	97	109	116	126	130	66	76	86	94	97	16	23	29	116	154	174	183	201	218
\$11,000-11,999	88	116	133	142	158	170	93	122	140	158	168	64	81	93	106	110	105	117	123	135	139	71	82	93	101	103	17	25	31	123	162	184	193	213	231
\$12,000-12,999	93	122	141	149	167	180	98	129	147	167	178	68	86	98	112	117	112	125	130	144	148	76	88	98	107	113	18	27	34	129	170	194	203	224	244
\$13,000-13,999	97	128	148	156	175	189	102	135	154	176	187	71	91	103	118	124	119	133	137	153	157	80	94	103	113	120	19	29	34	135	178	204	212	235	257
\$14,000-14,999	101	134	155	163	183	198	106	141	161	184	196	74	96	108	124	130	126	140	144	161	166	84	100	108	119	127	20	31	36	141	186	213	221	246	281
\$15,000-15,999	105	139	162	169	191	207	110	147	168	192	205	77	101	113	129	136	133	147	151	169	175	88	105	113	125	134	21	32	38	147	194	222	229	256	291
\$16,000-16,999	109	144	168	175	199	216	114	153	174	200	214	80	105	118	134	142	140	154	158	177	184	92	110	118	131	140	22	34	40	153	201	231	237	266	293
\$17,000-17,999	113	149	174	181	207	224	118	159	180	208	223	83	109	122	139	148	147	161	164	185	193	96	115	123	137	146	23	36	41	158	208	240	245	276	304
\$18,000-18,999	117	154	180	187	215	232	122	165	186	215	232	86	113	126	144	154	153	168	170	192	202	100	120	128	143	152	24	38	43	163	215	249	253	286	315
\$19,000-19,999	121	159	186	193	222	240	126	171	192	222	240	89	117	130	149	160	159	174	176	199	210	104	125	133	148	158	25	40	45	168	222	257	260	295	326
\$20,000 and over	124	164	192	198	229	248	130	177	198	229	248	92	121	134	154	166	165	180	182	206	218	108	130	138	153	164	26	41	46	173	229	265	267	304	337

Income as shown on line 9, page 1, Form 1040	Mississippi ³					Missouri					Nevada					New Jersey					New Mexico ⁴					New York ⁵					North Carolina								
	Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)								
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4
Under \$1,000	\$26	\$29	\$36	\$38	\$38	\$19	\$24	\$26	\$31	\$31	\$31	\$12	\$16	\$17	\$19	\$19	\$3	\$4	\$5	\$23	\$31	\$31	\$38	\$38	\$38	\$8	\$10	\$13	\$13	\$13	\$18	\$19	\$25	\$26	\$26				
\$1,000-1,499	33	37	46	50	50	24	31	34	39	39	40	15	20	22	25	25	4	6	8	29	40	40	48	48	48	11	13	17	18	18	23	26	33	35	35				
\$1,500-1,999	40	47	57	62	62	30	38	42	47	47	50	18	24	27	30	31	6	8	7	10	36	48	48	58	58	58	14	17	21	22	22	28	32	40	43	43			
\$2,000-2,499	46	55	66	72	72	35	45	49	55	56	59	21	28	31	35	37	7	10	6	10	42	56	56	67	67	67	17	21	25	26	26	33	38	47	51	51			
\$2,500-2,999	52	63	75	82	82	39	51	56	62	64	67	24	32	35	40	42	9	12	7	12	47	63	63	75	75	76	20	24	29	30	30	37	43	53	58	59			
\$3,000-3,499	57	70	83	91	91	43	56	62	69	71	75	27	36	39	44	46	10	13	8	13	52	70	70	83	83	84	23	27	32	34	34	41	48	59	65	66			
\$3,500-3,999	62	77	91	100	100	47	61	68	75	78	83	29	39	43	48	50	12	15	9	15	57	76	77	90	90	92	26	30	35	38	38	45	53	65	71	73			
\$4,000-4,499	67	84	98	108	108	51	66	73	81	84	90	31	42	46	52	54	13	16	10	16	62	82	84	96	97	100	29	33	38	41	41	49	58	70	77	79			
\$4,500-4,999	72	90	105	116	116	55	71	78	86	90	97	33	45	49	56	58	14	17	11	17																			

1966 STATE SALES TAX TABLES ▶ ▶ ▶ 17

If you itemize your deductions, you may use these tables to determine the general sales tax to be entered on page 2, Part IV. However, if you are able to establish that you paid an amount larger than that shown, you are entitled to deduct the larger amount. The tables reflect all purchases other than automobiles. If you bought an automobile, add the sales tax. Gasoline taxes are not included in these tables (see page 9 of the instructions for gasoline tax rates and table).

Income as shown on line 9, page 1, Form 1040	North Dakota					Ohio					Oklahoma ¹					Pennsylvania					Rhode Island					South Carolina					South Dakota							
	Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)												
	1	2	3	4	5	1 & 2	3 & 4	5	Over 5	1	2	3	4	5	1	2	3	4	5	1 & 2	3	4	5	Over 5	1	2	3	4	5	1	2	3	4	5	1	2	3	4
Under \$1,000	\$13	\$17	\$18	\$22	\$22	\$22	\$8	\$10	\$10	\$10	\$13	\$14	\$17	\$18	\$18	\$14	\$22	\$22	\$15	\$18	\$23	\$23	\$23	\$20	\$23	\$28	\$30	\$30	\$20	\$25	\$26	\$31	\$31	\$31				
\$1,000-1,499	16	21	23	28	28	28	12	14	14	14	17	19	23	24	24	20	29	29	26	30	30	31	31	26	30	36	39	39	32	37	45	48	48	48				
\$1,500-1,999	19	25	28	33	33	35	16	19	19	19	21	23	28	30	30	26	36	36	32	37	38	39	39	32	37	45	48	48	37	44	52	56	56	56				
\$2,000-2,499	22	29	33	38	38	41	19	23	23	23	24	27	33	35	36	32	43	43	32	37	45	46	46	37	44	52	56	56	37	44	52	56	56	56				
\$2,500-2,999	25	33	38	43	43	47	22	27	27	27	27	31	37	40	41	37	49	49	37	43	51	53	53	42	50	59	64	64	40	51	56	64	64	66				
\$3,000-3,499	28	37	42	47	48	52	25	31	31	31	30	35	41	45	46	42	55	55	42	49	57	60	60	46	56	66	72	72	44	57	62	71	71	74				
\$3,500-3,999	30	40	46	51	53	57	28	35	35	35	33	39	45	50	51	47	61	61	47	55	62	66	66	50	61	72	79	79	48	62	68	77	77	82				
\$4,000-4,499	32	43	50	55	57	62	31	39	39	39	36	42	49	54	56	52	67	67	52	60	67	72	72	54	66	78	86	86	52	67	74	83	84	89				
\$4,500-4,999	34	46	53	59	61	66	34	42	43	43	38	45	53	58	60	57	72	72	57	65	72	78	78	58	71	84	93	93	56	72	80	89	90	96				
\$5,000-5,499	36	49	56	62	65	70	37	45	47	47	40	48	57	62	64	62	77	77	61	70	77	83	84	62	76	89	99	100	59	77	85	94	96	103				
\$5,500-5,999	38	52	59	65	69	74	40	48	51	51	42	51	60	66	68	67	82	82	65	75	82	88	89	65	81	94	105	107	62	81	90	100	102	110				
\$6,000-6,499	40	55	62	68	73	78	43	51	55	55	44	54	63	70	72	72	87	87	69	80	87	93	94	68	86	99	111	113	65	85	95	104	108	116				
\$6,500-6,999	42	58	65	71	77	82	46	54	59	59	46	57	66	74	76	76	92	92	73	84	92	98	99	71	90	104	116	119	68	89	100	109	114	122				
\$7,000-7,499	44	60	68	74	81	86	49	57	62	63	48	60	69	78	80	80	97	97	77	88	96	103	104	74	94	109	121	125	71	93	105	114	120	128				
\$7,500-7,999	46	62	71	77	84	90	52	60	65	67	50	63	72	82	84	84	101	101	81	92	100	108	109	77	98	114	126	131	74	97	110	119	125	134				
\$8,000-8,499	48	64	74	80	87	94	55	63	68	71	52	66	75	85	88	88	105	105	85	96	104	113	114	80	102	118	131	137	77	101	115	124	130	140				
\$8,500-8,999	50	66	77	83	90	98	58	66	71	74	54	69	78	88	92	92	109	109	89	100	108	118	119	83	106	122	136	143	80	105	119	128	135	146				
\$9,000-9,499	51	68	79	85	93	101	60	69	74	77	56	71	81	91	95	96	113	113	93	104	112	123	124	86	110	126	141	148	83	109	123	132	140	152				
\$9,500-9,999	52	70	81	88	96	104	62	72	77	80	58	73	83	94	98	100	117	117	97	108	116	127	129	89	114	130	146	153	85	112	127	136	145	157				
\$10,000-10,999	54	73	85	91	101	109	66	76	82	85	60	76	87	99	103	107	123	123	103	115	121	134	137	93	119	136	153	161	89	117	133	141	152	165				
\$11,000-11,999	57	77	90	96	107	116	71	82	89	92	64	81	92	105	110	115	131	133	111	123	129	142	147	98	127	144	162	172	94	124	141	149	162	176				
\$12,000-12,999	60	81	95	101	113	122	76	88	96	99	68	86	97	111	117	123	139	142	118	131	136	150	156	103	134	152	171	182	99	130	149	157	171	186				
\$13,000-13,999	63	85	100	106	119	128	81	94	102	106	71	91	102	117	123	130	147	151	125	139	143	158	165	108	141	160	180	192	104	136	157	164	180	196				
\$14,000-14,999	66	89	104	110	125	134	86	99	108	113	74	96	107	123	129	137	154	160	132	147	150	166	174	113	148	167	189	202	109	142	164	171	189	206				
\$15,000-15,999	69	93	108	114	130	140	91	104	114	120	77	100	112	129	135	144	161	169	139	154	157	174	183	117	154	174	197	211	113	148	171	178	198	216				
\$16,000-16,999	71	97	112	118	135	146	96	109	120	127	80	104	117	134	141	151	168	177	146	161	164	182	192	121	160	181	205	220	117	154	178	185	206	225				
\$17,000-17,999	73	100	116	122	140	152	101	114	126	133	83	108	121	139	147	158	175	185	153	168	170	190	201	125	166	187	213	229	121	160	185	192	214	234				
\$18,000-18,999	75	103	120	126	145	157	106	119	132	139	86	112	125	144	153	165	182	193	159	175	176	197	210	129	172	193	221	238	125	166	192	199	222	243				
\$19,000-19,999	77	106	124	130	150	162	111	124	138	145	88	116	129	149	159	172	189	201	165	182	182	204	218	133	178	199	228	247	129	171	198	205	230	252				
\$20,000 and over	79	109	128	133	154	167	115	129	144	151	90	120	133	154	165	179	196	209	171	188	188	211	226	137	184	205	235	256	133	176	204	211	238	261				

Income as shown on line 9, page 1, Form 1040	Tennessee ²					Texas					Utah ³					Virginia ⁴					Washington					West Virginia					Wisconsin	Wyoming ⁵						
	Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Family Size (Persons)					Sales Tax Deduction	Family Size (Persons)						
	1	2	3	4	5	1 & 2	3 & 4	5	Over 5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4
Under \$1,000	\$21	\$22	\$28	\$29	\$29	\$7	\$10	\$10	\$10	\$23	\$31	\$31	\$40	\$40	\$40	\$4	\$4	\$6	\$6	\$6	\$25	\$34	\$34	\$44	\$44	\$44	\$18	\$20	\$26	\$27	\$27	\$6	\$15	\$21	\$21	\$27	\$27	\$27
\$1,000-1,499	26	29	36	38	38	10	13	14	14	30	40	40	51	51	51	5	5	7	8	8	32	44	44	55	55	55	24	27	34	36	36	8	19	26	27	34	34	34
\$1,500-1,999	32	36	44	47	47	13	16	18	18	37	49	50	61	61	61	6	6	9	10	10	40	54	54	67	67	67	29	34	42	45	45	11	24	32	33	41	41	41
\$2,000-2,499	37	43	51	55	56	16	19	21	21	44	57	59	70	70	70	7	7	11	12	12	47	63	64	78	78	78	34	40	49	53	53	14	28	37	39	47	47	47
\$2,500-2,999	42	49	58	63	64	19	22	24	24	50	64	67	79	79	79	8	8	12	14	14	53	71	73	87	87	87	39	46	56	61	61	17	31	42	44	52	52	53
\$3,000-3,499	46	55	65	70	72	21	25	27	27	55	71	75	86	86	86	9	9	13	16	16	59	79	82	96	96	96	43	51	62	68	68	19	34	46	49	57	58	59
\$3,500-3,999	50	60	71	77	79	23	28	30	30	60	78	82	93	94	97	9	10	14	17	18	65	86	90	104	105	108	47	56	68	75	75	21	37	50	54	62	63	65
\$4,000-4,499	54	65	77	84	86	25	31	33	33	65	84	89	100	102	106	10	11	15	18	20	71	93	98	112	114	118	51	61	74	81	82	23	40	54	58	67	68	70
\$4,500-4,999	58	70	82	90	93	27	34	36	36	70	90	96	107	109	114	11	12	16	19	21	76	100	106	119														

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**

Separate columns are provided for the reporting of rents and royalties. Report rents in column 2 and royalties in column 3.

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 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. You cannot deduct the value of your own labor.

If You Rent Part of Your House.—If you rent out only part of your property, you can deduct only that portion of your

expenses which relates to the rented 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, ESTATES OR TRUSTS, ETC.**

Partnerships.—If you are a member of a partnership, joint venture, or the like, include in Part III your share of the ordinary income (whether actually received by you or not) or the net loss for the taxable year which ends within or with the year covered by your return.

Items of income, deductions, etc., to be carried to your individual return are shown in Schedule K of the partnership return. Your share of income of the following sources 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.

Also include in Part III, your share of the specially allocated income and deduction items. See instructions on page B-2 for limitations on additional first-year depreciation.

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.

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 2 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 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.

Alternative Depreciation Guidelines and Rules.—Revenue Procedure 62-21, dated July 12, 1962 (supplemented by

Revenue Procedure 65-13), sets forth alternative standards and procedures for determining depreciation. The guideline lives for guideline classes (broad categories not item-by-item) are in most cases substantially shorter than those used prior to the Revenue Procedure. 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 these provisions must use them for all assets in a particular guideline class.

The depreciation schedule provided on the return is to be used for reporting depreciation under Revenue Procedures 62-21, 65-13 and previously prescribed rules and standards.

Depreciation Methods

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. The rate of depreciation for used property under this method may not exceed one and one-half times the applicable straight-line rate.

Special Rules for New Assets.—The cost or other basis of a new asset may also be depreciated under any of the following methods provided that (1) the asset is tangible, (2) it has an estimated useful life of 3 years or more to the taxpayer, and (3) the original use of the asset commenced with the taxpayer.

(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).

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.

Complete the "Summary of Depreciation" showing the amounts computed under the methods and procedures indicated.

Part V

RETIREMENT INCOME CREDIT

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

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

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

CUT ALONG THIS LINE

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YOUR FEDERAL INCOME TAX, 1967 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. 50 cents per copy

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