

CORPORATION INCOME AND EXCESS-PROFITS TAX RETURN
For Calendar Year 1933

File This Return with the Collector of Internal Revenue for Your District on or Before March 15, 1934

PRINT PLAINLY CORPORATION'S NAME AND BUSINESS ADDRESS

(Name)
(Street and number)
(Post office and State)

It is Essential, Except Where Otherwise Provided in the Instructions, That This Form be Completely Filled In Irrespective of Any Statements, Schedules, or Reports Submitted Herewith

Date of Incorporation
Under the Laws of What State or Country

File Code

Serial Number

District (Cashier's Stamp)

Cash Check M.O. Cert. of Ind. First Payment

The Corporation's Books are in Care of Located at
Kind of Business Is This a Consolidated Return? If so, of How Many Corporations?
If a Foreign Corporation, State Whether Resident or Nonresident; if Nonresident, State Amount of Income Excluded (Instruction 32) From Gross Income, \$

GROSS INCOME

Table with 13 rows for Gross Income items (1-13) and columns for dollar amounts. Includes items like Gross Sales, Less Cost of Goods Sold, Gross Profit, Interest, Rents, Dividends, and Other Income.

DEDUCTIONS

Table with 13 rows for Deductions items (14-26) and columns for dollar amounts. Includes items like Compensation of Officers, Rent on Business Property, Repairs, Interest, Taxes, Losses by Fire, Bad Debts, Dividends, Depreciation, and Other Deductions.

COMPUTATION OF TAX

Table with two main sections: INCOME TAX (items 27-31) and EXCESS-PROFITS TAX (items 32-35). Includes calculations for Net Income, Income Tax, and Excess-Profits Tax.

ATTACH REMITTANCE HERE

ITEMS	BEGINNING OF TAXABLE YEAR				END OF TAXABLE YEAR			
	Amount		Total		Amount		Total	
ASSETS								
1. Cash			\$			\$		
2. Notes receivable								
3. Accounts receivable	\$				\$			
Less reserve for bad debts								
4. Inventories:								
Raw materials	\$				\$			
Work in process								
Finished goods								
Supplies								
5. Investments (nontaxable):								
Obligations of a State, Territory, or any political subdivision thereof, or the District of Columbia	\$				\$			
Securities issued under the Federal Farm Loan Act, or under such Act as amended, and obligations of United States possessions								
Obligations of the United States								
6. Other investments:								
Stocks of domestic corporations	\$				\$			
Bonds of domestic corporations								
Stocks and bonds of foreign corporations								
All other investments or loans								
7. Deferred charges:								
Prepaid insurance	\$				\$			
Prepaid taxes								
All other								
8. Capital assets:								
Land	\$				\$			
Buildings								
Machinery and equipment								
Furniture and fixtures								
Delivery equipment								
Less reserves for depreciation (except on land)	\$				\$			
9. Patents								
10. Good will								
11. Other assets (describe fully):	\$				\$			
12. TOTAL ASSETS			\$				\$	
LIABILITIES								
13. Notes payable (less than one year)			\$				\$	
14. Accounts payable								
15. Bonds and notes (not secured by mortgage)								
16. Mortgages (including bonds and notes so secured)								
17. Accrued expenses:								
Interest	\$				\$			
Taxes								
All other								
18. Other liabilities (describe fully):	\$				\$			
19. Capital stock:								
Preferred stock (less stock in treasury)	\$				\$			
Common stock (less stock in treasury)								
20. Surplus	\$				\$			
21. Undivided profits								
22. TOTAL LIABILITIES			\$				\$	

Remarks

1. Net income from Item 26, page 1 of the return.....	\$					13. Unallowable deductions:				
2. Nontaxable income:						(a) Donations, gratuities, and contributions.....	\$			
(a) Interest on obligations of a State, Territory, or any political subdivision thereof, or the District of Columbia.....						(b) Income and profits taxes paid to the United States, and such taxes paid to its possessions or foreign countries if claimed as a credit in Item 30, page 1 of the return.....				
(b) Interest on securities issued under the Federal Farm Loan Act, or under such Act as amended.....						(c) Federal taxes paid on tax-free covenant bonds.....				
(c) Interest on obligations of the United States or its possessions.....						(d) Special improvement taxes tending to increase the value of the property assessed.....				
(d) Dividends deductible under Section 23 (p) of the Revenue Act of 1932.....						(e) Furniture and fixtures, additions, or betterments treated as expenses on the books.....				
(e) Proceeds of life insurance policies paid upon the death of the insured.....						(f) Replacements and renewals.....				
(f) Other items of nontaxable income (to be detailed):						(g) Insurance premiums paid on the life of any officer or employee where the corporation is directly or indirectly a beneficiary.....				
(1).....						(h) Interest on indebtedness incurred or continued to purchase or carry obligations or securities the interest upon which is wholly exempt from taxation.....				
(2).....						(i) Additions to reserve for bad debts which are not included in Item 20, page 1 of return.....				
(3).....						(j) Additions to reserves for contingencies, etc. (to be detailed):				
3. Charges against reserve for bad debts, if Item 20, page 1 of return, is not an addition to a reserve.....						(1).....				
4. Charges against reserves for contingencies, etc. (to be detailed):						(2).....				
(a).....						(3).....				
(b).....						(k) Other unallowable deductions (to be detailed):				
(c).....						(1).....				
5. Total of Lines 1 to 4, inclusive.....	\$					(2).....				
6. Total from Line 14.....						(3).....				
7. Net profit for year, as shown by books, before any adjustments are made therein (Line 5 minus Line 6).....	\$					14. Total of Line 13.....	\$			
8. Surplus and undivided profits as shown by balance sheet at close of preceding taxable year.....						15. Dividends paid during the taxable year (state whether paid in cash, stock of the corporation, or other property):				
9. Other credits to surplus (to be detailed):						(a) Date paid..... Character.....	\$			
(a).....						(b) Date paid..... Character.....				
(b).....						(c) Date paid..... Character.....				
(c).....						(d) Date paid..... Character.....				
10. Total of Lines 7 to 9, inclusive.....	\$					16. Other debits to surplus (to be detailed):				
11. Total from Line 17.....						(a).....				
12. Surplus and undivided profits as shown by balance sheet at close of taxable year (Line 10 minus Line 11).....	\$					(b).....				
						(c).....				
						17. Total of Lines 15 and 16.....	\$			

NET INCOME OR DEFICIT REPORTED IN RETURN FOR 1932 BEFORE DEDUCTING NET LOSS FOR PRIOR YEAR

1. Enter amount of net income or deficit for 1932 before deducting net loss for 1931..... \$
2. Enter amount deducted in return for 1932 as net loss for 1931..... \$

KIND OF BUSINESS

3. State the main business engaged in, also whether acting as principal or as agent on commission; state if inactive or in liquidation:

Check the proper block below to indicate the general industrial division in which the corporation's main income-producing business falls:

- Agriculture and related industries, including fishing, forestry, ice harvesting, etc.; also leasing of such property.
- Mining and quarrying, including gas and oil wells; also leasing of such property.
- Manufacturing—
 - Food products and beverages.
 - Tobacco.
 - Textiles and textile products.
 - Leather and leather products.
 - Rubber and related products.
 - Lumber and wood products, including fiber furniture.
 - Paper, pulp and products.
 - Printing, publishing, and allied businesses.
 - Chemicals and allied products, including petroleum products.
 - Stone, clay, and glass products.
 - Metal and metal products, including precious metals and products.
 - Other manufacturing.
- Construction—excavations, buildings, bridges, railroads, ships, etc.; also equipping and installing operating systems, devices, or machinery without their manufacture.
- Transportation—rail, water, aerial, motor, etc.; also leasing of such facilities.
- Public utilities—electric light or power, gas (artificial or natural), pipe lines, telephone, telegraph or radio, waterworks, heating, toll bridges, etc.; also leasing of such utilities.
- Storage—cold storage, grain elevators, warehouses, safe deposit vaults, etc.; also leasing of such property.
- Trading—wholesale, retail, or commission.
- Service—professional, business, amusement, and domestic, including hotels, restaurants, laundries, etc.
- Finance—banks and other financial organizations, insurance, real estate; also brokers and agents.

AFFILIATIONS WITH OTHER CORPORATIONS
SEE INSTRUCTION 40

4. Is this a consolidated return?..... If so, procure from the Collector of Internal Revenue for your district Form 851, Affiliations Schedule, which shall be filled in, sworn to, and filed as a part of this return. See Section 141 of the Revenue Act of 1932 and Instruction 41.

5. Was the income of this corporation included in a consolidated return for the prior year?.....
If so, give name of corporation which filed the consolidated return.

PREDECESSOR BUSINESS

6. Did the corporation file a return under the same name for the preceding taxable year?..... Was the corporation in any way an outgrowth, result, continuation, or reorganization of a business or businesses in existence during this or any prior year since December 31, 1917?..... If answer is "yes," give name and address of each predecessor business, and the date of the change in entity.

Upon such change were any asset values increased or decreased?.....
If the answer is "yes," closing balance sheets of old business and opening balance sheets of new business must be furnished.

BASIS OF RETURN

7. Is this return made on the basis of cash receipts and disbursements?.....
If not, describe fully what other basis or method was used in computing net income.

VALUATION OF INVENTORIES

8. State whether the inventories at the beginning and end of the taxable year were valued at cost, or cost or market, whichever is lower. If other basis was used, describe fully, state why used and the date inventory was last reconciled with stock.

LIST OF ATTACHED SCHEDULES

9. Enter below a list of all schedules accompanying this return, giving for each a brief title and the schedule number. The name and address of the corporation should be placed on each separate schedule accompanying the return.

Table with 2 main sections: 1. COST OF SALES (WHERE INVENTORIES ARE AN INCOME-DETERMINING FACTOR) and 2. COST OF OPERATIONS (WHERE INVENTORIES ARE NOT AN INCOME-DETERMINING FACTOR). Each section has columns for ITEMS and AMOUNT (Enter as Item 2 (c)).

SCHEDULE B—PROFIT FROM SALE OF STOCKS, BONDS, REAL ESTATE, ETC. (See Instruction 10)

Table with 9 columns: 1. KIND OF PROPERTY, 2. DATE ACQUIRED, 3. DATE SOLD, 4. AMOUNT RECEIVED, 5. COST, 6. MARCH 1, 1913, VALUE IF ACQUIRED BEFORE THAT DATE, 7. COST OF IMPROVEMENTS AFTER ACQUISITION OR MARCH 1, 1913, 8. DEPRECIATION ALLOWED (OR ALLOWABLE) SINCE ACQUISITION OR MARCH 1, 1913, 9. NET PROFIT OR LOSS.

* As defined in Section 23(t), 1932 Act.

State how property was acquired

SCHEDULE C—COMPENSATION OF OFFICERS (See Instruction 14)

Table with 6 columns: 1. NAME OF OFFICER, 2. OFFICIAL TITLE, 3. TIME DEVOTED TO BUSINESS, 4. Common, 5. Preferred, 6. AMOUNT OF COMPENSATION (Enter as Item 14).

SCHEDULE D—COST OF REPAIRS (See Instruction 16)

Table with 2 columns: 1. ITEMS, 2. AMOUNT (Enter as Item 16).

SCHEDULE E—TAXES PAID (See Instruction 18)

Table with 2 columns: 1. ITEMS, 2. AMOUNT (Enter as Item 18).

SCHEDULE F—EXPLANATION OF LOSSES BY FIRE, STORM, ETC. (See Instruction 19)

Table with 7 columns: 1. KIND OF PROPERTY, 2. DATE ACQUIRED, 3. COST OR VALUE AS OF MARCH 1, 1913, WHICHEVER GREATER, 4. SUBSEQUENT IMPROVEMENTS, 5. DEPRECIATION ALLOWABLE SINCE ACQUISITION, 6. INSURANCE AND SALVAGE VALUE, 7. DEDUCTIBLE LOSS (Enter as Item 19).

State how property was acquired

SCHEDULE G—BAD DEBTS (See Instruction 20)

Table with 3 columns: 1. YEAR, 2. SALES ON ACCOUNT, 3. BAD DEBTS.

SCHEDULE H—DIVIDENDS DEDUCTIBLE (See Instruction 21)

Table with 3 columns: 1. NAME OF CORPORATION, 2. Domestic, 3. Foreign.

SCHEDULE I—EXPLANATION OF DEDUCTION FOR DEPRECIATION (See Instruction 22)

Table with 8 columns: 1. KIND OF PROPERTY, 2. DATE ACQUIRED, 3. AGE WHEN ACQUIRED, 4. PROBABLE LIFE AFTER ACQUISITION, 5. COST, 6. MARCH 1, 1913, VALUE IF ACQUIRED PRIOR TO THAT DATE, 7. DEPRECIATION ALLOWED (OR ALLOWABLE) IN PRIOR YEARS, 8. DEPRECIATION ALLOWABLE THIS YEAR.

AFFIDAVIT

We, the undersigned, president (or vice president, or other principal officer) and treasurer (or assistant treasurer) of the corporation for which this return is made, being severally duly sworn, each for himself deposes and says that this return, including the accompanying schedules and statements, has been examined by him and is, to the best of his knowledge and belief, a true and complete return, made in good faith, for the taxable year stated, pursuant to the Revenue Act of 1932 and the National Industrial Recovery Act and the Regulations issued thereunder.

Sworn to and subscribed before me this _____ day of _____, 1934.

Notarial Seal and Corporate Seal sections for the officer administering oath and the treasurer or assistant treasurer.

See Instruction 52. Attach a separate sheet if any of the above schedules do not provide sufficient space.

The Instructions Numbered 1 to 26 on this Page Correspond with the Item Numbers on Page 1 of the Return

GROSS INCOME AND DEDUCTIONS

1. Gross sales.—If engaged in business where inventories are an income-determining factor, enter as Item 1 on page 1 of the return, the gross sales, less goods returned and any allowances or discounts from the sale price.

Banks, insurance companies, and other corporations required to submit statements of income and expenses to any national, State, municipal, or other public officer may submit with the return a statement of income and expenses in the form furnished to such officer, in lieu of the information requested in Items 1 to 25 of the return, except that a railroad company will submit with the return a statement on Form 1090. In such cases the taxable net income will be reconciled by means of Schedule L on page 3 of the return, with the net profit shown by the income and expense statement submitted, and should be entered as Item 26 on page 1 of the return.

2. Cost of goods sold.—Enter as Item 2 the information requested on lines (a) to (e) and list in Column 1 of Schedule A on page 4 of the return the principal items of cost, including the amount entered on line (c), the minor items to be grouped in one amount. Enter as salaries and wages on line (c) the total compensation, during the period covered by this return, of individuals employed (exclusive of officers and firm members).

If the production, purchase, or sale of merchandise is an income-producing factor in the trade or business, inventories of merchandise on hand should be taken at the beginning and end of the taxable year, which may be valued at cost, or cost or market, whichever is lower. Enter the letters "C," or "C or M," immediately before the amount column on lines (a) and (e) under Item 2, if the inventories are valued at either cost, or cost or market, whichever is lower, and explain fully in answer to question 8 on page 3 the method used. In case the inventories reported do not agree with the balance sheet, attach a statement explaining how difference occurred.

3. Gross profit from sales.—Enter as Item 3 the gross profit from business in which inventories are an income-determining factor, which is obtained by deducting Item 2, the cost of goods sold as extended, from Item 1, the net sales.

4. Gross receipts from business in which inventories are not an income-determining factor.—Enter as Item 4 the gross receipts or operating revenue. (See also second paragraph of Instruction 1, above.)

5. Cost of operations.—Enter as Item 5 the cost of operations and list in Column 2 of Schedule A on page 4 of the return the principal items of cost. Enter as salaries and wages the total compensation, during the period covered by this return, of individuals employed (exclusive of officers and firm members).

6. Gross profit from business in which inventories are not an income-determining factor.—Enter as Item 6.

7. Interest on loans, etc.—Enter as Item 7 all interest received or credited to the corporation during the taxable year on loans, notes, mortgages, bonds, bank deposits, etc.

8. Rents.—Enter as Item 8 the gross amount received for the rent of property. Any deductions claimed for repairs, interest, taxes, and depreciation should be included in Items 16, 17, 18, and 22, respectively.

9. Royalties.—Enter as Item 9 the gross amount received as royalties. If a deduction is claimed for depletion, it should be reported as Item 23.

10. Profit or loss from sale of stocks, bonds, real estate, etc.—Report sales of property according to the two classes designated in Schedule B: (a) Stocks and bonds as defined in Section 23 (t), Revenue Act of 1932, held 2 years or less (including also those held more than 2 years if not capital assets); and (b) all other assets (including stocks and bonds which are capital assets).

Describe the property briefly in Schedule B, and state the actual consideration or price received, or the fair market value of the property received in exchange. Expenses connected with the sale, such as commissions paid agents, may be deducted in computing the amount received.

If gain or loss is computed on March 1, 1913, value, both cost and March 1, 1913, value must be shown and full information given as to how March 1, 1913, value was determined. If the amount shown as cost is other than actual cash cost of the property sold, full details must be furnished regarding the acquisition of the property.

Enter as depreciation the amount of exhaustion, wear and tear, obsolescence, or depletion which has been allowed (but not less than the amount allowable) in respect of such property since date of acquisition, or since March 1, 1913, if the property was acquired before that date. In addition, if the property was acquired before March 1, 1913, and if the cost of such property is greater than its fair market value as of that date, the cost shall be reduced by the depreciation actually sustained before that date. See Section 113 of the Revenue Act of 1932.

Subsequent improvements include expenditures for additions, improvements, and repairs made to restore the property or prolong its useful life. Do not deduct ordinary repairs, interest, or taxes in computing gain or loss.

No loss shall be recognized in any sale or other disposition of shares of stock or securities where the corporation has acquired substantially identical stock or securities within 30 days before or after the date of such sale, unless the corporation is a dealer in stock or securities in the ordinary course of business.

Deductions for losses from sales or exchanges of stocks and bonds which are not capital assets as defined in Section 101 of the 1932 Act, and the sales and exchanges of which are to be reported in Schedule B (a), shall be allowed only to the extent of the gains from such sales or exchanges (including gains which may be derived by a taxpayer from the retirement of his own obligations). See Section 23 (r) and (t) of the 1932 Act and Section 218 of the National Industrial Recovery Act.

11. Dividends.—Enter as Item 11 (a) the amount received as dividends (1) from a domestic corporation subject to taxation under Title I of the Revenue Act of 1932, other than a corporation entitled to the benefits of Section 251 of the Revenue Act of 1932 and other than a corporation organized under the China Trade Act, 1922, or (2) from a foreign corporation when it is shown to the satisfaction of the Commissioner that more than 50 per cent of the gross income of such foreign corporation for the three-year period ending with the close of its taxable year preceding the declaration of such dividends (or for such part of such period as the corporation has been in existence) was derived from sources within the United States. Enter as Item 11 (b) dividends from a domestic corporation not subject to taxation under Title I of the Revenue Act of 1932. Enter as Item 11 (c) dividends from a foreign corporation other than a foreign corporation described in (2) of this paragraph.

12. Other income.—Enter as Item 12 all other taxable income for which no space is provided on the return.

13. Total income.—Enter as Item 13 the net amount of Items 3, and 6 to 12, inclusive, after deducting any losses reported in Items 3, 6, and 10 (b).

14. Compensation of officers.—Enter as Item 14 the compensation of all officers, in whatever form paid, and fill in Schedule C, giving the information requested.

15. Rent.—Enter as Item 15 rent paid for business property in which the corporation has no equity.

16. Repairs.—Enter as Item 16 the cost of incidental repairs including the labor, supplies, and other items which do not add to the value or appreciably prolong the life of the property. Enter as salaries and wages the compensation, during the period covered by this return, of persons employed directly in connection with these incidental repairs, as shown in Schedule D. Expenditures for

new buildings, machinery, equipment, or for permanent improvements or betterments which increase the value of the property are chargeable to capital account. Expenditures for restoring or replacing property are not deductible, as such expenditures are chargeable to capital accounts or to depreciation reserve, depending on how depreciation is charged on the books of the corporation.

17. Interest.—Enter as Item 17 interest paid on business indebtedness. Do not include interest on indebtedness incurred or continued to purchase or carry obligations or securities the interest upon which is wholly exempt from taxation.

18. Taxes.—Enter as Item 18 taxes paid or accrued during the taxable year. Do not include Federal income taxes, income taxes claimed as a credit in Item 30, taxes assessed against local benefits tending to increase the value of the property assessed, Federal taxes paid on bonds containing a tax-free covenant, nor taxes not imposed upon the taxpayer. No deduction is allowable for any portion of foreign income and profits taxes if a credit is claimed in Item 30.

19. Losses.—Enter as Item 19 losses sustained during the year and not compensated for by insurance or otherwise. Losses of business property arising from fire, storm, shipwreck, or other casualty, or from theft, should be explained in Schedule F, giving the information requested.

20. Bad debts.—Enter as Item 20 debts, or portions thereof, arising from sales or services that have been reflected in income, which have been definitely ascertained to be worthless and have been charged off within the year, or such reasonable amount as has been added to a reserve for bad debts within the year.

If the debts are included in the deduction claimed, submit a schedule showing the amounts charged off, and state how each was determined to be worthless. If the amount deducted is an addition to a reserve, enter in Schedule G the amount of sales charged on account, and the amount of bad debts charged off, for each of the years indicated.

A debt previously charged off as bad, if subsequently collected, must be returned as income for the year in which collected.

21. Dividends.—Enter as Item 21 and describe in Schedule H dividends reported as income in Item 11 (a).

22. Depreciation.—The amount deductible on account of depreciation in Item 22 is an amount fairly measuring the portion of the investment in depreciable property by reason of exhaustion, wear and tear, or obsolescence, which is properly chargeable against the operations of the year. If the property was acquired by purchase on or after March 1, 1913, the amount of depreciation should be determined upon the basis of the original cost (not replacement cost) of the property, and the probable number of years remaining of its useful life. In case the property was purchased prior to March 1, 1913, the amount of depreciation will be determined in the same manner, except that it will be computed on its original cost, less depreciation sustained prior to March 1, 1913, or the fair market value as of that date, whichever is greater. If the property was acquired in any other manner than by purchase see Section 114 of the Revenue Act of 1932. The capital sum to be replaced should be charged off over the useful life of the property either in equal annual installments or in accordance with any other recognized trade practice, such as an apportionment over units of production. Whatever plan or method of apportionment is adopted must be reasonable and must have due regard to operating conditions during the taxable year. The method adopted should be described in the return. Stocks, bonds, and like securities are not subject to exhaustion, wear and tear within the meaning of the law.

If a deduction is claimed on account of depreciation Schedule I shall be filled in, and the total amount claimed therein should correspond with the figures reflected in the balance sheet. In case obsolescence is included, state separately amount claimed and basis upon which it is computed. Land values or cost must not be included in this schedule, and where land and buildings were purchased for a lump sum the cost of the building subject to depreciation must be established. The total amount of depreciation allowed on each property in prior years must be shown and if the cost of any asset has been fully recovered through previous depreciation allowances, the cost of such asset must not be included in the cost shown in the schedule of depreciable assets. See Sections 23 (k) and 114 of the Revenue Act of 1932.

23. Depletion.—If a deduction is claimed on account of depletion, secure from the collector Form D (minerals), Form E (coal), Form F (miscellaneous non-metals), Form O (oil and gas), or Form T (timber), fill in and file with return. If complete valuation data have been filed with Questionnaire in previous years, then file with this return information necessary to bring your depletion schedule up to date, setting forth in full statement of all transactions bearing on deductions or additions to value of physical assets with explanation of how depletion deduction for the taxable year has been determined. See Sections 23 (l) and 114 of the Revenue Act of 1932.

24. Other deductions.—Enter other deductions authorized by law and file with the return a schedule showing how each deduction was computed.

25. Total deductions.—Enter as Item 25 the total of Items 14 to 24, inclusive.

26. Net income.—Enter as Item 26 the net income, which is obtained by deducting Item 25 from Item 13. The net income of a corporation shall be computed upon the basis of its taxable year in accordance with the method of accounting regularly employed in keeping the books, unless such method does not clearly reflect the income.

CREDIT FOR TAXES

27. A nonresident foreign corporation subject to taxation may claim as a credit in Item 29 any income tax required to be deducted and withheld at the source.

28. If, in accordance with Section 131 (a) of the Revenue Act of 1932, a credit is claimed by a domestic corporation in Item 30 on account of income tax paid to a foreign country or a possession of the United States, Form 1118 should be submitted with this return, together with the receipt for each such tax payment. In case credit is sought for taxes accrued but not paid, the form must have attached to it a certified copy of the return on which each such accrued tax was based, and the Commissioner may require a bond on Form 1119 for the payment of any additional tax found due if the foreign tax when paid differs from the amount claimed. A foreign corporation is not entitled to claim this credit.

EXCESS-PROFITS TAX

29. The excess-profits tax is imposed upon the net income of every corporation for each income-tax taxable year ending after the close of the first year in respect of which it is subject to the capital-stock tax imposed by Section 215 of the National Industrial Recovery Act. The excess-profits tax is equivalent to 5 per cent of such portion of the corporation's net income for such income-tax taxable year as is in excess of 12½ per cent of the adjusted declared value of its capital stock (or in the case of a foreign corporation the adjusted declared value of capital employed in the transaction of its business in the United States) as of the close of the preceding income-tax taxable year (or as of the date of organization if it had no preceding income-tax taxable year) determined as provided in Section 215. No variation between the adjusted declared value of capital stock set forth in the capital-stock tax return and the adjusted declared value embodied in the excess-profits tax return is permissible. The term "income-tax taxable year" means the calendar year, or the fiscal year ending during such calendar year, upon the basis of which the corporation's net income is computed and its income tax returns are made under the Revenue Act of 1932. The term "net income" and other terms used in Section 216 of the National Industrial Recovery Act have the same meaning as when used in the Revenue Act of 1932.

LIABILITY FOR FILING RETURNS

30. Corporations generally.—Every domestic or resident corporation, joint-stock company, association, or insurance company (other than a life insurance company) not specifically exempted by Section 103 of the Revenue Act of 1932, whether or not having any net income, must file a return of income on this form, or on Form 1120A if for a fiscal year. Every corporation which is subject to the capital-stock tax imposed by Section 215 of the National Industrial Recovery Act must make an excess-profits tax return for each income-tax taxable year ending after the close of the first year in respect of which it is subject to the capital-stock tax. For the calendar year 1933 a combined return for income and excess-profits tax purposes must be made on this form.

31. Corporations in possessions of the United States.—Domestic corporations within the possessions of the United States (except the Virgin Islands) may report as gross income only gross income from sources within the United States, provided, (a) 80 per cent or more of the gross income for the three-year period immediately preceding the close of the taxable year (or such part thereof as may be applicable) was derived from sources within a possession of the United States; and (b) 50 per cent or more of the gross income for such period or such part thereof was derived from the active conduct of a trade or business within a possession of the United States.

32. Foreign corporations.—A foreign corporation subject to the provisions of the Revenue Act of 1932, regardless of the amount of its net income, is required to file a return with the collector in whose district is located its principal office or agency through which is transacted the business in the United States. The net income should be computed in accordance with Section 119 of the Revenue Act of 1932.

Any foreign nonresident corporation excluding from gross income from sources within the United States income of the type specified in Section 119(a)(1)(A)(B) or (C) of the Revenue Act of 1932 must file with its return a statement setting forth the amount of such income and such information as may be necessary to show that the income is of the type specified in those paragraphs. A foreign corporation engaged in trade or business within the United States or having an office or place of business therein is a resident foreign corporation.

INSURANCE COMPANIES

33. Life insurance companies.—A life insurance company issuing life insurance and annuity contracts (including contracts of combined life, health, and accident insurance), as defined by Section 201 of the Revenue Act of 1932, shall file its tax return on Form 1120L, instead of this form.

34. Mutual insurance companies.—A mutual insurance company (other than a life insurance company), in addition to the deductions allowed a corporation, unless otherwise allowed, may claim as deductions in Item 24 of the return, (a) the net addition required by law to be made within the taxable year to reserve funds (including in the case of an assessment insurance company the actual deposit of sums with State or Territorial officers pursuant to law as additions to guarantee or reserve funds); and (b) the sums other than dividends paid within the taxable year on policy and annuity contracts.

35. A mutual marine insurance company shall include in its gross income in Item 4 of this return the gross premiums collected and received, less amounts paid for reinsurance, and in addition to the deductions allowed a corporation, and to a mutual insurance company in Instruction 34 above, unless otherwise allowed, may claim as a deduction in Item 24 of the return amounts repaid to policyholders on account of premiums previously paid by them, and interest paid upon such amounts between the ascertainment and the payment thereof.

36. A mutual insurance company (including interinsurance and reciprocal underwriters, but not including a mutual life or mutual marine insurance company) requiring its members to make premium deposits to provide for losses and expenses, in addition to the deductions allowed a corporation, and to a mutual insurance company in Instruction 34 above, unless otherwise allowed, may claim as a deduction in Item 24 of the return, the amount of premium deposits returned to its policyholders and the amount of premium deposits retained for losses, expenses, and reinsurance reserves.

37. The receipts of shipowners' mutual protection and indemnity associations not organized for profit, and no part of the net earnings of which inures to the benefit of any private stockholder or member, are exempt from taxation; but such associations shall be subject as other corporations to the tax upon their net income from interest, dividends, and rents.

38. Benevolent life insurance associations of a purely local character, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations are exempt from taxation only if 85 per cent or more of the income consists of amounts collected from members for the sole purpose of meeting losses and expenses.

39. Other insurance companies.—The net income of an insurance company (other than a life or mutual insurance company referred to above) is the gross income earned during the taxable year from investment income and from underwriting income, computed on the basis of the underwriting and investment exhibit of the Annual Statement approved by the National Convention of Insurance Commissioners, plus the gain from the sale or other disposition of property, less the deductions for ordinary and necessary expenses, interest, taxes, losses, bad debts, depreciation, etc., as provided in Section 204 of the Revenue Act of 1932.

CONSOLIDATED RETURNS

40. Subject to the provisions of Section 141 of the Revenue Act of 1932 and Regulations 78, an affiliated group of corporations may make a consolidated return in lieu of separate returns. The making of a consolidated return, and the determination, computation, assessment, collection, and adjustment of tax liabilities under a consolidated return, are governed by Regulations 78. If a consolidated return is made for any taxable year, a consolidated return must be made for each subsequent taxable year.

41. The parent corporation, when filing a consolidated return on this form, shall attach thereto a schedule showing the names and addresses of all the corporations included in the return. Each taxable year each subsidiary must prepare two duplicate originals of Form 1122 consenting to Regulations 78 and authorizing the making of the return on its behalf. One of such forms shall be attached to the consolidated return as a part thereof, and the other shall be filed, at or before the time the consolidated return is filed, in the office of the collector for the subsidiary's district.

42. Supporting schedules shall be filed with the consolidated return. These schedules shall be prepared in columnar form, one column being provided for each corporation included in the consolidation, one column for a total of like items before adjustments are made, one column for intercompany eliminations and adjustments, and one column for a total of like items after giving effect to the eliminations and adjustments. The items included in the column for eliminations and adjustments should be symbolized to identify contra items affected, and suitable explanations appended, if necessary. Similar schedules shall also contain in columnar form a reconciliation of surplus for each corporation, together with a reconciliation of the consolidated surplus.

43. Consolidated balance sheets as of the beginning and close of the taxable year of the group shall accompany the consolidated return prepared in a form similar to that required for reconciliation of surplus.

44. An affiliated group of corporations as defined by Section 141 of the Revenue Act of 1932, as amended by Section 218(e) of the National Industrial Recovery Act, which pursuant to that section has the privilege of making a consolidated income-tax return, and has exercised such privilege, shall make a consolidated excess-profits tax return. The excess-profits tax shall be computed on such portion of the consolidated net income for the income-tax taxable year of the affiliated group as is in excess of 12½ per cent of the combined adjusted

declared value of the capital stock of those members of the group subject to capital-stock tax as separately returned under Section 215. In the case of a corporation which is a member of an affiliated group for a fractional part of the year, the consolidated excess-profits tax return shall include the income of such corporation for such part of the year as it is a member of the affiliated group, and a like proportionate part of the adjusted declared value of the capital stock of such corporation shall be included in the combined adjusted declared value of the capital stock of the affiliated group.

WORKING PAPERS

45. Every corporation should preserve, for inspection by a revenue officer, working papers showing the balance in each account on the corporation's books used in preparing the return.

BALANCE SHEETS

46. The balance sheets on page 2 of the return, Schedule K, should agree with the books, or any differences should be reconciled. The balance sheets for a consolidated return should be furnished in accordance with Instruction 43. All corporations engaged in an interstate and intrastate trade or business and reporting to the Interstate Commerce Commission and to any national, State, municipal, or other public officer, may submit, in lieu of Schedule K, copies of their balance sheets prescribed by said Commission or State and municipal authorities, as at the beginning and end of the taxable year.

In case the balance sheet as at the beginning of the current taxable year does not agree in every respect with the balance sheet which was submitted as at the end of the previous taxable year, the differences should be fully explained in the space provided under Schedule K.

PERIOD COVERED

47. Except in the case of the first return the corporation shall make its return on the basis upon which the return was made for the taxable year immediately preceding unless, with the approval of the Commissioner, a change is made in the accounting period.

48. If a corporation desires to change its accounting period from fiscal year to calendar year, from calendar year to fiscal year, or from one fiscal year to another fiscal year, an application for such change shall be made on Form 1128 and forwarded to the collector prior to the expiration of 30 days from the close of the proposed taxable year.

49. Where the Commissioner approves a change in the accounting period, the net income computed on the separate return for a fractional part of a year shall be placed on an annual basis by multiplying the amount thereof by 12 and dividing by the number of months included in the period, and the tax shall be such part of the tax computed on such annual basis as the number of months in such period is of 12 months.

TIME AND PLACE FOR FILING

50. The return for the calendar year 1933 must be sent to the collector of internal revenue for the district in which the corporation's principal office is located so as to reach the collector's office on or before March 15, 1934. In the case of a foreign corporation not having any office or place of business in the United States the returns shall be filed on or before June 15, 1934, with the Collector of Internal Revenue, Baltimore, Maryland.

51. The Collector of Internal Revenue may grant a reasonable extension of time for filing a return, not to exceed six months, if application therefor is made before the date prescribed by law for filing such return, whenever in his judgment good cause exists.

SIGNATURES AND VERIFICATION

52. The return shall be sworn to by the president, vice president, or other principal officer, and by the treasurer or assistant treasurer. The return of a foreign corporation having no office or place of business in the United States but having an agent in the United States shall be sworn to by such agent. If receivers, trustees in bankruptcy, or assignees are operating the property or business of the corporation, such receivers, trustees, or assignees shall execute the return for such corporation under oath.

PAYMENT OF TAXES

53. The tax should be paid by sending or bringing with the return a check or money order drawn to the order of "Collector of Internal Revenue at (insert name and city and State)." Do not send cash by mail, nor pay it in person except at the collector's office.

The tax in the case of a domestic corporation may be paid when the return is filed, or in four equal installments, as follows: The first installment shall be paid on or before March 15, 1934, the second installment shall be paid on or before June 15, 1934, the third installment on or before September 15, 1934, and the fourth installment on or before December 15, 1934.

If any installment is not paid on the date fixed for its payment, the whole amount of the tax unpaid shall be paid upon notice and demand by the collector.

PENALTIES

54. For willful failure to make and file return on time.—Not more than \$10,000 or imprisonment for not more than one year, or both, and in addition 25 per cent of the amount of the tax.

55. For willfully making a false or fraudulent return.—Not more than \$10,000 or imprisonment for not more than five years, or both, together with the costs of prosecution.

56. For deficiency in tax.—Interest on a deficiency at 6 per cent per annum to the date the deficiency is assessed, or to the thirtieth day after the filing of a waiver of the restrictions on assessment and collection, whichever date is the earlier, and in addition 5 per cent of the amount of the deficiency if due to negligence or intentional disregard of rules and regulations without intent to defraud, or 50 per cent of the amount of the deficiency if due to fraud.

UNDISTRIBUTED PROFITS

57. If any corporation is formed or availed of for the purpose of preventing the imposition of any internal-revenue tax upon its shareholders by permitting its gains and profits to accumulate instead of being divided or distributed, there shall be levied, collected, and paid for each taxable year upon the net income of such corporation a tax equal to 50 per cent of the amount thereof, which shall be in addition to the tax imposed by Section 13 of the Revenue Act of 1932. In such case the net income shall include interest on obligations of the United States issued after September 1, 1917, which would be subject to tax in whole or in part in the hands of an individual owner, and dividends received from a domestic corporation. See Section 104 of the Revenue Act of 1932, as amended by Section 214 of the National Industrial Recovery Act.

INFORMATION AT THE SOURCE

58. Every corporation making payments of salaries, wages, interest, rent, commissions, or other fixed or determinable income of \$1,000 or more during the calendar year, to a single person, a partnership, or a fiduciary, or \$2,500 or more to a married person, or payments of dividends of \$500 or more to a person, a partnership, or a fiduciary, is required to make a return on Forms 1096 and 1099 showing the amount of such payments and the name and address of each recipient. These forms will be furnished by any collector of internal revenue upon request. Such returns covering the calendar year 1933 must be forwarded to the Commissioner of Internal Revenue, Sorting Section, Washington, D. C., in time to be received not later than February 15, 1934.