A Special Message for Taxpayers

Every year more than 60 million individuals demonstrate their faith in America by filing income tax returns. The season has rolled around again and we are sending you this package of forms and instructions to help you do this.

There have been no basic changes in the law and therefore you will find few differences from last year's forms. One exception is that the recent "medicare" legislation added physicians to all of the other business and professional people who pay a "self-employment" tax along with their income tax, in order to qualify for social security benefits.

We have tried to make this year's form easier to read and more attractive by using more modern type and arrangement. Also, we have rearranged the tax tables in the instructions to make it easier for you to find the correct tax.

Our automatic data processing system has continued its steady progress and this year more returns will be processed electronically than ever before. This system promises more uniform application of our tax laws.

More improvements also have been made in the use of information from payers of dividends, interest, and other income so as to lessen mistakes in reporting such items. It has been very gratifying to see how much improvement has been made by citizens as they have become better acquainted with these responsibilities. Other points that need your special attention are:

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

COPY YOUR SOCIAL SECURITY NUMBER exactly as it appears on your account card.

BE SURE TO FILL OUT EACH ITEM on the form which applies to you. Please be accurate and follow the instructions.

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

BE SURE TO SIGN YOUR RETURN.

BE SURE TO FILE EARLY—before the April 15 deadline. A hastily prepared return may have errors.

We appreciate your efforts toward good compliance and we are proud of this Nation's record in this area. If you have any questions, please write or call your nearest district office.

Commissioner of Internal Revenue

16—78860—1

Instructions for Preparing Your Federal Income Tax Return Form 1040 for 1965

INTERNAL
REVENUE
SERVICE

INSTRUCTIONS FORM 1040 (1965)

IMPORTANT NEW FEATURES

For 1965.—State sales tax tables showing acceptable levels of deductible sales tax are provided on pages 15, 16, and 17. State gasoline tax rates are also listed on page 9.

Information relating to the pay exclusion for Servicemen in Vietnam is contained on page 3 of these instructions.

For 1966.—The amount of wages subject to FICA (social security) tax is increased from $4,800 to $6,600 beginning in January 1966. The increase in FICA (social security) tax, to provide for hospital coverage and other benefits will be effective January 1, 1966.

The maximum amount of self-employment income has been increased from $4,800 to $6,600 for years ending after December 31, 1965. Appropriate changes should be made to Schedule C–3 and Schedule F–1 by self-employed individuals whose taxable year ends after December 31, 1965. and before December 31, 1966.

In general, cash tips received by an employee on and after January 1, 1966, amounting to $20 or more in a month must be reported to the employer on a monthly basis. Such tips are considered wages and are subject to employee FICA (social security) tax at 4.2 percent and to income tax withholding.

Since Federal tax on gasoline used after June 30, 1965, on a farm and for other nonhighway purposes will now be allowed as a credit against tax on your income tax return for taxable years beginning after June 30, 1965, rather than refunded as heretofore, such anticipated amounts may be taken into consideration in making your 1966 income tax estimate. Federal tax on lubricating oil used after December 31, 1965, for any purpose other than in a highway motor vehicle, may also be claimed in the same manner.

HOW TO USE FORM 1040

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

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

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

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

Schedule C for income from a personally owned business;

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

Schedule F for income from farming.

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

WAGE EARNERS WITH LESS THAN $10,000 INCOME

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

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

2. It consisted of wages 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 which is generally the higher of:

(a) the 10-percent standard deduction—about 10 percent of your income, or

(b) the minimum standard deduction—an amount equal to $200 ($100 if married and filing separate return) plus $100 for each exemption claimed in item 15 on the back of your Form 1040A. Example: Husband and wife filing joint return claiming 4 dependent children. Minimum standard deduction is $800 ($200 plus $100 for each of 6 exemptions).

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

o59—16—78860-1

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 1965 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.

WHEN AND WHERE TO FILE

Please file as early as possible. You must file not later than April 15. Mail your return to the "District Director of Internal Revenue." **For addresses of District Directors' Offices see page 10.** 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 Numbers.— Be sure to enter your number in the space provided, exactly as shown on your card. If you need a number, file application Form SS–5 with the local office of the Social Security Administration. File the application early to make certain you receive your card before April 15, the deadline for filing your return. If you file an application but do not receive your card by that date—file your return and enter "Applied for" in the space provided for the number.

MEMBERS OF ARMED FORCES

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

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 1965 by the Armed Forces early in 1965 will, in most cases, include combat pay. Forms W–2 issued after that time should 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 you are reporting less income on page 1, line 5, Form 1040, than is shown on your Form W–2, attach a statement to your return showing how the exclusion was figured.

WHERE TO GET FORMS

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

HOW TO PAY

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

ROUNDING OFF TO WHOLE DOLLARS

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

ATTACHMENTS TO THE RETURN

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

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

MARRIED PERSONS—JOINT OR SEPARATE RETURNS

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

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

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

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

How To Prepare a Separate Return.—Separate returns may be filed by husband and wife where each has income of his own. In such case each should report his or her own income, exemptions and deductions in separate returns. Only the name of the filer should be entered in the name and address area of the return. Check the box "Married filing separately," 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 income. 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. If an executor or administrator has been appointed, the return should be filed by both you and the executor or administrator. If no executor or administrator has been appointed, you may file the return. Indicate you are filing as a surviving husband or wife in the signature area of the return. If a refund is due, attach Form 1310, Statement of Claimant to Refund Due on Behalf of Deceased Taxpayer. You may also be entitled to the benefits of a joint return for the 2 years following the death of your husband or wife. See "Widows and Widowers," below.

SPECIAL COMPUTATIONS

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

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

See head of household rates on page 11.

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. However, the exemption for the decedent may be claimed only for the year of death.

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

HOW TO REPORT YOUR INCOME

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

Examples of Income Which Must Be Reported

Wages, salaries, bonuses, commissions, fees, tips, and gratuities.
Dividends.
Interest on 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.
Industrial, civil service and other pensions, annuities, endowments.
Rents and royalties from property, patents, copyrights.
Your share of estate or trust income.
Employer supplemental unemployment benefits.
Alimony, separate maintenance or support payments received from (and deductible by) your husband (or wife).
Prizes and awards (such as items received from radio and TV shows, contests, raffles, etc.).

Examples of Income Which Should Not Be Reported

Disability retirement payments and other benefits paid by the Veterans Administration.
Dividends on veterans' insurance.
Life insurance proceeds upon death.
Workmen's compensation, insurance, damages, etc., for injury or sickness.
Interest on State and municipal bonds.
Federal 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, 1965. Your age is determined on the day before your actual birthday and, thus, if your 65th birthday was on January 1, 1966, you get the additional exemption for age on your return for 1965.

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 1965, 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 1965.

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 page 5), and

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

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

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

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

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

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

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

Definition of Student.—The law defines a student as an individual who, during each of 5 calendar months during the year, is (*a*) a full-time student at an educational institution or (*b*) pursuing a full-time course of institutional on-farm training under the supervision of an accredited agent of an educational institution or of a State, or a political subdivision of a State.

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

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

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

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

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

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

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

Line 5—WAGES, SALARIES, TIPS, ETC.

Report the full amount of your wages, salaries, fees, commissions, tips, bonuses, and other payments for your personal services even though taxes and other amounts have been withheld by your employer. If an amount appears on Form W–2 in the box captioned "Other compensation paid in 1965," add this amount to the amount shown in the box captioned "Wages paid subject to withholding in 1965" 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.

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

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

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

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

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

TAX—CREDITS—PAYMENTS—BALANCE DUE OR REFUND

FIGURING YOUR TAX

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

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

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

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

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

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

Two or More Employers.—If more than $174 of Social Security (F.I.C.A.) employees tax was withheld during 1965 *because either you or your wife received wages from more than one employer,* the excess should be claimed as a credit against income tax. Include any excess of Social Security tax withheld over $174. Also show the amount separately and write "F.I.C.A." to left of the entry. If a joint return, do not add the Social Security tax withheld from both husband and wife to figure the excess over $174; compute the credit separately.

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

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

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

Line 20.—To properly claim the credit shown on line 20 file **Form 1040–ES**, Declaration of Estimated Income Tax **for 1966, and enter this amount on line 7 of the estimate form.**

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

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

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

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

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

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

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

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

Farmers and fishermen may postpone filing their 1966 declarations until January 15, 1967.

Additional Charge for Underpayment of Estimated Tax.—Estimate your tax carefully. Avoid the difficulties of paying a large balance with your return; also the prospect of your being liable for the additional charge imposed by law for underpayment of estimated tax when filing your 1966 income tax return. See instructions for line 17c.

INSTRUCTIONS FOR PAGE 2 OF FORM 1040

Part II

Line 1—DIVIDENDS

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

Enter in item A, above line 1a, the gross amount of dividends and other distributions received by you as a shareholder, either directly or through a nominee or other intermediary. *Do not include any amount paid to you as a distribution in liquidation.*

Enter in item B, above line 1a, the total of any capital gain dividends and nontaxable distributions included in item A. An example of this is an amount designated by a paying corporation as a return of capital.

Some payers, especially mutual funds and investment club partnerships, distribute both an ordinary dividend and a capital gain at the same time; the check or notice will usually show them separately. You must report the dividend income portion on this line, and the capital gain portion in Part I, line **8 of Schedule D (Form 1040).**

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

You may exclude from your income 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.

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

If you received qualifying dividends through a fiduciary or partnership see paragraph for dividends received credit on page 10.

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

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

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

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

(d) real estate investment trusts.

(e) China Trade Act corporations.

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

Line 3—INTEREST

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

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

Line 8—OTHER SOURCES

If you cannot find any specific place on your return (or related schedules) to list certain types of income, report it on line 8. Income reported on this line must be identified as to its source. Report here amounts received as alimony, separate maintenance, prizes and awards. Recoveries of bad debts and other items which reduced your tax in a prior year should also be reported here. A refund of State income tax should be entered here. The general rule is that a refund of State income tax is income to the taxpayer if a deduction was taken in a prior year which resulted in a Federal tax benefit. Taxpayers using the cash basis report the refund in the year received; taxpayers using the accrual basis report when the claim is allowed (if no claim is filed, report when the taxing authority notifies you of the overpayment).

Net Operating Loss.—If, in 1965, your business or profession lost money instead of making a profit, if you had a casualty loss, or a loss from the sale or other disposition of depreciable property (or real property) used in your trade or business, you can apply the losses against your 1965 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 1965, 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.

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

Line 2—MOVING EXPENSES

Except as noted below, employees, including new employees, can deduct 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 8 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 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 "Other deductions") business expenses other than those described above. Examples of such expenses are professional and union dues, and the cost of tools, materials, etc., not paid for by your employer.

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

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

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

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

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

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

This simplified method cannot be used if 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 8.

(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 "Other 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 page 7 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 medical treatment may not be treated as medical expense unless they are part of a hospital bill or are included in the cost of care in a similar institution.

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

Physicians, dentists, nurses, and 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 5 of the "Medical and dental expense" section, page 2, Part IV.

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

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

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

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

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

CONTRIBUTIONS

If you itemize deductions, you can deduct gifts to:

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

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

(3) veterans' organizations; 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 paragraphs (1) and (4), above. Attach computation.

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

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

You CAN Deduct Gifts To:

Churches, including assessments
Salvation Army, Red Cross, 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 conducting research or education for the alleviation and cure of diseases and disabilities such as cancer, cerebral palsy, cystic fibrosis, diseases of the heart, diabetes, 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.

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

You CAN Deduct Interest On:

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

You CANNOT Deduct Interest On:

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

TAXES

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

If part or all of the cost of your automobile tags is 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, for example, "stock transfer tax," describe the tax and list amount in the space below "Personal property" and include amount in "Total taxes."

Average general sales tax tables for many States are provided in these instructions. 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.

You may figure the deduction for State gasoline tax by multiplying the number of gallons by the applicable tax rates which follow:

Alabama 7¢
Alaska 8¢
Arizona 6¢, after July 19, 7¢
Arkansas 6.5¢, after June 9, 7.5¢
California 7¢, except 8¢ from March 31 to September 1
Colorado 6¢, after July 31, 7¢
Connecticut 6¢
Delaware 6¢, after July 31, 7¢
Dist. of Columbia 6¢
Florida 7¢
Georgia 6.5¢
Hawaii 5¢ (Hawaii County 8¢)
Idaho 6¢
Illinois 5¢
Indiana 6¢
Iowa 6¢, after June 30, 7¢
Kansas 5¢
Kentucky 7¢
Louisiana 7¢
Maine 7¢
Maryland 7¢
Massachusetts 5.5¢, after May 12, 6.5¢
Michigan 6¢
Minnesota 6¢
Mississippi 7¢
Missouri 5¢
Montana 6¢
Nebraska 7¢, after March 31, 7.5¢
Nevada 6¢ (Clark and Washoe Counties 7¢, after July 31)
New Hampshire 7¢
New Jersey 6¢
New Mexico 6¢
New York 6¢
North Carolina 7¢
North Dakota 6¢
Ohio 7¢
Oklahoma 6.58¢
Oregon 6¢
Pennsylvania 7¢
Rhode Island 7¢
South Carolina 7¢
South Dakota 6¢
Tennessee 7¢
Texas 5¢
Utah 6¢
Vermont 6.5¢
Virginia 7¢
Washington 7.5¢
West Virginia 7¢
Wisconsin 6¢
Wyoming 5¢

Note: Above rates from information available as of September 1.

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

OTHER DEDUCTIONS

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

(a) dependent children under 13 years of age; or
(b) dependent persons (excluding husband or wife) physically or mentally incapable of caring for themselves;

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

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

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

(b) she files a joint return with her husband, in which case, the deduction is reduced by the amount (if any) by which their combined income on page 1, line 9, exceeds $6,000. *This limita-*

tion 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 pages 7 and 8 for employee business expenses.

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

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

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

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

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

You CAN Deduct Cost Of:
Safety equipment, tools and supplies, used in your job
Dues to unions or professional societies
Business entertainment
Fees to employment agencies

You CANNOT Deduct Cost Of:
Travel to and from work
Entertaining friends
Bribes and illegal payments

Part V

DIVIDENDS RECEIVED CREDIT

Generally, the 2-percent dividends received credit is no longer applicable. However, you are entitled to the dividends received credit on qualifying dividends you received through a fiduciary or partnership which were paid to the fiduciary or partnership on or before December 31, 1964. This credit is the smallest of the following amounts (a) 2 percent of such dividends included on page 2, Part II, line 1c, Form 1040; (b) tax shown on page 1, line 12, Form 1040, less foreign tax credit; or (c) 2 percent of taxable income. Taxable income means (a) if tax is computed, the amount shown on page 1, line 11d, Form 1040, or (b) if tax table is used, the amount shown on page 1, line 9, Form 1040, less the standard deduction and the deduction for exemptions ($600 multiplied by the number of exemptions claimed on page 1, line 4, Form 1040). If you are entitled to the credit, write "Dividends Received Credit" in the space directly below the heading "Part V Credits," show the credit in the amount column, and include it in the total on line 5.

ADDRESSES OF DISTRICT DIRECTORS' OFFICES

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

[1] ALABAMA—Birmingham, Ala., 35203.
ALASKA—Anchorage, Alaska, 99501.
ARIZONA—Phoenix, Ariz., 85025.
ARKANSAS—Little Rock, Ark., 72203.
CALIFORNIA—Los Angeles, Calif., 90012; San Francisco, Calif., 94102.
COLORADO—Denver, Colo., 80202.
CONNECTICUT—Hartford, Conn., 06115.
[2] DELAWARE—Wilmington, Del., 19802.
[2] DISTRICT OF COLUMBIA—Baltimore, Md., 21202.
[1] FLORIDA—Jacksonville, Fla., 32202.
[1] GEORGIA—Atlanta, Ga., 30303.
HAWAII—Honolulu, Hawaii, 96813.
IDAHO—Boise, Idaho, 83701.
ILLINOIS—Chicago, Ill., 60602; Springfield, Ill., 62704.
INDIANA—Indianapolis, Ind., 46204.
IOWA—Des Moines, Iowa, 50309.
KANSAS—Wichita, Kans., 67202.
KENTUCKY—Louisville, Ky., 40202.
LOUISIANA—New Orleans, La., 70130.
MAINE—Augusta, Maine, 04330.
[2] MARYLAND—Baltimore, Md., 21202.
MASSACHUSETTS—Boston, Mass., 02115.
MICHIGAN—Detroit, Mich., 48226.
MINNESOTA—St. Paul, Minn., 55101.
[1] MISSISSIPPI—Jackson, Miss., 39202.
MISSOURI—St. Louis, Mo., 63101.
MONTANA—Helena, Mont., 59601.
NEBRASKA—Omaha, Nebr., 68102.
NEVADA—Reno, Nev., 89502.
NEW HAMPSHIRE—Portsmouth, N.H., 03801.
[2] NEW JERSEY—Newark, N.J., 07102.
NEW MEXICO—Albuquerque, N. Mex., 87101.
NEW YORK—Brooklyn, N.Y., 11201; 120 Church Street, New York, N.Y., 10007; Albany, N.Y., 12210; Buffalo, N.Y., 14202.
[1] NORTH CAROLINA—Greensboro, N.C., 27401.
NORTH DAKOTA, Fargo, N. Dak., 58102.
OHIO—Cleveland, Ohio, 44113; Cincinnati, Ohio, 45202.
OKLAHOMA—Oklahoma City, Okla., 73102.
OREGON—Portland, Oreg., 97232.
PANAMA CANAL ZONE—Director of International Operations, Internal Revenue Service, Washington, D.C., 20225.
[2] PENNSYLVANIA—Philadelphia, Pa., 19108; Pittsburgh, Pa., 15222.
PUERTO RICO—Director of International Operations, Internal Revenue Service, 1105 Fernandez Juncos Avenue, Santurce, P.R., 00907.
RHODE ISLAND—Providence, R.I., 02907.
[1] SOUTH CAROLINA—Columbia, S.C., 29201.
SOUTH DAKOTA—Aberdeen, S. Dak., 57401.
[1] TENNESSEE—Nashville, Tenn., 37203.
TEXAS—Austin, Tex., 78701; Dallas, Tex., 75201.
UTAH—Salt Lake City, Utah, 84110.
VERMONT—Burlington, Vt., 05402.
[2] VIRGINIA—Richmond, Va., 23240.
VIRGIN ISLANDS—Permanent residents: Department of Finance, Tax Department, Charlotte Amalie, St. Thomas, V.I., 00801; Others: Director of International Operations, Internal Revenue Service, 1105 Fernandez Juncos Avenue, Santurce, P.R., 00907.
WASHINGTON—Tacoma, Wash., 98402.
WEST VIRGINIA—Parkersburg, W. Va., 26102.
WISCONSIN—Milwaukee, Wis., 53202.
WYOMING—Cheyenne, Wyo., 82001.
FOREIGN ADDRESSES—Taxpayers with legal residence in Foreign Countries—Director of International Operations, Internal Revenue Service, Washington, D.C., 20225.

[1] Please mail refund returns to Internal Revenue Service Center, 4800 Buford Highway, Chamblee, Ga., 30005.

[2] Please mail refund returns to Internal Revenue Service Center, 11601 Roosevelt Blvd., Philadelphia, Pa., 19154.

16—78860-1

TAX RATE SCHEDULES

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

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

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

Not over $500.......... 14% of the amount on line 11d.

Over—	*But not over—*	*Enter on line 12, page 1:*	*of excess over—*
$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
$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 4).

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

Not over $1,000......... 14% of the amount on line 11d.

Over—	*But not over—*	*Enter on line 12, page 1:*	*of excess over—*
$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
$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 4).

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

Not over $1,000......... 14% of the amount on line 11d.

Over—	*But not over—*	*Enter on line 12, page 1:*	*of excess over—*
$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
$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

16—78860-1

1965 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.

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—		
At least	But less than	1	2	3 If 4 or more there is no tax
		Your tax is—		
$0	$900	$0	$0	$0
900	925	2	0	0
925	950	5	0	0
950	975	9	0	0
975	1,000	12	0	0
1,000	1,025	16	0	0
1,025	1,050	19	0	0
1,050	1,075	23	0	0
1,075	1,100	26	0	0
1,100	1,125	30	0	0
1,125	1,150	33	0	0
1,150	1,175	37	0	0
1,175	1,200	40	0	0
1,200	1,225	44	0	0
1,225	1,250	47	0	0
1,250	1,275	51	0	0
1,275	1,300	54	0	0
1,300	1,325	58	0	0
1,325	1,350	61	0	0
1,350	1,375	65	0	0
1,375	1,400	68	0	0
1,400	1,425	72	0	0
1,425	1,450	76	0	0
1,450	1,475	79	0	0
1,475	1,500	83	0	0
1,500	1,525	87	0	0
1,525	1,550	91	0	0
1,550	1,575	94	0	0
1,575	1,600	98	0	0
1,600	1,625	102	2	0
1,625	1,650	106	5	0
1,650	1,675	109	9	0
1,675	1,700	113	12	0
1,700	1,725	117	16	0
1,725	1,750	121	19	0
1,750	1,775	124	23	0
1,775	1,800	128	26	0
1,800	1,825	132	30	0
1,825	1,850	136	33	0
1,850	1,875	139	37	0
1,875	1,900	143	40	0
1,900	1,925	147	44	0
1,925	1,950	151	47	0
1,950	1,975	155	51	0
1,975	2,000	159	54	0
2,000	2,025	163	58	0
2,025	2,050	167	61	0
2,050	2,075	171	65	0
2,075	2,100	175	68	0
2,100	2,125	179	72	0
2,125	2,150	183	76	0
2,150	2,175	187	79	0
2,175	2,200	191	83	0
2,200	2,225	195	87	0
2,225	2,250	199	91	0
2,250	2,275	203	94	0
2,275	2,300	207	98	0
2,300	2,325	211	102	2
2,325	2,350	215	106	5
2,350	2,375	219	109	9
2,375	2,400	223	113	12
2,400	2,425	227	117	16
2,425	2,450	231	121	19

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

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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— At least	But less than	And the number of exemptions is— 1	2	3 If 4 or more there is no tax
		Your tax is—		
$0	$900	$0	$0	$0
900	925	2	0	0
925	950	5	0	0
950	975	9	0	0
975	1,000	12	0	0
1,000	1,025	16	0	0
1,025	1,050	19	0	0
1,050	1,075	23	0	0
1,075	1,100	26	0	0
1,100	1,125	30	0	0
1,125	1,150	33	0	0
1,150	1,175	37	0	0
1,175	1,200	40	0	0
1,200	1,225	44	0	0
1,225	1,250	47	0	0
1,250	1,275	51	0	0
1,275	1,300	54	0	0
1,300	1,325	58	0	0
1,325	1,350	61	0	0
1,350	1,375	65	0	0
1,375	1,400	68	0	0
1,400	1,425	72	0	0
1,425	1,450	75	0	0
1,450	1,475	79	0	0
1,475	1,500	82	0	0
1,500	1,525	86	0	0
1,525	1,550	89	0	0
1,550	1,575	93	0	0
1,575	1,600	96	0	0
1,600	1,625	100	2	0
1,625	1,650	103	5	0
1,650	1,675	107	9	0
1,675	1,700	110	12	0
1,700	1,725	114	16	0
1,725	1,750	117	19	0
1,750	1,775	121	23	0
1,775	1,800	124	26	0
1,800	1,825	128	30	0
1,825	1,850	131	33	0
1,850	1,875	135	37	0
1,875	1,900	138	40	0
1,900	1,925	142	44	0
1,925	1,950	146	47	0
1,950	1,975	150	51	0
1,975	2,000	154	54	0
2,000	2,025	158	58	0
2,025	2,050	162	61	0
2,050	2,075	166	65	0
2,075	2,100	170	68	0
2,100	2,125	174	72	0
2,125	2,150	178	75	0
2,150	2,175	182	79	0
2,175	2,200	186	82	0
2,200	2,225	190	86	0
2,225	2,250	194	89	0
2,250	2,275	198	93	0
2,275	2,300	202	96	0
2,300	2,325	206	100	2
2,325	2,350	210	103	5
2,350	2,375	214	107	9
2,375	2,400	218	110	12
2,400	2,425	222	114	16
2,425	2,450	226	117	19

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

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

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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.

If your total income is—		And the number of exemptions is—					
		1		2		3	
						If 4 or more there is no tax	
At least	But less than	10%	Minimum	10%	Minimum	10%	Minimum
		Your tax is—					
$0	$675	$0	$0	$0	$0	$0	$0
675	700	3	0	0	0	0	0
700	725	6	0	0	0	0	0
725	750	9	0	0	0	0	0
750	775	12	0	0	0	0	0
775	800	15	0	0	0	0	0
800	825	18	2	0	0	0	0
825	850	22	5	0	0	0	0
850	875	25	9	0	0	0	0
875	900	28	12	0	0	0	0
900	925	31	16	0	0	0	0
925	950	34	19	0	0	0	0
950	975	37	23	0	0	0	0
975	1,000	40	26	0	0	0	0
1,000	1,025	44	30	0	0	0	0
1,025	1,050	47	33	0	0	0	0
1,050	1,075	50	37	0	0	0	0
1,075	1,100	53	40	0	0	0	0
1,100	1,125	56	44	0	0	0	0
1,125	1,150	59	47	0	0	0	0
1,150	1,175	62	51	0	0	0	0
1,175	1,200	66	54	0	0	0	0
1,200	1,225	69	58	0	0	0	0
1,225	1,250	72	61	0	0	0	0
1,250	1,275	75	65	0	0	0	0
1,275	1,300	79	68	0	0	0	0
1,300	1,325	82	72	0	0	0	0
1,325	1,350	86	76	1	0	0	0
1,350	1,375	89	79	4	0	0	0
1,375	1,400	92	83	7	0	0	0
1,400	1,425	96	87	10	0	0	0
1,425	1,450	99	91	13	0	0	0
1,450	1,475	102	94	16	0	0	0
1,475	1,500	106	98	19	0	0	0
1,500	1,525	109	102	23	2	0	0
1,525	1,550	113	106	26	5	0	0
1,550	1,575	116	109	29	9	0	0
1,575	1,600	119	113	32	12	0	0
1,600	1,625	123	117	35	16	0	0
1,625	1,650	126	121	38	19	0	0
1,650	1,675	129	124	41	23	0	0
1,675	1,700	133	128	45	26	0	0
1,700	1,725	136	132	48	30	0	0
1,725	1,750	140	136	51	33	0	0
1,750	1,775	143	139	54	37	0	0
1,775	1,800	146	143	57	40	0	0
1,800	1,825	150	147	60	44	0	0
1,825	1,850	154	151	64	47	0	0
1,850	1,875	157	155	67	51	0	0
1,875	1,900	161	159	70	54	0	0
1,900	1,925	164	163	73	58	0	0
1,925	1,950	168	167	77	61	0	0
1,950	1,975	172	171	80	65	0	0
1,975	2,000	175	175	83	68	0	0
2,000	2,025	179	179	87	72	2	0
2,025	2,050	182	183	90	76	5	0
2,050	2,075	186	187	93	79	8	0
2,075	2,100	190	191	97	83	11	0
2,100	2,125	193	195	100	87	14	0
2,125	2,150	197	199	104	91	17	0
2,150	2,175	200	203	107	94	20	0
2,175	2,200	204	207	110	98	24	0
2,200	2,225	208	211	114	102	27	2
2,225	2,250	211	215	117	106	30	5
2,250	2,275	215	219	120	109	33	9
2,275	2,300	218	223	124	113	36	12
2,300	2,325	222	227	127	117	39	16

If your total income is—		And the number of exemptions is—													
		1		2		3		4		5		6		7	
														If 8 or more there is no tax	
At least	But less than	10%	Minimum	10%	Minimum	10%	Minimum	10%	Minimum	10%	Minimum	10%	Minimum	10%	Minimum
		Your tax is—													
$2,325	$2,350	$226	$231	$131	$121	$43	$19	$0	$0	$0	$0	$0	$0	$0	$0
2,350	2,375	229	236	134	124	46	23	0	0	0	0	0	0	0	0
2,375	2,400	233	240	137	128	49	26	0	0	0	0	0	0	0	0
2,400	2,425	237	244	141	132	52	30	0	0	0	0	0	0	0	0
2,425	2,450	241	248	144	136	55	33	0	0	0	0	0	0	0	0
2,450	2,475	245	253	148	139	58	37	0	0	0	0	0	0	0	0
2,475	2,500	249	257	151	143	61	40	0	0	0	0	0	0	0	0
2,500	2,525	252	261	155	147	65	44	0	0	0	0	0	0	0	0
2,525	2,550	256	265	158	151	68	47	0	0	0	0	0	0	0	0
2,550	2,575	260	270	162	155	71	51	0	0	0	0	0	0	0	0
2,575	2,600	264	274	166	159	74	54	0	0	0	0	0	0	0	0
2,600	2,625	268	278	169	163	78	58	0	0	0	0	0	0	0	0
2,625	2,650	272	282	173	167	81	61	0	0	0	0	0	0	0	0
2,650	2,675	275	287	176	171	84	65	0	0	0	0	0	0	0	0
2,675	2,700	279	291	180	175	88	68	3	0	0	0	0	0	0	0
2,700	2,725	283	295	184	179	91	72	6	0	0	0	0	0	0	0
2,725	2,750	287	299	187	183	95	76	9	0	0	0	0	0	0	0
2,750	2,775	291	304	191	187	98	79	12	0	0	0	0	0	0	0
2,775	2,800	294	308	194	191	101	83	15	0	0	0	0	0	0	0
2,800	2,825	298	312	198	195	105	87	18	0	0	0	0	0	0	0
2,825	2,850	302	317	202	199	108	91	22	0	0	0	0	0	0	0
2,850	2,875	306	322	205	203	111	94	25	0	0	0	0	0	0	0
2,875	2,900	310	327	209	207	115	98	28	0	0	0	0	0	0	0
2,900	2,925	314	331	212	211	118	102	31	2	0	0	0	0	0	0
2,925	2,950	318	336	216	215	122	106	34	5	0	0	0	0	0	0
2,950	2,975	323	341	220	219	125	109	37	9	0	0	0	0	0	0
2,975	3,000	327	346	223	223	128	113	40	12	0	0	0	0	0	0
3,000	3,050	333	353	229	229	133	119	45	18	0	0	0	0	0	0
3,050	3,100	342	362	236	238	140	126	51	25	0	0	0	0	0	0
3,100	3,150	350	372	244	246	147	134	58	32	0	0	0	0	0	0
3,150	3,200	359	381	252	255	154	141	64	39	0	0	0	0	0	0
3,200	3,250	367	391	259	263	161	149	70	46	0	0	0	0	0	0
3,250	3,300	376	400	267	272	169	157	77	53	0	0	0	0	0	0
3,300	3,350	385	410	275	280	176	165	84	60	0	0	0	0	0	0
3,350	3,400	393	419	282	289	183	173	91	67	5	0	0	0	0	0
3,400	3,450	402	429	290	297	190	181	97	74	12	0	0	0	0	0
3,450	3,500	410	438	298	306	197	189	104	81	18	0	0	0	0	0
3,500	3,550	419	448	305	315	205	197	111	89	24	4	0	0	0	0
3,550	3,600	427	457	313	324	212	205	118	96	30	11	0	0	0	0
3,600	3,650	436	467	322	334	219	213	124	104	37	18	0	0	0	0
3,650	3,700	444	476	330	343	226	221	131	111	43	25	0	0	0	0
3,700	3,750	453	486	339	353	234	229	138	119	49	32	0	0	0	0
3,750	3,800	462	495	348	362	242	238	145	126	56	39	0	0	0	0
3,800	3,850	470	505	356	372	249	246	152	134	62	46	0	0	0	0
3,850	3,900	479	514	365	381	257	255	159	141	68	53	0	0	0	0
3,900	3,950	487	524	373	391	265	263	166	149	75	60	0	0	0	0
3,950	4,000	496	533	382	400	272	272	173	157	82	67	0	0	0	0
4,000	4,050	504	543	390	410	280	280	181	165	88	74	3	0	0	0
4,050	4,100	513	552	399	419	287	289	188	173	95	81	9	0	0	0
4,100	4,150	521	562	407	429	295	297	195	181	102	89	16	4	0	0
4,150	4,200	530	571	416	438	303	306	202	189	109	96	22	11	0	0
4,200	4,250	538	581	424	448	310	315	209	197	115	104	28	18	0	0
4,250	4,300	547	590	433	457	319	324	217	205	122	111	35	25	0	0
4,300	4,350	556	600	442	467	328	334	224	213	129	119	41	32	0	0
4,350	4,400	564	609	450	476	336	343	231	221	136	126	47	39	0	0
4,400	4,450	573	619	459	486	345	353	239	229	142	134	54	46	0	0
4,450	4,500	581	628	467	495	353	362	247	238	149	141	60	53	0	0
4,500	4,550	590	638	476	505	362	372	254	246	157	149	66	60	0	0
4,550	4,600	598	647	484	514	370	381	262	255	164	157	73	67	0	0
4,600	4,650	607	657	493	524	379	391	270	263	171	165	79	74	0	0
4,650	4,700	615	666	501	533	387	400	277	272	178	173	86	81	1	0
4,700	4,750	624	676	510	543	396	410	285	280	185	181	93	89	7	4
4,750	4,800	633	685	519	552	405	419	293	289	193	189	100	96	14	11
4,800	4,850	641	696	527	562	413	429	300	297	200	197	106	104	20	18
4,850	4,900	650	707	536	571	422	438	308	306	207	205	113	111	26	25
4,900	4,950	658	718	544	581	430	448	316	315	214	213	120	119	33	32
4,950	5,000	667	729	553	590	439	457	325	324	221	221	127	126	39	39

STATE SALES TAX TABLES

If you itemize your deductions these amounts may be used to determine the general sales tax to be entered on page 2, Part IV. However, if you are able to establish that you paid a larger amount, you are, of course, entitled to deduct that amount. Local sales taxes have been included only in the California and Illinois tables. They may be claimed for Alabama, Arizona, and Colorado by adding to the figure in the table an amount based on the ratio between the local and State sales tax rates taking into consideration the number of months that the taxes have been in effect. Gasoline taxes are not included in these tables (see page 9 of the instructions for gasoline tax rates). Sales taxes for purchase of automobiles are also not included in these tables and they should be added, if applicable. The sales tax table for North Dakota could not be completed in time for this printing. It will be available at local Internal Revenue Offices.

Alabama

Income as shown on line 9, page 1, Form 1040	Family Size (Persons) 1	2	3 & 4	5	Over 5
Under $1,000	$23	$26	$33	$35	$35
$1,000–1,499	29	34	43	45	45
$1,500–1,999	36	42	53	57	57
$2,000–2,499	42	50	62	67	67
$2,500–2,999	48	57	70	77	77
$3,000–3,499	53	64	78	86	87
$3,500–3,999	58	71	85	94	96
$4,000–4,499	63	77	92	102	105
$4,500–4,999	68	83	99	110	113
$5,000–5,499	72	89	106	118	121
$5,500–5,999	76	95	112	125	129
$6,000–6,499	80	100	118	132	137
$6,500–6,999	84	105	124	139	144
$7,000–7,499	88	110	130	146	151
$7,500–7,999	92	115	136	153	158
$8,000–8,499	96	120	141	159	165
$8,500–8,999	99	125	146	165	172
$9,000–9,499	102	130	151	171	179
$9,500–9,999	105	134	156	177	185
$10,000–10,999	110	141	163	186	195
$11,000–11,999	117	150	173	198	208
$12,000–12,999	123	159	182	209	220
$13,000–13,999	129	168	191	220	232
$14,000–14,999	135	176	200	231	244
$15,000–15,999	141	184	209	241	256
$16,000–16,999	147	192	217	251	267
$17,000–17,999	152	200	225	261	278
$18,000–18,999	157	207	233	271	289
$19,000–19,999	162	214	241	280	300
$20,000 and over	167	221	249	289	311

Arizona

Income as shown on line 9, page 1, Form 1040	Family Size (Persons) 1	2	3	4	5	Over 5
Under $1,000	$18	$24	$25	$32	$32	$32
$1,000–1,499	22	31	32	40	40	40
$1,500–1,999	27	38	40	48	48	48
$2,000–2,499	32	44	46	55	55	56
$2,500–2,999	36	49	52	61	61	63
$3,000–3,499	40	54	58	67	67	70
$3,500–3,999	43	59	63	72	73	77
$4,000–4,499	46	63	68	77	79	83
$4,500–4,999	49	67	73	82	85	89
$5,000–5,499	52	71	78	87	90	95
$5,500–5,999	55	75	82	91	95	101
$6,000–6,499	58	79	86	95	100	106
$6,500–6,999	61	83	90	99	105	111
$7,000–7,499	64	87	94	103	110	116
$7,500–7,999	67	90	98	107	115	121
$8,000–8,499	69	93	102	111	120	126
$8,500–8,999	71	96	106	114	124	131
$9,000–9,499	73	99	110	117	128	136
$9,500–9,999	75	102	113	120	132	140
$10,000–10,999	78	106	119	125	139	147
$11,000–11,999	82	112	126	131	147	156
$12,000–12,999	86	118	132	137	155	164
$13,000–13,999	90	123	138	143	162	172
$14,000–14,999	94	128	144	149	169	180
$15,000–15,999	98	133	150	154	176	188
$16,000–16,999	102	138	156	159	183	196
$17,000–17,999	106	143	162	164	190	203
$18,000–18,999	109	148	168	169	197	210
$19,000–19,999	112	153	174	174	204	217
$20,000 and over	115	157	179	179	210	224

Arkansas

Income as shown on line 9, page 1, Form 1040	Family Size (Persons) 1	2	3 & 4	5	Over 5
Under $1,000	$19	$21	$26	$27	$27
$1,000–1,499	25	28	34	36	36
$1,500–1,999	30	35	42	45	45
$2,000–2,499	35	41	50	53	54
$2,500–2,999	40	47	56	61	62
$3,000–3,499	44	53	62	68	70
$3,500–3,999	48	58	68	75	77
$4,000–4,499	52	63	74	81	84
$4,500–4,999	56	68	80	87	91
$5,000–5,499	59	73	85	93	97
$5,500–5,999	62	77	90	99	103
$6,000–6,499	65	81	95	105	109
$6,500–6,999	68	85	100	111	115
$7,000–7,499	71	89	105	117	121
$7,500–7,999	74	93	109	122	127
$8,000–8,499	77	97	113	127	133
$8,500–8,999	80	101	117	132	138
$9,000–9,499	82	105	121	137	143
$9,500–9,999	84	109	125	142	148
$10,000–10,999	88	114	131	149	156
$11,000–11,999	93	122	139	158	166
$12,000–12,999	98	129	146	167	176
$13,000–13,999	103	136	153	176	186
$14,000–14,999	108	142	160	185	195
$15,000–15,999	112	148	167	193	204
$16,000–16,999	116	154	174	201	213
$17,000–17,999	120	160	181	209	222
$18,000–18,999	124	166	187	217	231
$19,000–19,999	128	172	193	225	239
$20,000 and over	132	177	199	233	247

California

Income as shown on line 9, page 1, Form 1040	Family Size (Persons) 1 & 2	3 & 4	5	Over 5
Under $1,000	$14	$17	$18	$19
$1,000–1,499	20	24	25	26
$1,500–1,999	26	30	32	33
$2,000–2,499	31	36	39	40
$2,500–2,999	36	42	45	46
$3,000–3,499	41	47	51	52
$3,500–3,999	46	52	57	58
$4,000–4,499	50	57	63	64
$4,500–4,999	54	62	68	69
$5,000–5,499	58	67	73	74
$5,500–5,999	62	72	78	79
$6,000–6,499	66	76	83	84
$6,500–6,999	70	80	88	89
$7,000–7,499	74	84	93	94
$7,500–7,999	78	88	98	99
$8,000–8,499	82	92	103	104
$8,500–8,999	86	96	107	109
$9,000–9,499	89	100	111	113
$9,500–9,999	92	104	115	117
$10,000–10,999	97	110	122	123
$11,000–11,999	104	118	131	132
$12,000–12,999	111	125	140	141
$13,000–13,999	118	132	148	149
$14,000–14,999	125	139	156	157
$15,000–15,999	131	146	164	165
$16,000–16,999	137	153	172	173
$17,000–17,999	143	160	180	181
$18,000–18,999	149	166	188	188
$19,000–19,999	155	172	195	195
$20,000 and over	161	178	202	202

Colorado

Income as shown on line 9, page 1, Form 1040	Family Size (Persons) 1	2	3	4	5	Over 5
Under $1,000	$15	$21	$21	$27	$27	$27
$1,000–1,499	20	27	28	34	34	34
$1,500–1,999	24	33	34	41	41	41
$2,000–2,499	28	38	40	48	48	48
$2,500–2,999	32	43	45	53	54	55
$3,000–3,499	35	47	50	58	60	61
$3,500–3,999	38	51	55	63	66	67
$4,000–4,499	41	55	60	68	71	73
$4,500–4,999	44	59	64	72	76	78
$5,000–5,499	47	63	68	76	81	83
$5,500–5,999	50	67	72	80	86	88
$6,000–6,499	53	70	76	84	91	93
$6,500–6,999	56	73	80	88	95	98
$7,000–7,499	58	76	84	92	99	103
$7,500–7,999	60	79	88	96	103	108
$8,000–8,499	62	82	92	99	107	113
$8,500–8,999	64	85	95	102	111	117
$9,000–9,499	66	88	98	105	115	121
$9,500–9,999	68	91	101	108	119	125
$10,000–10,999	71	95	106	112	124	131
$11,000–11,999	75	100	112	118	132	139
$12,000–12,999	79	105	118	124	139	147
$13,000–13,999	83	110	124	129	146	155
$14,000–14,999	87	115	130	134	153	162
$15,000–15,999	91	120	136	139	160	169
$16,000–16,999	95	125	142	144	166	176
$17,000–17,999	98	129	147	149	172	183
$18,000–18,999	101	133	152	154	178	190
$19,000–19,999	104	137	157	159	184	197
$20,000 and over	107	141	162	163	190	203

Connecticut

Income as shown on line 9, page 1, Form 1040	Family Size (Persons) 1 & 2	3 & 4	5 and Over
Under $1,000	$9	$10	$10
$1,000–1,499	13	15	15
$1,500–1,999	17	20	20
$2,000–2,499	21	24	25
$2,500–2,999	25	28	30
$3,000–3,499	29	32	35
$3,500–3,999	33	36	39
$4,000–4,499	37	40	43
$4,500–4,999	41	44	47
$5,000–5,499	45	48	51
$5,500–5,999	49	52	55
$6,000–6,499	52	56	59
$6,500–6,999	55	60	63
$7,000–7,499	58	64	67
$7,500–7,999	61	68	71
$8,000–8,499	64	71	75
$8,500–8,999	67	74	79
$9,000–9,499	70	77	82
$9,500–9,999	73	80	85
$10,000–10,999	78	85	91
$11,000–11,999	85	92	98
$12,000–12,999	91	98	105
$13,000–13,999	97	105	112
$14,000–14,999	103	111	119
$15,000–15,999	109	117	126
$16,000–16,999	115	123	133
$17,000–17,999	121	129	140
$18,000–18,999	127	135	146
$19,000–19,999	132	141	152
$20,000 and over	137	147	158

District of Columbia

Income as shown on line 9, page 1, Form 1040	Family Size (Persons) 1	2	3 & 4	5	Over 5
Under $1,000	$13	$13	$17	$18	$18
$1,000–1,499	17	18	23	24	24
$1,500–1,999	21	23	28	30	30
$2,000–2,499	25	28	33	36	36
$2,500–2,999	29	32	38	41	42
$3,000–3,499	33	36	43	46	47
$3,500–3,999	36	40	47	51	52
$4,000–4,499	39	44	51	56	57
$4,500–4,999	42	48	55	61	62
$5,000–5,499	45	51	59	65	67
$5,500–5,999	48	54	63	69	71
$6,000–6,499	51	57	67	73	75
$6,500–6,999	54	60	71	77	79
$7,000–7,499	57	63	74	81	83
$7,500–7,999	59	66	77	85	87
$8,000–8,499	61	69	80	89	91
$8,500–8,999	63	72	83	93	95
$9,000–9,499	65	75	86	96	99
$9,500–9,999	67	78	89	99	103
$10,000–10,999	70	82	94	104	109
$11,000–11,999	75	88	100	111	116
$12,000–12,999	79	94	106	118	123
$13,000–13,999	83	100	112	125	130
$14,000–14,999	87	106	117	131	137
$15,000–15,999	91	111	122	137	144
$16,000–16,999	95	116	127	143	151
$17,000–17,999	99	121	132	149	158
$18,000–18,999	103	126	137	155	164
$19,000–19,999	106	131	142	160	170
$20,000 and over	109	136	147	165	176

Florida

Income as shown on line 9, page 1, Form 1040	Family Size (Persons) 1 & 2	3 & 4	5	Over 5
Under $1,000	$9	$13	$13	$13
$1,000–1,499	13	18	19	19
$1,500–1,999	17	23	24	24
$2,000–2,499	21	28	29	29
$2,500–2,999	25	32	34	34
$3,000–3,499	29	36	39	39
$3,500–3,999	33	40	44	44
$4,000–4,499	37	44	48	48
$4,500–4,999	41	48	52	52
$5,000–5,499	45	52	56	56
$5,500–5,999	48	56	60	60
$6,000–6,499	51	60	64	64
$6,500–6,999	54	64	68	68
$7,000–7,499	57	67	72	72
$7,500–7,999	60	70	76	76
$8,000–8,499	63	73	80	80
$8,500–8,999	66	76	84	84
$9,000–9,499	69	79	88	88
$9,500–9,999	72	82	91	91
$10,000–10,999	77	87	96	97
$11,000–11,999	83	93	103	105
$12,000–12,999	89	99	110	113
$13,000–13,999	95	105	117	120
$14,000–14,999	101	111	124	127
$15,000–15,999	107	117	130	134
$16,000–16,999	113	123	136	141
$17,000–17,999	119	129	142	148
$18,000–18,999	125	134	148	155
$19,000–19,999	130	139	154	161
$20,000 and over	135	144	160	167

Georgia

Income as shown on line 9, page 1, Form 1040	Family Size (Persons) 1	2	3 & 4	5	Over 5
Under $1,000	$21	$24	$30	$32	$32
$1,000–1,499	27	32	39	42	42
$1,500–1,999	33	39	47	52	52
$2,000–2,499	38	46	55	61	61
$2,500–2,999	43	52	63	69	69
$3,000–3,499	48	58	70	77	77
$3,500–3,999	52	64	76	84	84
$4,000–4,499	56	69	82	91	91
$4,500–4,999	60	74	88	97	98
$5,000–5,499	64	79	94	103	105
$5,500–5,999	68	84	99	109	112
$6,000–6,499	71	89	104	115	118
$6,500–6,999	74	94	109	121	124
$7,000–7,499	77	99	114	127	130
$7,500–7,999	80	103	119	132	136
$8,000–8,499	83	107	124	137	142
$8,500–8,999	86	111	128	142	148
$9,000–9,499	89	115	132	147	154
$9,500–9,999	92	119	136	152	160
$10,000–10,999	96	125	143	159	168
$11,000–11,999	102	133	151	169	179
$12,000–12,999	107	140	159	178	190
$13,000–13,999	112	147	167	187	200
$14,000–14,999	117	154	174	196	210
$15,000–15,999	122	161	181	204	220
$16,000–16,999	127	168	188	212	230
$17,000–17,999	132	174	195	220	240
$18,000–18,999	136	180	202	228	250
$19,000–19,999	140	186	208	235	259
$20,000 and over	144	192	214	242	268

Hawaii

Income as shown on line 9, page 1, Form 1040	Family Size (Persons) 1	2	3 & 4	5	Over 5
Under $1,000	$34	$44	$45	$50	$50
$1,000–1,499	43	55	57	63	63
$1,500–1,999	53	66	70	77	77
$2,000–2,499	61	76	80	89	89
$2,500–2,999	69	85	90	100	100
$3,000–3,499	76	93	100	111	111
$3,500–3,999	83	101	108	120	121
$4,000–4,499	90	109	116	129	130
$4,500–4,999	96	116	124	138	139
$5,000–5,499	102	122	131	146	148
$5,500–5,999	108	128	138	154	157
$6,000–6,499	113	134	145	162	165
$6,500–6,999	118	140	152	170	173
$7,000–7,499	123	146	159	177	181
$7,500–7,999	128	152	165	184	189
$8,000–8,499	133	157	171	191	197
$8,500–8,999	138	162	177	198	204
$9,000–9,499	143	167	183	204	211
$9,500–9,999	147	172	188	210	218
$10,000–10,999	153	179	196	220	229
$11,000–11,999	162	189	207	232	242
$12,000–12,999	170	198	217	243	255
$13,000–13,999	178	207	227	254	268
$14,000–14,999	186	215	237	265	280
$15,000–15,999	194	223	247	276	292
$16,000–16,999	201	231	256	286	304
$17,000–17,999	208	239	265	296	316
$18,000–18,999	215	246	273	306	327
$19,000–19,999	222	253	281	316	338
$20,000 and over	228	260	289	325	348

Idaho

Income as shown on line 9, page 1, Form 1040	Family Size (Persons) 1	2	3	4	5	Over 5
Under $1,000	$9	$12	$12	$16	$16	$16
$1,000–1,499	11	15	15	20	20	20
$1,500–1,999	14	18	19	24	24	24
$2,000–2,499	16	21	23	28	28	28
$2,500–2,999	18	24	26	31	31	32
$3,000–3,499	20	27	29	34	34	36
$3,500–3,999	22	30	32	37	37	39
$4,000–4,499	24	32	35	40	40	42
$4,500–4,999	26	34	38	43	43	45
$5,000–5,499	28	36	41	45	46	48
$5,500–5,999	30	38	43	47	49	51
$6,000–6,499	32	40	45	49	52	54
$6,500–6,999	34	42	47	51	55	57
$7,000–7,499	36	44	49	53	58	60
$7,500–7,999	37	46	51	55	60	63
$8,000–8,499	38	48	53	57	62	66
$8,500–8,999	39	50	55	59	64	68
$9,000–9,499	40	52	57	61	66	70
$9,500–9,999	41	53	59	62	68	72
$10,000–10,999	43	55	62	65	72	75
$11,000–11,999	46	59	66	69	77	80
$12,000–12,999	49	62	70	72	81	85
$13,000–13,999	51	65	74	75	85	89
$14,000–14,999	53	68	78	78	89	93
$15,000–15,999	55	71	81	81	93	97
$16,000–16,999	57	74	84	84	97	101
$17,000–17,999	59	77	87	87	101	105
$18,000–18,999	61	80	90	90	105	109
$19,000–19,999	63	82	93	93	108	113
$20,000 and over	65	84	96	96	111	117

Illinois

Income as shown on line 9, page 1, Form 1040	Family Size (Persons) 1	2	3	4	5	Over 5
Under $1,000	$22	$29	$33	$41	$41	$41
$1,000–1,499	28	37	42	51	51	51
$1,500–1,999	35	46	51	61	61	62
$2,000–2,499	41	54	60	71	71	73
$2,500–2,999	47	61	69	80	80	84
$3,000–3,499	52	68	77	88	89	94
$3,500–3,999	57	74	84	95	98	103
$4,000–4,499	62	80	91	102	106	112
$4,500–4,999	66	86	98	109	114	121
$5,000–5,499	70	92	105	115	121	129
$5,500–5,999	74	97	111	121	128	137
$6,000–6,499	78	102	117	127	135	145
$6,500–6,999	82	107	123	133	142	152
$7,000–7,499	86	112	129	139	149	159
$7,500–7,999	90	117	134	144	156	166
$8,000–8,499	94	122	139	149	162	173
$8,500–8,999	97	126	144	154	168	180
$9,000–9,499	100	130	149	159	174	187
$9,500–9,999	103	134	154	164	179	193
$10,000–10,999	108	141	161	171	188	203
$11,000–11,999	114	149	171	180	199	215
$12,000–12,999	120	157	180	189	210	227
$13,000–13,999	126	165	189	197	221	239
$14,000–14,999	132	173	198	205	231	251
$15,000–15,999	138	180	206	213	241	262
$16,000–16,999	144	187	214	221	251	273
$17,000–17,999	149	194	222	228	261	284
$18,000–18,999	154	201	230	235	270	295
$19,000–19,999	159	207	238	242	279	305
$20,000 and over	164	213	246	249	288	315

Indiana

Income as shown on line 9, page 1, Form 1040	Family Size (Persons) 1	2	3	4	5	Over 5
Under $1,000	$13	$17	$19	$23	$23	$23
$1,000–1,499	17	22	24	29	29	29
$1,500–1,999	21	27	30	35	35	35
$2,000–2,499	24	32	35	41	41	42
$2,500–2,999	27	36	40	46	46	48
$3,000–3,499	30	40	44	50	51	53
$3,500–3,999	33	44	48	54	56	58
$4,000–4,499	36	47	52	58	61	63
$4,500–4,999	39	50	56	62	65	68
$5,000–5,499	41	53	60	66	69	73
$5,500–5,999	43	56	63	69	73	77
$6,000–6,499	45	59	66	72	77	81
$6,500–6,999	47	62	69	75	81	85
$7,000–7,499	49	65	72	78	85	89
$7,500–7,999	51	68	75	81	89	93
$8,000–8,499	53	70	78	84	92	97
$8,500–8,999	55	72	81	87	95	101
$9,000–9,499	57	74	84	90	98	105
$9,500–9,999	59	76	87	93	101	108
$10,000–10,999	61	80	91	96	106	114
$11,000–11,999	65	85	97	101	112	121
$12,000–12,999	68	89	102	106	118	128
$13,000–13,999	71	93	107	111	124	135
$14,000–14,999	74	97	112	116	130	141
$15,000–15,999	77	101	117	121	136	147
$16,000–16,999	80	105	122	125	141	153
$17,000–17,999	83	109	127	129	146	159
$18,000–18,999	86	113	131	133	151	165
$19,000–19,999	88	116	135	137	156	170
$20,000 and over	90	119	139	141	161	175

STATE SALES TAX TABLES

If you itemize your deductions these amounts may be used to determine the general sales tax to be entered on page 2, Part IV. However, if you are able to establish that you paid a larger amount, you are, of course, entitled to deduct that amount. Local sales taxes, may be claimed for Louisiana, Mississippi, New Mexico, and New York by adding to the figure in the table an amount based on the ratio between the local and State sales tax rates taking into consideration the number of months that the taxes have been in effect. Gasoline taxes are not included in these tables (see page 9 of the instructions for gasoline tax rates). Sales taxes for purchase of automobiles are also not included in these tables and they should be added, if applicable.

Income as shown on line 9, page 1, Form 1040	Iowa — Family Size (Persons)						Kansas — Family Size (Persons)						Kentucky — Family Size (Persons)					Louisiana — Family Size (Persons)				
	1	2	3	4	5	Over 5	1	2	3	4	5	Over 5	1	2	3 & 4	5	Over 5	1	2	3&4	5	Over 5
Under $1,000	$13	$18	$19	$24	$24	$24	$17	$22	$24	$29	$29	$29	$20	$23	$28	$30	$30	$12	$13	$17	$18	$18
$1,000–1,499	17	23	24	30	30	30	22	29	31	36	36	37	26	30	36	39	39	16	18	23	24	24
$1,500–1,999	21	28	30	36	36	36	27	35	38	44	44	46	31	37	44	48	48	20	22	28	30	30
$2,000–2,499	24	32	35	41	41	42	31	41	45	51	51	54	36	43	52	56	56	23	26	33	35	35
$2,500–2,999	27	36	40	46	46	48	35	46	51	57	58	62	41	49	59	63	64	26	30	38	40	40
$3,000–3,499	30	40	44	50	51	54	39	51	57	63	65	69	45	55	65	70	72	29	34	42	45	45
$3,500–3,999	33	43	48	54	56	59	42	55	62	69	71	76	49	60	71	77	79	32	38	46	50	50
$4,000–4,499	36	46	52	58	61	64	45	59	67	74	77	82	53	65	77	84	86	35	41	50	54	55
$4,500–4,999	38	49	56	62	65	69	48	63	72	79	83	88	56	70	82	90	93	38	44	54	58	60
$5,000–5,499	40	52	60	66	69	73	51	67	77	84	89	94	59	75	87	96	99	40	47	57	62	64
$5,500–5,999	42	55	63	69	73	77	54	71	81	89	94	100	62	79	92	102	105	42	50	60	66	68
$6,000–6,499	44	58	66	72	77	81	57	75	85	93	99	106	65	83	97	108	111	44	53	63	70	72
$6,500–6,999	46	61	69	75	81	85	60	79	89	97	104	112	68	87	102	113	117	46	56	66	74	76
$7,000–7,499	48	64	72	78	85	89	63	82	93	101	109	117	71	91	106	118	123	48	59	69	78	80
$7,500–7,999	50	67	75	81	89	93	65	85	97	105	114	122	74	95	110	123	129	50	62	72	82	84
$8,000–8,499	52	69	78	84	92	97	67	88	101	109	119	127	77	99	114	128	135	52	65	75	85	88
$8,500–8,999	54	71	81	87	95	101	69	91	105	113	123	132	80	103	118	133	140	54	68	78	88	92
$9,000–9,499	56	73	84	90	98	105	71	94	109	116	127	137	82	107	122	138	145	56	70	81	91	95
$9,500–9,999	57	75	86	92	101	108	73	97	112	119	131	141	84	110	126	142	150	58	72	84	94	98
$10,000–10,999	60	79	90	96	106	113	76	101	117	125	138	148	88	115	132	149	158	60	76	88	99	103
$11,000–11,999	63	83	96	101	112	120	81	107	124	132	146	157	93	122	140	158	168	64	81	93	106	110
$12,000–12,999	66	87	101	106	118	127	85	113	131	138	154	166	98	129	147	167	178	68	86	98	112	117
$13,000–13,999	69	91	106	111	124	133	89	118	137	144	162	175	102	135	154	176	187	71	91	103	118	124
$14,000–14,999	72	95	111	115	130	139	93	123	143	150	170	183	106	141	161	184	196	74	96	108	124	130
$15,000–15,999	75	99	116	119	135	145	97	128	149	156	177	191	110	147	168	192	205	77	101	113	129	136
$16,000–16,999	78	103	121	123	140	151	101	133	155	162	184	199	114	153	174	200	214	80	105	118	134	142
$17,000–17,999	81	107	125	127	145	157	104	138	161	168	191	207	118	159	180	208	223	83	109	122	139	148
$18,000–18,999	84	111	129	131	150	163	107	143	167	173	198	215	122	165	186	215	232	86	113	126	144	154
$19,000–19,999	86	114	133	135	155	168	110	147	172	178	205	222	126	171	192	222	240	89	117	130	149	160
$20,000 and over	88	117	137	139	160	173	113	151	177	183	212	229	130	177	198	229	248	92	121	134	154	166

Income as shown on line 9, page 1, Form 1040	Maine — Family Size (Persons)					Maryland — Family Size (Persons)					Michigan — Family Size (Persons)					
	1 & 2	3	4	5	Over 5	1	2	3&4	5	Over 5	1	2	3	4	5	Over 5
Under $1,000	$13	$16	$21	$21	$21	$10	$10	$14	$15	$15	$25	$34	$36	$43	$43	$43
$1,000–1,499	18	22	27	27	29	14	14	19	20	20	32	43	46	56	56	56
$1,500–1,999	23	28	34	34	36	18	18	24	25	25	39	52	56	67	67	68
$2,000–2,499	28	34	41	41	43	22	22	29	30	30	46	61	66	77	77	80
$2,500–2,999	33	40	47	48	50	26	26	33	35	35	52	69	75	87	87	91
$3,000–3,499	38	45	53	54	56	29	30	37	40	40	57	76	84	95	97	101
$3,500–3,999	43	50	58	60	62	32	34	41	45	45	62	83	92	103	106	111
$4,000–4,499	48	55	63	66	68	35	38	45	49	49	67	89	99	111	115	121
$4,500–4,999	52	60	68	72	74	38	41	49	53	53	72	95	106	118	123	130
$5,000–5,499	56	65	73	77	80	41	44	53	57	57	77	101	113	125	131	139
$5,500–5,999	60	70	78	82	85	44	47	57	61	61	81	107	120	131	138	147
$6,000–6,499	64	75	82	87	90	47	50	60	65	65	85	113	126	137	145	155
$6,500–6,999	68	79	86	92	95	50	53	63	69	69	89	118	132	143	152	163
$7,000–7,499	72	83	90	97	100	52	56	66	73	73	93	123	138	149	159	171
$7,500–7,999	76	87	94	102	105	54	59	69	77	77	97	128	144	155	166	179
$8,000–8,499	80	91	98	107	110	56	62	72	80	81	101	133	150	161	173	186
$8,500–8,999	84	95	102	112	115	58	65	75	83	85	105	138	156	167	180	193
$9,000–9,499	88	99	106	116	119	60	68	78	86	89	108	143	161	172	186	200
$9,500–9,999	92	103	110	120	123	62	71	81	89	92	111	147	166	176	192	207
$10,000–10,999	97	109	116	126	130	66	76	86	94	97	116	153	174	183	201	218
$11,000–11,999	105	117	123	135	139	71	82	93	101	105	123	162	184	193	213	231
$12,000–12,999	112	125	130	144	148	76	88	98	107	113	129	170	194	203	224	244
$13,000–13,999	119	133	137	153	157	80	94	103	113	120	135	178	204	212	235	257
$14,000–14,999	126	140	144	161	166	84	100	108	119	127	141	186	213	221	246	269
$15,000–15,999	133	147	151	169	175	88	105	113	125	134	147	194	222	229	256	281
$16,000–16,999	140	154	158	177	184	92	110	118	131	140	153	201	231	237	266	293
$17,000–17,999	147	161	164	185	193	96	115	123	137	146	158	208	240	245	276	304
$18,000–18,999	153	168	170	192	202	100	120	128	143	152	163	215	249	253	286	315
$19,000–19,999	159	174	176	199	210	104	125	133	148	158	168	222	257	260	295	326
$20,000 and over	165	180	182	206	218	108	130	138	153	164	173	229	265	267	304	337

Income as shown on line 9, page 1, Form 1040	Mississippi — Family Size (Persons)					Missouri — Family Size (Persons)						Nevada — Family Size (Persons)				
	1	2	3&4	5	Over 5	1	2	3	4	5	Over 5	1	2	3 & 4	5	Over 5
Under $1,000	$26	$29	$36	$38	$38	$19	$24	$26	$31	$31	$31	$12	$16	$17	$19	$19
$1,000–1,499	33	37	46	50	50	24	31	34	39	39	40	15	20	22	25	25
$1,500–1,999	40	47	57	62	62	30	38	42	47	47	50	18	24	27	30	31
$2,000–2,499	46	55	66	72	72	35	45	49	55	56	59	21	28	31	35	37
$2,500–2,999	52	63	75	82	82	39	51	56	62	64	67	24	32	35	40	42
$3,000–3,499	57	70	83	91	91	43	56	62	69	71	75	27	36	39	44	46
$3,500–3,999	62	77	91	100	100	47	61	68	75	78	83	29	39	43	48	50
$4,000–4,499	67	84	98	108	108	51	66	73	81	84	90	31	42	46	52	54
$4,500–4,999	72	90	105	116	116	55	71	78	86	90	97	33	45	49	56	58
$5,000–5,499	76	96	112	124	124	58	75	83	91	96	103	35	48	52	60	62
$5,500–5,999	80	102	119	131	132	61	79	88	96	102	109	37	50	55	63	66
$6,000–6,499	84	108	125	138	140	64	83	93	101	108	115	39	52	58	66	70
$6,500–6,999	88	114	131	145	148	67	87	98	106	114	121	41	54	61	69	73
$7,000–7,499	92	119	137	152	156	70	91	103	111	119	127	43	56	64	72	76
$7,500–7,999	96	124	143	159	163	73	95	107	115	124	133	45	58	67	75	79
$8,000–8,499	100	129	148	165	170	76	99	111	119	129	139	47	60	69	78	82
$8,500–8,999	103	134	153	171	177	79	103	115	123	134	145	49	62	71	81	85
$9,000–9,499	106	139	158	177	184	82	106	119	127	139	150	50	64	73	84	88
$9,500–9,999	109	144	163	183	191	84	109	123	131	144	155	51	66	75	87	91
$10,000–10,999	114	152	171	192	201	88	114	129	137	151	162	53	69	79	91	95
$11,000–11,999	120	161	181	204	214	93	121	137	145	160	172	56	73	84	96	101
$12,000–12,999	126	170	191	215	227	98	127	144	152	169	182	59	77	88	101	107
$13,000–13,999	132	179	200	226	239	103	133	151	159	178	191	62	81	92	106	112
$14,000–14,999	138	188	209	236	251	107	139	158	166	187	200	65	84	96	111	117
$15,000–15,999	144	196	218	246	263	111	145	165	173	195	209	68	87	100	116	122
$16,000–16,999	149	204	227	256	275	115	151	172	179	203	218	71	90	104	121	127
$17 000–17,999	154	212	235	266	287	119	156	179	185	211	227	73	93	108	125	132
$18,000–18,999	159	220	243	276	298	123	161	185	191	219	235	75	96	111	129	137
$19,000–19,999	164	228	251	285	309	127	166	191	197	226	243	77	99	114	133	141
$20,000 and over	169	236	259	294	320	131	171	197	203	233	251	79	101	117	137	145

Income as shown on line 9, page 1, Form 1040	New Mexico — Family Size (Persons)						New York — Family Size (Persons)					North Carolina — Family Size (Persons)				
	1	2	3	4	5	Over 5	1 & 2	3	4	5	Over 5	1	2	3 & 4	5	Over 5
Under $1,000	$23	$31	$31	$38	$38	$38	$3	$4	$5	$6	$6	$18	$19	$25	$26	$26
$1,000–1,499	29	40	40	48	48	48	5	5	7	8	8	23	26	33	35	35
$1,500–1,999	36	48	48	58	58	58	7	7	9	10	10	28	32	40	43	43
$2,000–2,499	42	56	56	67	67	67	8	9	11	12	12	33	38	47	51	51
$2,500–2,999	47	63	63	75	75	76	9	11	13	14	14	37	43	53	58	59
$3,000–3,499	52	70	70	83	83	84	10	13	14	16	16	41	48	59	65	66
$3,500–3,999	57	76	77	90	90	92	11	14	15	18	18	45	53	65	71	73
$4,000–4,499	62	82	84	96	97	100	12	15	16	19	20	49	58	70	77	79
$4,500–4,999	66	88	90	102	104	108	13	16	17	20	21	52	63	75	83	85
$5,000–5,499	70	93	96	108	111	115	14	17	18	21	22	55	67	80	89	91
$5,500–5,999	74	98	102	114	118	122	15	18	19	22	23	58	71	85	95	97
$6,000–6,499	78	103	108	120	125	129	16	19	20	23	24	61	75	90	100	103
$6,500–6,999	82	108	114	125	131	136	17	20	21	24	25	64	79	94	105	109
$7,000–7,499	86	113	120	130	137	143	18	21	22	25	26	67	83	98	110	114
$7,500–7,999	90	118	125	135	143	149	19	22	23	26	27	70	87	102	115	119
$8,000–8,499	93	122	130	140	149	155	20	23	24	27	28	73	91	106	120	124
$8,500–8,999	96	126	135	145	155	161	21	24	25	28	29	76	95	110	125	129
$9,000–9,499	99	130	140	149	161	167	22	25	26	29	30	79	99	114	130	134
$9,500–9,999	102	134	145	153	166	173	23	26	27	30	31	81	102	118	134	139
$10,000–10,999	107	140	152	160	175	182	24	27	29	31	32	84	107	123	140	146
$11,000–11,999	113	148	162	169	186	194	26	29	31	33	35	89	114	131	149	156
$12,000–12,999	119	156	171	177	196	205	28	31	33	35	38	94	121	138	158	165
$13,000–13,999	125	163	180	185	206	216	30	33	35	37	40	98	128	145	166	174
$14,000–14,999	131	170	189	193	216	227	32	35	37	39	42	102	134	152	174	183
$15,000–15,999	137	177	198	201	226	237	34	37	39	41	44	106	140	158	182	192
$16,000–16,999	142	184	207	209	236	247	36	39	41	43	46	110	146	164	190	200
$17 000–17,999	147	191	215	216	245	257	37	41	42	45	48	114	152	170	197	208
$18,000–18,999	152	197	223	223	254	267	38	43	43	47	50	118	158	176	204	216
$19,000–19,999	157	203	230	230	263	276	39	44	44	48	52	122	164	181	211	224
$20,000 and over	162	209	237	237	272	285	40	45	45	49	54	126	169	186	218	232

The sales tax table for North Dakota could not be completed in time for this printing. It will be available at local Internal Revenue Offices.

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STATE SALES TAX TABLES

If you itemize your deductions these amounts may be used to determine the general sales tax to be entered on page 2, Part IV. However, if you are able to establish that you paid a larger amount, you are, of course, entitled to deduct that amount. Local sales taxes have been included only in the Utah table. They may be claimed for Tennessee and Wyoming by adding to the figure in the table an amount based on the ratio between the local and State sales tax rates taking into consideration the number of months that the taxes have been in effect. Gasoline taxes are not included in these tables (see page 9 of the instructions for gasoline tax rates). Sales taxes for purchase of automobiles are also not included in these tables and they should be added, if applicable.

Income as shown on line 9, page 1, Form 1040	Ohio — Family Size (Persons) 1 & 2	3 & 4	5	Over 5	Oklahoma — Family Size (Persons) 1	2	3 & 4	5	Over 5
Under $1,000	$8	$10	$10	$10	$13	$14	$17	$18	$18
$1,000–1,499	12	14	14	14	17	19	23	24	24
$1,500–1,999	16	19	19	19	21	23	28	30	30
$2,000–2,499	19	23	23	23	24	27	33	35	36
$2,500–2,999	22	27	27	27	27	31	37	40	41
$3,000–3,499	25	31	31	31	30	35	41	45	46
$3,500–3,999	28	35	35	35	33	39	45	50	51
$4,000–4,499	31	39	39	39	36	42	49	54	56
$4,500–4,999	34	42	43	43	38	45	53	58	60
$5,000–5,499	37	45	47	47	40	48	57	62	64
$5,500–5,999	40	48	51	51	42	51	60	66	68
$6,000–6,499	43	51	55	55	44	54	63	70	72
$6,500–6,999	46	54	59	59	46	57	66	74	76
$7,000–7,499	49	57	62	63	48	60	69	78	80
$7,500–7,999	52	60	65	67	50	63	72	82	84
$8,000–8,499	55	63	68	71	52	66	75	85	88
$8,500–8,999	58	66	71	74	54	69	78	88	92
$9,000–9,499	60	69	74	77	56	71	81	91	95
$9,500–9,999	62	72	77	80	58	73	83	94	98
$10,000–10,999	66	76	82	85	60	76	87	99	103
$11,000–11,999	71	82	89	92	64	81	92	105	110
$12,000–12,999	76	88	96	99	68	86	97	111	117
$13,000–13,999	81	94	102	106	71	91	102	117	123
$14,000–14,999	86	99	108	113	74	96	107	123	129
$15,000–15,999	91	104	114	120	77	100	112	129	135
$16,000–16,999	96	109	120	127	80	104	117	134	141
$17,000–17,999	101	114	126	133	83	108	121	139	147
$18,000–18,999	106	119	132	139	86	112	125	144	153
$19,000–19,999	111	124	138	145	88	116	129	149	159
$20,000 and over	115	129	144	151	90	120	133	154	165

Income as shown on line 9, page 1, Form 1040	Pennsylvania — Family Size (Persons) 4 or under	5	Over 5	Rhode Island — Family Size (Persons) 1 & 2	3	4	5	Over 5
Under $1,000	$14	$22	$22	$14	$17	$22	$22	$22
$1,000–1,499	20	29	29	19	23	29	29	29
$1,500–1,999	26	36	36	24	29	36	37	37
$2,000–2,499	32	43	43	29	35	42	44	44
$2,500–2,999	37	49	49	34	41	48	50	50
$3,000–3,499	42	55	55	39	46	54	56	56
$3,500–3,999	47	61	61	44	51	59	62	62
$4,000–4,499	52	67	67	49	56	64	68	68
$4,500–4,999	57	72	72	53	61	69	74	74
$5,000–5,499	62	77	77	57	66	74	79	79
$5,500–5,999	67	82	82	61	71	78	84	84
$6,000–6,499	72	87	87	65	75	82	89	89
$6,500–6,999	76	92	92	69	79	86	94	94
$7,000–7,499	80	97	97	73	83	90	99	99
$7,500–7,999	84	101	101	77	87	94	104	104
$8,000–8,499	88	105	105	81	91	98	108	109
$8,500–8,999	92	109	109	85	95	102	112	114
$9,000–9,499	96	113	113	89	99	106	116	119
$9,500–9,999	100	117	117	92	103	110	120	123
$10,000–10,999	107	123	123	97	109	115	127	130
$11,000–11,999	115	131	133	104	117	122	135	139
$12,000–12,999	123	139	142	111	124	129	143	148
$13,000–13,999	130	147	151	118	131	136	151	157
$14,000–14,999	137	154	160	125	138	143	159	166
$15,000–15,999	144	161	169	132	145	149	166	174
$16,000–16,999	151	168	177	139	152	155	173	182
$17,000–17,999	158	175	185	145	159	161	180	190
$18,000–18,999	165	182	193	151	166	167	187	198
$19,000–19,999	172	189	201	157	173	173	194	206
$20,000 and over	179	196	209	163	179	179	201	214

Income as shown on line 9, page 1, Form 1040	South Carolina — Family Size (Persons) 1	2	3 & 4	5	Over 5	South Dakota — Family Size (Persons) 1	2	3	4	5	Over 5
Under $1,000	$20	$23	$28	$30	$30	$16	$20	$21	$25	$25	$25
$1,000–1,499	26	30	36	39	39	20	26	27	32	32	32
$1,500–1,999	32	37	45	48	48	24	31	34	39	39	40
$2,000–2,499	37	44	52	56	56	28	36	40	45	45	47
$2,500–2,999	42	50	59	64	64	32	41	45	51	51	54
$3,000–3,499	46	56	66	72	72	35	46	50	57	57	61
$3,500–3,999	50	61	72	79	79	38	50	55	62	63	67
$4,000–4,499	54	66	78	86	86	41	54	60	67	68	73
$4,500–4,999	58	71	84	93	93	44	58	64	71	73	79
$5,000–5,499	62	76	89	99	100	47	62	68	75	78	84
$5,500–5,999	65	81	94	105	107	50	65	72	79	83	89
$6,000–6,499	68	86	99	111	113	53	68	76	83	88	94
$6,500–6,999	71	90	104	116	119	55	71	80	87	93	99
$7,000–7,499	74	94	109	121	125	57	74	84	91	97	104
$7,500–7,999	77	98	114	126	131	59	77	88	95	101	109
$8,000–8,499	80	102	118	131	137	61	80	92	99	105	114
$8,500–8,999	83	106	122	136	143	63	83	95	102	109	119
$9,000–9,499	86	110	126	141	148	65	86	98	105	113	123
$9,500–9,999	89	114	130	146	153	67	89	101	108	117	127
$10,000–10,999	93	119	136	153	161	70	93	106	113	123	133
$11,000–11,999	98	127	144	162	172	74	98	112	119	130	142
$12,000–12,999	103	134	152	171	182	78	103	118	125	137	150
$13,000–13,999	108	141	160	180	192	82	108	124	131	144	158
$14,000–14,999	113	148	167	189	202	86	113	130	137	151	166
$15,000–15,999	117	154	174	197	211	89	118	136	142	158	174
$16,000–16,999	121	160	181	205	220	92	123	142	147	165	181
$17,000–17,999	125	166	187	213	229	95	127	147	152	172	188
$18,000–18,999	129	172	193	221	238	98	131	152	157	178	195
$19,000–19,999	133	178	199	228	247	101	135	157	162	184	202
$20,000 and over	137	184	205	235	256	104	139	162	167	190	209

Income as shown on line 9, page 1, Form 1040	Tennessee — Family Size (Persons) 1	2	3 & 4	5	Over 5
Under $1,000	$21	$22	$28	$29	$29
$1,000–1,499	26	29	36	38	38
$1,500–1,999	32	36	44	47	47
$2,000–2,499	37	43	51	55	56
$2,500–2,999	42	49	58	63	64
$3,000–3,499	46	55	65	70	72
$3,500–3,999	50	60	71	77	79
$4,000–4,499	54	65	77	84	86
$4,500–4,999	58	70	82	90	93
$5,000–5,499	62	75	87	96	100
$5,500–5,999	65	80	92	102	106
$6,000–6,499	68	85	97	108	112
$6,500–6,999	71	89	102	114	118
$7,000–7,499	74	93	107	120	124
$7,500–7,999	77	97	112	125	130
$8,000–8,499	80	101	116	130	136
$8,500–8,999	83	105	120	135	142
$9,000–9,499	85	109	124	140	147
$9,500–9,999	87	113	128	145	152
$10,000–10,999	92	118	135	152	160
$11,000–11,999	97	125	143	161	170
$12,000–12,999	102	132	151	170	180
$13,000–13,999	107	139	158	179	190
$14,000–14,999	112	146	165	188	200
$15,000–15,999	116	153	172	196	209
$16,000–16,999	120	159	179	204	218
$17,000–17,999	124	165	186	212	227
$18,000–18,999	128	171	192	220	236
$19,000–19,999	132	177	198	228	245
$20,000 and over	136	183	204	236	254

Income as shown on line 9, page 1, Form 1040	Texas — Family Size (Persons) 1 & 2	3 & 4	5	Over 5	Utah — Family Size (Persons) 1	2	3	4	5	Over 5
Under $1,000	$7	$10	$10	$10	$23	$31	$31	$40	$40	$40
$1,000–1,499	10	13	14	14	30	40	40	51	51	51
$1,500–1,999	13	16	18	18	37	49	50	61	61	61
$2,000–2,499	16	19	21	21	44	57	59	70	70	70
$2,500–2,999	19	22	24	24	50	64	67	79	79	79
$3,000–3,499	21	25	27	27	55	71	75	86	86	88
$3,500–3,999	23	28	30	30	60	78	82	93	94	97
$4,000–4,499	25	31	33	33	65	84	89	100	102	106
$4,500–4,999	27	34	36	36	70	90	96	107	109	114
$5,000–5,499	29	36	39	39	74	96	103	113	116	122
$5,500–5,999	31	38	42	42	78	101	109	119	123	130
$6,000–6,499	33	40	45	45	82	106	115	125	130	137
$6,500–6,999	35	42	47	48	86	111	121	131	137	144
$7,000–7,499	37	44	49	50	90	116	126	136	144	151
$7,500–7,999	39	46	51	52	94	121	131	141	150	158
$8,000–8,499	41	48	53	54	98	126	136	146	156	165
$8,500–8,999	43	50	55	56	102	130	141	151	162	171
$9,000–9,499	45	52	57	58	105	134	146	156	168	177
$9,500–9,999	46	54	59	60	108	138	151	160	174	183
$10,000–10,999	48	56	63	64	113	144	159	167	183	193
$11,000–11,999	52	60	67	68	120	153	169	176	194	205
$12,000–12,999	56	64	71	72	126	161	178	184	205	217
$13,000–13,999	59	68	75	76	132	169	187	192	215	228
$14,000–14,999	62	72	79	80	138	177	196	200	225	239
$15,000–15,999	65	75	83	84	144	184	205	208	235	250
$16,000–16,999	68	78	87	88	150	191	213	216	245	260
$17,000–17,999	71	81	91	92	155	198	221	223	255	270
$18,000–18,999	74	84	95	96	160	204	229	230	264	280
$19,000–19,999	77	87	98	100	166	210	237	237	273	290
$20,000 and over	80	90	101	104	171	216	245	245	282	300

Income as shown on line 9, page 1, Form 1040	Washington — Family Size (Persons) 1	2	3	4	5	Over 5	West Virginia — Family Size (Persons) 1	2	3 & 4	5	Over 5
Under $1,000	$25	$32	$33	$43	$43	$43	$18	$20	$26	$27	$27
$1,000–1,499	32	42	43	54	54	54	24	27	34	36	36
$1,500–1,999	39	52	53	66	66	66	29	34	42	45	45
$2,000–2,499	46	61	63	76	76	76	34	40	49	53	53
$2,500–2,999	52	69	72	85	85	86	39	46	56	61	61
$3,000–3,499	58	77	80	94	94	96	43	51	62	68	68
$3,500–3,999	64	84	88	102	103	106	47	56	68	75	75
$4,000–4,499	69	91	96	109	112	115	51	61	74	81	82
$4,500–4,999	74	97	103	116	121	124	55	66	79	87	88
$5,000–5,499	79	103	110	123	129	133	59	71	84	93	94
$5,500–5,999	84	109	117	130	137	142	63	76	89	99	100
$6,000–6,499	89	115	124	136	145	150	66	80	94	105	106
$6,500–6,999	93	121	131	142	153	158	69	84	99	110	112
$7,000–7,499	97	126	137	148	160	166	72	88	104	115	118
$7,500–7,999	101	131	143	154	167	174	75	92	108	120	124
$8,000–8,499	105	136	149	160	174	181	78	96	112	125	130
$8,500–8,999	109	141	155	165	181	188	81	100	116	130	135
$9,000–9,499	113	146	161	170	188	195	83	104	120	135	140
$9,500–9,999	116	151	166	175	194	202	85	108	124	140	145
$10,000–10,999	122	158	175	183	204	213	89	113	130	147	153
$11,000–11,999	129	167	186	193	217	226	94	121	138	156	163
$12,000–12,999	136	176	197	203	229	239	99	128	145	165	173
$13,000–13,999	143	184	207	212	241	252	104	135	152	174	183
$14,000–14,999	150	192	217	221	253	265	109	142	159	182	192
$15,000–15,999	156	200	227	230	264	277	114	148	166	190	201
$16,000–16,999	162	208	237	239	275	289	119	154	173	198	210
$17,000–17,999	168	216	246	248	286	301	123	160	180	206	219
$18,000–18,999	174	224	255	257	297	313	127	166	186	214	228
$19,000–19,999	180	231	264	266	307	324	131	172	192	221	236
$20,000 and over	186	238	273	274	317	335	134	178	198	228	244

Income as shown on line 9, page 1, Form 1040	Wisconsin — Sales Tax Deduction	Wyoming — Family Size (Persons) 1	2	3	4	5	Over 5
Under $1,000	$6	$14	$19	$19	$25	$25	$25
$1,000–1,499	8	18	24	25	31	31	31
$1,500–1,999	11	22	29	30	37	37	37
$2,000–2,499	14	25	33	35	42	42	43
$2,500–2,999	17	28	37	40	47	47	48
$3,000–3,499	19	31	41	44	52	52	53
$3,500–3,999	21	34	45	48	56	57	58
$4,000–4,499	23	36	49	52	60	62	63
$4,500–4,999	25	38	52	56	64	67	68
$5,000–5,499	27	40	55	60	68	71	73
$5,500–5,999	29	42	58	64	71	75	77
$6,000–6,499	31	44	61	67	74	79	81
$6,500–6,999	33	46	64	70	77	83	85
$7,000–7,499	35	48	67	73	80	87	89
$7,500–7,999	37	50	70	76	83	91	93
$8,000–8,499	39	52	72	79	86	95	97
$8,500–8,999	41	54	74	82	89	98	101
$9,000–9,499	43	56	76	85	92	101	105
$9,500–9,999	45	58	78	88	94	104	108
$10,000–10,999	49	60	82	92	97	109	114
$11,000–11,999	53	63	87	97	102	115	121
$12,000–12,999	57	66	91	102	107	121	128
$13,000–13,999	61	69	95	107	112	127	135
$14,000–14,999	65	72	99	112	116	133	141
$15,000–15,999	69	75	103	117	120	139	147
$16,000–16,999	73	78	107	122	124	145	153
$17,000–17,999	76	81	111	127	128	150	159
$18,000–18,999	80	84	115	132	132	155	165
$19,000–19,999	83	86	118	136	136	160	171
$20,000 and over	86	88	121	140	140	165	176

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INSTRUCTIONS FOR SCHEDULE B (Form 1040)

PENSIONS • ANNUITIES • RENTS • ROYALTIES • PARTNERSHIPS • ESTATES • TRUSTS • RETIREMENT INCOME CREDIT

Part I

PENSIONS AND ANNUITIES

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

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

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

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

Special Rule for Certain Types of Employees' Annuities. — There is a special rule provided for amounts received as employees' annuities where part of the cost is contributed by the *employer* and the amount contributed by the *employee* will be returned within 3 years from the date of the first payment received under the contract. If both of these conditions are met, then all the payments received under the contract during the first 3 years are to be excluded from income until the employee recovers his cost (the amount contributed by him plus the contributions made by the employer on which the employee was previously taxed); thereafter all amounts received are fully taxable. This method of computing taxable income also applies to the employee's beneficiary if the employee died before receiving any annuity or pension payments.

Example: An employee received $200 a month from an annuity. While he worked, he contributed $4,925 toward the cost of the annuity. His employer also made contributions toward the cost of the annuity for which the employee was not taxed. The retired employee would be paid $7,200 during the first 3 years, which amount exceeds his contribution of $4,925. He would exclude from income all the payments received from the annuity until he has received $4,925. All payments received thereafter are fully taxable.

Death Benefit Exclusion.—If you receive pension or annuity payments as a beneficiary of a deceased employee, and the employee had received no retirement pension or annuity payments, you may be entitled to a death benefit exclusion of up to $5,000. Consult the Internal Revenue Service.

Part II

RENTS AND ROYALTIES

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

In the case of buildings you can deduct depreciation, as explained on page B–2. You can also deduct all ordinary and necessary expenditures on the property such as taxes, interest, repairs, insurance, agent's commissions, maintenance, and similar items. However, you cannot deduct capital investments or improvements but must add them to the basis of the property for the purpose of depreciation. For example, a landlord can deduct the cost of minor repairs but not the cost of major improvements such as a new roof or remodeling.

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

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

Part III

PARTNERSHIPS AND ESTATES OR TRUSTS

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

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

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

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

Small Business Corporations.—If you are a shareholder in a small business corporation which elects to have its current taxable income taxed to its stockholders, you should report your share of both the distributed and undistributed current taxable income as ordinary income on line 1 of this part except that portion which is reportable as a long-term capital gain in separate Schedule D. Neither type of income is eligible for the dividends 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. These guideline lives for guideline classes (broad categories not item-by-item) are in most cases substantially shorter than those previously used. These guideline lives and rules are applicable to all depreciable property including existing assets as well as new acquisitions; however, they do not supersede existing rules and procedures for any taxpayer who wishes to continue to use them.

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

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

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

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

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

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

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

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

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

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

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

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

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

Part V

RETIREMENT INCOME CREDIT

You may qualify for this credit which is generally 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" set forth below, the amount of the retirement income used for the credit computation may not exceed $1,524 reduced by:

(a) any amount received and excluded from income as a pension or annuity under the Social Security Act and Railroad Retirement Acts and other tax-exempt pensions or annuities. This reduction does not include (1) that part of a pension or annuity which is excluded from income because it represents, in effect, a return of capital or tax-free proceeds of a like nature, or (2) amounts excluded from income received as compensation for injury or sickness or under accident or health plans; and

(b) certain adjustments for earned income.

Alternative computation: The maximum amount of retirement income to be used in figuring the credit for retirement income 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.

In computing the limitation on the retirement income credit, you should include the amount of any Dividends Received Credit with other amounts to be subtracted on line 10 of the computation schedule.

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