

US Treasury Department
Internal Revenue Service



TAX MODEL
1967
STATISTICS OF INCOME

general description

individual

nonbusiness file

Statistics Division
October 1969

1967 Tax Model / Individual Income Tax Returns

A General Description of the Tax Model File

Contents

	Page
Introduction.....	1
Technical Description of the File.....	2
Codes and Items in the File.....	3
Tape Record Layout.....	5
Explanation of the Codes and Items.....	6
Header and Trailer Labels.....	15
Sample Weights.....	16
Tax Model Computer Flow Chart.....	18
1967 Tax Return Forms	
Form 1040, Individual Income Tax Return.....	19
Form 1040A, Individual Income Tax Return (income less than \$10,000).....	21
Schedule B, Supplemental Income and Retirement Income Credit.....	22
Schedule D, Gains and Losses from Sales or Exchanges of Property.....	24

Introduction

The Individual Tax Model is primarily a research tool that will accurately test hypotheses regarding income, deductions, tax base, tax rates, or any combination of these factors. The Tax Model consists of (1) a file of 87,160 records selected randomly from the Statistics of Income sample of 343,848 Form 1040 and 1040A returns (input file--this file is available to research organizations at cost); (2) a generalized manipulation program designed to select, compute, compare, arrange, and recode data in the input file; and (3) a table generator program that will select, weight, and tabulate specified items in the manipulated input file, and provide for stub and column identification in a flexible format of 60 lines by 12 columns, in up to 36 tables per run.

The Model file (input file) can be partitioned into as many as 10 equal parts by use of the "select" code if it is desirable to replicate an experiment using several randomly selected sets of tax records.

The returns in the Model file are stratified by size of adjusted gross income, and type of return (presence or absence of business or farm Schedules). The Model file contains 80 data items, and 7 codes that provide identifying and characteristics information.

This general description indicates the codes and items that are included in the Tax Model file, the layout of the file, and the sampling rates for each class of return. Facsimiles of the tax return from which the information was abstracted are also included.

Technical Description of File

Each Data Record in the file, representing one tax return, is composed of one hundred (100), 10 digit, fixed point, numeric words the first 83 of which contain data. Logical Tape Records are made up of 5 data records. Logical tape records are separated by a 3/4 inch inter record gap (IRG). There is no special indication of the end of a logical tape record other than the IRG, and no indication of the end of a data record. Data are recorded at a density of 800 bits per inch on standard 2,400 foot, 1/2 inch, 7 channel, mylar tape in Binary Coded Decimal (BCD) notation with both horizontal and vertical even parity. Each logical tape record is preceded by a Delta (CB8421 in BCD). Numeric words are 10 or fewer characters because zero suppression eliminates up to 5 non-significant high order zeroes per word. The end of a data word is recognized by the zone bits in the units positions.

Header and trailer labels are 80 alphanumeric characters in length. Alpha words are 5 characters in tape. No deltas precede tape labels. The last reel of the file carries an end-of-file (EOF) indication in the second, third, and fourth characters of the trailer label. All other reels carry an end-of-reel indication (EOR) in the same positions.

The file was created using IBM 729-V Tape Drives.

Codes and Items in Tax Model File

Digit Pos. in Field 0	Code	Field	Item
			<u>Gains and Losses from Sales of Property</u>
0,1	District	55	Net Long-Term Loss after Carryover
2,3	Sample	63	Net Loss before Limitation
4	Form of deduction	71	Net Loss - Other Property
5	Tax Status	72	Net Gain - Other Property
6	Insurance	75	Short-Term Capital Loss Carryover
7	Marital Status	76	Net Short-Term Gain after Carryover
8	Select	77	Net Short-Term Loss after Carryover
		78	Long-Term Capital Loss Carryover
		79	Net Long-Term Gain after Carryover
		80	Net Capital Gain in AGI
		81	Net Capital Loss in AGI
		82	Total Ordinary Gain
			<u>Deductions</u>
		10	Total Deductions
			<u>Income and Loss</u>
			<u>Adjustments to Income</u>
7	Salaries and Wages	33	Moving Expense
8	Total Income (AGI+)	42	Sick Pay
9	Total Loss (AGI-)	45	Employee Business Expense
29	Total Dividends	46	Self-Employed Pension Deduction
30	Dividend Exclusion		
31	Capital Gains and Nontaxable Dividends		
32	Dividends in Total Income		
34	Total Interest Income		
35	Nonfarm Net Profit	11	Taxable Income
36	Nonfarm Net Loss	12	Tax Savings - Income Averaging
37	Farm Net Profit	13	Income Tax Before Credits
38	Farm Net Loss	14	Recomputed Tax on Prior-Year Investment Credit
39	Other Sources of Income	15	Self-Employment Tax
43	Other Sources of Loss	16	Income Tax Withheld
47	Pensions and Annuities	17	1966 Estimated Tax Payments
48	Rent Income	18	Excess FICA Withheld
49	Rent Loss	19	½ Excess Net Long-Term Capital Gain
50	Royalty Depletion		
51	Royalty Income	24	Income Tax After Credits
52	Royalty Loss	25	Credit for Non-Highway Federal Gasoline Tax
53	Partnership Income		
56	Partnership Loss	26	Tax Withheld by Regulated Investment Company
57	Small Business Corporation Net Income	27	Balance Due
58	Small Business Corporation Net Loss	28	Tax Paid with Return
		40	Total Overpayment
59	Estate and Trust Net Income	41	Tax Before Income Averaging
60	Estate and Trust Net Loss		

Codes and Items in Tax Model File "-Cont."

<u>Field</u>	<u>Item</u>	<u>Field</u>	<u>Item</u>
	<u>Tax Credits</u>		<u>Miscellaneous</u>
20	Retirement Income Credit	1, 2	Blank Code Fields
21	Investment Credit	54,83-95	Blank Fields
22	Foreign Tax Credit	96	Sort Field (see Explanation)
23	All Other Credits	97	Weight Word
		98	Social Security Number (see Explanation)
		99	Document Locator Number (see Explanation)
	<u>Retirement Income Credit Computation</u>		
<u>44</u>	Retirement Income in AGI		
61	Income - Age Under 65		
62	Income - Age 65 and Over		
64	Social Sec. & Other Excl. General Rule		
65	Earned Income Under Age 62 - Gen. Rule		
66	Earned Income Age 62 to 72 - Gen. Rule		
67	Base for Credit - General Rule		
68	Alternative Base for Credit		
69	Tentative Credit		
70	Retirement Income		
73	Social Sec. & Other Excl. - Alternative Method		
74	Earned Income - Alternative Method		

1 Blank words - For Codes Created in Manipulation	----- Exempt Class -----					7 Salary, Wages Tips, Etc.	8 Total Income (AGI +)	9 Total Loss (AGI -)	
10 Total Deductions	11 Taxable Income	12 Tax Savings Income Averaging	13 Income Tax Before Credits	14 Recomputed Tax Investment Credit	15 Self-Employment Tax	16 Income Tax Withheld	17 1967 Estimated Tax Payments and Credits	18 Excess FICA Withheld	19 Excess Net L-I Gain
----- Credits -----			24 Income Tax After Credits	25 Credit For Non-Highway Fed. Gasoline Tax Form 4136	26 Tax Withheld by Reg. Inv. Co. Form 2439 or Type not Specified	27 Balance Due	28 Tax Paid With Return	29 Total Domestic and Foreign Dividends	
10 Retirement Income	21 Investment	22 Foreign Tax	23 All Other	24 Income Tax After Credits	25 Credit For Non-Highway Fed. Gasoline Tax Form 4136	26 Tax Withheld by Reg. Inv. Co. Form 2439 or Type not Specified	27 Balance Due	28 Tax Paid With Return	29 Total Domestic and Foreign Dividends
----- Dividends -----			33 Moving Expense Total	34 Total Interest Income	----- Business Income or Loss -----			39 Other Sources Income	
10 Exclusion	31 Capital Gain and Nontaxable	32 In Total Income	33 Moving Expense Total	34 Total Interest Income	35 Non-Farm Net Profit	36 Non-Farm Net Loss	37 Farm Net Profit	38 Farm Net Loss	39 Other Sources Income
40 Total Ov. Payment	41 Tax Before Income Averaging	42 Sick Pay	43 Other Sources Loss	44 Retirement Income in AGI	45 Employee Business Expense	46 Self-Employed Pension Deduction	47 Pension and Annuities	----- Rent -----	
40 Total Ov. Payment	41 Tax Before Income Averaging	42 Sick Pay	43 Other Sources Loss	44 Retirement Income in AGI	45 Employee Business Expense	46 Self-Employed Pension Deduction	47 Pension and Annuities	48 Net Income	49 Net Loss
----- Royalty -----			53 Partnership Income	54	55 Net Long-Term Loss After Carryover	56 Partnership Loss	----- Small Business Corporation -----		59 Estate and Trust Income
50 Depletion	51 Net Income	52 Net Loss	53 Partnership Income	54	55 Net Long-Term Loss After Carryover	56 Partnership Loss	57 Net Income	58 Net Loss	59 Estate and Trust Income
60 Interest and Trust Loss	61 Income - Age Under 65	62 Income Age 65 and Over	63 Net Loss Before Limitation	64 Social Sec. & Other Excl. General Rule	65 Earned Income Under Age 62 General Rule	66 Earned Income Age 62 - 72 General Rule	67 Base For Credit General Rule	68 Alternative Base For Credit	69 Tentative Credit
70 Retirement Income	----- Other Property -----		73 Social Sec. & Other Excl. Alternative Method	74 Earned Income Alternative	75 Short-Term Capital Loss Carryover	----- Net Short-Term -----		78 Long - Term Capital Loss Carryover	79 Net Long-Term Gain After Carryover
70 Retirement Income	71 Net Loss	72 Net Gain	73 Social Sec. & Other Excl. Alternative Method	74 Earned Income Alternative	75 Short-Term Capital Loss Carryover	76 Gain After Carryover	77 Loss After Carryover	78 Long - Term Capital Loss Carryover	79 Net Long-Term Gain After Carryover
----- Net Capital -----		82 Ordinary Gain	83	84	85	86	87	88	89
80 Gain in AGI	81 Loss in AGI	82 Ordinary Gain	83	84	85	86	87	88	89
90	91	92	93	94	95	96 Sert Field	97 Weight Word	98 Social Security Number	99 Document Locator Number

Explanation of Codes and Items in Tape File

Columns in
Field 0
0, 1

Code
District (IRS District in which return was filed)

Southeast Region:

Greensboro, N. C.....	56
Columbia, S. C.....	57
Atlanta, Ga.....	58
Jacksonville, Fla.....	59
Nashville, Tenn.....	62
Birmingham, Ala.....	63
Jackson, Miss.....	64

North-Atlantic Region:

Augusta, Maine.....	01
Portsmouth, N. H.....	02
Burlington, Vt.....	03
Boston, Mass.....	04
Providence, R. I.....	05
Hartford, Conn.....	06
Brooklyn, N. Y.....	11
Manhattan, N. Y.....	13
Albany, N. Y.....	14
Buffalo, N. Y.....	16
Puerto Rico.....	66
CP: IO.....	98

Midwest Region:

Chicago, Ill.....	36
Springfield, Ill.....	37
Milwaukee, Wis.....	39
St. Paul, Minn.....	41
Des Moines, Iowa.....	42
St. Louis, Mo.....	43
Fargo, N. Dak.....	45
Aberdeen, South Dak.....	46
Omaha, Nebr.....	47
Detroit, Mich.....	38

Central Region:

Cincinnati, Ohio.....	31
Cleveland, Ohio.....	34
Indianapolis, Ind.....	35
Parkersburg, West Va.....	55
Louisville, Ky.....	61

Explanation of Codes and Items in Tape File "-Cont."

Columns in
Field 0
0, 1

Code
District (IRS District in which return was filed)

Southwest Region:

Wichita, Kansas.....	48
Little Rock, Ark.....	71
New Orleans, La.....	72
Oklahoma City, Okla.....	73
Austin, Texas.....	74
Dallas, Texas.....	75
Cheyenne, Wyo.....	83
Denver, Colorado.....	84
Albuquerque, N. Mex.....	85

Mid-Atlantic Region:

Newark, N. J.....	22
Philadelphia, Pa.....	23
Pittsburgh, Pa.....	25
Wilmington, Del.....	51
Baltimore, Md.....	52
Washington, D. C.....	53
Richmond, Va.....	54

Western Region:

Helena, Montana.....	81
Boise, Idaho.....	82
Phoenix, Ariz.....	86
Salt Lake City, Utah.....	87
Reno, Nev.....	88
Seattle, Wash.....	91
Anchorage, Alaska.....	92
Portland, Oregon.....	93
San Francisco, Calif.....	94
Los Angeles, Calif.....	95
Honolulu, Hawaii.....	99

1/International Operations:

Puerto Rico.....	66
All other IO returns.....	98

1/ Returns of resident aliens, citizens residing in U. S. possessions, and citizens residing abroad are filed with the Office of International Operations.

Columns (in field 0)Code

2,3 Sample

Nonbusiness

00	Form 1040A Returns
01	AGI under \$10,000
02	AGI \$10,000 under \$15,000
03	AGI \$10,000 under \$50,000 (Districts 66 and 98)
	AGI \$15,000 under \$20,000
04	AGI \$20,000 under \$50,000
05	AGI \$50,000 under \$100,000
06	AGI \$100,000 or more (Districts 66 and 98)
	AGI \$100,000 under \$200,000
07	AGI \$200,000 or more

Business

11	AGI under \$10,000
12	AGI \$10,000 under \$30,000 (Districts 66 and 98)
	AGI \$10,000 under \$15,000
13	AGI \$15,000 under \$20,000
14	AGI \$20,000 under \$30,000
15	AGI \$30,000 under \$50,000
16	AGI \$30,000 under \$100,000 (Districts 66 and 98)
	AGI \$50,000 under \$100,000
17	AGI \$100,000 or more (Districts 66 and 98)
	AGI \$100,000 under \$200,000
18	AGI \$200,000 or more

Prior Year Delinquent

09	AGI under \$50,000
19	AGI \$50,000 or more

Returns with total Loss under \$200,000 - codes 01, 09, and 11
Returns with Total Loss \$200,000 or more - codes 06, 17, and 19

4 Form of Deduction

1	Itemized deduction returns
2	Standard deduction returns (regular 10 percent)
3	Returns with no positive total income
4	Minimum standard deduction returns

5 Tax Status

- 1 Taxable, using normal tax and surtax computation
- 2 Taxable, using normal tax and surtax computation and income averaging
- 3 Taxable, using alternative tax computation
- 4 Taxable, using alternative tax computation and income averaging
- 5 Returns with no taxable income
- 6 Nontaxable (after credits), using normal tax and surtax computation
- 7 Nontaxable (after credits), using normal tax and surtax computation, and income averaging
- 8 Nontaxable (after credits), using alternative tax computation
- 9 Nontaxable (after credits), using alternative tax computation and income averaging

6 Health Insurance

- 1 With entry
- 2 No entry

7 Marital Status

- 1 Single (not head of household or surviving spouse)
- 2 Married filing joint return
- 3 Married filing separate return
- 4 Unmarried head of household
- 5 Surviving widow (widower) with dependent children

8 Select -- Randomly divides file into 10 mutually exclusive subsamples of equal size. Each record contains a code from 0 to 9.

9 Blank -- may be used during manipulation

Columns (in fields 1 and 2)

1/ 0-9 Blank -- may be used during manipulation

Fields (Exemption Code Words)

- 3 Taxpayer(s) (column 9, code value 1-2)
- 4 Age (column 9, code value 0-2)
- 5 Blind (column 9, code value 0-2)
- 6 Total (columns 8, 9, code value 1-99)

1/ A maximum of 10 codes for each word. Codes may be 1 or 2 digits, and have values ranging from 0 thru 99

1967 Tax Model Individual Income Tax Returns

<u>Field</u>	<u>Item</u>
0	Code field -- as previously described
1,2	Blank code fields -- as previously described
3	Taxpayer (s) Exemption code -- lines 2a and 2b (Regular), page 1.
4	Age Exemption code -- lines 2a and 2b (65 or over), page 1.
5	Blind Exemption code -- lines 2a and 2b (Blind), page 1.
6	Total Exemption code -- line 4, page 1.
7	Salaries and Wages -- line 5, page 1.
8	Total Income (AGI+) -- line 9, (line 7 on Form 1040A).
9	Total Loss (AGI-) -- line 9, (line 7 on Form 1040A).
10	Total Deductions -- in conjunction with the "Form of deduction" code (Field 0, col. 4) this figure is: line 11a of Form 1040 returns with adjusted gross income \$5,000 or more, or the amount computed, based on the tax reported, for all Forms 1040A and 1040 under \$5,000 where the taxpayer used the "Tax Table". The amount of total deductions on many nontaxable returns exceeds adjusted gross income reduced by the amount of exemptions. A few "separate returns" (marital status code 3) are coded as itemized deduction returns yet they have no total deductions reported. In such cases it is assumed that the spouse itemized and claimed all of the deductions.
11	Taxable Income -- for itemized deduction returns, line 11d of Form 1040. For Form 1040 returns with income \$5,000 or more and with the standard deduction, line 11d. For standard deduction Form 1040 returns with income under \$5,000, and for all Form 1040A returns, the taxable income was computed based on the appropriate marital status and form of deduction.
12	Tax Savings, Income Averaging -- a computed amount which is the difference between the tax liability under income averaging and the tax liability if income averaging was not used.
13	Income Tax Before Credits -- line 12, Form 1040 (line 8, Form 1040A). For Forms 1040, the tax was the result of (1) the regular tax computation (tax status code 1); (2) the alternative tax computation (tax status code 2); (3) income averaging (income averaging field); or (4) application of rates in effect prior to 1967 on prior year delinquent returns (sample codes 09 and 19). The tax

<u>Field</u>	<u>Item</u>
	reported by the taxpayer computed under (1) and (2) above was accepted if within a <u>+5</u> percent tolerance. If the reported tax was outside the tolerance, the tax was recomputed, and if necessary the tax status and/or marital status codes were changed. The tax reported by the taxpayer computed under (3) or (4) above was generally accepted without change.
14	Recomputed Tax -- line 14b, tax from recomputing prior year investment credit.
15	Self-Employment Tax -- line 15.
16	Income Tax Withheld -- line 17 (line 9 on Form 1040A).
17	1967 Estimated Tax Payment -- line 20, this includes prior-year overpayment credited to 1967 taxes.
18	Excess FICA Withheld -- line 18
19	$\frac{1}{2}$ Excess Net Long-Term Gain -- computed amount used in tax computation
20	Retirement Income Credit -- line 1, part V.
21	Investment Credit -- line 2, part V.
22	• Foreign Tax Credit -- line 3, part V.
23	All Other Credits -- line 4, part V, credit for tax free covenant bonds, plus credit for partially tax-exempt interest, and credit for a throwback tax on trust income distribution.
24	Income Tax After Credits -- line 14a, (line 8 on Form 1040A).
25	Credit for non-highway Federal Gasoline Tax -- line 19.
26	Tax Withheld by Regulated Investment Company -- line 19 of Form 2439 is attached.
27	Balance Due -- line 22 (line 10 on Form 1040A).
28	Tax Paid with Return -- equal to or less than balance due on line 22.
29	Total Domestic and Foreign Dividends -- line 1 page 2, Part II.
30	Dividend Exclusion -- line 1b, Part II, limited to a maximum of \$200 on joint returns, and \$100 on all other returns.

<u>Field</u>	<u>Item</u>
31	Capital Gain Dividends and Nontaxable distributions-- total lines 1a and 1d, Part II.
32	Dividends in Total Income -- line 1f, Part II.
33	Moving Expense Total -- line 2, Part III.
34	Total Interest Income -- line 2, Part II.
35	Nonfarm Net Profit -- line 4, Part II, if positive.
36	Nonfarm Net Loss -- line 4, Part II, if negative.
37	Farm Net Profit -- line 6, Part II, if positive.
38	Farm Net Loss -- line 6, Part II, if negative.
39	Other Sources Income -- line 7, Part II, if the result is positive. Includes any positive adjustment necessary to balance the sources of income and loss to adjusted gross income.
40	Total Overpayment -- line 23 (line 11 on Form 1040A).
41	Tax Before Income Averaging -- (Computed) Based on taxable income (field 11) and tax status code (field C, column 5), this item is income tax before credits computed without regard to income averaging.
42	Sick Pay -- line 1, Part III.
43	Other Sources Loss -- line 7, Part II, if negative. Includes any negative adjustment necessary to balance the sources of income and loss to adjusted gross income.
44	Retirement Income in AGI -- (Computed) Pension & Annuities plus Interest Income, plus Dividends in AGI, plus Rent Income, less Rent Loss.
45	Employee Business Expense -- line 3, Part III.
46	Self-Employed Pension Deduction -- line 4, Part III.
47	Pensions and Annuities -- sum of line A6 and B5, Part I, Schedule B.
48	Rent Net Income -- rent portion of line 2, Part II Schedule B, if positive.
49	Rent Net Loss -- rent portion of line 2, Part II Schedule B, if negative.
50	Royalty Depletion -- line 1, col. 4, Part II Schedule B.

<u>Field</u>	<u>Item</u>
51	Royalty Net Income -- royalty portion of line 2, Part II, Schedule B, if positive.
52	Royalty Net Loss -- royalty portion of line 2. Part II, Schedule B, if negative.
53	Partnership Income -- line 1, Part III, Schedule B, if positive.
54	Blank Field.
55	Net Long-Term Loss After Carryover -- line 9, Part I, Schedule D, if negative.
56	Partnership Loss -- line 1, Part III, Schedule B, if negative.
57	Small Business Corporation Income -- line 2, Part III, Schedule B, if positive.
58	Small Business Corporation Loss -- line 2. Part III, Schedule B, if negative.
59	Estate and Trust Income -- line 3, Part III, Schedule B, if positive.
60	Estate and Trust Loss -- line 3, Part III, Schedule B, if negative.
61	Income - Age under 65 -- line 1a, cols. A and B, Part v, Schedule B.
62	Income - Age 65 and Over -- line 1b, cols. A and B, Part v, Schedule B.
63	Net Loss Before Limitation -- line 10, Part I, Schedule D.
64	Social Security & Other Exclusion - General Rule -- line 3a, cols. A & B, Part v, Schedule B.
65	Earned Income under Age 62 - General Rule -- line 3b (1), cols. A & B, Part v, Schedule B.
66	Earned Income Age 62-72-General Rule -- line 3b (2), cols. A & B, Part v, Schedule B.
67	Base for Credit - General Rule -- line 7a, Part v, Schedule B.
68	Alternative Base for Credit -- line 7b, Part v, Schedule B.

<u>Field</u>	<u>Item</u>
69	Tentative Credit -- line 8, Part v, Schedule B.
70	Retirement Income -- line 1, Section B, Part v, Schedule B.
71	Other Property net Loss -- line 3, col. g, Part III, Schedule D, if negative.
72	Other Property net Gain -- line 3, col. g, Part III, Schedule D, if positive.
82	Ordinary Gain -- line 2, Part II, Schedule D.
83-95	Blank Fields -- used for computations and storage of data created during manipulation run.
96	Sort Field -- a code may be put in this field during manipulation that will provide a sorting of the file on the basis of any code or field. This permits production of statistical tables by the specified characteristic with only one pass of the file. This field will be blank in copies of the Tax Model file provided to government and nongovernment research agencies.
97	Weight Word -- contains the sample weight applicable to the return for making national estimates.
98	Social Security Number -- taxpayer identification that will be a blank field in copies of the Tax Model file provided to government and nongovernment research agencies.
99	Document Locator Number -- information required to provide identification of specific tax returns. This will be a "blank field" in copies of the Tax Model file provided to government and nongovernment research agencies.

The Sample

The sample for the Tax Model was designed to provide national level estimates. Since the Tax Model sample is approximately one-fifth the size of the Statistics of Income sample, it can be anticipated that the sampling variability of Tax Model estimates will be slightly more than twice that of similar estimates from the Statistics of Income sample. Measures of sampling variability for selected estimates are provided in Statistics of Income--1967, Individual Income Tax Returns.

Although it is possible to identify returns for each State by use of the IRS District code, we do not recommend that the Tax Model file be used to provide subnational data estimates. The number of returns for each State are inadequate to provide reliable estimates for most data items, and therefore no sample weights were calculated for each State (or District).

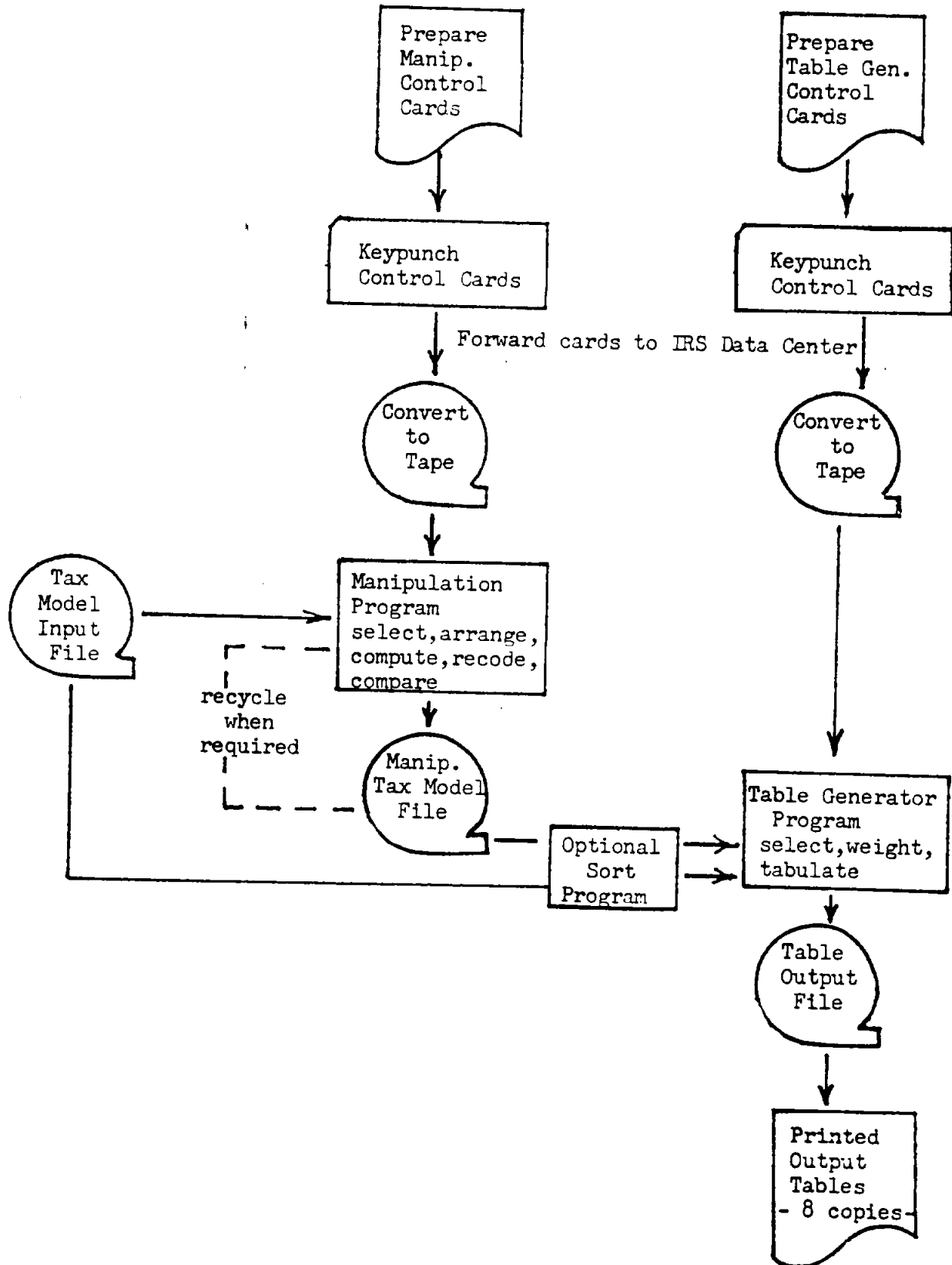
The sample code identifies the stratum from which a return was selected and indicates the weight factor to be applied for that return. Because of the way returns are processed prior to sampling, there are a few cases where the adjusted gross income is outside the range for the sample code assigned. Similarly a few returns with business data (Schedule C or F) are classified in nonbusiness sample codes and vice versa. However, in all cases, the sample code assigned to the return is governing and should not be changed.

SAMPLE WEIGHTS -- 1967 TAX MODEL FILE

INDIVIDUAL INCOME TAX RETURNS

Sample Code and Description of the Sample Class by Size of Adjusted Gross Income	Tax Model Estimated Population (1)	Sample Count (2)	Weighting Factor (3)
<u>Non-business</u>			
00 - Form 1040A	18,436,687	4,614	3,995.81
01 - AGI under \$10,000	30,987,300	7,811	3,967.14
02 - \$10,000 under \$15,000	8,955,348	3,872	2,312.85
03 - \$15,000 under \$20,000	2,278,515	3,211	709.60
04 - \$20,000 under \$50,000	1,261,477	3,598	350.61
05 - \$50,000 under \$100,000	140,418	4,017	34.96
06 - \$100,000 under \$200,000	29,910	14,955	2.00
07 - \$200,000 or more	9,380	9,380	1.00
<u>Business (Sch. C & F)</u>			
11 - AGI under \$10,000	6,763,666	4,843	1,396.59
12 - \$10,000 under \$15,000	1,381,107	2,957	467.06
13 - \$15,000 under \$20,000	534,719	2,256	237.02
14 - \$20,000 under \$30,000	424,794	2,112	201.13
15 - \$30,000 under \$50,000	275,601	1,554	177.35
16 - \$50,000 under \$100,000	123,818	3,523	35.15
17 - \$100,000 under \$200,000	22,820	11,410	2.00
18 - \$200,000 or more	6,919	6,919	1.00
<u>Prior Year Delinquent</u>			
09 - AGI under \$50,000	19,461	25	778.44
19 - \$50,000 or more	103	103	1.00
Total.	71,652,043	87,160	

INDIVIDUAL TAX MODEL COMPUTER FLOW CHART



Form 1040 U.S. Individual Income Tax Return U.S. Treasury Department, Internal Revenue Service
for the year January 1-December 31, 1967,
or other taxable year beginning 1967, ending 1)



1967

Please print or type

First name and initial (If joint return, use first names and middle initials of both)	Last name	Your social security number
Home address (Number and street or rural route)		Your occupation
City, town or post office, and State		ZIP code
Enter below name and address used on your return for 1966 (if same as above, write "Same"). If none filed, give reason. If changing from separate to joint or joint to separate returns, enter 1966 names and addresses.		Spouse's social security number
Your present employer and address		Spouse's occupation
Spouse's present employer and address, if joint return		

Your Filing Status—check only one:

1a Single

1b Married filing joint return (even if only one had income)

1c Married filing separately. If spouse is also filing a return, enter her (his) social security number in space provided above and give first name here

1d Unmarried Head of Household

1e Surviving widow(er) with dependent child

Your Exemptions Regular 65 or over Blind

2a Yourself . . . Enter number of boxes checked ▶

2b Spouse . . .

3a First names of your dependent children who lived with you

3b Number of other dependents (from page 2, Part I, line 3) Enter number ▶

4 Total exemptions claimed . . . ▶

Please attach Copy B of Form W-2 here

Income If joint return include all income of both husband and wife	5 Wages, salaries, tips, etc. If not shown on attached Forms W-2 attach explanation	5	
	6 Other income (from page 2, Part II, line 8)	6	
	7 Total (add lines 5 and 6)	7	
	8 Adjustments to income (from page 2, Part III, line 5)	8	
	9 Total income (subtract line 8 from line 7)	9	
Find tax from table OR	10 If you do not itemize deductions and line 9 is less than \$5,000, find your tax from tables in instructions. Do not use lines 11a, b, c, or d. Enter tax on line 12.	10	
Figure tax using tax rate schedules	11a If you itemize deductions, enter total from page 2, Part IV, line 17. If you do not itemize deductions, and line 9 is \$5,000 or more enter the larger of: (1) 10 percent of line 9; OR (2) \$200 (\$100 if married and filing separate return) plus \$100 for each exemption claimed on line 4, above. Deduction under (1) or (2) limited to \$1,000 (\$500 if married and filing separately).	11a	
	11b Subtract line 11a from line 9	11b	
	11c Multiply total number of exemptions on line 4, above, by \$600	11c	
	11d Subtract line 11c from line 11b. Enter balance on this line. (Figure your tax on this amount by using tax rate schedule on page 11 of instructions.) Enter tax on line 12.	11d	
Your Tax, Credits, and Payments	12 Tax (from either Tax Table, see line 10, or Tax Rate Schedule, see lines 11a-11d)	12	
	13 Total credits (from page 2, Part V, line 4)	13	
	14a Income tax (subtract line 13 from line 12)	14a	
	14b Tax from recomputing prior year investment credit (attach statement)	14b	
	15 Self-employment tax (Schedule C-3 or F-1)	15	
	16 Total tax (add lines 14a, 14b, and 15)	16	
	17 Total Federal income tax withheld (attach Forms W-2)	17	
	18 Excess F.I.C.A. tax withheld (two or more employers—see page 5 of instr.)	18	
	19 <input type="checkbox"/> Nonhighway Federal gasoline tax—Form 4136, <input type="checkbox"/> Reg. Inv.—Form 2439	19	
	20 1967 Estimated tax payments (include 1966 overpayment allowed as a credit)	20	
	21 Total (add lines 17, 18, 19, and 20)	21	
Balance Due or Refund	22 If payments (line 21) are less than tax (line 16), enter Balance Due. Pay in full with this return	22	
	23 If payments (line 21) are larger than tax (line 16), enter Overpayment	23	
	24 Amount of line 23 you wish credited to 1968 Estimated Tax	24	
	25 Subtract line 24 from 23. Apply to: <input type="checkbox"/> U.S. Savings Bonds, with excess refunded or <input type="checkbox"/> Refund only	25	

Please attach Check or Money Order here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

Sign here ▶ Your signature Date

▶ Signature of preparer other than taxpayer Date

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

Part II Exemptions Complete only for dependents claimed on line 3b, page 1

Form 1040-1967-Page 2

Table with 6 columns: (a) NAME, (b) Relationship, (c) Months lived in your home, (d) Did dependent have income, (e) Amount you furnished for dependent's support, (f) Amount furnished by OTHERS including dependent.

Part III Income from sources other than wages, etc.

Part IV Itemized deductions—Use only if you do not use tax table or standard deduction.

Form section for Part III: 1a Gross dividends and other distributions on stock, 1b Exclusion, 1c Capital gain distributions, 1d Nontaxable distributions, 1e Total, 1f Taxable dividends.

Medical and dental expense (not compensated by insurance or otherwise)—Attach itemized list.

Form section for Part IV: 1 One-half (but not more than \$150) of insurance premiums for medical care, 2 Total cost of medicine and drugs, 3 Enter 1% of line 9, page 1, 4 Subtract line 3 from line 2, 5 Other medical, dental expenses, 6 Total, 7 Enter 3% of line 9, page 1, 8 Subtract line 7 from line 6, 9 Total.

Form section for Part III: Interest (list payers and amounts below), Earnings from savings and loan assoc. and credit unions, Other interest (banks, bonds, tax refunds, etc.), 2 Total interest income, 3 Pensions and annuities, rents and royalties, partnerships, estates or trusts, etc. (attach Sch. B), 4 Business income or loss (attach Schedule C), 5 Sale or exchange of property (attach Schedule D), 6 Farm income or loss (attach Schedule F).

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

Form section for Part IV: 10 Total cash contributions, 11 Other than cash (see instructions for required statement). Enter total of such items here., 12 Carryover from prior years (see page 8 of instr.), 13 Total contributions (add lines 10, 11, and 12—see instructions for limitation).

Form section for Part III: Miscellaneous income (state nature and source), 7 Total miscellaneous income, 8 TOTAL (add lines 1f, 2, 3, 4, 5, 6, and 7). Enter here and on page 1, line 6.

Form section for Part IV: Taxes.—Real estate, State and local gasoline, General sales (see page 15 of instructions), State and local income, Personal property, 14 Total taxes.

Part III Adjustments to income

Interest expense.—Home Mortgage, Other (itemize)

Form section for Part IV: 15 Total interest expense, Miscellaneous deductions.—(see page 9 of instructions)

Form section for Part III: 1 "Sick pay" if included in line 5, page 1 (attach Form 2440 or other required statement), 2 Moving expenses (attach Form 3903), 3 Employee business expense (attach Form 2106 or other statement), 4 Payments by self-employed persons to retirement plans, etc. (attach Form 2950SE), 5 TOTAL ADJUSTMENTS (lines 1 through 4). Enter here and on page 1, line 8.

Form section for Part IV: 16 Total miscellaneous, 17 TOTAL DEDUCTIONS (add lines 9, 13, 14, 15, and 16). Enter here and on page 1, line 11a.

Part V Credits

Form section for Part V: 1 Retirement income credit (Schedule B), 2 Investment credit (Form 3468), 3 Foreign tax credit (Form 1116), 4 TOTAL CREDITS (for page 1, line 13).

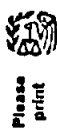
EXPENSE ACCOUNTS—If you had an expense allowance or charged expenses to your employer, check here and see page 7 of instructions.

1040A U.S. Individual Income Tax Return

If item 7 is \$10,000 or more, or if total income from interest, dividends, and nonwithheld wages is \$2,000, use Form 1040.

1967

U.S. Treasury Department
Internal Revenue Service



1. Name (If joint return, use first names and middle initials of both)
 Home address (Number and street or rural route)
 City, town or post office, State and ZIP code

2. Your social security number
 3. Spouse's social security number
 If a return, enter her (his) social security number in item 3 and give first name here ▶

4. Check one:
 a. Single;
 b. Married filing joint return (even if only one had income);
 c. Married filing separately—if spouse is also filing a return, enter her (his) social security number in item 3 and give first name here ▶

Enter below name and address used on your return for 1966. (If same as above, write "Same.") If none filed, give reason. If changing from separate to joint or joint to separate returns, enter 1966 names and addresses.

If your income was \$5,000 or more, you must compute your tax. If income was less than \$5,000, you may have the Internal Revenue Service compute your tax by omitting items 8, 10, and 11 (but complete item 9). If you compute your own tax, pay balance (item 10) in full with your return.

Apply refund tax U.S. Savings Bonds, & excess refunded; or Refund only.

LIST YOUR EXEMPTIONS AND SIGN ON OTHER SIDE.

5. Enter total wages, salaries, tips, etc. Enclose Forms W-2, Copy B. If not shown on enclosed Forms W-2 attach explanation.	Yours ▶	
	Spouse's ▶	
6a. Interest	Yours ▶	
	Spouse's ▶	
6b. Dividends: Yours—before exclusion \$..... After ▶		
(See instr.) Spouse's—before exclusion \$..... After ▶		
7. Total income (add items 5, 6a, and 6b)	▶	
8. Tax from Tax Table or tax computation schedule	▶	
9. Total Federal income tax withheld (from Forms W-2)	▶	
10. If item 8 is larger than item 9, enter Balance due ▶		
11. If item 9 is larger than item 8, enter Refund ▶		

12. EXEMPTIONS FOR YOURSELF—AND SPOUSE (only if all her (his) income is included in this return, or she (he) had no income) { Yourself . . . Regular 65 or over Blind } Enter number of boxes checked
 Check boxes which apply { Spouse . . . Regular 65 or over Blind }

13. First names of your dependent children who lived with you

14. DEPENDENTS OTHER THAN THOSE CLAIMED IN ITEM 13.	(a) NAME ▶ Enter figure 1 in the last column to right for each name listed (if more space is needed, attach schedule)	(b) Relationship	(c) Months lived in your home. If born or died during year also write "B" or "D"	(d) Did dependent have income of \$600 or more?	(e) Amount YOU furnished for dependent's support. If 100% write "ALL"	(f) Amount furnished by OTHERS including dependent. See instruction 14	Enter number ▶
					\$	\$	

15. TOTAL EXEMPTIONS FROM ITEMS 12, 13, AND 14 ABOVE

Your present employer
 City and State where employed
 Spouse's present employer
 City and State where employed

If you had an expense allowance or charged expenses to your employer, see instructions for "Reimbursed Expenses" and check here If appropriate.

Under penalties of perjury, I declare that to the best of my knowledge and belief this is a true, correct, and complete return.

Sign here ▶ Your signature
 Date

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

SCHEDULE B (Form 1040)

U.S. Treasury Department Internal Revenue Service

Supplemental Schedule of Income and Retirement Income Credit

(From pensions and annuities, rents and royalties, partnerships, and estates or trusts)

Attach this schedule to your income tax return, Form 1040

1967

Name and address as shown on page 1 of Form 1040

Part I.—PENSION AND ANNUITY INCOME

A.—General Rule (If you did not contribute to the cost of the pension or annuity, enter the total amount received on line 6 and omit lines 1 through 5.)

Form with lines 1-6 for General Rule: Investment in contract, Expected return, Percentage of income to be excluded, Amount received this year, Amount excludable, Taxable portion.

B.—Special Rule—Where your employer has contributed part of the cost and your own contribution will be recovered tax-free within 3 years. If your cost was fully recovered in prior years, enter the total amount received on line 5 and omit lines 1 through 4.

Form with lines 1-5 for Special Rule: Cost of annuity (amounts you paid), Cost received tax-free in past years, Remainder of cost, Amount received this year, Taxable portion.

Part II.—RENT AND ROYALTY INCOME

Table with 6 columns: 1. Kind and location of property, 2. Total amount of rents, 3. Total amount of royalties, 4. Depreciation, 5. Repairs, 6. Other expenses. Includes Totals and Net income rows.

Part III.—INCOME OR LOSSES FROM PARTNERSHIPS, ESTATES OR TRUSTS, ETC.

Form with lines 1-3 for Partnerships, Small business corporations, Estates or trusts.

TOTAL OF PARTS I, II, AND III (Enter here and on page 2, Part II, line 3, Form 1040).

Part IV.—SCHEDULE FOR DEPRECIATION CLAIMED IN PART II ABOVE.—This schedule is designed for taxpayers using the alternative guidelines and administrative procedures described in Revenue Procedures 62-21 and 65-13 as well as for those taxpayers who wish to continue using practices authorized prior to these revenue procedures.

Table with 8 columns: 1. Group and guideline class, 2. Cost or other basis, 3. Asset additions, 4. Asset retirements, 5. Depreciation allowed, 6. Method of computing depreciation, 7. Class life, 8. Depreciation for this year.

2 Total depreciation (Enter here and in Part II, column 4 above)

SUMMARY OF DEPRECIATION

Summary table with 7 columns: Straight line, Declining balance, Sum of the years-digits, Units of production, Additional first year, Other (specify), Total.

**SCHEDULE D
(Form 1040)**

**Gains and Losses From Sales or Exchanges
of Property**

1967

U.S. Treasury Department
Internal Revenue Service

Attach this schedule to your income tax return, Form 1040

Name and address as shown on page 1 of Form 1040

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

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

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

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

5 Enter gain from Part II, line 3							

Total long-term gross sales price

- 6 Enter the full amount of your share of net long-term gain (or loss) from partnerships and fiduciaries
- 7 Enter unused long-term capital loss carryover from preceding taxable years (attach statement)
- 8 Capital gain dividends (see Form 1040 Instructions, page 6)
- 9 Net long-term gain (or loss) from lines 5, 6, 7, and 8

- 10 Combine the amounts shown on lines 4 and 9, and enter the net gain (or loss) here
- 11 If line 10 shows a GAIN—Enter 50% of line 9 or 50% of line 10, whichever is smaller. (Enter zero if there is a loss or no entry on line 9.) (See reverse side for computation of alternative tax.)
- 12 Subtract line 11 from line 10. Enter here and in Part IV, line 1, on reverse side
- 13 If line 10 shows a LOSS—Enter here and in Part IV, line 1, the smallest of the following: (a) the amount on line 10; (b) the amount on page 1, line 11b, Form 1040, computed without regard to capital gains and losses; or (c) \$1,000

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



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

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

f. Depreciation allowed (or allowable) since acquisition		g. Adjusted basis (e less sum of f-1 and f-2)	h. Total gain (d less g)	i. Ordinary gain (lesser of f-2 or h) OR (see instructions)	j. Other gain (h less i)
f-1. Prior to January 1, 1962 OR Prior to January 1, 1964	f-2. After December 31, 1961 OR After December 31, 1963				

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

Schedule D (Form 1040) 1967

Page 2

Part III—PROPERTY OTHER THAN CAPITAL ASSETS

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

2 Enter your share of partnership and fiduciary gain (or loss) from property other than capital assets						
3 Net gain (or loss) from lines 1 and 2. Enter here and in Part IV, line 3.						

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

1 Net gain (or loss) from Part I, line 12 or 13	-----
2 Total ordinary gain from Part II, line 2	-----
3 Net gain (or loss) from Part III, line 3	-----
4 Total net gain (or loss), combining lines 1, 2, and 3. Enter here and on page 2, Part II, line 5, Form 1040	-----

COMPUTATION OF ALTERNATIVE TAX—It will usually be to your advantage to use the alternative tax if the net long-term capital gain exceeds the net short-term capital loss, or if there is a net long-term capital gain only, and you are filing (a) a separate return with taxable income exceeding \$26,000, or (b) a joint return, or as a surviving husband or wife, with taxable income exceeding \$52,000, or (c) as a head of household with taxable income exceeding \$38,000.

1 Enter the amount from page 1, line 11d, Form 1040	-----
2 Enter amount from Part I, line 11, on reverse side	-----
3 Subtract line 2 from line 1	-----
4 Enter tax on amount on line 3 (use applicable tax rate schedule on page 11 of Form 1040 Instructions)	-----
5 Enter 50% of line 2	-----
6 Alternative tax (add lines 4 and 5). If smaller than the tax figured on the amount on page 1, line 11d, Form 1040, enter this alternative tax on page 1, line 12, Form 1040 and write "Alternative" to left of entry	-----