

E. RAYMOND ARNER
LOS ANGELES, CALIF.

January 26, 1937

Mr. Louis G. Brittingham
Citizens National Trust & Savings Bank
Los Angeles, California

Dear Mr. Brittingham:

Your verbal request for information on the
subject of U.S. Federal and Calif. Personal
Income Tax

The following comments are made upon the basis that
the taxpayer is a nonresident alien and that he is not en-
gaged in trade or business within the United States and has
not had an office or place of business therein at any time
within the taxable year.

UNITED STATES FEDERAL INCOME TAX

QUESTIONS

1. Is interest received by such person on his bank savings
account subject to United States Federal Income Tax?
2. Are dividends received from a national bank by such
person as stockholder subject to United States Federal
Income Tax?

ANSWERS

Section 211(a) of the Revenue Act of 1936 states in brief
that where the nonresident alien has no business or office
within the United States, there shall be collected a tax of
10% of the amount received by such nonresident alien indivi-
dual from sources within the United States as interest
(except interest on deposits with persons carrying on the
banking business), dividends, etc.

1. Therefore it appears, and it is my individual opinion
only, that interest received from a bank in the United
States by a nonresident alien who is not engaged in
trade or business within the United States and does not
have an office or place of business in the United States,
is not subject to United States Federal Income Tax.

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E. RAYMOND ARNER

LOS ANGELES, CALIF.

Louis G. Brittingham - Page Two

January 26, 1937

2. It is also my personal opinion that dividends received from a national bank by a nonresident alien individual not engaged in trade or business in the United States and not having an office or place of business therein, are subject to United States Federal Income Tax at the rate of 10% on the gross amount, and that such tax is required to be withheld by such bank before paying such dividend.

CALIFORNIA PERSONAL INCOME TAX

QUESTIONS

1. Is interest received by such person on his bank savings account subject to California Personal Income Tax?
2. Are dividends received from a national bank by such person as stockholder subject to California Personal Income Tax?

ANSWERS

1. In my letter to the State Tax Commissioner dated December 17, 1935, I requested to be informed whether or not interest received from a national bank on savings deposits was taxable to a nonresident of the United States, to which he replied that interest from savings deposits in a national bank when received by a nonresident of the United States is subject to tax under the Personal Income Tax Act.
2. In the same manner I requested to be informed whether or not dividends received from a national bank in California would be taxable to a nonresident of the United States, to which the Commissioner replied that it was his opinion that dividends received by stockholders of national banks are subject to tax in the same manner and to the same extent as dividends from other corporations.

Article 7(f)-6 of the Regulations relating to the California Personal Income Tax Act of 1935 provides that

- "(b) Stocks and bonds of corporations organized under the laws of this State, deposits in California banks,

E. RAYMOND ARNER
LOS ANGELES, CALIF.

Louis G. Brittingham - Page Three

January 26, 1937

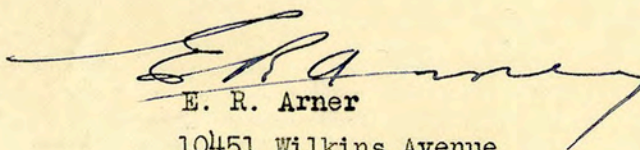
notes and other indebtedness where the debtor is a resident of or is domiciled in California, have a situs for taxation in California if owned by nonresidents of the United States, whether citizens or aliens. Accordingly, all the income from such property, including gains from the sale thereof, whether the sale is consummated in California or elsewhere, is income from sources within this State subject to the tax imposed by the act."

Inasmuch as national banks are organized under the laws of the United States and not the State of California, the Commissioner's opinion that dividends of national banks are subject to tax in the same manner as other corporations may be questioned. However, so far as I know there has been no challenge either before the Commissioner or in the Courts on that point, and therefore I am unable to give an opinion as to the possible outcome if such a case were to be fought out in the Courts. I am, however, again writing to the Commissioner to see if a more definite decision can be obtained, and when received, the information will be passed on to you.

As to the question whether or not this individual would or would not be considered a resident of this State, I am attaching a copy of a letter written by the Tax Commissioner dated October 18, 1935, on that subject.

Very truly yours,

Attach.
ERA:G


E. R. Arner
10451 Wilkins Avenue
West Los Angeles

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RESIDENTS OR CITIZENS OF OTHER STATES
Who Visit California for an Indeterminate Period of Time
are not Affected by the California Personal Income Tax Act

For the information of residents and citizens of other states, who spend or contemplate spending an indeterminate time, as tourists, or winter or summer visitors, in the State of California, Charles J. McColgan, Commissioner, states that the new California Personal Income Tax Act of 1935 will not cost them one cent unless they derive taxable income from sources within this State. Nor will their sojourn in this State for more than six months during the taxable year, or the maintenance of a permanent place of abode within this State give rise to income tax liability unless they are actually and legally domiciled within this State, or receive income from sources within this State.

The legal conception of "domicile" is that place in which a man has voluntarily fixed the habitation of himself and family, not merely for a special or temporary purpose, but with the present intention of making a permanent home until some unexpected event shall occur to induce him to adopt some other permanent home.

Therefore, the maintenance of a permanent place of abode within this State, or the spending of more than six months within this State during the taxable year, by a "resident" of some other State, merely raises the presumption that he is a "resident" of this State. If he is a "resident" of New York or some other State, presumably he can rebut this presumption and thus establish exemption from income tax liability except that which attaches to income derived from sources within this State. As to the latter, if it consists of interest on bonds or other indebtedness of California obligors, or dividends on stock of California corporations, no tax liability attaches thereto, unless the securities have acquired a business situs in this State.

When drafting the Personal Income Tax Act of 1935, the legislative draftsmen carefully considered the interests and convenience of non-resident visitors to this State, and the Act will not inconvenience or penalize them in any manner whatsoever.

APPROVED:

CHARLES J. MCCOLGAN
Commissioner

October 18, 1935

C O P Y

July 17, 1939
San Diego, California

Commissioner of Internal Revenue
Washington, D. C.

Dear Sir:

At the request of Mr. Walter A. Nolan, Internal Revenue Agent, I am addressing this letter to you in the hope that it may assist your Department in arriving at my status as a tax-payer in the United States of America.

On Friday, April 11, 1936, without previous warning, I was advised by the Government of Mexico that it would be necessary for me to leave the country immediately. So quickly was this order carried out that I had time to neither gather my personal effects or secure sufficient ready cash for my immediate necessities. It was necessary for me to borrow the equivalent of approximately \$500.00 from a friend and in a few hours I was on my way to the United States. I arrived in San Diego on Sunday April 13, 1936 with little or no ready cash on hand.

I immediately ordered that my assets in Mexico be liquidated for what they would bring, and as these assets consisted of personal effects, cattle on my ranch and various and other sundry holdings which were partially liquid, they were immediately transferred into money in the form of Mexican pesos. These, my representatives were instructed to convert into American dollars whenever and wherever possible. In a number of instances I was able to get checks and drafts on various banks in the United States. As these checks and drafts cleared these various banks, I ordered them deposited to my credit in the Citizens' National Bank of Los Angeles and the Bank of America, Main Office, in San Diego.

Without exception, each and everyone of these deposits was a transfer of capital derived from the sacrificial liquidation of my assets in Mexico. Needless to say, it was necessary for me to practically give away my holdings in my native land in order to convert them into ready cash.

I wish to inform you that my only income is the small amount of interest from my savings accounts in these two banks together with the rent derived from the rental of the buildings on my ranch in Mexico. For you information, what was previously a large ranch, has been reduced by confiscation, to only the house and grounds and a small orchard, together with the various out-buildings from which I derive an income of less than the equivalent of \$1500 American dollars per annum.

PLUTARCO ELIAS CALLES

In the Main Office of the San Diego branch Bank of America, in a savings account, I have on deposit approximately \$25,000.00 and the balance in my commercial account, amounting to somewhere between \$30,000. and \$40,000.00. In the Citizens' National Bank of Los Angeles, I have only a savings account in the amount of approximately \$100,000.00. The small amount of interest derived from these two accounts, together with the above mentioned income from the rental of the improvements on my ranch near Mexico City constitute my income both in the United States and Mexico.

I would appreciate your advising me whether or not in the opinion of your department you consider me to be a Resident or Non-Resident Alien. If there is any further information I can give in arriving at my status in this country, and determining whether or not there is an income tax due your Government, please do not hesitate to call upon me.

Thanking you for the privilege of addressing this letter to you, and assuring you that I appreciate the courteous and respectful way in which your department has handled my case, I beg to remain

Very truly yours,

P. ELIAS CALLES

VER:M

WITNESS:

UNITED STATES INCOME TAX

Tax Guide

SECTION 37. - RESIDENT ALIENS.

The income tax of aliens present in the United States, who are not transients or sojourners, is computed in the same manner as the tax of citizens. It is immaterial that their income is wholly from sources without the United States. An alien living in the United States, and having no definite intention as to his stay is a resident. An alien whose stay is limited to a definite period by the immigration laws is not a resident, in the absence of exceptional circumstances.

INCOME TAX

ART. 211-2. Definition. - A "nonresident alien individual" means an individual --

- (A) Whose residence is not within the United States; and
- (B) Who is not a citizen of the United States.

An alien actually present in the United States who is not a mere transient or sojourner is a resident of the United States for purposes of the income tax. Whether he is a transient is determined by his intentions with regard to the length and nature of his stay. A mere floating intention, indefinite as to time, to return to another country is not sufficient to constitute him a transient. If he lives in the United States and has no definite intention as to his stay, he is a resident. One who comes to the United States for a definite purpose which in its nature may be promptly accomplished is a transient; but if his purpose is of such a nature that an extended stay may be necessary for its accomplishment, and to that end the alien makes his home temporarily in the United States, he becomes a resident, though it may be his intention at all times to return to his domicile abroad when the purpose for which he came has been consummated or abandoned. An alien whose stay in the United States is limited to a definite period by the immigration laws is not a resident of the United States within the meaning of this article, in the absence of exceptional circumstances.

Reports on
 Comm'g C. B/A
 San Diego
 Year 1935

1 0, 0 0 0.0 0 *
 1 0, 0 0 0.0 0 *

Deposits in
Comm a/c. B/A
San Diego
Year 1936

1	3,690.17	*
2	9,139.94	
2	0,000.00	
6	2,830.11	*

Deposits in Comm^g 11
B/A San Diego
Year 1937

4 0 0.0 0 *

7, 0 0 0.0 0

7, 4 0 0.0 0 *

Deposits in Comm^g
 B/A San Diego
 Year 1938

	6, 6	7	7.3	5	*
	2, 2	1	2.5	5	
1	4, 4	2	3.0	8	
1	5, 5	8	6.8	7	
3	8, 8	9	9.8	5	*

Deposits in
 Savings ^a #18566
 B/A San Diego
 Year 1938

2	5,000.00	*
2	500.00	
2	5,250.00	*

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July 17, 1939
San Diego, California

Commissioner of Internal Revenue
Washington, D. C.

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Toy Guide

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OFFICE OF
INTERNAL REVENUE AGENT IN CHARGE
LOS ANGELES DIVISION

18
TREASURY DEPARTMENT

INTERNAL REVENUE SERVICE

TWELFTH FLOOR, U. S. POST OFFICE AND COURTHOUSE

LOS ANGELES, CALIF.

February 6, 1940.

General Plutarco Elias Calles,
1212 Upas Street,
San Diego, California.

Sir:

Further reference is made to your letter dated July 17, 1939, in which you request to be advised whether you are considered to be a resident or non-resident for income tax purposes.

Upon careful consideration of the information contained in your letter and the additional information furnished to Internal Revenue Agent W. A. Nolan, during the course of his examination of your income tax returns for the years 1936 and 1937, this office has reached the conclusion that those returns should be accepted as filed upon the basis that you were during those years, and that you are now a resident of the United States.

Respectfully,

George D. Martin
Internal Revenue Agent in Charge

- RBS/WM

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RETURN FORM MARKED "DUPLICATE" MUST BE FILED WITH THIS ORIGINAL RETURN

Form 1040 A
TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE

(Auditor's stamp)

INDIVIDUAL INCOME TAX RETURN

FOR NET INCOMES OF NOT MORE THAN \$5,000
DERIVED CHIEFLY FROM SALARIES AND WAGES

For Calendar Year 1936

To be filed with the Collector of Internal Revenue for your district on or before March 15, 1937

PRINT NAME AND HOME ADDRESS PLAINLY BELOW

Plutarco Eliss Geller
(Name) (Both husband and wife, if this is a joint return) (See Instruction 16)

1212 - Maple St.
(Street and number, or rural route)

San Diego Calif.
(Post office) (County) (State)

OCCUPATION

Cash Check M. O.

1. Are you a citizen or resident of the United States? *Resident*
2. Were you married and living with husband or wife during your taxable year? *Married*
3. Was a separate return filed by husband or wife?
4. If not married, were you the head of a family during your taxable year (See Instruction 14 for definition)? *Yes*
5. How many dependents (except husband or wife) received their chief support from you during your taxable year? *4*
6. State date and nature of any change under questions 2, 4, or 5 during the year

Item and
Instruction No.

INCOME

1. Salaries, wages, commissions, fees, etc. (From Schedule A) *None*
2. Dividends. (From Schedule B) *None*
3. Interest on bank deposits, notes, mortgages, and corporation bonds. (From Schedule C) *2000 -*
4. Interest on bonds upon which a tax of 2% was paid at source. (From Schedule D) *None*
5. Other income (including income from fiduciaries, etc.). (From Schedule F) *None*
6. TOTAL INCOME IN ITEMS 1 TO 5 *\$ 2000 -*

DEDUCTIONS

7. Contributions. (From Schedule G) *None*
8. Taxes paid. (From Schedule H) *None*
9. Interest paid. (From Schedule I) *None*
10. Losses by fire, storm, bad debts, etc. (From Schedule J) *None*
11. TOTAL DEDUCTIONS IN ITEMS 7 TO 10 *000 00*

COMPUTATION OF TAX

12. Net income for normal tax purposes (item 6 minus item 11) *\$ 2000 -*
13. Less: Earned income credit *\$ -*
14. Personal exemption *1000 -*
15. Credit for dependents. (Explain in Schedule K) *1200 - 2200 -*
16. Balance taxable at 4% (item 12 minus items 13, 14, and 15) *\$ 000 -*
17. Total income tax (4% of item 16) *\$ -*
18. Less: Income tax paid at source on tax-free covenant bonds (2% of item 4) *\$ -*
19. Income tax paid to a foreign country or United States possession. (Attach Form 1116) *\$ -*
20. BALANCE OF TAX (item 17 minus items 18 and 19) *\$ 000 -*

AFFIDAVIT (See Instruction 18)

I/we swear (or affirm) that this return has been examined by me/us, and, to the best of my/our knowledge and belief, is a true and complete return for the taxable year as stated, pursuant to the Revenue Act of 1936 and regulations issued under authority thereof.

Subscribed and sworn to by _____

before me this _____ day of _____, 1937.

(Signature) (See Instruction 18)

(Signature and title of officer administering oath)

(Signature)

A RETURN MADE BY AN AGENT MUST BE ACCOMPANIED BY
POWER OF ATTORNEY. (See Instruction 18.)

NOTE.—If you derive income, regardless of amount, from a profession or business, including farming, or from rents or sale of property, use Form 1040.

2-17204

Schedule A.—INCOME FROM SALARIES AND WAGES, COMMISSIONS, FEES, ETC. (See Instruction 1)

1. NAME AND ADDRESS OF EMPLOYER OR NATURE OF FEES, COMMISSIONS, ETC.	2. AMOUNT RECEIVED	3. EXPENSES PAID (Itemized)
	\$	\$

Schedule B.—INCOME FROM DIVIDENDS (See Instruction 2)

1. NAME OF PAYOR	2. AMOUNT RECEIVED	1. NAME OF PAYOR	2. AMOUNT RECEIVED
	\$		\$

Schedule C.—INTEREST ON BANK DEPOSITS, NOTES, MORTGAGES, CORPORATION BONDS (See Instruction 3)

1. NAME OF PAYOR	2. NATURE OF OBLIGATION	3. AMOUNT RECEIVED
		\$

Schedule D.—INTEREST ON BONDS ON WHICH A TAX OF 2% WAS PAID AT SOURCE (See Instruction 4)

1. NAME OF PAYOR	2. NAME OF BOND	3. AMOUNT RECEIVED
		\$

Schedule E.—TAX-EXEMPT INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction 6)

1. OBLIGATIONS AND SECURITIES	2. AMOUNT OWNED AT END OF YEAR	3. INTEREST RECEIVED OR ACCRUED DURING THE YEAR
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or possessions of the United States.....	\$	\$
(b) Obligations of instrumentalities of the United States (such as obligations issued under Federal Farm Loan Act, as amended, Home Owners' Loan Act, etc.).....		
(c) Obligations of the United States.....		

Schedule F.—OTHER INCOME (INCLUDING INCOME FROM FIDUCIARIES, ETC.) (See Instruction 5)

1. SOURCE OF INCOME	2. NATURE OF INCOME	3. AMOUNT RECEIVED
		\$

Schedule G.—CONTRIBUTIONS (See Instruction 7)

1. NAME AND ADDRESS OF ORGANIZATION	2. AMOUNT PAID
	\$

Schedule H.—TAXES PAID (See Instruction 8)

1. NATURE OF TAX	2. TO WHOM PAID	3. AMOUNT PAID
		\$

Schedule I.—INTEREST PAID (See Instruction 9)

1. TO WHOM PAID	2. AMOUNT
	\$

Schedule J.—LOSSES BY FIRE, STORM, ETC. (See Instruction 10)

1. DESCRIPTION	2. AMOUNT
	\$

Schedule K.—EXPLANATION OF CREDIT FOR DEPENDENTS CLAIMED IN ITEM 15 (See Instruction 15)

1. NAME OF DEPENDENT	2. RELATIONSHIP	3. INDICATE WHETHER UNDER 18 YEARS OF AGE	4. REASON FOR SUPPORT IF NOT UNDER 18 YEARS OF AGE

1937

INSTRUCTIONS FOR FORM 1040 A

UNITED STATES INDIVIDUAL INCOME TAX RETURN

1937

Taxpayers will find it helpful to read general instructions (A) to (H) before commencing to fill in their returns, and to read specific instructions in connection with filling in the item or items to which they refer.

GENERAL INSTRUCTIONS

(A) WHO MUST USE FORM 1040A

Form 1040A must be used by all individuals, except nonresident aliens, whose net income is not more than \$5,000, whose taxable income is derived from salaries, wages, or other compensation for personal services, dividends, or interest, and who make returns on the cash basis and for the calendar year.

Individuals whose net income exceeds \$5,000, or who have any income other than that stated above, such as rents or gains from the sale of property, or make returns on an accrual basis, or make returns for a fiscal year, shall use Form 1040.

Nonresident aliens are required to use Form 1040B or 1040NB.

(B) WHO MUST MAKE A RETURN

An income tax return must be filed by every citizen of the United States whether residing at home or abroad, and every person residing in the United States though not a citizen thereof, whose gross income (item 5 of Form 1040A) for the taxable year is \$5,000, or over, or whose net income (item 11 of Form 1040A) is—

- (a) \$1,000 or over, if single or if married and not living with husband or wife;
- (b) \$2,500 or over, if married and living with husband or wife; or
- (c) Equal to or more than the personal exemption if taxpayer was married and living with husband or wife during only part of the taxable year.

If the combined net income of husband and wife is \$2,500 or over, or if their combined gross income is \$5,000 or over, including in each case the earnings of minor children, if their parents have the legal right to the same, all such income must be reported in a joint return, or in separate returns of husband and wife. In the absence of proof to the contrary, a parent will be presumed to have the legal right to the earnings of a minor and must include such earnings in his return.

In order for a joint return to be filed by husband and wife, both must have had some income or deductions in the year for which the return is filed and the return must include the income and deductions of both. A joint return of husband and wife may be filed only if they were living together at the close of their taxable year.

Returns of income of decedents.—If the net income of a decedent to the date of his death was \$1,000 or over, if unmarried, or equal to or in excess of the credit allowed him by section 25(b) (1) and (3) of the Revenue Act of 1936 (computed without regard to his status as the head of a family), if married and living with spouse, or if his gross income for the period was \$5,000 or over, the executor or administrator shall make a return for him on Form 1040 or 1040A. The return for a decedent shall include all items of income and deductions accrued up to the date of death regardless of the fact that the decedent may have kept his books on a cash basis.

Returns for estates and trusts must be made on Form 1041.

(C) WHEN AND WHERE THE RETURN MUST BE FILED

The return must be sent to the collector of internal revenue for the district in which the taxpayer has his legal residence, so as to reach the collector's office on or before March 15, 1938. In case the taxpayer has no legal residence in the United States, the return should be forwarded to the Collector of Internal Revenue, Baltimore, Md.

(D) AFFIDAVIT

The affidavit must be executed by the person whose income is reported or by his legal representative or agent. The return may be made by an agent (1) if, by reason of illness, the person liable for the making of the return is unable to make it, or (2) if the taxpayer is unable to make the return by reason of continuous absence from the United States for a period of at least 60 days prior to the date prescribed by law for making the return. Whenever a return is made by an agent it must be accompanied by a power of attorney on Form 935, or, in the case of husband and wife, on Form 936 (copies of which may be obtained from any collector).

The oath will be administered without charge by any collector, deputy collector, or internal revenue agent. If an internal revenue officer is not available, the return should be sworn to before a person authorized to administer oaths, except an attorney or agent

employed to represent the taxpayer before the Department in connection with his tax liability.

(E) WHEN AND TO WHOM THE TAX MUST BE PAID

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

The tax must be paid in full when the return is filed, or in four equal installments, as follows: The first installment shall be paid on or before March 15, 1938; the second installment on or before June 15, 1938; the third installment on or before September 15, 1938; and the fourth installment on or before December 15, 1938.

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

(F) PENALTIES

The law imposes severe penalties for failing to make a return, or for making a false or fraudulent return. Penalties are also imposed for failing to file a return on time.

(G) ITEMS EXEMPT FROM TAX

All items of income received and claimed to be exempt from tax should be explained in Schedule H.

The following items are exempt from Federal income tax, except where otherwise indicated, and should not be included in gross income:

(a) Amounts received under a life insurance contract paid by reason of the death of the insured, whether in a single sum or in installments (but if such amounts are held by the insurer under an agreement to pay interest thereon, the interest payments shall be included in gross income);

(b) Amounts received (other than amounts paid by reason of the death of the insured and interest payments on such amounts and other than amounts received as annuities) under a life insurance or endowment contract, but if such amounts (when added to amounts received before the taxable year under such contract) exceed the aggregate premiums or consideration paid (whether or not paid during the taxable year), then the excess shall be included in gross income;

(c) Gifts (not received as a consideration for service rendered) and money and property acquired by bequest, devise, or inheritance (but the income derived from such property is taxable and must be reported);

(d) Interest upon (1) the obligations of a State, Territory, or any political subdivision thereof, or the District of Columbia or United States possessions; or (2) obligations issued under the provisions of the Federal Farm Loan Act or under such Act as amended; or (3) the obligations of the United States; or (4) obligations of instrumentalities of the United States (other than obligations issued under Federal Farm Loan Act or under such Act as amended), such as Federal Farm Mortgage Corporation bonds, Home Owners' Loan Corporation bonds, etc. The interest on United States Savings Bonds and Treasury Bonds, owned in excess of \$5,000, and on obligations of instrumentalities of the United States (other than obligations issued under Federal Farm Loan Act or under such Act as amended) is subject to surtax if the surtax net income is over \$4,000.

(e) Amounts received through accident or health insurance or under workmen's compensation acts, as compensation for personal injuries or sickness, plus the amount of any damages received, whether by suit or agreement on account of such injuries or sickness;

(f) The rental value of a dwelling house and appurtenances thereof furnished to a minister of the gospel as part of his compensation;

(g) Compensation paid by a State or political subdivision thereof to its officers or employees for services rendered if such compensation is constitutionally exempt from Federal taxation;

(h) Pensions and compensation received by veterans from the United States and pensions received from the United States by the family of a veteran for services rendered by the veteran to the United States in time of War; and

(i) Amounts received as earned income from sources without the United States (except amounts paid by the United States or any agency thereof) by an individual citizen of the United States

who is a bona fide nonresident for more than six months during the taxable year. The taxpayer in such a case may not deduct from his gross income any amount properly allocable to or chargeable against the amount so excluded from his gross income.

(H) STOCK OWNED IN FOREIGN PERSONAL HOLDING COMPANIES

If you owned stock at any time during the taxable year in a foreign personal holding company as defined in section 331 of the

Revenue Act of 1936, as amended by the Revenue Act of 1937, you must include in your return as a dividend the amount required to be included in your gross income by section 337 of the Revenue Act of 1936, as amended by the Revenue Act of 1937. If you owned 5 percent or more in value of the outstanding stock of such company, set forth in an attached statement in complete detail the information required by section 337(d) of the Revenue Act of 1936, as amended by the Revenue Act of 1937.

SPECIFIC INSTRUCTIONS

The following instructions are numbered to correspond with item numbers on the first page of return:

1. **Income from salaries, wages, etc.**—Enter as item 1 the total of all salaries, wages, or other compensation available or received from outside sources, less ordinary and necessary expenses, as reported in Schedule B. Any amount claimed as a deduction for ordinary and necessary expenses against salaries, etc., such as traveling expenses while away from home in connection with your occupation, should be fully explained in Schedule B or in an attached statement. Traveling expenses ordinarily include expenditures for transportation, meals, and lodging. The expenses of a commuter in traveling to and from work are not deductible.

If a joint return, enter as separate items in Schedule B earnings of each spouse. Earnings of minor children should also be entered in Schedule B, if parent is legally entitled to such earnings.

2. **Dividends.**—Enter as item 2 the total of all taxable dividends received from domestic and foreign corporations. Enter in Schedule H all dividends received which are claimed to be nontaxable.

3. **Interest on bank deposits, etc.**—Enter as item 3 the total of all interest on bank deposits, notes, mortgages, etc. Interest on savings bank deposits is considered income to the depositor when credited, even though not entered on the pass book.

4. **Interest on corporation bonds.**—Enter as item 4 the total of all interest received on bonds, mortgages, and similar obligations of corporations. Include bond interest received upon which a 2 percent Federal tax was paid at the source; said tax may be claimed as a credit in item 17 of the return. Interest on bonds is considered income when due and payable.

5. **Total income.**—Enter as item 5 the total amount of items 1 to 4.

NONTAXABLE INCOME—SCHEDULE H

Schedule H should be filled in if you received any nontaxable income or if you owned any of the obligations described in paragraph (d) of General Instruction (G).

DEDUCTIONS

6. **Contributions.**—Enter as item 6 the contributions or gifts, reported in Schedule C, made within the year to or for the use of:

(a) The United States, any State, Territory, or any political subdivision thereof, or the District of Columbia, for exclusively public purposes;

(b) A corporation, or trust, or community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation;

(c) The special fund for vocational rehabilitation authorized by Section 12 of the World War Veterans' Act, 1924;

(d) Posts or organizations of war veterans, or auxiliary units or societies of any such posts or organizations, if such posts, organizations, units, or societies are organized in the United States or any of its possessions, and if no part of their net earnings inures to the benefit of any private shareholder or individual; or

(e) A fraternal society, order, or association, operating under the lodge system, but only if such contributions or gifts are to be used exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals.

The total amount claimed shall not exceed 15 percent of your net income computed without the benefit of this deduction.

7. **Interest paid.**—Enter as item 7 the amount reported in Schedule D as interest paid on personal indebtedness. Do not include interest on indebtedness incurred or continued to purchase or carry obligations (other than obligations of the United States issued after September 24, 1917, and originally subscribed for by the taxpayer) the interest upon which is wholly exempt from taxation.

8. **Taxes paid.**—Enter as item 8 the amounts reported in Schedule E as taxes imposed upon and paid by you during the

year. Do not include sales taxes unless the tax was directly imposed upon you by law. Do not include taxes assessed against local benefits of a kind tending to increase the value of the property assessed, nor Federal income taxes, nor estate, inheritance, legacy, succession, or gift taxes, nor taxes imposed upon your interest as a shareholder of a corporation which are paid by the corporation without reimbursement from you. No deduction is allowable for any portion of foreign income taxes if a credit is claimed in item 18.

9. **Other deductions.**—Enter as item 9 the total amount itemized in Schedule F. In the case of loss by fire, storm, shipwreck, or other casualty, or from theft, set forth in Schedule F a description of the property, date acquired, cost, subsequent improvements, depreciation allowable since acquisition, insurance and salvage value, and deductible loss. In the case of bad debts, including bonds, ascertained to be worthless during the taxable year, state in Schedule F, (a) of what the debts consisted, (b) name and family relationship, if any, of the debtor, (c) when the debts were created, (d) when they became due, (e) what efforts were made to collect, and (f) how they were actually determined to be worthless. Stock which became worthless during the taxable year should be included among the deductions in item 9.

Losses from wagering transactions are allowable only to the extent of the gains during the year from such transactions.

No deduction is allowable for the amount of any item of expense or part thereof allocable to a class of exempt income, other than interest.

COMPUTATION OF TAX

12. **Earned income credit.**—Enter as item 12 the amount of earned income credit, as computed in Schedule G.

The earned income credit allowable to each spouse in a joint return is the same as is allowable to each spouse in separate returns; however, the earned income, earned income deductions, earned net income, and net income of each spouse must be shown separately in the joint return. For the purpose of determining the 10 percent limitation indicated in Schedule G there should be added to the net income shown as item 11 on page 1, the interest received by you, if any, on an aggregate in excess of \$5,000 principal amount of United States Savings Bonds and Treasury Bonds; and the interest on obligations of instrumentalities of the United States (other than obligations issued under the Federal Farm Loan Act, or under such Act as amended), reported in Schedule H.

13, 14. **Personal exemption and credit for dependents.**—A single person, or a married person not living with husband or wife, is entitled to a personal exemption of \$1,000. A person who, during the entire year, was the head of a family or was married and living with husband or wife is entitled to an exemption of \$2,500. If husband and wife file separate returns, the personal exemption may be taken by either or divided between them.

A "head of a family" is an individual who actually supports and maintains in one household one or more individuals who are closely connected with him by blood relationship, relationship by marriage, or by adoption, and whose right to exercise family control and provide for those dependent individuals is based upon some moral or legal obligation.

In addition to the personal exemption, a credit of \$400 may be claimed for each person (other than husband and wife) under 18 years of age, or incapable of self-support because mentally or physically defective, who received his or her chief support from the taxpayer. This credit may be allowed only to the person who furnishes the chief support, and may not be divided between two individuals.

If the status of the taxpayer, insofar as it affects the personal exemption or credit for dependents, changes during the taxable year, the personal exemption and credit shall be apportioned in accordance with the number of months before and after such change. For the purpose of such apportionment a fractional part of a month shall be disregarded unless it amounts to more than half a month, in which case it shall be considered as a month. For example, if a child became 18 years of age on June 16, 1937, the taxpayer will be allowed a credit of \$200 for such dependent.

STATE OF CALIFORNIA
INCOME TAX DIVISION

DUPLICATE

INDIVIDUAL INCOME TAX RETURN

NONRESIDENT

For Incomes Derived From Sources Within This State

For Calendar Year 193³⁶₅or fiscal year begun _____, 193³⁶₅, and ended _____, 1936

PRINT NAME AND ADDRESS PLAINLY BELOW

Flutern Elias Colles
(Name) (Both husband and wife, if this is a joint return)
1212 - Upper St.
(Street and number, or rural route)
San Diego Calif.
(Post office) (County) (State)

DUPLICATE

IF YOU NEED ASSIST-
ANCE IN PREPARING
THIS RETURN, GO TO
THE MAIN OFFICE
OF THE
COMMISSIONER,
SACRAMENTO,
CALIFORNIA,
OR ANY BRANCH
OFFICE

INSTRUCTIONS

The Instructions Numbered 1 to 25 Correspond with the Item Numbers on the First Page of the Return

GENERAL INSTRUCTIONS—Nonresidents should use this form (Form 540NR). Residents should use Form 540 or Form 540A. The tax applies to net income received or accrued on and after January 1, 1935, and shall be levied upon the entire net income of every resident, and upon the net income of every nonresident which is derived from sources within this State.

Every individual domiciled in the State of California is a resident. All other individuals are nonresidents. Individuals who maintain a permanent place of abode within this State or spend in the aggregate more than six months of the taxable year within this State are presumed to be residents, and are taxable as such, unless they establish the fact that they are nonresidents.

Nonresidents are required to report only that portion of their gross income which is derived from sources within this State and are allowed to deduct expenses and losses only to the extent connected with income arising from sources within this State.

Income of a nonresident from sources within this State includes (1) income from real or tangible personal property located in this State, including gains from the sale or other disposition of such property; (2) income from a business, trade or profession carried on within this State; (3) compensation for personal services rendered within this State; and (4) income from stocks, bonds, notes, bank deposits, and other intangible personal property having a business or a taxable situs in this State, including gains from the sale or other disposition of such property.

Intangible personal property has a business or a taxable situs in this State and the income therefrom is taxable to nonresidents as income from sources within this State if (a) the property is pledged in this State as security for the payment of indebtedness or is otherwise employed in connection with a business, trade or profession carried on in this State; or if (b) the property is owned by a nonresident of the United States and the property consists of stocks and bonds of California corporations, deposits in California banks, notes and other indebtedness where the debtor is a resident of or domiciled in this State.

If a nonresident is a member of a partnership or a beneficiary of an estate or trust, his income from sources within this State includes the distributive share of the income of the partnership or the income from the estate or trust to the extent the income of the partnership or the estate or trust is derived from sources within this State.

1. INCOME FROM SALARIES, WAGES, COMMISSIONS, ETC.

Enter as Item 1 on page 1 of the return all salaries or other compensation received or accrued for personal services rendered within this State, including salaries or other compensation of officers or employees of this State or of any political subdivision thereof. Compensation received from the United States by employees thereof for services rendered in the discharge of essential governmental functions is not taxable and need not be reported.

Use a separate line for each entry, giving the information requested. If you received compensation for services performed partly within and partly without this State, the portion attributable to services performed within this State should be determined in accordance with Art. 7 (f) of the regulations prescribed by the commissioner.

Any amount claimed as a deduction for necessary expenses against salaries, etc., such as traveling expenses while away from home in the pursuit of trade, should be fully explained in Schedule F on page 2 of the return, or on an attached statement. Traveling expenses ordinarily include expenditures for railroad fare, automobile expenses, meals, and lodging.

2. INCOME (OR LOSS) FROM BUSINESS OR PROFESSION.

If you own a business or practice a profession on your own account in this State, fill in Schedule A on page 2 of the return and enter the net income (or loss) as Item 2 on page 1 of the return.

This schedule should include income from: (a) Sale of merchandise or products of manufacturing, mining, construction, and agriculture; (b) Business service, such as hotel, restaurant, and garage service, amusements, laundering, storage, transportation, etc.; and (c) Professional service, such as dentistry, law, or medicine. In general, report any income in the earning of which you incurred expenses for material, labor, supplies, etc.

If you carry on a business both within and without this State, the portion of net income derived from business done within this State should be determined in accordance with Art. 7 (f) of the regulations prescribed by the commissioner. If, pursuant to such regulations, you submit an alternative method of apportionment, you must nevertheless compute the net income in accordance with the regulations, and in addition submit all the information required by your own method of apportionment. Any method of allocation should assign to this State the portion of net income reasonably attributable to the business done within this State. The amount of net income (or loss) attributable to business done within this State should be entered as Item 2 on page 1 of the return.

Installment Sales.—If the installment method is used, attach to the return a schedule showing separately for the years 1932, 1933, 1934, and 1935 the following: (a) Gross sales; (b) Cost of goods sold; (c) Gross profits; (d) Percentage of profits to gross sales; (e) Amount collected; and (f) Gross profit on amount collected. (See Section 11 of "The Personal Income Tax Act of 1935.")

Total Receipts.—Enter on line 1 of Schedule A the total receipts, less any discounts or allowances from the sale price or service charge.

Inventories.—If engaged in a trade or business in which the production, purchase, or sale of merchandise is an income-producing factor, 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.

Salaries.—Enter on line 10 all salaries not included as "Labor" on Line 2, except compensation for services of yourself, your dependent minor children, or of husband or wife if a joint return is filed, which is not deductible.

Interest.—Enter on line 11 interest on business indebtedness. Do not include interest to yourself on capital invested in or advanced to the business.

Taxes.—Enter on line 12 taxes on business property or for carrying on business. Do not include taxes assessed against local benefits of a kind tending to increase the value of the property assessed, nor estate, inheritance, legacy, succession, or gift taxes, nor taxes on or according to or measured by income or profits such as income taxes imposed by the Federal government, this State, other States, or foreign countries.

Losses.—Enter on line 13 losses incurred in the trade or business, if not compensated for by insurance or otherwise and not made good by repairs claimed as a deduction. Losses of business property arising from fire, storm, etc., should be explained in the table at the foot of page 2 of the return.

Bad Debts.—Enter on line 14 debts, or portions thereof, arising from sales or services that have been reflected in income, which have been definitely ascertained to be worthless and charged off within the year, or such reasonable amount as has been added to a reserve for bad debts within the year.

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

Depreciation.—Enter on line 15 the amount claimed as depreciation by reason of exhaustion, wear and tear of property used in the trade or business, or as obsolescence or depletion, and explain in the table at the foot of page 2 how this amount was determined. If obsolescence is claimed, explain why useful life is less than actual life.

The amount of depreciation on property acquired by purchase 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, after acquisition, except if the property was purchased prior to March 1, 1913, it will be computed on the fair market value of such property as of that date or its original cost (less depreciation actually sustained before that date), whichever is greater. If the property was acquired in any other manner than by purchase, see Sections 8 (i) and 8 (k) of the act.

In case a deduction is claimed on account of depletion of mines, oil or gas wells, or timber, see Sections 8 (j) and 8 (k) of the act.

Do not claim any deduction for depreciation in the value of a building occupied by you as a dwelling, or property held for personal use, nor for land (exclusive of improvements thereon), nor on stocks, bonds, and securities.

Rent, Repairs, and Other Expenses.—Enter on line 16 rent on business property in which you have no equity, ordinary repairs to keep the property in a usable condition, and other necessary business expenses not classified above, such as heat, light, and fire insurance. Do not include rent for a dwelling occupied by you for residential purposes, the cost of business equipment or furniture, expendi-

tures for replacements or permanent improvements to property, nor personal, living, or family expenses.

3. INTEREST ON BANK DEPOSITS, ETC.

Enter as Item 3 all interest received or credited to your account during the taxable year on bank deposits, notes, mortgages, and corporation bonds, etc., including interest on bonds upon which a Federal tax was paid at the source, if such interest was derived from sources within this State. (See General Instructions, above.) Interest on bonds is considered income when due and payable. Defaulted coupons are income for the year in which paid.

4 AND 5. INCOME FROM PARTNERSHIPS, SYNDICATES, POOLS, ETC., AND FIDUCIARIES.

Enter as Item 4 your share of the profits (whether received or not) (or of the losses) of a partnership, syndicate, pool, etc., and as Item 5 your share of the income of an estate or trust, derived from sources within this State, as shown by the partnership or fiduciary return and apportionment of income.

If the taxable year on the basis of which you file your return does not coincide with the annual accounting period of the partnership or fiduciary, then you should include in your return your distributive share of the net profits (or losses) for such accounting period ending within your taxable year. Your distributive share should include only income derived from sources within this State, received or accrued on and after January 1, 1935.

6. INCOME FROM RENTS AND ROYALTIES.

Fill in Schedule B reporting income from rents and royalties derived from property located in this State.

If you received property or crops in lieu of cash rent, report the income as though the rent had been received in cash. Crops received as rent on a crop-share basis should be reported as income for the year in which disposed of (unless your return shows income accrued).

Enter as depreciation the amount of wear and tear, or depletion sustained during the taxable year, with respect to income property located in this State, and explain in the table at the foot of page 2.

Other expenses, such as interest, taxes, fire insurance, fuel, light, labor, and other necessary expenses of this character should be itemized.

7. CAPITAL GAINS AND LOSSES.

Report sales or exchanges of capital assets located, or having a business or a taxable situs in this State in Schedule C and enter the net gain or loss to be taken into account in computing net income as Item 7. (CAPITAL LOSSES ARE ALLOWABLE ONLY TO THE EXTENT OF \$2,000 PLUS CAPITAL GAINS.) Describe the property briefly, and state the price received or the fair market value of the property received in exchange. Expenses connected with the sale or exchange may be deducted in computing the profit or loss.

"Capital assets" means all property held by the taxpayer except property of a kind which would properly be included in the inventory if on hand at the close of the taxable year, or property held primarily for sale to customers in the ordinary course of trade or business.

Only the following percentages of the gain or loss recognized upon the sale or exchange of a capital asset shall be taken into account in computing income:

100 per centum if the capital asset has been held for not more than 1 year;

80 per centum if the capital asset has been held for more than 1 year but not for more than 2 years;

60 per centum if the capital asset has been held for more than 2 years but not for more than 5 years;

40 per centum if the capital asset has been held for more than 5 years but not for more than 10 years;

30 per centum if the capital asset has been held for more than 10 years.

If the property sold or exchanged was acquired prior to March 1, 1913, the basis for determining GAIN is the cost or the fair market value as of March 1, 1913, adjusted as provided in section 113 (b) of the Revenue Act of 1934 (incorporated in Section 7 (d) of The Personal Income Tax Act of 1935 by reference), whichever is greater, but in determining LOSS the basis is cost. If the amount shown as cost is other than actual cash cost of the property sold or exchanged, full details must be furnished regarding the acquisition of the property.

For the determination of gain or loss in the case of property acquired by gift or as a result of a tax-free exchange, see Art. 7 (e) of the regulations prescribed by the commissioner or section 117 of the Federal Revenue Act of 1934.

Enter as depreciation the amount of wear and tear, obsolescence, or depletion which has been sustained 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.

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 you have acquired substantially identical stock or securities within 30 days before or after the date of such sale or disposition, unless you are engaged in the trade or business of buying and selling stocks and securities.

No deduction shall be allowed in respect of losses from sales or exchanges of property, directly or indirectly, (A) between members of a family, or (B) except in the case of distributions in liquidation, between an individual and a corporation in which such individual owns, directly or indirectly, more than 50 per centum in value of the outstanding stock. For the purpose of this paragraph—(C) an individual shall be considered as owning the stock owned, directly or indirectly, by his family; and (D) the family of an individual shall include only his brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants.

8. INTEREST ON STATE, MUNICIPAL, AND OTHER BONDS OR OBLIGATIONS.

Schedule D should be filled in only with respect to obligations or securities enumerated in column 1 which have a business or a taxable situs in this State. (See General Instructions above.) Enter in column 2 the principal amount of the various obligations which have a business or a taxable situs in this State, and enter in column 3 all interest received or credited to your account during the year on these obligations.

1. Of what State are you a resident? Mexico 6. State name of husband or wife if a separate return was made _____ 9. If your status in respect to question 4, 7, or 8 changed during the year, state date and nature of change _____
2. Were you in this State for more than six months of the taxable year? yes
3. Did you maintain a place of abode in this State for more than six months of the taxable year? yes 7. If not married, were you during your taxable year supporting in your household one or more persons closely related to you? no
4. Were you married and living with husband or wife during your taxable year? Widower 8. How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support received their chief support from you during your taxable year? 1
5. Is this a joint return of husband and wife? _____ 10. State whether your books are kept on cash or accrual basis. Cash
11. State occupation, business, or profession Retired

Item and Instruction No.	INCOME	Amount received	Expenses paid Explain in Schedule F						
1. Salaries, Wages, Commissions, Fees, etc. (State name and address of employer)		\$	\$	\$	none				
2. Income (or Loss) from Business or Profession. (From Schedule A)					none				
3. Interest on Bank Deposits, Notes, Corporation Bonds, etc.					2000-				
4. Income (or Loss) from Partnerships, Syndicates, Pools, etc. (State name, address and business)					none				
5. Income from Fiduciaries. (State name and address)					none				
6. Rents and Royalties. (From Schedule B)					none				
7. Capital Gain (or Loss). (From Schedule C)					none				
8. Interest on State, Municipal, or other bonds, etc. (From Schedule D)					none				
9. Dividends on Stock. (From Schedule E)					none				
10. Other Income. (State nature) (Use separate schedule, if necessary)					none				
11. TOTAL INCOME IN ITEMS 1 TO 10				\$		2000-			
DEDUCTIONS									
12. Interest Paid				\$	none				
13. Taxes Paid. (Explain in Schedule F) (See Instructions)					none				
14. Losses by Fire, Storm, etc. (Explain in table at foot of page 2)					none				
15. Bad Debts. (Explain in Schedule F)					none				
16. Contributions. (Explain in Schedule F)					none				
17. Other Deductions Authorized by law. (Explain in Schedule F)					none				
18. TOTAL DEDUCTIONS IN ITEMS 12 TO 17									
19. NET INCOME (Item 11 minus Item 18)				\$					

COMPUTATION OF TAX (See Instruction 24)

20. Net Income (Item 19 above)	\$	2000-	24. Tax (See Instruction 24)	\$	
21. Less: Personal exemption	\$1000-		25. Less: Income tax paid to another State or country. (See Instruction 25)		
22. Credit for Dependents	1200-				
23. Balance subject to tax	\$	0000.	26. Balance of Tax	\$	

TAXPAYER'S RECORD OF PAYMENTS

Payment	Amount	Date	Check or M. O. No.	Bank or Office of Issue
First	\$			
Second				
Third				

An amended return must be marked "Amended" at top of return. Checks and drafts will be accepted only if payable at par.

Enter the total income stated in column 3 of Schedule D as Item 8 on page 1 of the return.

Interest on bonds of the State of California, or political subdivision thereof, issued after November 4, 1902, and interest on obligations of the United States or of the District of Columbia, is not taxable and need not be reported.

If in doubt as to the proper classification of such income, submit schedule of obligations owned and amount of interest received from each class of obligations. Interest on all coupons falling due within the taxable year will be considered as income for the year, where the books are kept on a cash receipts and disbursements basis. If the books are kept on an accrual basis, report the actual amount of interest accrued on the obligations owned during the taxable year.

9. DIVIDENDS.

Enter as Item 9 all dividends (except stock dividends) from stock of corporations, whether domestic or foreign, if the corporate shares had a business or a taxable situs in this State. (See General Instructions above.) In the case of liquidating dividends, see Section 7 (g) of the act.

10. OTHER INCOME.

Enter as Item 10 all other taxable income derived from sources within this State for which no space is provided on the return.

11. TOTAL INCOME.

Enter as Item 11 the net amount of Items 1 to 10, inclusive, after deducting any expenses reported in Item 1, and losses in Items 2, 4, 6, and 7.

12. INTEREST PAID.

Enter as Item 12 interest paid or accrued on indebtedness except interest on business indebtedness reported in Schedule A. Interest connected with income from sources without this State and other income not taxable under the act, and interest on indebtedness incurred or continued to purchase or carry obligations, the interest upon which is exempt from taxes imposed by the act, is not deductible.

13. TAXES PAID.

Enter as Item 13 taxes paid on property located in this State and not used in your business or profession, not including taxes assessed against local benefits of a kind tending to increase the value of the property assessed. *Do not include Federal or State income taxes, nor taxes on or according to measures by income or profits, nor estate, inheritance, legacy, succession, and gift taxes.*

Any deduction on account of taxes should be explained in Schedule F.

14. LOSSES BY FIRE, STORM, ETC.

Enter as Item 14 losses of property situated in this State not connected with your business or profession, sustained during the year, if arising from fire, storm, shipwreck or other casualty, or from theft, and if not compensated for by insurance or otherwise. See Section 8 (d) of the act. Explain losses claimed in the table provided on page 2 of the return.

15. BAD DEBTS.

Enter as Item 15 all bad debts other than those claimed as a deduction in Schedule A, if such debts are connected with income taxable to a nonresident under the act. Worthless debts will not be allowed as a deduction unless the income such items represent has been included in income for the year for which the deduction as a bad debt is sought to be made or for previous years.

State in Schedule F, (a) of what the debts consisted, (b) when they were created, (c) when they became due, (d) date of last charge, (e) date of last payment, (f) what efforts were made to collect, and (g) how they were actually determined to be worthless.

16. CONTRIBUTIONS.

Enter as Item 16 contributions or gifts made within the taxable year to (1) corporations or associations incorporated by or organized under the laws of this State, if such corporations or associations are organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation; or (2) the special fund for vocational rehabilitation authorized by Section 12 of the World War Veterans' Act, 1924; or (3) this State or any political subdivision thereof for exclusively public purposes. The amount claimed shall not exceed 15 per cent of the net income computed without the benefit of this deduction. List organizations and amounts contributed to each in Schedule F.

17. OTHER DEDUCTIONS.

Enter as Item 17 any other authorized deductions for which no space is provided on the return. Do not deduct losses incurred in transactions which were neither connected with your trade or business nor entered into for profit, or expenditures incurred in earning wholly tax-exempt income. Any deduction claimed should be explained in Schedule F.

18. TOTAL DEDUCTIONS IN ITEMS 12 TO 17.

Enter as Item 18 the total of Items 12 to 17, inclusive. This amount should not include any deduction claimed in Schedule A or B.

19 and 20. NET INCOME.

Enter as Items 19 and 20 the net income, which is obtained by deducting Item 18 from Item 11. The net income shall be computed upon the basis of the taxable year in accordance with the method of accounting regularly employed in keeping your books, unless such method does not clearly reflect your income.

21 and 22. PERSONAL EXEMPTION, AND CREDIT FOR DEPENDENTS.

A single person, or a married person not living with husband or wife, may claim an exemption of \$1,000. A person who was the head of a family or was married and living with husband or wife during the entire taxable year, may claim an exemption of \$2,500. If husband and wife file separate returns, the exemption may be taken by either or divided between them.

A "head of a family" is an individual who actually supports and maintains in one household one or more individuals who are closely connected with him by blood relationship, relationship by marriage, or by adoption, and whose right to exercise family control and provide for these dependent individuals is based upon some moral or legal obligation.

In addition to the personal exemption, a credit of \$400 may be claimed for each person (other than husband or wife) under 18 years of age, or incapable of self-support because mentally or physically defective, who received his or her chief support from the taxpayer during the taxable year. This credit can be claimed only by the person who furnishes the chief support, and can not be divided between two individuals.

If the status of the taxpayer, in so far as it affects the personal exemption or credit for dependents, changed during the taxable year, the personal exemption and credit shall be apportioned in accordance with the number of months before and after such change. For the purpose of such apportionment a fractional part of a month shall be disregarded unless it amounts to more than half a month, in which case it shall be considered as a month.

Where a return is filed on this form for an estate in process of administration, or for a trust, an exemption of \$1,000 may be claimed.

23. BALANCE SUBJECT TO TAX.

Enter as Item 23 the amount of taxable net income, obtained by deducting the sum of Items 21 and 22 from Item 20.

24. COMPUTATION OF TAX.

The tax on any amount of taxable net income not shown in the table below is computed by adding to the tax for the largest amount shown which is less than the income, the tax upon the excess over that amount at the rate indicated in the table.

AMOUNTS AND RATES OF TAX					
Amount of taxable net income A	Rate per cent B	Total tax C	Amount of taxable net income A	Rate per cent B	Total tax C
\$0 to \$5,000.....	1	\$50	\$40,000 to \$50,000.....	8	\$2,550
5,000 to 10,000.....	2	150	50,000 to 60,000.....	9	3,450
10,000 to 15,000.....	3	300	60,000 to 70,000.....	10	4,450
15,000 to 20,000.....	4	500	70,000 to 80,000.....	11	5,550
20,000 to 25,000.....	5	750	80,000 to 100,000.....	12	7,950
25,000 to 30,000.....	6	1,050	100,000 to 150,000.....	13	14,450
30,000 to 40,000.....	7	1,750	150,000 to 250,000.....	14	28,450
			250,000 up.....	15	

25. CREDIT FOR TAXES PAID OTHER STATES BY NONRESIDENT TAXPAYERS.

Nonresident taxpayers are allowed a credit against the tax due this State, in accordance with Section 25 (b) of the act and subject to the limitations therein expressed, for income taxes paid to other states or foreign countries.

In order to obtain the credit, taxpayers must file a certified copy of the return of income to another state or foreign country and receipts showing payment of taxes to such state or country based upon such return. *Do not take credit for such taxes unless a receipt for payment thereof accompanies your return.*

The credit allowable shall be such proportion of the tax so payable by a taxpayer to the State or country where he resides as his income subject to taxation under this act bears to his entire income upon which the tax so payable to such other state or country was imposed; but such credit shall be allowed only if the laws of said State or country grant a substantially similar credit to residents of this State subject to income tax under such laws, or impose a tax upon the personal incomes of its residents derived from sources in this State and exempt from taxation the personal incomes of residents of this State. No credit shall be allowed against the amount of the tax on any income taxable under this act which is exempt from taxation under the laws of such other State.

26. AFFIDAVIT.

The affidavit must be executed by the person whose income is reported (in the case of a joint return by the spouse preparing the return) unless he is ill, absent from the State or otherwise incapacitated, in which case the other spouse, legal representative or agent, as the case may be, may execute the affidavit. A minor making his own return must execute the affidavit.

The oath will be administered without charge by the commissioner, or by any officer or employee designated by the commissioner, but if no such officer or employee is available the return should be sworn to before a notary public, justice of the peace, or any person authorized to administer oaths except an attorney or agent employed to represent the taxpayer before the commissioner in connection with his tax liability.

27. ACCRUED OR RECEIVED INCOME.

If your books of account are kept on the accrual basis, report all income accrued, even though it has not been actually received or entered on the books, and expenses incurred instead of expenses paid. If your books are not kept on the accrual basis, report all income received or constructively received, such as bank interest credited to your account, and expenses paid. The return for a decedent shall include all items of income and deductions accrued up to the date of death regardless of the fact that the decedent may have kept his books on a cash basis.

28. PERSONS REQUIRED TO MAKE A RETURN OF INCOME.

An income tax return must be filed by every nonresident receiving income from sources within this State whose gross income from such sources during the taxable year amounted to \$5,000, or whose net income from such sources amounted to:

- \$1,000 if single or if married and not living with husband or wife;
- \$2,500 if married and living with husband or wife; or
- More than the personal exemption if status of taxpayer changed.

If an individual is single and the net income, including that of dependent minors, if any, is \$1,000 or over, or if the gross income is \$5,000 or over, a return must be filed. If the combined net income of husband and wife, and dependent minor children, if any, is \$2,500 or over, or if their combined gross income is \$5,000 or over, all such income must be reported on a joint return, or on separate returns of husband and wife. In case the husband and wife elect to file separate returns and their combined net income is \$5,000 or over, each shall make a return on Form 540NR.

Nonresidents should make a return even though all or a part of the tax has been withheld at the source. If the total tax due, as shown by the return, exceeds the tax withheld at the source, the tax so withheld may be applied as a credit against the total tax due. If the taxpayer elects to pay the tax in installments, the amount of tax withheld at the source may be credited against the first installment or, if in excess thereof, to the succeeding installments.

29. PERIOD TO BE COVERED BY RETURN.

Any taxpayer filing a return with the Federal government must file a return, if required, with the State for the same period. Permission to change his accounting period will be granted such taxpayer by the commissioner if the change is also approved by the Federal government.

An application to the commissioner for a change in the accounting period shall be made prior to the expiration of thirty days from the close of the proposed taxable year.

30. TIME AND PLACE FOR FILING THE RETURNS.

The return shall be filed with the Franchise Tax Commissioner, Income Tax Division, Sacramento, California, or at any branch office which he may establish.

Returns made on the basis of the calendar year shall be filed on or before the fifteenth day of April following the close of the calendar year. Returns made on the basis of a fiscal year shall be filed on or before the fifteenth day of the fourth month following the close of the fiscal year.

31. TIME, PLACE, AND METHOD OF PAYMENT OF TAX.

The tax should be paid, if possible, by sending or bringing with the return a check or money order drawn to the order of "State Treasurer." Do not send cash by mail, nor pay it in person except at the main office of the commissioner or any branch office.

The tax may be paid when the return is filed, or in three equal installments, as follows: The first installment shall be paid on or before the fifteenth day of the fourth month following the close of the taxable year, the second installment shall be paid on or before the fifteenth day of the fourth month, and the third installment on or before the fifteenth day of the eighth month after the latest date prescribed by law for paying the first installment.

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

32. PENALTIES.

For failure to make and file a return on time.—Twenty-five per cent of the amount of the tax, if such failure was not due to reasonable cause.

For wilfully making a false or fraudulent return, or for failure to file on time, if such failure was not due to reasonable cause.—Not more than \$1,000 or imprisonment not to exceed one year, or both.

For deficiency in tax.—Interest on a deficiency at 6 per cent per annum from the date prescribed for the payment of the tax (or, if the tax is paid in installments, from the date prescribed for the payment of the first installment) to the date the deficiency is assessed, 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.

33. INFORMATION AT SOURCE.

Every person making payments within this State of interest (other than interest coupons payable to bearer), rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments or other fixed or determinable annual or periodical gains, profits and 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, is required to make a return on Forms 596 and 599 showing the amount of such payments and the name and address of each recipient. These forms may be obtained at the main office of the commissioner or any branch office. Form 599 may be typed as a carbon copy of Treasury Department Form 1099.

Information at source returns covering the calendar year 1935 must be forwarded to the Franchise Tax Commissioner, Income Tax Division, Sacramento, California, in time to be received not later than February 15, 1936.

SCHEDULE A—INCOME (OR LOSS) FROM BUSINESS OR PROFESSION (See Instruction 2)

1. Total receipts from business or profession (state kind of business)		\$					
Cost of Goods Sold		\$					
2. Labor.....				Other Business Deductions			
3. Material and supplies.....				10. Salaries not included as "Labor" in Line 2 (do not deduct compensation for your services).....		\$	
4. Merchandise bought for sale.....				11. Interest on business indebtedness to others.....			
5. Other costs (itemize below or on separate sheet).....				12. Taxes on business and business property.....			
6. Plus inventory at beginning of year.....				13. Losses (explain in table at foot of page).....			
7. TOTAL (Lines 2 to 6).....				14. Bad debts arising from sales or services.....			
8. Less inventory at end of year.....				15. Depreciation, obsolescence, and depletion (explain in table provided at foot of page).....			
9. NET COST OF GOODS SOLD (Line 7 minus Line 8).....				16. Rent, repairs, and other expenses (itemize below or on separate sheet).....			
Enter "C," or "C or M," on Lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.				17. TOTAL (Lines 10 to 16).....		\$	
				18. TOTAL DEDUCTIONS (Line 9 plus Line 17).....			
				19. NET PROFIT (or Loss) (Line 1 minus Line 18) (Enter as Item 2).....		\$	

Explanation of deductions claimed on Lines 5 and 16.....

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 6)

1. Kind of Property	2. Amount Received	3. Cost or Value as of March 1, 1913, Whichever Greater	4. Depreciation (Explain in table at foot of page)	5. Repairs	6. Other Expenses (Itemize below)	7. Net Profit (Enter as Item 6)
	\$	\$	\$	\$	\$	\$

Explanation of deductions claimed in Column 6.....

SCHEDULE C—CAPITAL GAINS AND LOSSES (See Instruction 7)

1. Description of Property	2. Date Acquired	3. Date Sold or Exchanged	4. Amount Realized	5. Cost or March 1, 1913, Value if Acquired Before That Date (Indicate basis) **	6. Cost of Improvements Subsequent to Acquisition or March 1, 1913	7. Depreciation Allowed (or Allowable) Since Acquisition or March 1, 1913 (Furnish details)	8. Gain or Loss	9. Percentage of Gain or Loss to be Taken Into Acct.	10. Gain or Loss to be Taken Into Account	
									a. Gains	b. Losses
(*Held 1 year or less)	Mo. Day Year	Mo. Day Year	\$	\$	\$	\$	\$	100	\$	\$
(*Held over 1 year but not over 2 years)								80		
(*Held over 2 years but not over 5 years)								60		
(*Held over 5 years but not over 10 years)								40		
(*Held over 10 years)								30		
TOTAL GAINS AND LOSSES (Enter net gain or loss as Item 7) (Capital losses are allowable only to the extent of \$2,000 plus capital gains).....									\$	\$

*In reporting sales or exchanges of capital assets attach separate schedule, if necessary, for transactions coming within each of the 5 periods, and transfer gains and losses for each period to Column 10 above.

**Cost of property must be entered in Column 5 if a loss is claimed in Column 8.

State (1) how property was acquired.....; (2) Personal or business relationship, if any, of purchaser.....

Every sale or exchange of stock should be reported in detail, including name and address of corporation, class of stock, number of shares, capital changes affecting basis (stock dividends, other nontaxable dividends, stock rights, etc.).

SCHEDULE D—INTEREST ON STATE, MUNICIPAL, AND OTHER BONDS OR OBLIGATIONS (See Instruction 8)

1. Bonds or Obligations	2. Amount Owned	3. Interest Received or Accrued (Enter as Item 8)
	\$	\$
(a) Bonds of this State, or of political subdivisions thereof, issued on or before November 4, 1902.....		
(b) Obligations other than bonds, such as warrants, certificates, judgments, etc., of this State or of political subdivisions thereof and bonds or other obligations of other States, foreign countries, territories and possessions of the United States, and political subdivisions thereof.....		
TOTAL.....		\$

SCHEDULE E—INCOME FROM DIVIDENDS

Itemize all dividends received during the year, stating amounts and names and addresses of corporations declaring the dividends:

SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 13, 15, 16, AND 17

EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B

1. Kind of Property (If buildings, state material of which constructed)	2. Date Acquired	3. Cost or March 1, 1913, Value if Acquired Prior to That Date (Indicate basis)	4. Assets Fully Depreciated in Use at End of Year	5. Depreciation Allowed (or Allowable) in Prior Years	6. Remaining Cost or Other Basis to be Recovered	7. Life Used in Accumulating Life From Beginning of Year	8. Estimated Remaining Life From Beginning of Year	9. Depreciation Allowable this Year
		\$	\$	\$	\$			\$

EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A AND IN ITEM 14

1. Kind of Property	2. Date Acquired	3. Cost	4. Subsequent Improvements	5. Depreciation Allowable Since Acquisition	6. Insurance and Salvage Value	7. Deductible Loss
		\$	\$	\$	\$	\$

Taxpayer must complete fully all schedules where required. If space provided is inadequate attach separate schedules.

1937

UNITED STATES

INDIVIDUAL INCOME TAX RETURN

1937

Do not write in this space

(Auditor's Stamp)

Treasury Department

(FORM 1040 A)

Internal Revenue Service

FOR NET INCOMES OF NOT MORE THAN \$5,000 DERIVED
FROM SALARIES, WAGES, INTEREST, AND DIVIDENDS

This form must NOT be used if income is derived from any other source or if the
net income (item 11) is over \$5,000. Use instead Form 1040.

To be filed so as to reach the Collector of Internal Revenue for your district on or before March 15, 1938

PRINT NAME AND HOME ADDRESS PLAINLY BELOW

PLUTARCO ELIAS CALLES.

(Name) (Both husband and wife, if this is a joint return) (See Instruction B)

1212 Upas Street.

(Street and number, or rural route)

San Diego,

California.

(Post office)

(County)

(State)

DUPLICATE COPY

IMPORTANT



One duplicate copy
must be filed with
original return.

(\$5 will be assessed if
duplicate is not filed.)

Item and
Instruction No.

INCOME

1. Salaries and other compensation for personal services. (From Schedule B)	\$ none		
2. Dividends	none		
3. Interest on bank deposits, notes, mortgages, etc.	1500.	00	
4. Interest on corporation bonds	none		
5. Total income in items 1 to 4		\$ 1500.	00.

DEDUCTIONS

6. Contributions paid. (From Schedule C)	\$ none		
7. Interest paid. (From Schedule D)	none		
8. Taxes paid. (From Schedule E)	none		
9. Other deductions authorized by law. (From Schedule F)	none		
10. Total deductions in items 6 to 9			

COMPUTATION OF TAX

11. Net income for normal tax purposes (item 5 minus item 10)		\$ 1500.	00.
12. Less: Earned income credit. (From Schedule G)	\$ none		
13. Personal exemption. (From Schedule A)	1000.	00	
14. Credit for dependents. (From Schedule A)	1200.	00	2200. 00
15. Balance taxable (item 11 minus items 12, 13, and 14)		\$ 000.	00
16. Total income tax (4% of item 15)		\$	
17. Less: Income tax paid at source on tax-free covenant bonds	\$		
18. Income tax paid to a foreign country or United States possession. (Attach Form 1116)			
19. Balance of tax (item 16 minus items 17 and 18)		\$ 000.	00.

Schedule A.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 13 AND 14. (See Instructions 13 and 14)

(a) Personal Exemption

Status	Number of Months During Year in Each Status	Credit Claimed
Single, or married and not living with husband or wife		\$
Married and living with husband or wife		
Head of family (explain below)		
Reason for credit		
Name of dependent and relationship		

(b) Credit for Dependents

Name of Dependent and Relationship	Number of Months During the Year		Credit Claimed
	Under 18 Years Old	Over 18 Years Old	
Manuel (son)	16		\$
Plutarco (son)	7		
Leonardo (son)	6		
Reason for support if 18 years old or over			



Los Angeles, Calif.

1. What is your occupation? Retired
2. Check whether you are a citizen ☐ or a resident alien ☒
3. If you filed a return for 1936, to which Collector's office was it sent? _____
4. Are items of income or deductions of both husband and wife included in this return? (See Instruction B) _____
5. State name of husband or wife if a separate return was made and the Collector's office to which it was sent: _____

QUESTIONS

1. Obligations or Securities	2. Amount Owned at End of Year	3. Interest Received	4. Other Exempt Income (State nature)	5. Amount Received

Schedule H.—NONTAXABLE INCOME. (See Instruction 5)

(a) For Net Income of \$3,000, or Less	Amount	(b) For Net Income in Excess of \$3,000	Amount
Net income (item 11, page 1) \$ _____		Item 1, page 1 (but do not enter more than \$14,000) \$ _____	
Earned income credit (10% of item 11) _____		Net income (item 11, page 1) _____	
		Earned income credit (10% of item 1 or 11, which ever is smaller, but do not enter less than \$300) _____	

Schedule G.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 12)

1. Nature of Tax	2. Amount	1. Description	2. Amount

Schedule E.—TAXES PAID. (See Instruction 8)

1. Name and Address of Organization	2. Amount	1. To Whom Paid	2. Amount

Schedule C.—CONTRIBUTIONS PAID. (See Instruction 6)

1. Name and Address of Employer or Nature of Income	2. Amount	3. Expenses Paid (Itemize)	4. Amount

Schedule B.—INCOME FROM SALARIES AND OTHER COMPENSATION FOR PERSONAL SERVICES. (See Instruction 1)

1. Name and Address of Employer or Nature of Income	2. Amount	3. Expenses Paid (Itemize)	4. Amount

Total column 2 minus total column 4 (enter as item 1, page 1)

1937

UNITED STATES

INDIVIDUAL INCOME TAX RETURN

1937

Do not write in this space

Treasury Department

(FORM 1040 A)

Internal Revenue Service

(Auditor's Stamp)

FOR NET INCOMES OF NOT MORE THAN \$5,000 DERIVED
FROM SALARIES, WAGES, INTEREST, AND DIVIDENDSThis form must NOT be used if income is derived from any other source or if the
net income (item 11) is over \$5,000. Use instead Form 1040.

To be filed so as to reach the Collector of Internal Revenue for your district on or before March 15, 1938

PRINT NAME AND HOME ADDRESS PLAINLY BELOW

PLUTARCO JULIAS CALLES

(Name) (Both husband and wife, if this is a joint return) (See Instruction B)

1212 Upas Street

(Street and number, or rural route)

San Diego

(Post office)

(County)

California

(State)

DUPLICATE COPY

IMPORTANT

One duplicate copy
must be filed with
original return.(\$5 will be assessed if
duplicate is not filed.)Item and
Instruction No.

INCOME

1. Salaries and other compensation for personal services. (From Schedule B)	\$none	
2. Dividends	none	
3. Interest on bank deposits, notes, mortgages, etc.	1500.	00
4. Interest on corporation bonds	none	
5. Total income in items 1 to 4		\$500.00

DEDUCTIONS

6. Contributions paid. (From Schedule C)	\$none	
7. Interest paid. (From Schedule D)	none	
8. Taxes paid. (From Schedule E)	none	
9. Other deductions authorized by law. (From Schedule F)	none	
10. Total deductions in items 6 to 9		

COMPUTATION OF TAX

11. Net income for normal tax purposes (item 5 minus item 10)		\$1500.00
12. Less: Earned income credit. (From Schedule G)	\$none	
13. Personal exemption. (From Schedule A)	1000.00	
14. Credit for dependents. (From Schedule A)	1200.00	2200.00
15. Balance taxable (item 11 minus items 12, 13, and 14)		\$000.00
16. Total income tax (4% of item 15)		\$
17. Less: Income tax paid at source on tax-free covenant bonds	\$	
18. Income tax paid to a foreign country or United States possession. (Attach Form 1116)		
19. Balance of tax (item 16 minus items 17 and 18)		\$000.00

Schedule A.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 13 AND 14. (See Instructions 13 and 14)

(a) Personal Exemption			(b) Credit for Dependents			
Status	Number of Months During Year in Each Status	Credit Claimed	Name of Dependent and Relationship	Number of Months During the Year		Credit Claimed
				Under 18 Years Old	Over 18 Years Old	
Single, or married and not living with husband or wife		\$	Manuel (son)	16		\$
Married and living with husband or wife			Plutarco (son)	7		
Head of family (explain below)			Leonardo (son)	6		
Reason for credit			Reason for support			
Name of dependent and relationship			if 18 years old or over			



1. What is your occupation? Retired
2. Check whether you are a citizen ☐ or a resident alien ☒ X
3. If you filed a return for 1936, to which Collector's office was it sent? Los Angeles, Calif.
4. Are items of income or deductions of both husband and wife included in this return? (See Instruction B)
5. State name of husband or wife if a separate return was made and the Collector's office to which it was sent: _____

QUESTIONS

1. Obligations or Securities	2. Amount Owned at End of Year	3. Interest Received	4. Other Exempt Income (State nature)	5. Amount Received

Schedule H.—NONTAXABLE INCOME. (See Instruction 5)

(a) For Net Income of \$3,000, or Less	Amount	(b) For Net Income in Excess of \$3,000	Amount
Net income (item 11, page 1) <u>\$</u>		Item 1, page 1 (but do not enter more than \$14,000) <u>\$</u>	
Earned income credit (10% of item 11) <u></u>		Net income (item 11, page 1) <u></u>	
		Earned income credit (10% of item 1 or 11, whichever is smaller, but do not enter less than \$300) <u></u>	

Schedule G.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 12)

1. Nature of Tax	2. Amount	1. Description	2. Amount

Schedule E.—TAXES PAID. (See Instruction 8)

1. Name and Address of Organization	2. Amount

Schedule F.—OTHER DEDUCTIONS. (See Instruction 9)

1. To Whom Paid	2. Amount

Schedule C.—CONTRIBUTIONS PAID. (See Instruction 6)

1. Name and Address of Employer or Nature of Income	2. Amount	3. Expenses Paid (Itemize)	4. Amount

Schedule B.—INCOME FROM SALARIES AND OTHER COMPENSATION FOR PERSONAL SERVICES. (See Instruction 1)

1. Name and Address of Employer or Nature of Income	2. Amount	3. Expenses Paid (Itemize)	4. Amount

Total column 2 minus total column 4 (enter as item 1, page 1)

STATE OF CALIFORNIA
INCOME TAX DIVISIONIndividual Income Tax Return
RESIDENTFor Net Incomes From Salaries, Wages, Interest, and Dividends
of More Than \$5,000

and Incomes From Other Sources Regardless of Amounts

For Calendar Year 1937

or fiscal year begun _____, 1937, and ended _____, 1938

PRINT NAME AND ADDRESS PLAINLY BELOW

PLUTARCO ELIAS CALLES.

(Name) (Both husband and wife, if this is a joint return)

1212 Upas Street.

(Street and number, or rural route)

San Diego,

(Post office)

(County)

California.

(State)

DUPLICATE

IF YOU NEED ASSIST-
ANCE IN PREPARING
THIS RETURN, GO TO
THE MAIN OFFICE
OF THE
COMMISSIONER,
SACRAMENTO,
CALIFORNIA,
OR ANY BRANCH
OFFICE

INSTRUCTIONS FOR FORM 540 [Individual Income Tax Return for Residents]

Taxpayers will find it helpful to read general instructions (A) to (L) before commencing to fill in their returns and to read specific instructions
in connection with filling in the item or items to which they refer

GENERAL INSTRUCTIONS

(A) WHO MUST USE FORM 540

Form 540 must be used by all residents of this State, (1) whose net income, regardless of source, is more than \$5,000, or (2) whose income, regardless of amount, includes any item other than salaries or other compensation for personal services, dividends, and interest, or (3) who make returns on an accrual basis, or (4) who make returns for a fiscal year.

All other resident taxpayers required to make returns should use Form 540A. Residents of this State are subject to tax on their entire net income derived from all sources; nonresidents, only on income derived from sources within this State. Nonresidents of this State should use form 540NR.

(B) WHO MUST MAKE A RETURN

An income tax return must be filed by every resident of this State whose gross income for the taxable year is \$5,000 or over, or whose net income is—

- (a) \$1,000 or over, if single or if married and not living with husband or wife;
(b) \$2,500 or over, if married and living with husband or wife; or
(c) Equal to or more than the personal exemption if taxpayer was married and living with husband or wife during only part of the taxable year.

If the combined net income of husband and wife is \$2,500 or over, or if their combined gross income is \$5,000 or over, including in each case the earnings of minor children if their parents have legal right thereto, all such income must be reported in a joint return, or in separate returns of husband and wife. In the absence of proof to the contrary, a parent will be presumed to have the legal right to the earnings of a minor and must include such earnings in his return.

In order for a joint return to be filed by husband and wife, both must have had some income or deductions in the year for which the return is filed and the return must include the income and deductions of both. A joint return of husband and wife may be filed only if they were living together at the close of their taxable year.

(C) RETURNS OF INCOME OF DECEDENTS

If the net income of a decedent to the date of his death was \$1,000 or over, if unmarried, or equal to or in excess of the credit allowed him by section 10 of The Personal Income Tax Act of 1935, as amended (computed without regard to the status as the head of a family), if married and living with spouse, or if his gross income for the period was \$5,000 or over, the executor or administrator should make a return for him on Form 540. The return for a decedent shall include all items of income and deductions accrued up to the date of death regardless of the fact that the decedent may have kept his books on a cash basis.

Tax returns for estates and trusts must be made on Form 540; information returns for estates and trusts, on Form 541.

(D) PERIOD TO BE COVERED BY RETURN

Any taxpayer filing a return with the Federal government must file a return, if required, with the State for the same period. Permission to change his accounting period will be granted such taxpayer by the commissioner if the change is also approved by the Federal government.

Any taxpayer not required to file a return with the Federal government may file his first return with the State on the basis of either the calendar year or fiscal year, but an accounting period, once established, must be adhered to for subsequent years, unless permission is received from the commissioner to make a change.

An application to the commissioner for a change in the accounting period should be made prior to the expiration of 30 days from the close of the proposed taxable year.

(E) WHEN AND WHERE THE RETURN MUST BE FILED

The return should be filed with the Franchise Tax Commissioner, Income Tax Division, Sacramento, California, or at any branch office which he may establish.

Returns made on the basis of calendar year should be filed on or before the fifteenth day of April following close of the calendar year. Returns made on fiscal year basis should be filed on or before fifteenth day of fourth month following close of fiscal year.

(F) AFFIDAVIT

The affidavit must be executed by the person whose income is reported (in the case of a joint return by either husband or wife) unless he is absent from the State, ill, or otherwise incapacitated, in which case it may be executed by his legal representative or agent. A minor making his own return must execute the affidavit.

The oath will be administered without charge by the commissioner, or by an officer or employee designated by the commissioner, but if no such officer or employee is available the return should be sworn to before a notary public, justice of the peace, or any person authorized to administer oaths except an attorney or agent employed to represent the taxpayer before the commissioner in connection with his tax liability.

(G) WHEN AND TO WHOM THE TAX MUST BE PAID

The tax should be paid, if possible, by sending or bringing with return a check or

money order drawn to the order of "State Treasurer." Do not send cash by mail, nor pay it in person except at office of the commissioner in Sacramento, San Francisco, or Los Angeles.

The tax may be paid when the return is filed, or in three equal installments, as follows: The first installment shall be paid on or before the fifteenth day of the fourth month, the second installment on or before the fifteenth day of the eighth month, and the third installment on or before the fifteenth day of the twelfth month following the close of the taxable year.

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

(H) PENALTIES

The law imposes severe penalties for failing to make a return, or for making a false or fraudulent return. Penalties are also imposed for failing to file a return on time.

(I) RECEIVED OR ACCRUED INCOME

If your books of account are kept on the accrual basis, report all income accrued, even though it has not been actually received or entered on the books, and expenses incurred instead of expenses paid. If your books are not kept on the accrual basis, or if you keep no books, make your return on a cash basis and report all income received or constructively received, such as bank interest credited to your account and coupon bond interest matured, and report expenses actually paid.

(J) ITEMS EXEMPT FROM TAX

The following items are exempt from State income tax and should not be included in gross income:

(1) Amounts received under a life insurance contract paid by reason of the death of the insured, whether in a single sum or otherwise (but if such amounts are held by the insurer under an agreement to pay interest thereon, the interest payments shall be included in gross income);

(2) Amounts received (other than amounts paid by reason of the death of the insured and interest payments on such amounts and other than amounts received as annuities) under a life insurance or endowment contract, but if such amounts (when added to amounts received before the taxable year under such contract) exceed the aggregate premiums or consideration paid (whether or not paid during the taxable year) then the excess shall be included in gross income. Amounts received as an annuity under an annuity or endowment contract shall be included in gross income; except that there shall be excluded from gross income the excess of the amount received in the taxable year over an amount equal to 3 per centum of the aggregate premiums or consideration paid for such annuity whether or not paid during such year), until the aggregate amount excluded from gross income under this act in respect to such annuity increased by the amount which would have been excluded from gross income in respect to such annuity had this act been in effect continuously from and after the date at which payments under such annuity were first received equals the aggregate premiums or consideration paid for such annuity. In the case of a transfer for a valuable consideration, by assignment or otherwise, of a life insurance, endowment, or annuity contract, or any interest therein, only the actual value of such consideration and the amount of the premiums and other sums subsequently paid by the transferee shall be exempt from taxation under paragraph (1) or this paragraph.

(3) The value of property acquired by gift, bequest, devise, or inheritance (but the income from such property shall be included in gross income);

(4) Amounts received through accident or health insurance or under workmen's compensation acts, as compensation for personal injuries or sickness, plus the amount of any damages received, whether by suit or agreement, on account of such injuries or sickness;

(5) The rental value of a dwelling house and appurtenances thereof furnished to a minister of the gospel as part of his compensation;

(6) Income which this State is prohibited from taxing under the Constitution or laws of the United States of America or under the Constitution of this State.

(K) TREATMENT OF DEPRECIATION AND DEPLETION

A reasonable allowance for the exhaustion, wear or tear, and obsolescence of property used in the trade or business may be deducted. All deductions for depreciation must be explained in Schedule F. If obsolescence is claimed, explain why the useful life is less than the actual life.

The amount of depreciation on property acquired by purchase 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 expected useful life, except if the property was purchased prior to March 1, 1913, it should be computed on the fair market value of such property as of that date or its original cost (less depreciation actually sustained before 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 1936, incorporated by reference in section 8 of The Personal Income Tax Act of 1935, as amended.

If a deduction is claimed for depletion see also section 114 of Revenue Act of 1936 incorporated by reference in section 8 of Personal Income Tax Act of 1935, as amended.

(L) INFORMATION AT SOURCE

Every person making payments of salaries, wages, interest, rents, commissions, or other fixed or determinable income of \$1,000 or more during the calendar year 1937, to a single person, a partnership, or a fiduciary, or \$2,500 or more to a married person, is required to make a return on Forms 596 and 599 showing the amount of such payments and the name and address of each recipient. These forms may be obtained at the main office of the commissioner or any branch office. Form 599 may be typed as a carbon copy of Treasury Department Form 1099.

Information at Source Returns covering the calendar year 1937 must be forwarded to the Franchise Tax Commissioner, Income Tax Division, Sacramento, California, in time to be received not later than February 15, 1938.

(M) EARNED INCOME CREDIT

No earned income credit is allowable for State tax purposes.

SPECIFIC INSTRUCTIONS

If in doubt as to the proper classification of such income, submit schedule of bonds or obligations owned and amount of interest received from each class of such bonds or obligations.

6. **Income from Partnerships, Syndicates, Pools, etc. and Fiduciaries.**—Enter as Item 6 your share of the profits (whether received or not) or of the loss of the partnership (including a syndicate, pool, etc., not taxable as a corporation), and as Item 7, income from an estate or trust, as shown by the partnership or fiduciary return of income.

If the taxable year on the basis of which you file your return does not coincide with the annual accounting period of the partnership or fiduciary, then you should include in your return your distributive share of the net profits (or losses) for such accounting period ending within your taxable year.

8. **Income from Rents and Royalties.**—Fill in Schedule B, giving the information requested.

If you receive property or crops in lieu of cash rent, report income as though rent had been received in cash. Crops received as rent on a crop-share basis should be reported as income for year in which disposed of (unless your return shows income accrued).

Enter as depreciation the amount of wear and tear, or depletion, sustained during the taxable year, and explain in Schedule F.

Other expenses, such as interest, taxes, fire insurance, fuel, light, labor, and other necessary expenses of this character should be itemized.

9. **Income (or loss) from Business or Profession.**—If you owned a business, or practiced a profession on your own account, fill in Schedule C on page 2 of the return, and enter the net profit (or loss) as Item 9 on page 1 of the return.

The schedule should include income from: (a) Sale of merchandise or products of manufacturing, mining, construction, and agriculture; (b) Business service, such as hotel, restaurant, and garage service, amusements, laundering, storage, transportation, etc.; and (c) Professional service, such as dentistry, law, or medicine. In general, report any income in the earning of which you incurred expenses for material, labor, supplies, etc.

Farmer's Income Schedule.—If you are a farmer and keep no books of account, or keep books on a cash basis, obtain from the commissioner, and attach to this return, Form 540F, Schedule of Farm Income and Expenses, and enter the net farm income as Item 9 on page 1 of this return. If your farm books of account are kept on an accrual basis, the filing of Form 540F is optional.

Installment Sales.—If the installment method is used, attach to the return a schedule showing separately for the years 1934, 1935, 1936, and 1937 the following: (a) Gross sales; (b) Cost of goods sold; (c) Gross profits; (d) Percentage of profits to gross sales; (e) Amount collected; and (f) Gross profit on amount collected. (See section 11 of The Personal Income Tax Act of 1935, as amended.)

Total Receipts.—Enter on line 1 of Schedule C the total receipts, less any discounts or allowances from the sale price or service charge.

Inventories.—If engaged in a trade or business in which the production, purchase or sale of merchandise is an income-producing factor, inventories of merchandise on

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INSTRUCTIONS

1. Are you a resident of the State of California? yes
2. Were you married and living with husband or wife during your taxable year? Widower
3. Are all items of income or deductions of both husband and wife included in this return? yes
4. State name of husband or wife if a separate return was made none
5. If not married, were you during your taxable year supporting in your household one or more persons closely related to you? yes
6. How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support received their chief support from you during your taxable year? three (3)
7. If your status in respect to question 2, 5, or 6 changed during the year, state date and nature of change none
8. State whether your books are kept on cash or accrual basis no
9. State occupation, business, or profession Retired
10. Did you file a return for the preceding year? yes
11. Did you file a return with the Federal government for the taxable year stated herein? Answer "Yes" or "No" yes
12. If the answer to No. 11 is "Yes," state amount of net income (or loss) reported on such return Net Income (or loss) \$ none
13. Did you make a return of information on Forms 596 and 599 (see Instruction L) for the calendar year 1937? Answer "Yes" or "No" no
14. Has the Federal government assessed or proposed to assess any additional income tax for 1937? no 1936? no

Item and Instruction No.	INCOME	Amount received	Expenses paid Explain in Schedule E						
1. Salaries and other compensation for personal services		\$	\$	\$	none				
2. Dividends					none				
3. Interest on bank deposits, notes, mortgages, etc.					1,500.00				
4. Interest on corporation bonds					none				
5. Interest on State, municipal, or other bonds, etc. (from Schedule A)					none				
6. Income (or loss) from partnerships, syndicates, pools, etc. (furnish name and address)					none				
7. Income from fiduciaries (furnish name and address)					none				
8. Rents and royalties (from Schedule B)					none				
9. Income (or loss) from business or profession (from Schedule C)					none	2			
10. Gain (or loss) from sale or exchange of property (from Schedule D)					none				
11. Other income (state nature; use separate schedule if necessary)					none				
12. TOTAL INCOME IN ITEMS 1 TO 11				\$	1,500.00				
DEDUCTIONS									
13. Contributions (explain in Schedule E)			\$	none					
14. Interest (explain in Schedule E)				none					
15. Taxes (explain in Schedule E)				none					
16. Losses by fire, storm, etc. (explain in Schedule E)				none					
17. Bad debts (explain in Schedule E)				none					
18. Other deductions authorized by law (explain below or in Schedule E)				none					
19. TOTAL DEDUCTIONS IN ITEMS 13 TO 18									
20. NET INCOME (Item 12 minus Item 19)				\$	1,500.00				

COMPUTATION OF TAX (See Instruction 25)

21. Net Income (Item 20 above)	\$	1,500.00	25. Tax. (See Instruction 25)	\$	
22. Less: Personal exemption	\$1000.00		26. Less: Income Tax paid to another State		
23. Credit for dependents	1200.00	2,200.00	or country. (See Instruction 26)		
24. Balance subject to Tax	\$	0,000.00	27. Balance of Tax	\$	

TAXPAYER'S RECORD OF PAYMENTS

Payment	Amount	Date	Check or M. O. No.	Bank or Office of Issue
First				
Second				
Third				

An amended return must be marked "Amended" at top of return. Checks and drafts will be accepted only if payable at par.

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.

Salaries.—Enter on line 10 all salaries not included as "Labor" on line 2, except compensation for services of yourself, your dependent minor children, or of husband or wife if a joint return is filed, which is not deductible.

Interest.—Enter on line 11 interest on business indebtedness. Do not include interest to yourself on capital invested in or advanced to the business.

Taxes.—Enter on line 12 taxes on business property or for carrying on business. (See specific Instruction 15.)

Losses.—Enter on line 13 losses incurred in the trade or business, if not compensated for by insurance or otherwise and not made good by repairs claimed as a deduction. Losses of business property arising from fire, storm, etc., should be explained in Schedule E.

Bad Debts.—Enter on line 14 debts, or portions thereof, arising from sales or services that have been reflected in income, which have been definitely ascertained to be worthless and charged off within the year, or such reasonable amount as has been added to a reserve for bad debts within the year.

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

Rent, Repairs, and Other Expenses.—Enter on line 16 rent on business property in which you have no equity, ordinary repairs to keep the property in a usable condition, and other necessary business expenses not classified above, such as heat, light, and fire insurance. Do not include rent for a dwelling occupied by you for residential purposes, the cost of business equipment or furniture, expenditures for replacement or permanent improvements to property, nor personal, living, or family expenses.

10. Gains and Losses from Sales or Exchanges of Property.—Report sales or exchanges of capital assets in Schedule D and enter the net amount of gain or loss to be taken into account in computing net income as Item 10. (*Capital losses are allowable only to the extent of \$2,000 plus capital gains. Therefore, if the total amount of capital losses is in excess of the total amount of capital gains, the amount to be entered as Item 10 must not exceed \$2,000.*) Every sale or exchange of property, even though no gain or loss may be indicated, must be reported in detail.

The "basis" for the property is not subject to the same rule for reporting gains as for losses, if the property was acquired before March 1, 1913. If the property sold or exchanged was acquired prior to March 1, 1913, the basis for determining GAIN is the cost or the fair market value as of March 1, 1913, whichever is greater, adjusted as provided in section 113(b) of the Revenue Act of 1936 (incorporated by reference in section 7(d) of The Personal Income Tax Act of 1935, as amended), but in determining LOSS the basis is cost so adjusted. If property was acquired after March 1, 1913, the basis for both gain and loss is the cost of such property, except as otherwise provided by said section 113. The exceptions arise chiefly where property was acquired by gift, bequest, tax-free exchange, involuntary conversion, wash sale of stock; and in such cases said section 113 provides the basis that shall be used. If the amount shown as the basis is other than actual cash cost of the property sold or exchanged, full details must be furnished regarding the acquisition of the property.

Enter in column 6 of Schedule D the amount of depreciation, exhaustion, wear and tear, obsolescence, or depletion which has been sustained 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.

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 you have acquired substantially identical stock or securities within 30 days before or after the date of such sale or disposition, unless you are engaged in the trade or business of buying and selling stocks and securities.

No deduction shall be allowed in respect of losses from sales or exchanges of property, directly or indirectly, (A) between members of a family, or (B) except in the case of distributions in liquidation, between an individual and a corporation in which such individual owns, directly or indirectly, more than 50 per centum in value of the outstanding stock. For the purpose of this paragraph—(C) an individual shall be considered as owning the stock owned, directly or indirectly, by his family; and (D) the family of an individual shall include only his brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants.

The provisions of section 117 of the Revenue Act of 1936 (incorporated by reference in sections 7(e) and 8(b) of The Personal Income Tax Act of 1935, as amended, relating to capital gains and losses provide in part as follows:

(b) *Definition of capital assets.*—For the purposes of this title, "capital assets" means property held by the taxpayer (whether or not connected with his trade or business), but does not include stock in trade of the taxpayer or other property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year, or property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business.

(c) *Determination of period for which held.*—For the purpose of subsection (a)—(1) In determining the period for which the taxpayer has held property received on an exchange there shall be included the period for which he held the property exchanged if under the provisions of Section 113 the property received has, for the purpose of determining gain or loss from a sale or exchange, the same basis in whole or in part in his hands as the property exchanged.

(2) In determining the period for which the taxpayer has held property however acquired there shall be included the period for which such property was held by any other person, if under the provisions of Section 113, such property has, for the purpose of determining gain or loss from a sale or exchange, the same basis in whole or in part in his hands as it would have in the hands of such other person.

(3) In determining the period for which the taxpayer has held stock or securities received upon a distribution where no gain was recognized to the distributee under the provisions of Section 112 (g) of the Revenue Act of 1936 or the Revenue Act of 1932, there shall be included the period for which he held the stock or securities in the distributing corporation prior to the receipt of the stock or securities upon such distribution.

(4) In determining the period for which the taxpayer has held stock or securities the acquisition of which (or the contract or option to acquire which) resulted in the nondeductibility (under Section 118 of this act or Section 118 of the Revenue Act of 1928 or the Revenue Act of 1932, or the Revenue Act of 1934, relating to wash sales) of the loss from the sale or other disposition of substantially identical stock or securities, there shall be included the period for which he held the stock or securities the loss from the sale or other disposition of which was not deductible.

(d) *Limitation on capital losses.*—Losses from sales or exchanges of capital assets shall be allowed only to the extent of \$2,000 plus the gains from such sales or exchanges.

(e) *Gains and losses from short sales, etc.*—For the purpose of this title—(1) Gains or losses from short sales of property shall be considered as gains or losses from sales or exchanges of capital assets; and

(2) Gains or losses attributable to the failure to exercise privileges or options to buy or sell property shall be considered as gains or losses from sales or exchanges of capital assets held for one year or less.

(f) *Retirement of bonds, etc.*—For the purposes of this title, amounts received by the holder upon the retirement of bonds, debentures, notes, or certificates or other evidences of indebtedness issued by any corporation (including those issued by a government or political subdivision thereof) with interest coupons or in registered form, shall be considered as amounts received in exchange therefor.

One hundred per cent of the gain resulting to the distributee from distributions in liquidation of a corporation shall be taken into account in computing net income, except in the case of amounts distributed in complete liquidation of a corporation. (See section 7(g) of the act.)

Said section 117 applies only to gains and losses upon the sale or exchange of capital assets and, therefore, has no application to loss of useful value upon the permanent abandonment of the use of property or loss sustained as the result of corporate stock or debts becoming worthless.

In the application of said section 117 a husband and wife, regardless of whether a joint return or separate returns are made, are considered to be separate taxpayers. Accordingly, the limitation under section 117(d) on the allowance of losses of one spouse from sales or exchanges of capital assets is in all cases to be computed without regard to gains and losses of the other spouse upon sales or exchanges of capital assets. In the case of a joint return of husband and wife, capital transactions of each should be reported in separate schedules.

11. Other Income.—If you had any taxable income, space for reporting which is not provided elsewhere on the return, enter it as Item 11, and explain its nature, using a separate sheet if necessary for that purpose. Include in this item taxable annuities and insurance proceeds. Amounts received as an annuity under an annuity or endowment contract shall be included in gross income to the extent of 3 per cent of the aggregate premiums or consideration paid for such annuity. If the aggregate of the amounts received and excluded from gross income in years previous to the taxable year equals the aggregate premiums or consideration paid for such annuity, the entire amount received must be included in gross income. (Section 7(b) (2) of the act.)

Amounts received during the taxable year under a life insurance or endowment policy (other than amounts paid by reason of the death of the insured, interest payments

on such amounts, and amounts received as annuities) shall be included in gross income if the amounts so received (when added to the amounts received before the taxable year under such policy) exceed the total premiums or consideration paid.

12. Total Income.—Enter as Item 12 the net amount of Items 1 to 11, inclusive, after deducting any expenses reported in Item 1, and losses in Items 6, 8, 9, and 10.

13. Contributions.—Enter as Item 13 the contributions or gifts, reported in Schedule E, made within the taxable year to or for the use of:

(a) The United States, any State, Territory, or any political subdivision thereof, or the District of Columbia, for exclusively public purposes;

(b) A corporation, or trust, or community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation;

(c) The special fund for vocational rehabilitation authorized by section 12 of the World War Veterans' Act, 1924;

(d) Posts or organizations of war veterans, or auxiliary units or societies of any such posts or organizations, if such posts, organizations, units, or societies are organized in the United States or any of its possessions, and if no part of their net earnings inures to the benefit of any private shareholder or individual; or

(e) A fraternal society, order, or association, operating under the lodge system, but only if such contributions or gifts are to be used exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals.

The total amount claimed shall not exceed 15 per cent of your net income computed without the benefit of this deduction.

14. Interest.—Enter as Item 14 interest on personal indebtedness as distinguished from business indebtedness (which should be deducted under Schedules B and C). Do not include interest on indebtedness incurred or continued to purchase obligations the interest upon which is wholly exempt from taxation. Any deductions on account of interest should be explained and itemized in Schedule E.

15. Taxes.—Enter as Item 15 the amounts reported in Schedule E as personal taxes on property which were imposed upon and were paid by you during the taxable year. Do not include sales taxes unless the tax was directly imposed upon you by law. The California Retail Sales Tax and the California Motor Vehicle Fuel Tax are not deductible by the consumer. Do not include taxes assessed against local benefits of a kind tending to increase the value of the property assessed, nor estate, inheritance, legacy, succession or gift taxes, nor taxes on or according to or measured by income or profits such as income taxes imposed by the Federal government, this State, other States, or foreign countries.

16. Losses by Fire, Storm, etc.—Enter as Item 16 losses of property not connected with your business or profession, sustained during the year, if arising from fire, storm, shipwreck, or other casualty, or from theft, and if not compensated for by insurance or otherwise.

Explain and itemize losses claimed in Schedule E, setting forth a description of the property, date acquired, cost, subsequent improvements, depreciation allowable since acquisition, insurance, salvage value, and deductible loss.

17. Bad Debts.—Enter as Item 17 all bad debts other than those claimed as a deduction in Schedule C. Bonds ascertained to be worthless are to be treated as bad debts. State in Schedule E (a) of what the debts consisted, (b) name and family relationship, if any, of the debtor, (c) when they were created, (d) when they became due, (e) what efforts were made to collect, and (f) how they were actually determined to be worthless.

18. Other Deductions.—Enter as Item 18 any other authorized deductions for which no space is provided on the return. Do not deduct losses incurred in transactions which were neither connected with your trade or business nor entered into for profit. Losses from gambling transactions are allowable only to the extent of the gains derived from such transactions. Stocks which became worthless during the taxable year should be included among other deductions in Item 18. Any deduction claimed should be explained in Schedule E.

No deduction is allowable for the amount of any item of expense or part thereof allocable to a class of exempt income, including exempt interest.

19. Total Deductions in Items 13 to 18.—Enter as Item 19 the total of Items 13 to 18, inclusive. This amount should not include any deduction claimed in Schedule B or C.

20 and 21. Net Income.—Enter as Items 20 and 21 the net income, which is obtained by deducting Item 19 from Item 12.

22 and 23. Personal Exemption, and Credit for Dependents:

A single person, or a married person not living with husband or wife, may claim an exemption of \$1,000. A person who was the head of a family or was married and living with husband or wife during the entire taxable year, may claim an exemption of \$2,500. If husband and wife file separate returns, the exemption may be taken by either or divided between them.

A "head of a family" is an individual who actually supports and maintains in one household one or more individuals who are closely connected with him by blood relationship, relationship by marriage, or by adoption, and whose right to exercise family control and provide for these dependent individuals is based upon some moral or legal obligation.

In addition to the personal exemption, a credit of \$400 may be claimed for each person (other than husband or wife) under 18 years of age, or incapable of self-support because mentally or physically defective, who received his or her chief support from the taxpayer during the taxable year. This credit may be claimed only by the person who furnishes the chief support, and may not be divided between two individuals.

If the status of the taxpayer, in so far as it affects the personal exemption or credit for dependents, changed during the taxable year, the personal exemption and credit shall be apportioned in accordance with the number of months before and after such change. For the purpose of such apportionment a fractional part of a month shall be disregarded unless it amounts to more than half a month, in which case it shall be considered as a month. For example, if a child became 18 years of age on June 16, 1937, the taxpayer will be allowed a credit of \$200 for such dependent.

Where a return is filed on this form for an estate in process of administration, or for a trust, an exemption of \$1,000 may be claimed.

24. Balance Subject to Tax.—Enter as Item 24 the amount of taxable net income, obtained by deducting the sum of Items 22 and 23 from Item 21.

25. Computation of Tax.

TAXABLE NET INCOME AT LINE 24		AMOUNTS AND RATES OF TAX	
\$0 to \$5,000.....	\$5,000.....	1%	
5,000 to 10,000.....	10,000.....	2%	of amount over.....
10,000 to 15,000.....	15,000.....	3%	of amount over.....
15,000 to 20,000.....	20,000.....	4%	of amount over.....
20,000 to 25,000.....	25,000.....	5%	of amount over.....
25,000 to 30,000.....	30,000.....	6%	of amount over.....
30,000 to 40,000.....	40,000.....	7%	of amount over.....
40,000 to 50,000.....	50,000.....	8%	of amount over.....
50,000 to 60,000.....	60,000.....	9%	of amount over.....
60,000 to 70,000.....	70,000.....	10%	of amount over.....
70,000 to 80,000.....	80,000.....	11%	of amount over.....
80,000 to 100,000.....	100,000.....	12%	of amount over.....
100,000 to 150,000.....	150,000.....	13%	of amount over.....
150,000 to 250,000.....	250,000.....	14.45%	of amount over.....
over 250,000.....		15%	of amount over.....

26. Credit for Taxes Paid Other States by Resident Taxpayers.—Resident taxpayers will be allowed a credit against the tax imposed by this State for net income taxes imposed by and paid to another State or country on income taxable by this State, if the taxes paid to such other State or country were imposed on income derived from sources within such State or country and taxable under the laws of such State or country irrespective of the residence or domicile of the recipient; however, the credit may not be allowed if such other State or country allows residents of this State a credit against the taxes imposed by such State or country for taxes paid or payable to this State. The credit shall not exceed such proportion of the tax payable to this State as the income subject to tax in such other State or country and also taxable by this State bears to the taxpayer's entire income upon which the tax is imposed by this State.

In order to obtain the credit, taxpayers must file a certified copy of a return of income to another State or foreign country and receipts showing payment of taxes to such State or country based upon such return. *Do not take credit for such taxes unless a receipt for payment thereof accompanies your return.*

If any taxes paid to another State or country for which a taxpayer has been allowed a credit by this State are at any time credited or refunded to the taxpayer, such fact shall be immediately reported by the taxpayer to the commissioner and a tax equal to the credit allowed for such taxes so credited or refunded shall be due and payable from the taxpayer upon notice and demand from the commissioner.

SCHEDULE A—INTEREST ON STATE, MUNICIPAL, AND OTHER BONDS OR OBLIGATIONS (Instruction 5)

1. Bonds or Obligations	2. Amount Owned	3. Interest Received or Accrued	4. Amount Exempt From Tax	5. Interest Subject to Tax (Enter as Item 5)
(a) Bonds of this State, or of political subdivisions thereof, issued after November 4, 1920.....	\$	\$	All	x x x x x x
(b) Obligations of the United States, or of the District of Columbia.....			All	x x x x x x
(c) Obligations (including warrants, certificates, judgments, etc.) of this State, or of political subdivisions thereof (except (a) above) or of other states, foreign countries, and political subdivisions thereof.....			None	\$

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 8)

1. Kind of Property	2. Amount	3. Depreciation (Explain in Schedule F)	4. Repairs	5. Other Expenses (Itemize Below)	6. Net Profit (Enter as Item 8, Page 1)
	\$	\$	\$	\$	\$

Explanation of deductions claimed in Columns 4 and 5.....

SCHEDULE C—NET PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION (See Instruction 9)

1. Total receipts from business or profession (state kind of business).....	\$	
Cost of Goods Sold.....	\$	
2. Labor.....		
3. Material and supplies.....		
4. Merchandise bought for sale.....		
5. Other costs (itemize below or on separate sheet).....		
6. Plus inventory at beginning of year.....		
7. TOTAL (Lines 2 to 6).....	\$	
8. Less inventory at end of year.....		
9. NET COST OF GOODS SOLD (Line 7 minus Line 8).....	\$	
Enter "C," or "C or M," on Lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.		
Other Business Deductions		
10. Salaries not included as "Labor" in Line 2 (do not deduct compensation for your services).....	\$	
11. Interest on business indebtedness to others.....		
12. Taxes on business and business property.....		
13. Losses (explain in Schedule E).....		
14. Bad debts arising from sales or services.....		
15. Depreciation, obsolescence, and depletion (explain in table provided at foot of page).....		
16. Rent, repairs, and other expenses (itemize below or on separate sheet).....		
17. TOTAL (Lines 10 to 16).....	\$	
18. TOTAL DEDUCTIONS (Line 9 plus Line 17).....		
19. NET PROFIT (or Loss) (Line 1 minus Line 18) (Enter as Item 9).....	\$	

Explanation of deductions claimed on Lines 5 and 16.....

SCHEDULE D—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY (See Instruction 10)

1. Date Acquired Mo. Day Yr.	2. Date Sold or Exchanged Mo. Day Yr.	3. Gross Sales Price (Contract Price)	4. *Cost or Other Basis	5. Expense of Sale and Cost of Improvements Subsequent to Acquisition or 8/1/13	6. Depreciation Allowed (or Allowable) since Acquisition or 3/1/13	7. **Gain or Loss	8. ***Percentage of Gain or Loss to Be Taken into Account	9. Gain to Be Taken into Account	10. Loss to Be Taken into Account
(a) Description		\$	\$	\$	\$	\$		\$	\$
(b) Description									
(c) Description									
(d) Description									
(e) Description									
(f) Description									
TOTAL GAINS AND LOSSES (Enter net gain or loss as Item 10) (Capital losses are allowable only to the extent of \$2,000 plus capital gains)									

* Cost of property must be entered in Column 4 if a loss is claimed in Column 7. (If property was inherited, see Instruction 10.)

** Indicate in Column 7 by G or L whether each entry is gain or loss.

*** Enter in Column 8 after each item the percentage of gain or loss to be taken into account, based on length of time held—if held one year or less, 100%; over 1 year but not over 2, 80%; over 2 years but not over 5, 60%; over 5 years but not over 10, 40%; over 10 years, 30%.

State here whether any item above was (1) acquired other than by purchase, or (2) was sold or transferred to purchaser having relationship to you:.....

SCHEDULE E—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 13, 14, 15, 16, 17, AND 18

SCHEDULE F—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES B AND C

1. Kind of Property (If buildings, state material of which constructed)	2. Date Acquired	3. Cost or Other Basis (excluding value of land)	4. Assets Fully Depreciated in Use at End of Year	5. Depreciation Allowed (or Allowable) in Prior Years	6. Remaining Cost or Other Basis to Be Recovered	7. Life Used in Accumulating Depreciation	8. Estimated Remaining Life From Beginning of Year	9. Depreciation Allowable this Year
		\$	\$	\$	\$			\$

Taxpayer must complete fully all schedules where required. If space provided is inadequate attach separate schedules.

Individual Income Tax Return

RESIDENT

For Net Incomes of More Than \$5,000 From Salaries, Wages,
Dividends, Interest, Annuities, and for Incomes
From Other Sources Regardless of Amounts

For Calendar Year 1938

or fiscal year begun _____, 1938, and ended _____, 1939

PRINT NAME AND ADDRESS PLAINLY BELOW

PLUTARCO ELIAS CALLES

(Name) (Use given names of both husband and wife, if this is a joint return)

1212 UPAS STR.

(Street and number, or rural route)

SAN DIEGO CALIF.

(Post office)

(County)

(State)

DUPLICATE

IF YOU NEED ASSIST-
ANCE IN PREPARING
THIS RETURN, GO TO
THE MAIN OFFICE
OF THE
COMMISSIONER,
SACRAMENTO,
CALIFORNIA,
OR ANY BRANCH
OFFICE

Individual Income Tax Return for Residents
Taxpayers will find it helpful to read general instructions (A) to (L) before commencing to fill in their returns and to read specific instructions in connection with filling in the item or items to which they refer

GENERAL INSTRUCTIONS

(A) WHO MUST USE FORM 540

Form 540 must be used by any resident of this State, (1) whose net income, regardless of source, is more than \$5,000, or (2) whose income, regardless of amount, includes any item other than salaries or other compensation for personal services, dividends and interest, or (3) whose return is made on an accrual basis, or (4) whose return is made for a fiscal year.

All other resident taxpayers required to make returns should use Form 540A. Residents of this State are subject to tax on their entire net income derived from all sources; nonresidents, only on income derived from sources within this State.

Nonresidents of this State should use form 540NR.

(B) WHO MUST MAKE A RETURN

An income tax return must be filed by every resident of this State whose gross income for the taxable year is \$5,000 or over, or whose net income is—

- (a) \$1,000 or over, if single or if married and not living with husband or wife;
(b) \$2,500 or over, if married and living with husband or wife; or
(c) Equal to or more than the personal exemption if taxpayer was married and living with husband or wife during only part of the taxable year.

If the combined net income of husband and wife is \$2,500 or over, or if their combined gross income is \$5,000 or over, including in each case the earnings of minor children if their parents have legal right thereto, all such income must be reported in a joint return, or in separate returns of husband and wife. In the absence of proof to the contrary, a parent will be presumed to have the legal right to the earnings of a minor and must include such earnings in his return.

A husband and wife, if living together at the close of the taxable year, may elect to make a joint return, that is, to include in a single return made by them jointly the income and deductions of each, even though one has no gross income. In such a case, the tax shall be computed on the aggregate income, and all deductions and credits to which either is entitled shall be taken from such aggregate income. If one spouse dies prior to the last day of the taxable year, the surviving spouse may not include the income of the deceased spouse in a joint return for such taxable year.

(C) RETURNS OF INCOME OF DECEDENTS

If the net income of a decedent to the date of his death was \$1,000 or over, if unmarried, or equal to or in excess of the credit allowed him by section 10 of The Personal Income Tax Act of 1935, as amended (computed without regard to the status as the head of a family), if married and living with spouse, or if his gross income for the period was \$5,000 or over, the executor or administrator should make a return for him on Form 540. The return for a decedent shall include all items of income and deductions accrued up to the date of death regardless of the fact that the decedent may have kept his books on a cash basis.

Tax returns for estates and trusts must be made on Form 540; information returns for estates and trusts, on Form 541.

(D) PERIOD TO BE COVERED BY RETURN

Any taxpayer filing a return with the Federal government must file a return, if required, with the State for the same period. Permission to change his accounting period will be granted such taxpayer by the commissioner if the change is also approved by the Federal government.

Any taxpayer not required to file a return with the Federal government may file his first return with the State on the basis of either the calendar year or fiscal year, but an accounting period, once established, must be adhered to for subsequent years, unless permission is received from the commissioner to make a change.

An application to the commissioner for a change in the accounting period should be made prior to the expiration of 30 days from the close of the proposed taxable year.

(E) WHEN AND WHERE THE RETURN MUST BE FILED

The return should be filed with the Franchise Tax Commissioner, Income Tax Division, Sacramento, California, or at any branch office which he may establish.

Returns made on the basis of calendar year should be filed on or before the fifteenth day of April following close of the calendar year. Returns made on fiscal year basis should be filed on or before fifteenth day of fourth month following close of fiscal year.

(F) AFFIDAVIT

The affidavit must be executed by the person whose income is reported (in the case of a joint return by either husband or wife) unless he is absent from the State, ill, or otherwise incapacitated, in which case it may be executed by his legal representative or agent. A minor making his own return must execute the affidavit.

The oath will be administered without charge by the commissioner, or by an officer or employee designated by the commissioner, but if no such officer or employee is available the return should be sworn to before a notary public, justice of the peace, or any person authorized to administer oaths except an attorney or agent employed to represent the taxpayer before the commissioner in connection with his tax liability.

(G) WHEN AND TO WHOM THE TAX MUST BE PAID

The tax should be paid, if possible, by sending or bringing with return a check or

SPECIFIC INSTRUCTIONS

The following instructions are numbered to correspond with item numbers on the first page of return:

1. **Income from Salaries, Wages, etc.**—Enter as Item 1 the total of all salaries, wages, or other compensation available or received from outside sources, less ordinary and necessary expenses, as reported in Schedule E. Any amount claimed as a deduction for ordinary and necessary expenses against salaries, etc., such as traveling expenses while away from home in connection with your occupation, should be fully explained in Schedule E or in an attached statement. Traveling expenses ordinarily include expenditure for transportation, meals, and lodging. The expense of transportation between one's residence and place of business or employment is not deductible.

If a joint return, enter as separate items in Schedule E earnings of each spouse. Earnings of minor children should also be reported, if parent is legally entitled to such earnings.

Salaries, wages, fees, etc., of officers or employees of this State, or any political subdivision thereof, are subject to tax by this State. Salaries, wages, and pensions received from the United States by officials or employees thereof, engaged in the discharge of an essential governmental function, are not subject to tax by this State.

A taxpayer must report in full, at Item 1, his entire salary or other compensation, even though a portion thereof is withheld by the employer for taxes or contributions to the Federal Social Security Act, the California Unemployment Reserves Act, the Railroad Retirement Act, or some other retirement or pension fund. Taxes and contributions paid by employees pursuant to the California Unemployment Reserves Act are deductible. Taxes or contributions paid pursuant to the Federal Social Security Act as payment of old-age benefits, or to the Railroad Retirement Act for pension benefits, or to any other form of a pension fund, are not deductible, but no portion of the amount received as an old-age benefit or pension will be taxable until the entire amount of the employee's contributions has been returned to him.

2. **Dividends.**—Enter as Item 2 the total of all taxable dividends received from domestic and foreign corporations.

Submit full explanation of all dividends received which are claimed as nontaxable.

3. **Interest on Bank Deposits, etc.**—Enter as Item 3 the total of all interest on bank deposits, notes, mortgages, etc. Interest on savings bank deposits is considered income to the depositor when credited, even though not entered on the pass book.

4. **Interest on Corporation Bonds.**—Enter as Item 4 the total of all interest received on bonds, mortgages, and similar obligations of corporations. Include bond interest received upon which a 2% Federal tax was paid at the source, but no credit may be claimed for State tax purposes for the tax so paid at the source. Interest on bonds is considered income when due and payable.

5. **Interest on State, Municipal and other Bonds or Obligations.**—Schedule A should be filled in if you own any of the bonds or obligations enumerated in Column 1. Enter in Column 2 the principal amount of the various bonds or obligations owned, and

money order drawn to the order of "State Treasurer." Do not send cash by mail, nor pay it in person except at office of the commissioner in Sacramento, San Francisco, or Los Angeles.

The tax may be paid when the return is filed, or in three equal installments, as follows: The first installment shall be paid on or before the fifteenth day of the fourth month, the second installment on or before the fifteenth day of the eighth month, and the third installment on or before the fifteenth day of the twelfth month following the close of the taxable year.

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

(H) PENALTIES

The law imposes severe penalties for failing to make a return, or for making a false or fraudulent return. Penalties are also imposed for failing to file a return on time.

(I) RECEIVED OR ACCRUED INCOME

If your books of account are kept on the accrual basis, report all income accrued even though it has not been actually received or entered on the books, and expenses incurred instead of expenses paid. If your books are not kept on the accrual basis, or if you keep no books, make your return on a cash basis and report all income received or constructively received, such as bank interest credited to your account and coupon bond interest matured, and report expenses actually paid.

(J) ITEMS EXEMPT FROM TAX

The following items are exempt from State income tax and should not be included in gross income:

(1) Amounts received under a life insurance contract paid by reason of the death of the insured, whether in a single sum or otherwise (but if such amounts are held by the insurer under an agreement to pay interest thereon, the interest payments shall be included in gross income);

(2) Amounts received (other than amounts paid by reason of the death of the insured and interest payments on such amounts and other than amounts received as annuities) under a life insurance or endowment contract, but if such amounts (when added to amounts received before the taxable year under such contract) exceed the aggregate premiums or consideration paid (whether or not paid during the taxable year) then the excess shall be included in gross income. Amounts received as an annuity under an annuity or endowment contract shall be included in gross income; except that there shall be excluded from gross income the excess of the amount received in the taxable year over an amount equal to 3 per centum of the aggregate premiums or consideration paid for such annuity (whether or not paid during such year), until the aggregate amount excluded from gross income under this act in respect to such annuity increased by the amount which would have been excluded from gross income in respect to such annuity had this act been in effect continuously from and after the date at which payments under such contract were first received equals the aggregate premiums or consideration paid for such annuity. In the case of a transfer for a valuable consideration, by assignment or otherwise, of a life insurance, endowment, or annuity contract, or any interest therein, only the actual value of such consideration and the amount of the premiums and other sums subsequently paid by the transferee shall be exempt from taxation under paragraph (1) or this paragraph;

(3) The value of property acquired by gift, bequest, devise, or inheritance (but the income from such property shall be included in gross income);

(4) Amounts received through accident or health insurance or under workmen's compensation acts, as compensation for personal injuries or sickness, plus the amount of any damages received, whether by suit or agreement, on account of such injuries or sickness;

(5) The rental value of a dwelling house and appurtenances thereof furnished to a minister of the gospel as part of his compensation;

(6) Income which this State is prohibited from taxing under the Constitution or laws of the United States of America or under the Constitution of this State.

(K) TREATMENT OF DEPRECIATION AND DEPLETION

A reasonable allowance for the exhaustion, wear or tear, and obsolescence of property used in the trade or business may be deducted. All deductions for depreciation must be explained in Schedule F. If obsolescence is claimed, explain why the useful life is less than the actual life.

The amount of depreciation on property acquired by purchase 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 expected useful life, except if the property was purchased prior to March 1, 1913, it should be computed on the fair market value of such property as of that date or its original cost (less depreciation actually sustained before 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 1936, incorporated by reference in section 8 of The Personal Income Tax Act of 1935, as amended.

If a deduction is claimed for depletion see also section 114 of Revenue Act of 1936 incorporated by reference in section 8 of Personal Income Tax Act of 1935, as amended.

(L) INFORMATION AT SOURCE

Every person making payments of salaries, wages, interest, rents, commissions, or other fixed or determinable income of \$1,000 or more during the calendar year 1938 to an individual, a partnership, or a fiduciary, is required to make a return on Forms 596 and 599 showing the amount of such payments and the name and address of each recipient, except that a return need not be made for payments of salaries or other compensation for personal services aggregating less than \$2,500 made to a married individual. These forms may be obtained at the main office of the commissioner or any branch office. Form 599 may be typed as a carbon copy of Treasury Department Form 1099.

Information at Source Returns covering the calendar year 1938 must be forwarded to the Franchise Tax Commissioner, Income Tax Division, Sacramento, California, in time to be received not later than February 15, 1939.

(M) EARNED INCOME CREDIT

No earned income credit is allowable for State tax purposes.

DUPLICATE

DETACH AND
RETAIN THIS COPY
AND THE
INSTRUCTIONS

1. Are you a resident of the State of California? **YES**
2. Were you married and living with husband or wife during your taxable year? **WIDOWER**
3. Are all items of income or deductions of both husband and wife included in this return? **YES**
4. State name of husband or wife if a separate return was made **NONE**
5. If not married, were you during your taxable year supporting in your household one or more persons closely related to you? **YES**
6. How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support received their chief support from you during your taxable year? **2**
7. If your status in respect to question 2, 3, or 6 changed during the year, state date and nature of change **One dependent has returned to Mexico**
8. Check whether this return was prepared on the cash ☐ or actual ☐ basis **none**
9. State your principal occupation or profession **retired**
10. Did you file a return for the preceding year? **YES**
11. Did you file a return with the Federal government for the taxable year stated in 1? Answer "Yes" or "No" **NO**
12. If the answer to No. 11 is "Yes," state amount of net income (or loss) reported on such return **Net Income (or loss) \$ NONE**
13. Did you make a return of information on Forms 596 and 599 (see Instruction L) for the calendar year 1938? Answer "Yes" or "No" **NO**
14. Has the Federal government assessed or proposed to assess any additional income tax for 1937? **NO**

Item and Instruction No.	INCOME	Amount received	Expenses paid Explain in Schedule E			
1. Salaries and other compensation for personal services		\$	\$	NONE		
2. Dividends				NONE		
3. Interest on bank deposits, notes, mortgages, etc.				1 500 00		
4. Interest on corporation bonds				NONE		
5. Interest on State, municipal, or other bonds, etc. (from Schedule A)				NONE		
6. Income (or loss) from partnerships, syndicates, pools, etc. (furnish names and addresses)				NONE		
7. Income from fiduciaries (furnish names and addresses)				NONE		
8. Rents and royalties (from Schedule B)				NONE		
9. Income (or loss) from business or profession (from Schedule C)				NONE		
10. Gain (or loss) from sale or exchange of property (from Schedule D)				NONE		
11. Other income (including income from annuities) (state nature; use separate schedule if necessary)				NONE		
12. TOTAL INCOME IN ITEMS 1 TO 11		\$		1500 00		
DEDUCTIONS						
13. Contributions (explain in Schedule E)		\$		none		
14. Interest (explain in Schedule E)				none		
15. Taxes (explain in Schedule E)				none		
16. Losses by fire, storm, etc. (explain in Schedule E)				none		
17. Bad debts (explain in Schedule E)				none		
18. Other deductions authorized by law (explain below or in Schedule E)				none		
19. TOTAL DEDUCTIONS IN ITEMS 13 TO 18		\$				
20. NET INCOME (Item 12 minus Item 19)		\$		1 500 00		

COMPUTATION OF TAX (See Instruction 25)

21. Net Income (Item 20 above)	\$	1500 00	25. Tax. (See Instruction 25)	\$	
22. Less: Personal exemption	\$1000 00		26. Less: Income Tax paid to another State		
23. Credit for dependents	800 00	1800 00	or country. (See Instruction 26)		
24. Balance subject to Tax	\$	0000000000	27. Balance of Tax	\$	

TAXPAYER'S RECORD OF PAYMENTS

Payment	Amount	Date	Check or M. O. No.	Bank or Office of Issue
First				
Second				
Third				

An amended return must be marked "Amended" at top of return. Checks and drafts will be accepted only if payable at par.

if the amounts so received (when added to the amounts received before the taxable year under such policy) exceed the total premiums or consideration paid.

13. **Contributions.**—Enter as Item 13 the contributions or gifts, reported in Schedule E, made within the taxable year to or for the use of:

(a) The United States, any State, Territory, or any political subdivision thereof, or the District of Columbia, for exclusively public purposes;

(b) A corporation, or trust, or community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation;

(c) The special fund for vocational rehabilitation authorized by section 12 of the World War Veterans' Act, 1924;

(d) Posts or organizations of war veterans, or auxiliary units or societies of any such posts or organizations, if such posts, organizations, units, or societies are organized

in the United States or any of its possessions, and if no part of their net earnings inures to the benefit of any private shareholder or individual; or

(e) A fraternal society, order, or association, operating under the lodge system, but only if such contributions or gifts are to be used exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals.

The total amount claimed shall not exceed 15 per cent of your net income computed without the benefit of this deduction.

14. **Interest.**—Enter as Item 14 interest on personal indebtedness as distinguished from business indebtedness (which should be deducted under Schedules B and C). Do not include interest on indebtedness incurred or continued to purchase obligations the interest upon which is wholly exempt from taxation. Any deductions on account of interest should be explained and itemized in Schedule E.

15. Taxes.—Enter as Item 15 the amounts reported in Schedule E as personal taxes on property which were imposed upon and were paid by you during the taxable year. Do not include sales taxes unless the tax was directly imposed upon you by law. The California Retail Sales Tax and the California Motor Vehicle Fuel Tax are not deductible by the consumer. Do not include taxes assessed against local benefits of a kind tending to increase the value of the property assessed, nor estate, inheritance, legacy, succession or gift taxes, nor taxes on or according to or measured by income or profits such as income taxes imposed by the Federal government, this State, other States, or foreign countries.

16. Losses by Fire, Storm, etc.—Enter as Item 16 losses of property not connected with your business or profession, sustained during the year, if arising from fire, storm, shipwreck, or other casualty, or from theft, and if not compensated for by insurance or otherwise.

Explain and itemize losses claimed in Schedule E, setting forth a description of the property, date acquired, cost, subsequent improvements, depreciation allowable since acquisition, insurance, salvage value, and deductible loss.

17. Bad Debts.—Enter as Item 17 all bad debts other than those claimed as a deduction in Schedule C. Bonds ascertained to be worthless are to be treated as bad debts. State in Schedule E (a) of what the debts consisted, (b) name and family relationship, if any, of the debtor, (c) when they were created, (d) when they became due, (e) what efforts were made to collect, and (f) how they were actually determined to be worthless.

18. Other Deductions.—Enter as Item 18 any other authorized deductions for which no space is provided on the return. Do not deduct losses incurred in transactions which were neither connected with your trade or business nor entered into for profit. Losses from gambling transactions are allowable only to the extent of the gains derived from such transactions. Stocks which became worthless during the taxable year should be included among other deductions in Item 18. Any deduction claimed should be explained in Schedule E.

No deduction is allowable for the amount of any item of expense or part thereof allocable to a class of exempt income, *including* exempt interest.

22 and 23. **Personal Exemption, and Credit for Dependents:**

A single person, or a married person not living with husband or wife, may claim an exemption of \$1,000. A person who was the head of a family or was married and living with husband or wife during the entire taxable year, may claim an exemption of \$2,500. If husband and wife file separate returns, the exemption may be taken by either or divided between them.

A "head of a family" is an individual who actually supports and maintains in one household one or more individuals who are closely connected with him by blood relationship, relationship by marriage, or by adoption, and whose right to exercise family control and provide for these dependent individuals is based upon some moral or legal obligation.

In addition to the personal exemption, a credit of \$400 may be claimed for each person (other than husband or wife) under 18 years of age, or incapable of self-support because mentally or physically defective, who received his or her chief support from the taxpayer during the taxable year. This credit may be claimed only by the person who furnishes the chief support, and may not be divided between two individuals.

10 If the status of the taxpayer, in so far as it affects the personal exemption or credit for dependents, changed during the taxable year, the personal exemption and credit shall be apportioned in accordance with the number of months before and after such change.

For the purpose of such apportionment a fractional part of a month shall be disregarded unless it amounts to more than half a month, in which case it shall be considered as a month. For example, if a child became 18 years of age on June 16, 1937, the taxpayer will be allowed a credit of \$200 for such dependent.

Where a return is filed on this form for an estate in process of administration, or for a trust, an exemption of \$1,000 may be claimed.

25. Computation of Tax.

TAXABLE NET INCOME AT LINE 24	AMOUNTS AND RATES OF TAX
----------------------------------	--------------------------

\$0 to	\$5,000	1%		
5,000 to	10,000	850 plus	2%	of amount over..... \$5,000
10,000 to	15,000	150 plus	3%	of amount over..... 10,000
15,000 to	20,000	300 plus	4%	of amount over..... 15,000
20,000 to	25,000	500 plus	5%	of amount over..... 20,000
25,000 to	30,000	750 plus	6%	of amount over..... 25,000
30,000 to	40,000	1,050 plus	7%	of amount over..... 30,000
40,000 to	50,000	1,750 plus	8%	of amount over..... 40,000
50,000 to	60,000	2,550 plus	9%	of amount over..... 50,000
60,000 to	70,000	3,450 plus	10%	of amount over..... 60,000
70,000 to	80,000	4,450 plus	11%	of amount over..... 70,000
80,000 to	100,000	5,550 plus	12%	of amount over..... 80,000
100,000 to	150,000	8,550 plus	13%	of amount over..... 100,000
150,000 to	250,000	14,450 plus	14%	of amount over..... 150,000
over	250,000	28,450 plus	15%	of amount over..... 250,000

ST. 250,000,000,000,000 plus 10% ST. amount 250,000,000,000,000

26. **Credit for Taxes Paid Other States by Resident Taxpayers.**—Resident taxpayers will be allowed a credit against the tax imposed by this State for net income taxes imposed by and paid to another State or country on income taxable by this State if the taxes paid to such other State or country were imposed on income derived from sources within such State or country and taxable under the laws of such State or country irrespective of the residence or domicile of the recipient; however, the credit may not be allowed if such other State or country allows residents of this State a credit against the taxes imposed by such State or country for taxes paid or payable to this State. The credit shall not exceed such proportion of the tax payable to this State as the income subject to tax in such other State or country and also taxable by this State bears to the taxpayer's entire income upon which the tax is imposed by this State.

In order to obtain the credit, taxpayers must file a certified copy of a return of income to another State or foreign country and receipts showing payment of taxes to such State or country based upon such return. ***Do not take credit for such taxes unless a receipt for payment thereof accompanies your return.***

If any taxes paid to another State or country for which a taxpayer has been allowed a credit by this State are at any time credited or refunded to the taxpayer, such fact shall be immediately reported by the taxpayer to the commissioner and a tax equal to the credit allowed for such taxes so credited or refunded shall be due and payable from the taxpayer upon notice and demand from the commissioner.

1. Bonds or Obligations	2. Amount Owned	3. Interest Received or Accrued	4. Amount Exempt From Tax	5. Interest Subject to Tax (Enter as Item 5)
(a) Bonds of this State, or of political subdivisions thereof, issued after November 4, 1902	\$	\$	All	x x x x x x x x
(b) Obligations of the United States, or of the District of Columbia			All	x x x x x x x
(c) Obligations (including warrants, certificates, judgments, etc.) of this State, or of political subdivisions thereof (except (a) above) or of other states, foreign countries, and political subdivisions thereof			None	\$

1. Kind of Property	2. Amount	3. Depreciation (Explain in Schedule F)	4. Repairs (Explain below)	5. Other Expenses (Itemize Below)	6. Net Profit (Enter as Item 8, Page 1)
	\$	\$	\$	\$	\$

SCHEDULE C—NET PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION (See Instruction 9)

1. Total receipts from business or profession (state kind of business).....				\$	
Cost of Goods Sold.....				\$	
2. Labor.....					
3. Material and supplies.....					
4. Merchandise bought for sale.....					
5. Other costs (itemize below or on separate sheet).....					
6. Plus inventory at beginning of year.....					
7. TOTAL (Lines 2 to 6).....	\$				
8. Less inventory at end of year.....					
9. NET COST OF GOODS SOLD (Line 7 minus Line 8).....	\$				
Enter "C," or "C or M," on Lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.					
Other Business Deductions.....				\$	
10. Salaries not included as "Labor" in Line 2 (do not deduct compensation for your services).....					
11. Interest on business indebtedness to others.....					
12. Taxes on business and business property.....					
13. Losses (explain in Schedule E).....					
14. Bad debts arising from sales or services.....					
15. Depreciation, obsolescence, and depletion (explain in table provided at foot of page).....					
16. Rent, repairs, and other expenses (itemize below or on separate sheet).....					
17. TOTAL (Lines 10 to 16).....	\$				
18. TOTAL DEDUCTIONS (Line 9 plus Line 17).....					
19. NET PROFIT (or Loss) (Line 1 minus Line 18) (Enter as Item 9).....	\$				

SCHEDULE D—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY (See Instruction 10)[illegible]

* Cost of property must be entered in Column 4 if a loss is claimed in Column 7. (If property was inherited, see Instruction 10.)

** Indicate in Column 7 by G or L whether each entry is gain or loss.

*** Enter in Column 8 after each item the percentage of gain or loss to be taken into account, based on length of time held—if held one year or less, 100%; over 1 year but not over 2, 80%; over 2 years but not over 5, 60%; over 5 years but not over 10, 40%; over 10 years, 30%.

State here whether any item above was (1) acquired other than by purchase, or (2) was sold or transferred to purchaser having relationship to you:

1	Net Income (from 10 above)	2,000	20	21	Net Income (from 10 above)
2	Less: Personal exemption	2,000	20	22	Less: Personal exemption
3	Credit for dependents	1,000	10	23	Credit for dependents
4				24	
5				25	
6				26	
7				27	
8				28	
9				29	
10				30	
11				31	
12				32	
13				33	
14				34	
15				35	
16				36	
17				37	
18				38	
19				39	
20				40	
21				41	
22				42	
23				43	
24				44	
25				45	
26				46	
27				47	
28				48	
29				49	
30				50	
31				51	
32				52	
33				53	
34				54	
35				55	
36				56	
37				57	
38				58	
39				59	
40				60	
41				61	
42				62	
43				63	
44				64	
45				65	
46				66	
47				67	
48				68	
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54				74	
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56				76	
57				77	
58				78	
59				79	
60				80	
61				81	
62				82	
63				83	
64				84	
65				85	
66				86	
67				87	
68				88	
69				89	
70				90	
71				91	
72				92	
73				93	
74				94	
75				95	
76				96	
77				97	
78				98	
79				99	
80				100	

[illegible]

Taxpayer must complete fully all schedules where required. If space provided is inadequate attach separate schedules.

INDIVIDUAL INCOME TAX RETURN

26
1939

(Auditor's Stamp)

FOR NET INCOMES OF MORE THAN \$5,000 FROM SALARIES, WAGES,
DIVIDENDS, INTEREST, ANNUITIES, AND FOR INCOMES FROM
OTHER SOURCES REGARDLESS OF AMOUNTS

For Calendar Year 1939

or fiscal year beginning _____, 1939, and ended _____, 1940

To be filed with the Collector of Internal Revenue for your district not later than the 15th day of the third month following the close of your taxable year

PRINT NAME AND ADDRESS PLAINLY. (See Instruction C)

PLUTARCO ELIAS CALLES

(Name) (Use given names of both husband and wife, if this is a joint return)

1212 Upas Street

(Street and number, or rural route)

San Diego,

California

(Post office)

(County)

(State)

DUPLICATE COPY

IMPORTANT



One duplicate copy
must be filed with orig-
inal return.

(\$5 will be assessed if
duplicate is not filed.)

Item and
Instruction No.

INCOME

1. Salaries and other compensation for personal services. (From Schedule A)	\$ None	
2. Dividends	"	
3. Interest on bank deposits, notes, mortgages, etc.	1293.	11
4. Interest on corporation bonds	None	
5. Taxable interest on Government obligations, etc. (From Schedule B)	"	
6. Income (or loss) from partnerships, syndicates, pools, etc. (other than capital gains or losses). (Furnish names and addresses):	"	
7. Income from fiduciaries. (Furnish names and addresses):	"	
8. Rents and royalties. (From Schedule C)	400.	00
9. Income (or loss) from business or profession. (From Schedule D)	None	
10. (a) Net short-term gain from sale or exchange of capital assets. (From Schedule F)	"	
(b) Net long-term gain (or loss) from sale or exchange of capital assets. (From Schedule F)	"	
(c) Net gain (or loss) from sale or exchange of property other than capital assets. (From Schedule G)	"	
11. Other income (including income from annuities) (State nature)	"	
12. Total income in items 1 to 11. (Enter nontaxable income in Schedule I)	\$	1693.11

DEDUCTIONS

13. Contributions paid. (Explain in Schedule H)	\$ None	
14. Interest. (Explain in Schedule H)	"	
15. Taxes. (Explain in Schedule H)	"	
16. Losses from fire, storm, shipwreck, or other casualty, or theft. (Explain in Schedule H)	"	
17. Bad debts. (Explain in Schedule H)	"	
18. Other deductions authorized by law. (Explain in Schedule H)	"	
19. Total deductions in items 13 to 18	"	
20. Net income (item 12 minus item 19)	\$	1693.11

COMPUTATION OF TAX

21. Net income (item 20 above)	\$	1693.11	28. Normal tax (4% of item 27)	\$ None	
22. Less: Personal exemption. (From Schedule J-1)	\$ 2500.00		29. Surtax on item 24. (See Instruction 29)		
23. Credit for dependents. (From Schedule J-2)	800.00	3300.00	30. Total (item 28 plus item 29)	\$	
24. Balance (surtax net income)	\$	N-O-N-E	31. Total tax (item 30, or if you had a net long- term capital gain or loss, enter line 16, Sched- ule F)	\$	
25. Less: Interest on Government obliga- tions, etc. (See Instruction 25)	\$		32. Less: Income tax paid at source	\$	
26. Earned income credit. (From Schedule K-1 or K-2)			33. Income tax paid to a foreign country or U. S. possession. (Attach Form 1116)		
27. Balance subject to normal tax	\$		34. Balance of tax (item 31 minus items 32 and 33)	\$ NONE	

Schedule A.—INCOME RECEIVED FROM OTHERS CONSISTING OF SALARIES, WAGES, FEES, AND OTHER COMPENSATION FOR PERSONAL SERVICES. (See Instruction 1)

1. Name and address of employer and nature of income	2. Amount	3. Expenses (itemize)	4. Amount
	\$		\$
Total of column 2 minus total of column 4 (enter as item 1, page 1)			\$

Schedule B.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction G)

1. Obligations or securities	2. Amount owned at end of year including your proportionate share of such obligations held by estates, trusts, partnerships, or common trust funds	3. Interest received or accrued during the year	4. Interest exempt from taxation	5. Interest on amount in excess of exemption
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions	\$	\$	All	x x x x x x x x
(b) Obligations issued under Federal Farm Loan Act, or under such Act as amended			All	x x x x x x x x
(c) Obligations of United States issued on or before September 1, 1917			All	x x x x x x x x
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness			All	x x x x x x x x
(e) United States Savings Bonds and Treasury Bonds			\$	\$
(f) Obligations of instrumentalities of the United States (other than obligations to be reported in (b) above)			None	
(g) Total (enter as item 5, page 1)				\$

Schedule C.—INCOME FROM RENTS AND ROYALTIES. (See Instruction 8)

1. Kind of property	2. Amount	3. Depreciation (explain in Schedule E)	4. Repairs (explain below)	5. Other expenses (itemize below)	6. Net profit (column 2 minus sum of columns 3, 4, and 5) (enter as item 8, page 1)
RANCH in Mexico	\$ 400.00	\$	\$	\$	\$ 400.00
					400.00

Explanation of deductions
claimed in columns 4 and 5

Schedule D.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (See Instruction 9)

(State business name and address if different from name and address on page 1)		
1. Total receipts (state nature of business or profession)		\$
COST OF GOODS SOLD		
2. Labor	\$	
3. Material and supplies		
4. Merchandise bought for sale		
5. Other costs (itemize below)		
6. Plus inventory at beginning of year		
7. Total (lines 2 to 6)	\$	
8. Less inventory at end of year		
9. Net cost of goods sold (line 7 minus line 8)	\$	
OTHER BUSINESS DEDUCTIONS		
10. Salaries not included as "Labor" (do not deduct compensation for yourself)	\$	
11. Interest on business indebtedness		
12. Taxes on business and business property		
13. Losses (explain below)		
14. Bad debts arising from sales or services		
15. Depreciation, obsolescence, and depletion (explain in Schedule E)		
16. Rent, repairs, and other expenses (itemize below or on separate sheet)		
17. Total (lines 10 to 16)	\$	
18. Total deductions (line 9 plus line 17)		
19. Net profit (or loss) (line 1 minus line 18) (enter as item 9, page 1)		\$

If the production, manufacture, purchase and sale of merchandise is an income-producing factor, inventories are required. Enter "C," or "C or M," on lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

Explanation of deductions
claimed in lines 5, 13, and 16

Schedule E.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES C, D, F, AND G

1. Kind of property (if buildings, state material of which constructed)	2. Date acquired	3. Cost or other basis	4. Assets fully depreciated in use at end of year	5. Depreciation allowed (or allowable) in prior years	6. Remaining cost or other basis to be recovered	7. Estimated life used in accumulating depreciation	8. Estimated remaining life from beginning of year	9. Depreciation allowable this year
		\$	\$	\$	\$			\$

Schedule F.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 10)

1. Kind of property (if necessary attach statement of descriptive details not shown below)	2. Date acquired Mo. Day Year	3. Date sold Mo. Day Year	4. Gross sales price (contract price)	5. Cost or other basis	6. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	7. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule E)	8. Gain or loss (column 4 plus column 7 minus the sum of columns 5 and 6)	Gain or loss to be taken into account	
								9. Percentage	10. Amount
SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 18 MONTHS									
			\$	\$	\$	\$	\$	100	\$
								100	
								100	
								100	
Total net short-term capital gain or loss (enter in line 1, column 3, of summary below)									\$
LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 18 MONTHS BUT NOT FOR MORE THAN 24 MONTHS									
			\$	\$	\$	\$	\$	66%	\$
								66%	
								66%	
								66%	
Total net long-term capital gain or loss (enter in line 2, column 3, of summary below)									\$

SUMMARY OF CAPITAL NET GAINS OR LOSSES							
1. Classification	2. Net short-term capital loss of preceding taxable year (not in excess of net income for such year)	3. Net gain or loss to be taken into account from column 10, above		4. Net gain or loss to be taken into account from partnerships and "common trust funds"		5. Total net gain or loss to be taken into account in columns 2, 3, and 4 of this summary	
		Gain	Loss	Gain	Loss	Gain	Loss
1. Total net short-term capital gain or loss (enter as item 10 (a), page 1, amount of gain shown in column 5)	\$	\$	\$	\$	\$	\$	No net loss allowable (see Instruction 10)
2. Total net long-term capital gain or loss (enter as item 10 (b), page 1, amount of gain or loss shown in column 5)	\$	\$	\$	\$	\$	\$	\$

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items: n

If any of the above items were acquired by you other than by purchase, explain fully how acquired: n

COMPUTATION OF ALTERNATIVE TAX

(To be used only in the case of a net long-term capital gain or loss)

1693.11

1. Net income (item 20, page 1). (See Instruction 10)	\$	10. Normal tax (4% of line 9)	\$
2. (a) Net long-term capital gain (item 10 (b), page 1)		11. Surtax on line 6. (See Instruction 29)	\$
(b) Net long-term capital loss (item 10 (b), page 1)		12. Partial tax (line 10 plus line 11)	\$
3. Ordinary net income (line 1 minus line 2 (a) or line 1 plus line 2 (b)). (See Instruction 10)	\$	13. (a) 30% of net long-term capital gain (30% of line 2 (a))	\$
4. Less: Personal exemption. (From Schedule J-1)	\$	(b) 30% of net long-term capital loss (30% of line 2 (b))	\$
5. Credit for dependents. (From Schedule J-2)	\$	14. Alternative tax (line 12 plus line 13 (a) or line 12 minus line 13 (b))	\$
6. Balance (surtax net income)	\$	15. Total normal tax and surtax (item 30, page 1)	\$ 1693.11
7. Less: Interest on Government obligations, etc. (See Instruction 25)	\$	16. Tax liability (if a net long-term capital gain, on line 2 (a), enter line 14 or line 15, whichever is the lesser; if a net long-term capital loss, on line 2 (b), enter line 14 or line 15, whichever is the greater). (Enter as item 31, page 1)	\$ None
8. Earned income credit. (From Schedule K-1 or K-2). (See Inst. 10)	\$		
9. Balance subject to normal tax	\$ 1693.11		

Schedule G.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS (See Instruction 10)

1. Kind of property	2. Date acquired	3. Gross sales price (contract price)	4. Cost or other basis	5. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	6. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule E)	7. Gain or loss (column 3 plus column 6 minus the sum of columns 4 and 5)
		\$	\$	\$	\$	\$
Total net gain (or loss) (enter as item 10 (c), page 1)						

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items: NONE

If any of the above items were acquired by you other than by purchase, explain fully how acquired: NONE

1. Item No.	2. Explanation	3. Amount	1. Item No. (Continued)	2. Explanation (Continued)	3. Amount (Continued)
		\$			\$

Schedule I.—NONTAXABLE INCOME OTHER THAN INTEREST REPORTED IN SCHEDULE B. (See Instruction G)

1. Source of income	2. Nature of income	3. Amount
		\$

Schedule J.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 22 AND 23. (See Instructions 22 and 23)

(1) Personal Exemption			(2) Credit for Dependents			
Status	Number of months during the year in each status	Credit claimed	Name of dependent and relationship	Number of months during the year		Credit claimed
				Under 18 years old	Over 18 years old	
Single, or married and not living with husband or wife		\$	PLUTARCO son	12		\$ 400.00
Married and living with husband or wife			LEONARDO son	12		400.00
Head of family (explain below)	12	2500.00				
Maintaining a home for two sons under eighteen years.			Reason for support if over 18 years old			

Schedule K.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 26)

(1) If your net income is \$3,000 or less, use only this part of schedule		(2) If your net income is more than \$3,000, use only this part of schedule	
Net income (item 20, page 1)	\$	Earned net income (not more than \$14,000)	\$
Earned income credit (10% of net income, above)		Net income (item 20, page 1)	
		Earned income credit (10% of earned net income or 10% of net income, above, whichever amount is smaller, but do not enter less than \$300)	

QUESTIONS

- State your principal occupation or profession
- Check whether you are a citizen ☐ or a resident alien ☒
- If you filed a return for the preceding year, to which Collector's office was it sent? 6th Calif.
- Are items of income or deductions of both husband and wife included in this return?
- State (a) Name of husband or wife if separate return was made
 - Personal exemption, if any, claimed thereon
 - Collector's office to which it was sent
- Check whether this return was prepared on the cash ☒ or accrual ☐ basis.
- Did you at any time during your taxable year own directly or indirectly any stock of a foreign corporation or a personal holding company as defined by section 501? (Answer "yes" or "no") (If answer is "yes," attach statement required by Instruction J.)

Copia igual a esta se mando'
para 1940 (año fiscal) a:
Treasury Dept.
Office of Collector of Internal Revenue
Los Angeles, Calif.
A principios de Feb. 1941.



INDIVIDUAL INCOME TAX RETURN

1939

(Auditor's Stamp)

FOR NET INCOMES OF MORE THAN \$5,000 FROM SALARIES, WAGES,
DIVIDENDS, INTEREST, ANNUITIES, AND FOR INCOMES FROM
OTHER SOURCES REGARDLESS OF AMOUNTS

For Calendar Year 1939

or fiscal year beginning _____, 1939, and ended _____, 1940

To be filed with the Collector of Internal Revenue for your district not later than the 15th day of the third
month following the close of your taxable year

PRINT NAME AND ADDRESS PLAINLY. (See Instruction C)

PLUTARDO ELIAS CALLES.

(Name) (Use given names of both husband and wife, if this is a joint return)

1212 Upas Street.

(Street and number, or rural route)

San Diego,

California.

(Post office)

(County)

(State)

DUPLICATE COPY

IMPORTANT



One duplicate copy
must be filed with orig-
inal return.

(\$5 will be assessed if
duplicate is not filed.)

Item and
Instruction No.

INCOME

1. Salaries and other compensation for personal services. (From Schedule A)	\$	None	
2. Dividends	"		
3. Interest on bank deposits, notes, mortgages, etc.		1293	11
4. Interest on corporation bonds	none		
5. Taxable interest on Government obligations, etc. (From Schedule B)	"		
6. Income (or loss) from partnerships, syndicates, pools, etc. (other than capital gains or losses). (Furnish names and addresses):	"		
7. Income from fiduciaries. (Furnish names and addresses):	"		
8. Rents and royalties. (From Schedule C)		400	00
9. Income (or loss) from business or profession. (From Schedule D)	none		
10. (a) Net short-term gain from sale or exchange of capital assets. (From Schedule F)	"		
(b) Net long-term gain (or loss) from sale or exchange of capital assets. (From Schedule F)	"		
(c) Net gain (or loss) from sale or exchange of property other than capital assets. (From Schedule G)	"		
11. Other income (including income from annuities) (State nature)	"		
12. Total income in items 1 to 11. (Enter nontaxable income in Schedule I)	\$	1693	11

DEDUCTIONS

13. Contributions paid. (Explain in Schedule H)	\$	None	
14. Interest. (Explain in Schedule H)	"		
15. Taxes. (Explain in Schedule H)	"		
16. Losses from fire, storm, shipwreck, or other casualty, or theft. (Explain in Schedule H)	"		
17. Bad debts. (Explain in Schedule H)	"		
18. Other deductions authorized by law. (Explain in Schedule H)	"		
19. Total deductions in items 13 to 18	"		
20. Net income (item 12 minus item 19)	\$	1693	11

COMPUTATION OF TAX

21. Net income (item 20 above)	\$	1693	11	28. Normal tax (4% of item 27)	\$	None	
22. Less: Personal exemption. (From Schedule J-1)	\$	2500	00	29. Surtax on item 24. (See Instruction 29)			
23. Credit for dependents. (From Schedule J-2)	\$	800	00	30. Total (item 28 plus item 29)	\$		
24. Balance (surtax net income)	\$		3300	00	31. Total tax (item 30, or if you had a net long- term capital gain or loss, enter line 16, Sched- ule F)	\$	
25. Less: Interest on Government obliga- tions, etc. (See Instruction 25)	\$			32. Less: Income tax paid at source	\$		
26. Earned income credit. (From Schedule K-1 or K-2)				33. Income tax paid to a foreign country or U. S. possession. (Attach Form 1116)			
27. Balance subject to normal tax	\$			34. Balance of tax (item 31 minus items 32 and 33)	\$	NONE	

Schedule A.—INCOME RECEIVED FROM OTHERS CONSISTING OF SALARIES, WAGES, FEES, AND OTHER COMPENSATION FOR PERSONAL SERVICES. (See Instruction 1)

1. Name and address of employer and nature of income	2. Amount	3. Expenses (itemize)	4. Amount
	\$		\$
Total of column 2 minus total of column 4 (enter as item 1, page 1)			\$

Schedule B.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction G)

1. Obligations or securities	2. Amount owned at end of year including your proportionate share of such obligations held by estates, trusts, partnerships, or common trust funds	3. Interest received or accrued during the year	4. Interest exempt from taxation	5. Interest on amount in excess of exemption
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions	\$	\$	All	x x x x x x x x
(b) Obligations issued under Federal Farm Loan Act, or under such Act as amended			All	x x x x x x x x
(c) Obligations of United States issued on or before September 1, 1917			All	x x x x x x x x
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness			All	x x x x x x x x
(e) United States Savings Bonds and Treasury Bonds			\$	\$
(f) Obligations of instrumentalities of the United States (other than obligations to be reported in (b) above)			None	
(g) Total (enter as item 5, page 1)				\$

Schedule C.—INCOME FROM RENTS AND ROYALTIES. (See Instruction 8)

1. Kind of property	2. Amount	3. Depreciation (explain in Schedule E)	4. Repairs (explain below)	5. Other expenses (itemize below)	6. Net profit (column 2 minus sum of columns 3, 4, and 5) (enter as item 8, page 1)
RANCH	\$ 400 00	\$	\$	\$	\$ 400 00
Mexico.					400 00

Explanation of deductions
claimed in columns 4 and 5

Schedule D.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (See Instruction 9)

(State business name and address if different from name and address on page 1)		
1. Total receipts (state nature of business or profession)		\$
COST OF GOODS SOLD		
2. Labor	\$	
3. Material and supplies		
4. Merchandise bought for sale		
5. Other costs (itemize below)		
6. Plus inventory at beginning of year		
7. Total (lines 2 to 6)	\$	
8. Less inventory at end of year		
9. Net cost of goods sold (line 7 minus line 8)	\$	
OTHER BUSINESS DEDUCTIONS		
10. Salaries not included as "Labor" (do not deduct compensation for yourself)	\$	
11. Interest on business indebtedness		
12. Taxes on business and business property		
13. Losses (explain below)		
14. Bad debts arising from sales or services		
15. Depreciation, obsolescence, and depletion (explain in Schedule E)		
16. Rent, repairs, and other expenses (itemize below or on separate sheet)		
17. Total (lines 10 to 16)	\$	
18. Total deductions (line 9 plus line 17)		
19. Net profit (or loss) (line 1 minus line 18) (enter as item 9, page 1)		\$

If the production, manufacture, purchase and sale of merchandise is an income-producing factor, inventories are required. Enter "C," or "C or M," on lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

Explanation of deductions
claimed in lines 5, 13, and 16

Schedule E.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES C, D, F, AND G

1. Kind of property (if buildings, state material of which constructed)	2. Date acquired	3. Cost or other basis	4. Assets fully depreciated in use at end of year	5. Depreciation allowed (or allowable) in prior years	6. Remaining cost or other basis to be recovered	7. Estimated life used in accumulating depreciation	8. Estimated remaining life from beginning of year	9. Depreciation allowable this year
		\$	\$	\$	\$			\$

Schedule F.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 10)

1. Kind of property (if necessary attach statement of descriptive details not shown below)	2. Date acquired Mo. Day Year	3. Date sold Mo. Day Year	4. Gross sales price (contract price)	5. Cost or other basis	6. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	7. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule E)	8. Gain or loss (column 4 plus column 7 minus the sum of columns 5 and 6)	9. Gain or loss to be taken into account	
								Percentage	Amount
SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 18 MONTHS									
			\$	\$	\$	\$	\$	100	\$
								100	
								100	
								100	
Total net short-term capital gain or loss (enter in line 1, column 3, of summary below)									\$
LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 18 MONTHS BUT NOT FOR MORE THAN 24 MONTHS									
			\$	\$	\$	\$	\$	66%	\$
								66%	
								66%	
								66%	
LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 24 MONTHS									
			\$	\$	\$	\$	\$	50	
								50	
								50	
								50	
Total net long-term capital gain or loss (enter in line 2, column 3, of summary below)									\$

SUMMARY OF CAPITAL NET GAINS OR LOSSES

1. Classification	2. Net short-term capital loss of preceding taxable year (not in excess of net income for such year)	3. Net gain or loss to be taken into account from column 10, above		4. Net gain or loss to be taken into account from partnerships and "common trust funds"		5. Total net gain or loss to be taken into account in columns 2, 3, and 4 of this summary	
		Gain	Loss	Gain	Loss	Gain	Loss
1. Total net short-term capital gain or loss (enter as item 10 (a), page 1, amount of gain shown in column 5)	\$	\$	\$	\$	\$	\$	No net loss allowable (see Instruction 10)
2. Total net long-term capital gain or loss (enter as item 10 (b), page 1, amount of gain or loss shown in column 5)	\$	\$	\$	\$	\$	\$	\$

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items:

If any of the above items were acquired by you other than by purchase, explain fully how acquired:

COMPUTATION OF ALTERNATIVE TAX
(To be used only in the case of a net long-term capital gain or loss)

1. Net income (item 20, page 1). (See Instruction 10)	\$	10. Normal tax (4% of line 9)	\$
2. (a) Net long-term capital gain (item 10 (b), page 1)		11. Surtax on line 6. (See Instruction 29)	
(b) Net long-term capital loss (item 10 (b), page 1)		12. Partial tax (line 10 plus line 11)	\$
3. Ordinary net income (line 1 minus line 2 (a) or line 1 plus line 2 (b)). (See Instruction 10)	\$	13. (a) 30% of net long-term capital gain (30% of line 2 (a))	
4. Less: Personal exemption. (From Schedule J-1)	\$	(b) 30% of net long-term capital loss (30% of line 2 (b))	
5. Credit for dependents. (From Schedule J-2)		14. Alternative tax (line 12 plus line 13 (a) or line 12 minus line 13 (b))	\$
6. Balance (surtax net income)	\$	15. Total normal tax and surtax (item 30, page 1)	\$
7. Less: Interest on Government obligations, etc. (See Instruction 25)	\$	16. Tax liability (if a net long-term capital gain, on line 2 (a), enter line 14 or line 15, whichever is the lesser; if a net long-term capital loss, on line 2 (b), enter line 14 or line 15, whichever is the greater). (Enter as item 31, page 1).	\$
8. Earned income credit. (From Schedule K-1 or K-2). (See Inst. 10)			
9. Balance subject to normal tax	\$		

Schedule G.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS
(See Instruction 10)

1. Kind of property	2. Date acquired	3. Gross sales price (contract price)	4. Cost or other basis	5. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	6. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule E)	7. Gain or loss (column 3 plus column 6 minus the sum of columns 4 and 5)
		\$	\$	\$	\$	\$
Total net gain (or loss) (enter as item 10 (c), page 1)						\$

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items:

If any of the above items were acquired by you other than by purchase, explain fully how acquired:

1. Item No.	2. Explanation	3. Amount	1. Item No. (Continued)	2. Explanation (Continued)	3. Amount (Continued)
		\$			\$

Schedule I.—NONTAXABLE INCOME OTHER THAN INTEREST REPORTED IN SCHEDULE B. (See Instruction G)

1. Source of income	2. Nature of income	3. Amount
		\$

Schedule J.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 22 AND 23. (See Instructions 22 and 23)

(1) Personal Exemption			(2) Credit for Dependents			
Status	Number of months during the year in each status	Credit claimed	Name of dependent and relationship	Number of months during the year		Credit claimed
				Under 18 years old	Over 18 years old	
Single, or married and not living with husband or wife		\$	PLUTARCO son	12		\$ 400. 00
Married and living with husband or wife			LEONARDO son	12		400. 00
Head of family (explain below)	12	2500 00				
Maintaining a home for two sons under eighteen years.			Reason for support if over 18 years old			

Schedule K.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 26)

(1) If your net income is \$3,000 or less, use only this part of schedule		(2) If your net income is more than \$3,000, use only this part of schedule	
Net income (item 20, page 1)	\$	Earned net income (not more than \$14,000)	\$
Earned income credit (10% of net income, above)		Net income (item 20, page 1)	
		Earned income credit (10% of earned net income or 10% of net income, above, whichever amount is smaller, but do not enter less than \$300)	

QUESTIONS

1. State your principal occupation or profession **Interest & Rents**
2. Check whether you are a citizen ☐ or a resident alien ☒.
3. If you filed a return for the preceding year, to which Collector's office was it sent? 6th Calif.
4. Are items of income or deductions of both husband and wife included in this return?
5. State (a) Name of husband or wife if separate return was made
6. Check whether this return was prepared on the cash ☒ or accrual ☐ basis.
7. Did you at any time during your taxable year own directly or indirectly any stock of a foreign corporation or a personal holding company as defined by section 501? (Answer "yes" or "no") (If answer is "yes," attach statement required by Instruction J.)



INDIVIDUAL INCOME TAX RETURN

1939

(Auditor's Stamp)

FOR NET INCOMES OF MORE THAN \$5,000 FROM SALARIES, WAGES,
DIVIDENDS, INTEREST, ANNUITIES, AND FOR INCOMES FROM
OTHER SOURCES REGARDLESS OF AMOUNTS

For Calendar Year 1939

or fiscal year beginning _____, 1939, and ended _____, 1940

To be filed with the Collector of Internal Revenue for your district not later than the 15th day of the third
month following the close of your taxable year

PRINT NAME AND ADDRESS PLAINLY. (See Instruction C)

(Name) (Use given names of both husband and wife, if this is a joint return)

(Street and number, or rural route)

(Post office)

(County)

(State)

DUPLICATE COPY

IMPORTANT



One duplicate copy
must be filed with origi-
nal return.

(\$5 will be assessed if
duplicate is not filed.)

Item and
Instruction No.

INCOME

1. Salaries and other compensation for personal services. (From Schedule A)	\$	none	
2. Dividends		none	
3. Interest on bank deposits, notes, mortgages, etc.		1293.11	
4. Interest on corporation bonds		none	
5. Taxable interest on Government obligations, etc. (From Schedule B)		11	
6. Income (or loss) from partnerships, syndicates, pools, etc. (other than capital gains or losses). (Furnish names and addresses):		none	
7. Income from fiduciaries. (Furnish names and addresses):		none	
8. Rents and royalties. (From Schedule C)		400.00	
9. Income (or loss) from business or profession. (From Schedule D)		none	
10. (a) Net short-term gain from sale or exchange of capital assets. (From Schedule F)		none	
(b) Net long-term gain (or loss) from sale or exchange of capital assets. (From Schedule F)		none	
(c) Net gain (or loss) from sale or exchange of property other than capital assets. (From Schedule G)		none	
11. Other income (including income from annuities) (State nature)		11	
12. Total income in items 1 to 11. (Enter nontaxable income in Schedule I)	\$	1693.11	

DEDUCTIONS

13. Contributions paid. (Explain in Schedule H)	\$	none	
14. Interest. (Explain in Schedule H)		none	
15. Taxes. (Explain in Schedule H)		none	
16. Losses from fire, storm, shipwreck, or other casualty, or theft. (Explain in Schedule H)		none	
17. Bad debts. (Explain in Schedule H)		none	
18. Other deductions authorized by law. (Explain in Schedule H)		none	
19. Total deductions in items 13 to 18			
20. Net income (item 12 minus item 19)	\$	1693.11	

COMPUTATION OF TAX

21. Net income (item 20 above)	\$	1693.11	
22. Less: Personal exemption. (From Schedule J-1)	\$	2500.00	
23. Credit for dependents. (From Schedule J-2)		800.00	
24. Balance (surtax net income)	\$	3300.00	
25. Less: Interest on Government obligations, etc. (See Instruction 25)	\$	none	
26. Earned income credit. (From Schedule K-1 or K-2)			
27. Balance subject to normal tax	\$		
28. Normal tax (4% of item 27)	\$	none	
29. Surtax on item 24. (See Instruction 29)			
30. Total (item 28 plus item 29)	\$		
31. Total tax (item 30, or if you had a net long-term capital gain or loss, enter line 16, Schedule F)	\$		
32. Less: Income tax paid at source	\$		
33. Income tax paid to a foreign country or U.S. possession. (Attach Form 1116)	\$		
34. Balance of tax (item 31 minus items 32 and 33)	\$	none	

Schedule A.—INCOME RECEIVED FROM OTHERS CONSISTING OF SALARIES, WAGES, FEES, AND OTHER COMPENSATION FOR PERSONAL SERVICES. (See Instruction 1)

1. Name and address of employer and nature of income	2. Amount	3. Expenses (itemize)	4. Amount
	\$		\$
Total of column 2 minus total of column 4 (enter as item 1, page 1)			\$

Schedule B.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction G)

1. Obligations or securities	2. Amount owned at end of year including your proportionate share of such obligations held by estates, trusts, partnerships, or common trust funds	3. Interest received or accrued during the year	4. Interest exempt from taxation	5. Interest on amount in excess of exemption
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions	\$	\$	All	x x x x x x x x
(b) Obligations issued under Federal Farm Loan Act, or under such Act as amended			All	x x x x x x x x
(c) Obligations of United States issued on or before September 1, 1917			All	x x x x x x x x
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness			All	x x x x x x x x
(e) United States Savings Bonds and Treasury Bonds			\$	\$
(f) Obligations of instrumentalities of the United States (other than obligations to be reported in (b) above)			None	
(g) Total (enter as item 5, page 1)				\$

Schedule C.—INCOME FROM RENTS AND ROYALTIES. (See Instruction 8)

1. Kind of property	2. Amount	3. Depreciation (explain in Schedule E)	4. Repairs (explain below)	5. Other expenses (itemize below)	6. Net profit (column 2 minus sum of columns 3, 4, and 5) (enter as item 8, page 1)
Ranch - Mexico	\$	\$	\$	\$	\$

Explanation of deductions
claimed in columns 4 and 5

Schedule D.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (See Instruction 9)

(State business name and address if different from name and address on page 1)		
1. Total receipts (state nature of business or profession)		\$
COST OF GOODS SOLD		
2. Labor	\$	
3. Material and supplies		
4. Merchandise bought for sale		
5. Other costs (itemize below)		
6. Plus inventory at beginning of year		
7. Total (lines 2 to 6)	\$	
8. Less inventory at end of year		
9. Net cost of goods sold (line 7 minus line 8)	\$	
OTHER BUSINESS DEDUCTIONS		
10. Salaries not included as "Labor" (do not deduct compensation for yourself)	\$	
11. Interest on business indebtedness		
12. Taxes on business and business property		
13. Losses (explain below)		
14. Bad debts arising from sales or services		
15. Depreciation, obsolescence, and depletion (explain in Schedule E)		
16. Rent, repairs, and other expenses (itemize below or on separate sheet)		
17. Total (lines 10 to 16)	\$	
18. Total deductions (line 9 plus line 17)		
19. Net profit (or loss) (line 1 minus line 18) (enter as item 9, page 1)		\$

If the production, manufacture, purchase and sale of merchandise is an income-producing factor, inventories are required. Enter "C," or "C or M," on lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

Explanation of deductions
claimed in lines 5, 13, and 16

Schedule E.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES C, D, F, AND G

1. Kind of property (if buildings, state material of which constructed)	2. Date acquired	3. Cost or other basis	4. Assets fully depreciated in use at end of year	5. Depreciation allowed (or allowable) in prior years	6. Remaining cost or other basis to be recovered	7. Estimated life used in accumulating depreciation	8. Estimated remaining life from beginning of year	9. Depreciation allowable this year
		\$	\$	\$	\$			\$

Schedule F.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 10)

1. Kind of property (if necessary attach statement of descriptive details not shown below)	2. Date acquired Mo. Day Year	3. Date sold Mo. Day Year	4. Gross sales price (contract price)	5. Cost or other basis	6. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	7. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule E)	8. Gain or loss (column 4 plus column 7 minus the sum of columns 5 and 6)	Gain or loss to be taken into account	
								9. Percentage	10. Amount

SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 18 MONTHS

			\$	\$	\$	\$	\$	100	\$
								100	
								100	
								100	

Total net short-term capital gain or loss (enter in line 1, column 3, of summary below)

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 18 MONTHS BUT NOT FOR MORE THAN 24 MONTHS

			\$	\$	\$	\$	\$	66%	\$
								66%	
								66%	
								66%	

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 24 MONTHS

			\$	\$	\$	\$	\$	50	
								50	
								50	
								50	

Total net long-term capital gain or loss (enter in line 2, column 3, of summary below)

SUMMARY OF CAPITAL NET GAINS OR LOSSES

1. Classification	2. Net short-term capital loss of preceding taxable year (not in excess of net income for such year)	3. Net gain or loss to be taken into account from column 10, above		4. Net gain or loss to be taken into account from partnerships and "common trust funds"		5. Total net gain or loss to be taken into account in columns 2, 3, and 4 of this summary	
		Gain	Loss	Gain	Loss	Gain	Loss
1. Total net short-term capital gain or loss (enter as item 10 (a), page 1, amount of gain shown in column 5)	\$	\$	\$	\$	\$	\$	No net loss allowable (see Instruction 10)
2. Total net long-term capital gain or loss (enter as item 10 (b), page 1, amount of gain or loss shown in column 5)	\$	\$	\$	\$	\$	\$	\$

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items:

If any of the above items were acquired by you other than by purchase, explain fully how acquired:

COMPUTATION OF ALTERNATIVE TAX

(To be used only in the case of a net long-term capital gain or loss)

1. Net income (item 20, page 1). (See Instruction 10)	\$	10. Normal tax (4% of line 9)	\$
2. (a) Net long-term capital gain (item 10 (b), page 1)		11. Surtax on line 6. (See Instruction 29)	
(b) Net long-term capital loss (item 10 (b), page 1)		12. Partial tax (line 10 plus line 11)	\$
3. Ordinary net income (line 1 minus line 2 (a) or line 1 plus line 2 (b)). (See Instruction 10)	\$	13. (a) 30% of net long-term capital gain (30% of line 2 (a))	
4. Less: Personal exemption. (From Schedule J-1)	\$	(b) 30% of net long-term capital loss (30% of line 2 (b))	
5. Credit for dependents. (From Schedule J-2)		14. Alternative tax (line 12 plus line 13 (a) or line 12 minus line 13 (b))	\$
6. Balance (surtax net income)	\$	15. Total normal tax and surtax (item 30, page 1)	\$
7. Less: Interest on Government obligations, etc. (See Instruction 25)	\$	16. Tax liability (if a net long-term capital gain, on line 2 (a), enter line 14 or line 15, whichever is the lesser; if a net long-term capital loss, on line 2 (b), enter line 14 or line 15, whichever is the greater). (Enter as item 31, page 1)	\$
8. Earned income credit. (From Schedule K-1 or K-2). (See Inst. 10)			
9. Balance subject to normal tax	\$		

Schedule G.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS (See Instruction 10)

1. Kind of property	2. Date acquired	3. Gross sales price (contract price)	4. Cost or other basis	5. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	6. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule E)	7. Gain or loss (column 3 plus column 6 minus the sum of columns 4 and 5)
		\$	\$	\$	\$	\$

Total net gain (or loss) (enter as item 10 (c), page 1)

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items:

If any of the above items were acquired by you other than by purchase, explain fully how acquired:

1. Item No.	2. Explanation	3. Amount	1. Item No. (Continued)	2. Explanation (Continued)	3. Amount (Continued)
		\$			\$

Schedule I.—NONTAXABLE INCOME OTHER THAN INTEREST REPORTED IN SCHEDULE B. (See Instruction G)

1. Source of income	2. Nature of income	3. Amount
		\$

Schedule J.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 22 AND 23. (See Instructions 22 and 23)

(1) Personal Exemption			(2) Credit for Dependents			
Status	Number of months during the year in each status	Credit claimed	Name of dependent and relationship	Number of months during the year		Credit claimed
				Under 18 years old	Over 18 years old	
Single, or married and not living with husband or wife		\$	<i>Plutarco Son</i>	<i>12</i>		\$ <i>400 00</i>
Married and living with husband or wife			<i>Leonardo Son</i>	<i>12</i>		\$ <i>400 00</i>
Head of family (explain below)	<i>12</i>	<i>2500 00</i>				
<i>Maintaining a home for 2 sons under 18.</i>			Reason for support if over 18 years old			

Schedule K.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 26)

(1) If your net income is \$3,000 or less, use only this part of schedule		(2) If your net income is more than \$3,000, use only this part of schedule	
Net income (item 20, page 1)	\$	Earned net income (not more than \$14,000)	\$
Earned income credit (10% of net income, above)		Net income (item 20, page 1)	
		Earned income credit (10% of earned net income or 10% of net income, above, whichever amount is smaller, but do not enter less than \$300)	

QUESTIONS

- State your principal occupation or profession *Interest & Rental*
- Check whether you are a citizen ☐ or a resident alien ☒.
- If you filed a return for the preceding year, to which Collector's office was it sent? *6th State*
- Are items of income or deductions of both husband and wife included in this return?
- State (a) Name of husband or wife if separate return was made
- (b) Personal exemption, if any, claimed thereon
- (c) Collector's office to which it was sent
- Check whether this return was prepared on the cash ☒ or accrual ☐ basis.
- Did you at any time during your taxable year own directly or indirectly any stock of a foreign corporation or a personal holding company as defined by section 501? (Answer "yes" or "no") (If answer is "yes," attach statement required by Instruction J.)



INDIVIDUAL INCOME TAX RETURN

1939

(Auditor's Stamp)

FOR NET INCOMES OF MORE THAN \$5,000 FROM SALARIES, WAGES,
DIVIDENDS, INTEREST, ANNUITIES, AND FOR INCOMES FROM
OTHER SOURCES REGARDLESS OF AMOUNTS

For Calendar Year 1939

or fiscal year beginning _____, 1939, and ended _____, 1940

To be filed with the Collector of Internal Revenue for your district not later than the 15th day of the third
month following the close of your taxable year

PRINT NAME AND ADDRESS PLAINLY. (See Instruction C)

(Name) (Use given names of both husband and wife, if this is a joint return)

(Street and number, or rural route)

(Post office)

(County)

(State)

(Do not use these spaces)

File
Code

Serial
No.

District

(Cashier's Stamp)

Cash—Check—M. O.

First Payment

Item and
Instruction No.

INCOME

1. Salaries and other compensation for personal services. (From Schedule A)
2. Dividends
3. Interest on bank deposits, notes, mortgages, etc.
4. Interest on corporation bonds
5. Taxable interest on Government obligations, etc. (From Schedule B)
6. Income (or loss) from partnerships, syndicates, pools, etc. (other than capital gains or losses).
(Furnish names and addresses):
7. Income from fiduciaries. (Furnish names and addresses):
8. Rents and royalties. (From Schedule C)
9. Income (or loss) from business or profession. (From Schedule D)
10. (a) Net short-term gain from sale or exchange of capital assets. (From Schedule F)
(b) Net long-term gain (or loss) from sale or exchange of capital assets. (From Schedule F)
(c) Net gain (or loss) from sale or exchange of property other than capital assets. (From
Schedule G)
11. Other income (including income from annuities) (State nature)
12. Total income in items 1 to 11. (Enter nontaxable income in Schedule I)

DEDUCTIONS

13. Contributions paid. (Explain in Schedule H)
14. Interest. (Explain in Schedule H)
15. Taxes. (Explain in Schedule H)
16. Losses from fire, storm, shipwreck, or other casualty, or theft. (Explain in Schedule H)
17. Bad debts. (Explain in Schedule H)
18. Other deductions authorized by law. (Explain in Schedule H)
19. Total deductions in items 13 to 18
20. Net income (item 12 minus item 19)

COMPUTATION OF TAX

- | | | | |
|--|----|---|----|
| 21. Net income (item 20 above) | \$ | 28. Normal tax (4% of item 27) | \$ |
| 22. Less: Personal exemption.
(From Schedule J-1) | \$ | 29. Surtax on item 24. (See Instruction 29) | \$ |
| 23. Credit for dependents.
(From Schedule J-2) | \$ | 30. Total (item 28 plus item 29) | \$ |
| 24. Balance (surtax net income) | \$ | 31. Total tax (item 30, or if you had a net long-
term capital gain or loss, enter line 16, Sched-
ule F) | \$ |
| 25. Less: Interest on Government obliga-
tions, etc. (See Instruction 25) | \$ | 32. Less: Income tax paid at
source | \$ |
| 26. Earned income credit.
(From Schedule K-1 or K-2) | \$ | 33. Income tax paid to a foreign
country or U.S. possession.
(Attach Form 1116) | \$ |
| 27. Balance subject to normal tax | \$ | 34. Balance of tax (item 31 minus items 32 and 33) | \$ |

NOTE.—One form marked "DUPLICATE COPY" must be filed with this original return (\$5 will be assessed if duplicate copy is not filed)

Schedule A.—INCOME RECEIVED FROM OTHERS CONSISTING OF SALARIES, WAGES, FEES, AND OTHER COMPENSATION FOR PERSONAL SERVICES. (See Instruction 1)

1. Name and address of employer and nature of income	2. Amount	3. Expenses (itemize)	4. Amount
	\$		\$
Total of column 2 minus total of column 4 (enter as item 1, page 1)			\$

Schedule B.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction G)

1. Obligations or securities	2. Amount owned at end of year including your proportionate share of such obligations held by estates, trusts, partnerships, or common trust funds	3. Interest received or accrued during the year	4. Interest exempt from taxation	5. Interest on amount in excess of exemption
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions	\$	\$	All	x x x x x x x x
(b) Obligations issued under Federal Farm Loan Act, or under such Act as amended			All	x x x x x x x x
(c) Obligations of United States issued on or before September 1, 1917			All	x x x x x x x x
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness			All	x x x x x x x x
(e) United States Savings Bonds and Treasury Bonds			\$	\$
(f) Obligations of instrumentalities of the United States (other than obligations to be reported in (b) above)			None	
(g) Total (enter as item 5, page 1)				\$

Schedule C.—INCOME FROM RENTS AND ROYALTIES. (See Instruction 8)

1. Kind of property	2. Amount	3. Depreciation (explain in Schedule E)	4. Repairs (explain below)	5. Other expenses (itemize below)	6. Net profit (column 2 minus sum of columns 3, 4, and 5) (enter as item 8, page 1)
	\$	\$	\$	\$	\$

Explanation of deductions
claimed in columns 4 and 5

Schedule D.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (See Instruction 9)

(State business name and address if different from name and address on page 1)

1. Total receipts (state nature of business or profession)					\$
COST OF GOODS SOLD					
2. Labor	\$	OTHER BUSINESS DEDUCTIONS			
3. Material and supplies					
4. Merchandise bought for sale					
5. Other costs (itemize below)					
6. Plus inventory at beginning of year					
7. Total (lines 2 to 6)	\$	10. Salaries not included as "Labor" (do not deduct compensation for yourself)	\$		
8. Less inventory at end of year		11. Interest on business indebtedness			
9. Net cost of goods sold (line 7 minus line 8)	\$	12. Taxes on business and business property			
		13. Losses (explain below)			
		14. Bad debts arising from sales or services			
		15. Depreciation, obsolescence, and depletion (explain in Schedule E)			
		16. Rent, repairs, and other expenses (itemize below or on separate sheet)			
		17. Total (lines 10 to 16)	\$		
		18. Total deductions (line 9 plus line 17)			
		19. Net profit (or loss) (line 1 minus line 18) (enter as item 9, page 1)			\$

If the production, manufacture, purchase and sale of merchandise is an income-producing factor, inventories are required. Enter "C," or "C or M," on lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

Explanation of deductions
claimed in lines 5, 13, and 16

Schedule E.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES C, D, F, AND G

1. Kind of property (if buildings, state material of which constructed)	2. Date acquired	3. Cost or other basis	4. Assets fully depreciated in use at end of year	5. Depreciation allowed (or allowable) in prior years	6. Remaining cost or other basis to be recovered	7. Estimated life used in accumulating depreciation	8. Estimated remaining life from beginning of year	9. Depreciation allowable this year
		\$	\$	\$	\$			\$

Schedule F.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 10)

1. Kind of property (if necessary attach statement of descriptive details not shown below)	2. Date acquired Mo. Day Year	3. Date sold Mo. Day Year	4. Gross sales price (contract price)	5. Cost or other basis	6. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	7. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule E)	8. Gain or loss (column 4 plus column 7 minus the sum of columns 5 and 6)	9. Gain or loss to be taken into account	
								Percent	Amount
SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 18 MONTHS									
			\$	\$	\$	\$	\$	100	\$
								100	
								100	
								100	
Total net short-term capital gain or loss (enter in line 1, column 3, of summary below)								\$	
LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 18 MONTHS BUT NOT FOR MORE THAN 24 MONTHS									
			\$	\$	\$	\$	\$	66%	\$
								66%	
								66%	
								66%	
Total net long-term capital gain or loss (enter in line 2, column 3, of summary below)								\$	
LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 24 MONTHS									
			\$	\$	\$	\$	\$	50	
								50	
								50	
								50	

SUMMARY OF CAPITAL NET GAINS OR LOSSES

1. Classification	2. Net short-term capital loss of preceding taxable year (not in excess of net income for such year)	3. Net gain or loss to be taken into account from column 10, above		4. Net gain or loss to be taken into account from partnerships and "common trust funds"		5. Total net gain or loss to be taken into account in columns 2, 3, and 4 of this summary	
		Gain	Loss	Gain	Loss	Gain	Loss
1. Total net short-term capital gain or loss (enter as item 10 (a), page 1, amount of gain shown in column 5)	\$	\$	\$	\$	\$	\$	No net loss allowable (see instruction 10)
2. Total net long-term capital gain or loss (enter as item 10 (b), page 1, amount of gain or loss shown in column 5)	\$	\$	\$	\$	\$	\$	\$

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items:

If any of the above items were acquired by you other than by purchase, explain fully how acquired:

COMPUTATION OF ALTERNATIVE TAX
(To be used only in the case of a net long-term capital gain or loss)

1. Net income (item 20, page 1). (See Instruction 10)	\$	10. Normal tax (4% of line 9)	\$
2. (a) Net long-term capital gain (item 10 (b), page 1)		11. Surtax on line 6. (See Instruction 29)	
(b) Net long-term capital loss (item 10 (b), page 1)		12. Partial tax (line 10 plus line 11)	\$
3. Ordinary net income (line 1 minus line 2 (a) or line 1 plus line 2 (b)). (See Instruction 10)	\$	13. (a) 30% of net long-term capital gain (30% of line 2 (a))	
4. Less: Personal exemption. (From Schedule J-1)	\$	(b) 30% of net long-term capital loss (30% of line 2 (b))	
5. Credit for dependents. (From Schedule J-2)		14. Alternative tax (line 12 plus line 13 (a) or line 12 minus line 13 (b))	\$
6. Balance (surtax net income)	\$	15. Total normal tax and surtax (item 30, page 1)	\$
7. Less: Interest on Government obligations, etc. (See Instruction 25)	\$	16. Tax liability (if a net long-term capital gain, on line 2 (a), enter line 14 or line 15, whichever is the lesser; if a net long-term capital loss, on line 2 (b), enter line 14 or line 15, whichever is the greater). (Enter as item 31, page 1)	\$
8. Earned income credit. (From Schedule K-1 or K-2). (See Inst. 10)			
9. Balance subject to normal tax	\$		

Schedule G.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS
(See Instruction 10)

1. Kind of property	2. Date acquired	3. Gross sales price (contract price)	4. Cost or other basis	5. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	6. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule E)	7. Gain or loss (column 3 plus column 6 minus the sum of columns 4 and 5)
		\$	\$	\$	\$	\$
Total net gain (or loss) (enter as item 10 (c), page 1)						\$

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items:

If any of the above items were acquired by you other than by purchase, explain fully how acquired:

[illegible]

Schedule I.—NONTAXABLE INCOME OTHER THAN INTEREST REPORTED IN SCHEDULE B. (See Instruction G)

[illegible]

Schedule J.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 22 AND 23. (See Instructions 22 and 23)

(1) Personal Exemption			(2) Credit for Dependents			
Status	Number of months during the year in each status	Credit claimed	Name of dependent and relationship	Number of months during the year		Credit claimed
				Under 18 years old	Over 18 years old	
Single, or married and not living with husband or wife.....		\$.....				\$.....
Married and living with husband or wife.....						
Head of family (explain below).....						
			Reason for support if over 18 years old.....			

Schedule K.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 26)

(1) If your net income is \$3,000 or less, use only this part of schedule		(2) If your net income is more than \$3,000, use only this part of schedule	
Net income (item 20, page 1).....	\$.....	Earned net income (not more than \$14,000).....	\$.....
Earned income credit (10% of net income, above).....		Net income (item 20, page 1).....	
		Earned income credit (10% of earned net income or 10% of net income, above, whichever amount is smaller, but do not enter less than \$300).....	

QUESTIONS

1. State your principal occupation or profession _____
 2. Check whether you are a citizen ☐ or a resident alien ☐.
 3. If you filed a return for the preceding year, to which Collector's office was it sent? _____
 4. Are items of income or deductions of both husband and wife included in this return? _____
 5. State (a) Name of husband or wife if separate return was made _____
 (b) Personal exemption, if any, claimed thereon _____
 (c) Collector's office to which it was sent _____
 6. Check whether this return was prepared on the cash ☐ or accrual ☐ basis.
 7. Did you at any time during your taxable year own directly or indirectly any stock of a foreign corporation or a personal holding company as defined by section 501? (Answer "yes" or "no") _____ (If answer is "yes," attach statement required by Instruction J.) _____

AFFIDAVIT. (See Instruction E)

I/we swear (or affirm) that this return (including any accompanying schedules and statements) has been examined by me/us, and to the best of my/our knowledge and belief is a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Internal Revenue Code, as amended, and the regulations issued under authority thereof.

Subscribed and sworn to by _____
before me this _____ day of _____, 194_____

(Signature) (See Instruction E)

(Signature)

(Signature and title of officer administering oath)

A return made by an agent must be accompanied by power of attorney. (See Instruction E.)

(If this is a joint return (not made by agent), it must be signed by both husband and wife. It must be sworn to before a proper officer by the spouse preparing the return. If neither or both prepare the return, it must be sworn to by both spouses.)

AFFIDAVIT. (See Instruction E)

(If this return was prepared for you by some other person, the following affidavit must be executed)

I/we swear (or affirm) that I/we prepared this return for the person or persons named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the income tax liability of the person or persons for whom this return has been prepared of which I/we have any knowledge.

Subscribed and sworn to before me this _____ day
of _____, 194_____



(Signature of person preparing the return)

(Signature of person preparing the return)

(Signature and title of officer administering oath)

(Name of firm or employer, if any)

1939

GENERAL INSTRUCTIONS

1939

A. WHO MUST MAKE A RETURN.—Every citizen and resident of the United States who during the year falls within one of the following groups:

(1) *Single, or married and not living with husband or wife for any part of the taxable year:* If having a net income of \$1,000 or more or a gross income of \$5,000 or more.

(2) *Married couples living together for the entire taxable year:* If each has a gross income and the combined net income of the two is \$2,500 or over, or the combined gross income is \$5,000 or over. If only one has a gross income and his net income is \$2,500 or over, or his gross income is \$5,000 or over, such person shall make a return.

(3) *Married and living with husband or wife for only part of the taxable year:* If each has a gross income and the combined net income of the two is equal to, or in excess of, their total credits for personal exemption (computed without regard for credit as head of family). If only one has a gross income, if his net income is equal to, or in excess of, his credit for personal exemption (computed without regard for credit as head of family), or his gross income is \$5,000 or over.

Joint returns.—May be filed by husband and wife if they are both citizens or residents and if living together at the end of the year, even though one has no gross income.

Deceased individuals.—Return required on Form 1040 or 1040A if net income to date of death is \$1,000 or over, if unmarried, or equal to, or in excess of, credit for personal exemption (computed without regard to status as head of family), if married and living with spouse or if gross income is \$5,000 or over. The return for a decedent shall include all items of income and deductions accrued up to the date of death, regardless of the fact that the decedent may have kept his books on a cash basis or kept no books.

B. FORM OF RETURN.—Individuals (1) whose net income exceeds \$5,000, or (2) who have any income or losses from rental or sale of property, or (3) make returns on accrual basis, or (4) make returns for a fiscal year, or (5) conduct their own business or profession, or are members of a partnership, use Form 1040. Nonresident aliens use Form 1040B or 1040NB. Fiduciaries use Form 1041. All other individuals use Form 1040A.

C. FILING OF RETURNS AND PAYMENT OF TAX.—File on or before 15th day of third month following close of taxable year with collector for the district in which the taxpayer has his legal residence or principal place of business. If the taxpayer has no legal residence or place of business in United States file with collector at Baltimore, Md. The taxpayer's home address must be given and a permanent business address may be added. Pay in cash at collector's office or by check or money order payable to "Collector of Internal Revenue." Pay in full with return or in four equal installments, on or before the 15th day of the third, sixth, ninth, and twelfth month from close of taxable year.

D. PENALTIES.—Severe penalties are imposed for not filing a return, for filing a false or fraudulent return, or failing to file on time.

E. AFFIDAVITS.—Return must be sworn to by taxpayer or his agent. Return may be made by agent if taxpayer (1) is too ill to make it or (2) is absent from United States for 60 days before due date. Power of attorney on Form 935 or 936 (husband and wife) must accompany return made by agent. Person preparing return must execute affidavit on page 4. Return may be sworn to before any collector, deputy collector, or internal revenue agent (without charge), or other person authorized by law to administer oaths for general purposes, except taxpayer's agent.

F. RECEIVED OR ACCRUED INCOME.—If books are kept on accrual basis, report all income accrued, even though not received or

entered on books, and expenses incurred even though not paid. If books are not kept on accrual basis, or if no books are kept, report all income actually or constructively received, and all expenses paid.

G. ITEMS EXEMPT FROM TAX.—Explain items claimed to be exempt in Schedule I, except interest to be reported in Schedule B.

1. The following items are *partially* exempt from tax:

(a) Amounts received (other than amounts paid by reason of the death of the insured and interest payments on such amounts and other than amounts received as annuities) under a life insurance or endowment contract, but if such amounts (when added to amounts received before the taxable year under such contract) exceed the aggregate premiums or consideration paid (whether or not paid during the taxable year) then the excess shall be included in gross income;

(b) The interest on United States Savings Bonds and Treasury Bonds, owned in excess of \$5,000, and interest on obligations of instrumentalities of the United States (other than obligations issued under the Federal Farm Loan Act or under such Act as amended) is subject to surtax if the surtax net income is over \$4,000. Such interest should be reported in Schedule B; and

(c) Dividends on share accounts in Federal savings and loan associations, but such dividends are subject to surtax if the surtax net income is over \$4,000 (see Specific Instruction 11).

2. The following items are *wholly* exempt from tax:

(a) Amounts received under a life insurance contract paid by reason of the death of the insured; whether in a single sum or in installments (but if such amounts are held by the insurer under an agreement to pay interest thereon, the interest payments shall be included in gross income);

(b) Gifts (not received as a consideration for service rendered) and money and property acquired by bequest, devise, or inheritance (but the income derived from such property is taxable and must be reported);

(c) Amounts received through accident or health insurance or under workmen's compensation acts, as compensation for personal injuries or sickness, plus the amount of any damages received, whether by suit or agreement, on account of such injuries or sickness;

(d) The rental value of a dwelling house and appurtenances thereof furnished to a minister of the gospel as part of his compensation;

(e) Pensions and compensation received by veterans from the United States and pensions received from the United States by the family of a veteran, for services rendered by the veteran to the United States in time of war;

(f) Amounts received as earned income from sources without the United States (except amounts paid by the United States or any agency thereof) by an individual citizen of the United States who is a bona fide nonresident for more than 6 months during the taxable year (the taxpayer in such a case may not deduct from his gross income any amount properly allocable to or chargeable against the amount so excluded from his gross income); and

(g) The interest on (1) obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions; (2) obligations issued under Federal Farm Loan Act, or under such Act as amended; (3) obligations of United States issued on or before September 1, 1917; and (4) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness.

H. DEPRECIATION AND DEPLETION.—A reasonable allowance for exhaustion, wear and tear, including obsolescence, of property used in trade or business may be deducted, based on cost if acquired by purchase after February 28, 1913. If acquired prior thereto, or other than by purchase, see section 114.

For depletion deduction, see section 23 (m) and Regulations 103.

I. INFORMATION AT SOURCE.—Every person making payments of (1) interest, rents, commissions, or other fixed or determinable income of \$1,000 or more during the calendar year 1939 to an individual, a partnership, or a fiduciary, or (2) salary or wages of \$1,000 or more to a single person or \$2,500 or more to a married person shall make a return on Forms 1096 and 1099.

J. STOCK OWNED IN FOREIGN CORPORATIONS AND PERSONAL HOLDING COMPANIES.—If at any time during the year you owned directly or indirectly stock of a foreign corporation, or a personal holding company (section 501), attach a statement showing name and address of each such company and total number of shares of each class of outstanding stock owned. If at any time during the year you owned stock in a foreign personal holding company (section 331), include in income as a dividend the amount required by section 337, and if you owned 5 percent or more in value of the outstanding stock of such company, attach a statement giving in detail the information required by section 337 (d).

SPECIFIC INSTRUCTIONS

(Numbered to correspond with item numbers on page 1 of return)

1. SALARIES.—Include compensation received as an officer or employee of a State or political subdivision or any agency or instrumentality thereof. For treatment of compensation for a period of 5 years or more, see section 220, Revenue Act of 1939.

2. DIVIDENDS.—Enter total of all taxable dividends. Enter in Schedule I all dividends claimed to be nontaxable. Enter in item 11 dividends on share accounts in Federal savings and loan associations.

6, 7. INCOME FROM PARTNERSHIPS, FIDUCIARIES, ETC., WHOSE TAXABLE YEAR ENDS WITHIN THE TAXABLE YEAR COVERED BY THIS RETURN.—Enter as item 6 your share of profits (whether received or not) or losses of a partnership (including a syndicate, pool, etc., not taxable as a corporation) except capital gains and losses, which enter in Schedule F. Enter as item 7 income from an estate or trust. Enter in Schedule B, your share of interest on obligations of the United States, etc., owned by partnership, estate, or trust. Include in item 13, and explain in Schedule H, your share of any contribution or gift, payment of which was made by the partnership within its taxable year. Enter in items 32 and 33, respectively, your share of credits for Federal income tax paid at source and foreign income taxes.

8. RENTS AND ROYALTIES.—Report rent received in property or crops as though received in cash. Report crops received on crop-share basis in year in which disposed of (unless return is made on accrual basis).

9. BUSINESS OR PROFESSION.—Fill in Schedule D. Farmers keeping no books of account, or books on cash basis, must attach

Form 1040F. A taxpayer electing to include in gross income amounts received during the year as loans from the Commodity Credit Corporation should file with his return a statement showing the details of such loans. (See section 223 of the Revenue Act of 1939.)

If installment method is used, attach schedule showing separately for years 1936, 1937, 1938, and 1939: (a) Gross sales; (b) cost of goods sold; (c) gross profits; (d) percentage of profits to gross sales; (e) amount collected; (f) gross profit on amount collected.

Bad debts may be deducted either (1) when ascertained to be wholly or partially worthless, or (2) by a reasonable addition to a reserve. (No change of method without permission of Commissioner.)

10. GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS AND OTHER PROPERTY.—Report details in Schedules F and G.

"Capital assets" defined.—The term "capital assets" means property held by the taxpayer (whether or not connected with his trade or business), but does not include stock in trade of the taxpayer or other property of a kind which would properly be included in his inventory if on hand at the close of the taxable year, or property held by the taxpayer, primarily for sale to customers in the ordinary course of his trade or business, or property used in the trade or business, of a character which is subject to the allowance for depreciation provided in section 23 (l).

Description of property.—State following facts: (a) For real estate, location and description of land and improvements; (b) for bonds or other evidences of indebtedness, name of issuing corporation, particular

issue, denomination and amount; and (c) for stocks, name of corporation, class of stock, number of shares, capital changes affecting basis (including nontaxable distributions).

Basis.—In determining GAIN in case of property acquired before March 1, 1913, use the cost or the fair market value as of March 1, 1913, adjusted as provided in section 113 (b), as amended by sections 215 and 223 of the Revenue Act of 1939, whichever is greater, but in determining LOSS use cost so adjusted. If the property was acquired after February 28, 1913, use cost, except as otherwise provided in section 113, as amended by sections 213, 214, 215, and 223 of the Revenue Act of 1939.

Losses on securities becoming worthless.—If (1) shares of stock become worthless during the year or (2) corporate securities with interest coupons or in registered form are ascertained to be worthless and charged off during the year, and are capital assets, the loss therefrom shall be considered as from the sale or exchange of capital assets as of the last day of such taxable year.

Classification of capital gains and losses.—The phrase "short-term" applies to gains and losses from the sale or exchange of capital assets held for 18 months or less; the phrase "long-term" to capital assets held for more than 18 months.

Limitation on short-term capital losses.—Short-term capital losses shall be allowed only to the extent of short-term capital gains. However, any net short-term capital loss (not in excess of the net income for the year involved) may be carried over in the succeeding year and applied against the short-term capital gains not already offset by short-term capital losses in such year. The carry-over is restricted to 1 year.

Alternative tax in case of net long-term capital gain or loss.—In the case of a net long-term capital gain or loss, an alternative tax is imposed in lieu of the normal tax and surtax imposed upon net income, as shown in Computation of Alternative Tax, Schedule F. In calculating the alternative tax in the case of a long-term capital loss, the base (1) for computing the 15 percent limitation with respect to the deduction for charitable contributions is the "ordinary net income" as shown in line 3, Computation of Alternative Tax, Schedule F, increased by item 13, page 1, and (2) for computing the earned income credit is the "ordinary net income" as adjusted for the charitable contributions deduction.

Capital gains and losses of husband and wife.—A husband and wife, whether a joint or separate return is made, are separate taxpayers insofar as short-term capital gains and losses are concerned. Hence, such gains and losses of one spouse may not be offset against the gains and losses of the other. In a joint return, such limitation does not apply to long-term capital gains and losses, but capital transactions of each must be shown in separate schedules.

"Wash sales" losses.—Loss from sale or other disposition of stock or securities cannot be deducted unless sustained in connection with the taxpayer's trade or business, if, within 30 days before or after the date of sale or other disposition, the taxpayer has acquired (by purchase or by an exchange upon which the entire amount of gain or loss was recognized by law), or has entered into a contract or option to acquire, substantially identical stock or securities.

Losses in transactions between certain persons.—No deduction is allowable for losses from sales or exchanges of property directly or indirectly between (a) members of a family, (b) a corporation and an individual owning more than 50 percent of its stock (liquidations excepted), (c) a grantor and fiduciary of any trust, or (d) a fiduciary and a beneficiary of the same trust.

11. OTHER INCOME.—Enter any other taxable income, including taxable income from annuities and insurance proceeds, dividends on share accounts in Federal savings and loan associations, and earnings of minor children if parent is legally entitled thereto. Amounts received as an annuity under an annuity or endowment contract shall be included in gross income to the extent of 3 percent of the aggregate premiums or consideration paid for such annuity. If the aggregate of the amounts received and excluded from gross income in years previous to the taxable year equals the aggregate premiums or consideration paid for such annuity, the entire amount received must be included in gross income.

13. CONTRIBUTIONS PAID.—Enter (not to exceed 15 percent of your net income computed without the benefit of this deduction) contributions or gifts, payment of which was made within the year to or for the use of—

(a) The United States, any State, Territory, or any political subdivision thereof, or the District of Columbia, for exclusively public purposes;

(b) A domestic corporation, or domestic trust, or domestic community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation;

(c) The special fund for vocational rehabilitation authorized by section 12 of the World War Veterans' Act, 1924;

(d) Posts or organizations of war veterans, or auxiliary units or societies of any such posts or organizations, if such posts, organizations, units, or societies are organized in the United States or any of its possessions, and if no part of their net earnings inures to the benefit of any private shareholder or individual; or

(e) A domestic fraternal society, order, or association, operating under the lodge system, but only if such contributions or gifts are to be used exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals.

14. INTEREST.—Enter interest on personal indebtedness as distinguished from business indebtedness (which should be entered in Schedules C and D). For limitations on deductions for unpaid expenses and interest, see section 24 (e).

15. TAXES.—Enter taxes imposed on you and paid or accrued during the taxable year, except taxes entered in Schedules C and D. Do not include taxes assessed against local benefits, Federal income taxes or estate, inheritance, legacy, succession, gift taxes, taxes

imposed on your interest as shareholder of a corporation which are paid by the corporation without reimbursement from you, nor income taxes claimed as a credit in item 33. Social security taxes paid by or for an employee are not deductible by the employee.

16. LOSSES.—Enter losses of property other than those claimed in Schedule D, arising from fire, storm, shipwreck, or other casualty, or from theft, not compensated for by insurance or otherwise. Explain in Schedule H giving description of property, date acquired, cost, subsequent improvements, depreciation allowable, insurance, salvage value and deductible loss.

17. BAD DEBTS.—Enter bad debts other than those claimed in Schedule D. Show in Schedule H: (a) of what the debts consisted; (b) name and family relationship, if any, of debtor; (c) when created; (d) when due; (e) efforts made to collect; and (f) how determined to be worthless. Enter in Schedule F losses from corporate securities with interest coupons or in registered form ascertained to be worthless and charged off within the year, and which are capital assets.

18. OTHER DEDUCTIONS.—Enter other authorized deductions. Do not deduct losses in transactions not connected with your trade or business or not entered into for profit. Losses from wagering transactions are allowable to the extent of gains therefrom.

22, 23. CREDIT FOR PERSONAL EXEMPTION AND DEPENDENTS.—A single person, or a married person not living with spouse, is allowed a personal exemption of \$1,000. A person who, during the entire taxable year, was the head of a family or was married and living with spouse, is allowed an exemption of \$2,500. On separate returns, the personal exemption may be taken by either husband or wife or divided between them.

A "head of a family" is one who supports in one household one or more dependent individuals closely connected with him by blood relationship, relationship by marriage, or by adoption, and whose right to exercise family control is based upon some moral or legal obligation.

A credit of \$400 is allowed for each person (other than husband or wife) under 18 years of age, or incapable of self-support because mentally or physically defective, whose chief support was received from the taxpayer.

If taxpayer's status, with respect to personal exemption and credit for dependents, changed during the taxable year, such exemption and credit shall be apportioned according to the number of months before and after such change. For such apportionment a fractional part of a month is disregarded unless it exceeds half a month, when it shall be considered a month.

25. CREDIT FOR INTEREST, ETC.—Enter interest reported as item 5, and also dividends on share accounts in Federal savings and loan associations reported in item 11.

26. EARNED INCOME CREDIT.—"Earned income" means wages, salaries, professional fees, and other amounts received as compensation for personal services actually rendered. In the case of a taxpayer engaged in a trade or business in which both personal services and capital are material income-producing factors, a reasonable allowance as compensation for the personal services actually rendered by the taxpayer, not in excess of 20 percent of his share of the net profits of such trade or business, shall be considered as earned income. "Earned income deductions" means such ordinary and necessary expenses as are properly chargeable against earned income. "Earned net income" means the excess of the amount of the earned income over the sum of the earned income deductions. The earned income credit allowable to each spouse in a joint return is the same as is allowable to each spouse in separate returns; however, the earned income, earned income deductions, earned net income, and net income of each spouse must be shown separately.

29. SURTAX.—The surtax is computed at the graduated rates shown in the table below. Its application may be illustrated by the following example: If your surtax net income (item 24) is \$9,261.84, the surtax on \$8,000 is \$180 and the surtax on the excess of \$1,261.84 is 6 percent of that amount, or \$75.71, making a total surtax of \$255.71 to be entered as item 29.

SURTAX RATES

Amount of surtax net income	Rate per cent	Total surtax	Amount of surtax net income	Rate per cent	Total surtax
A	B	C	A	B	C
\$0 to \$4,000			\$62,000 to \$68,000	39	\$14,000
4,000 to 6,000	4	\$80	68,000 to 74,000	43	16,580
6,000 to 8,000	5	180	74,000 to 80,000	47	19,400
8,000 to 10,000	6	360	80,000 to 90,000	51	24,500
10,000 to 12,000	7	440	90,000 to 100,000	55	30,000
12,000 to 14,000	8	600	100,000 to 150,000	58	59,000
14,000 to 16,000	9	780	150,000 to 200,000	60	89,000
16,000 to 18,000	11	1,000	200,000 to 250,000	62	120,000
18,000 to 20,000	13	1,260	250,000 to 300,000	64	152,000
20,000 to 22,000	15	1,560	300,000 to 400,000	66	218,000
22,000 to 26,000	17	2,240	400,000 to 500,000	68	286,000
26,000 to 32,000	19	3,380	500,000 to 750,000	70	461,000
32,000 to 38,000	21	4,640	750,000 to 1,000,000	72	641,000
38,000 to 44,000	24	6,080	1,000,000 to 2,000,000	73	1,371,000
44,000 to 50,000	27	7,700	2,000,000 to 5,000,000	74	3,591,000
50,000 to 56,000	31	9,560	5,000,000 up	75	-----
56,000 to 62,000	35	11,680			

32. INCOME TAX PAID AT SOURCE.—Enter 2 percent of interest on bonds on which Federal income tax was paid at source by the debtor corporation.

33. FOREIGN TAX CREDIT.—If credit is claimed for taxes paid to a foreign country or possession of United States, submit Form 1116 and receipts for such payments. If credit is claimed for taxes accrued, attach to Form 1116 certified copy of return on which tax was based.

Individual Income Tax Return

RESIDENT

For Net Incomes of More Than \$5,000 From Salaries, Wages,
Dividends, Interest, Annuities, and for Incomes
From Other Sources Regardless of Amounts

For Calendar Year 1939

or fiscal year begun _____, 1939, and ended _____, 1940

PRINT NAME AND ADDRESS PLAINLY BELOW

PLUTARCO ELIAS CALLES

(Name) (Use given names of both husband and wife, if this is a joint return)

1212 Upas Street

(Street and number, or rural route)

San Diego,

California

(Post office)

(County)

(State)

Stat.
CodeSerial
Number

CV

A

PE

RA

Cash

Check

M.O.

First Payment

This return must
be filed with the
Franchise Tax
Commissioner,
Income Tax Divi-
sion, on or before
the 15th day of
the fourth month
following the
close of the tax-
able year

1. Are you a resident of the State of California? **YES**
2. Were you married and living with husband or wife during your taxable year? **WIDOWER**
3. Are all items of income or deductions of both husband and wife included in this return? **YES**
4. State (a) Name of husband or wife if a separate return was made **NONE**
(b) Personal exemption, if any, claimed thereon, \$ **YES**
5. If not married, were you during your taxable year supporting in your household one or more persons closely related to you? **YES**
6. How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support received their chief support from you during your taxable year? **2**
7. If your status in respect to question 2, 3, or 6 changed during the year, state date and nature of change
8. Check whether this return was prepared on the cash ☐ or accrual ☐ basis **RETIRED**
9. State your principal occupation or profession
10. Did you file a return for the preceding year? **YES**
11. Did you file a return with the Federal government for the taxable year stated herein? Answer "Yes" or "No" **NO**
12. If the answer to No. 11 is "Yes," state amount of net income (or loss) reported on such return **NONE**
Net Income (or loss) \$ **NONE**
13. Did you make a return of information on Forms 596 and 599 (see Instruction L) for the calendar year 1939? Answer "Yes" or "No" **NO**
14. Has the Federal government assessed or proposed to assess any additional income tax for 1937? **NO** 1938? **NO**

Item and Instruction No.	INCOME	Amount received	Explain in Schedule E		
1. Salaries and other compensation for personal services		\$		\$	None
2. Dividends					None
3. Interest on bank deposits, notes, mortgages, etc.					1293.11
4. Interest on corporation bonds					None
5. Interest on State, municipal, or other bonds, etc. (from Schedule A)					None
6. Income (or loss) from partnerships, syndicates, pools, etc. (furnish names and addresses)					None
7. Income from fiduciaries (furnish names and addresses)					None
8. Rents and royalties (from Schedule B)					400.00
9. Income (or loss) from business or profession (from Schedule C)					None
10. Gain (or loss) from sale or exchange of property (from Schedule D)					None
11. Other income (including income from annuities) (state nature; use separate schedule if necessary)					None
12. TOTAL INCOME IN ITEMS 1 TO 11				\$	1693.11
DEDUCTIONS					
13. Contributions (explain in Schedule E)				\$	None
14. Interest (explain in Schedule E)					None
15. Taxes (explain in Schedule E)					None
16. Losses by fire, storm, etc. (explain in Schedule E)					None
17. Bad debts (explain in Schedule E)					None
18. Other deductions authorized by law (explain below or in Schedule E)					None
19. TOTAL DEDUCTIONS IN ITEMS 13 TO 18					1693.11
20. NET INCOME (Item 12 minus Item 19)				\$	1693.11

COMPUTATION OF TAX (See Instruction 25)

21. Net Income (Item 20 above)	\$	1693.11	25. Tax (See Instruction 25)	\$	
22. Less: Personal exemption	\$ 2500.00		26. Less: Income Tax paid to another State		
23. Credit for dependents	800.00	3300.00	or country (See Instruction 26)		
24. Balance subject to Tax	\$	N-O-N-E	27. Balance of Tax	\$	

AFFIDAVIT (See Instruction F)

I swear (or affirm) that this return (including its accompanying schedules and statements, if any) has been examined by me, and to the best of my knowledge and belief is a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to The Personal Income Tax Act.

(If return is made by agent, the reason therefor must be stated on this line)

Subscribed and sworn to by _____

(Signature) (See Instruction F)

before me this _____ day of _____ 194_____

NOTARIAL
SEAL

(Signature and title of officer administering oath)

(Signature)

(If this is a joint return (not made by agent), it must be signed by both husband and wife, but it need be sworn to before a proper officer only by the spouse preparing the return. If neither or both prepare the return, it must be sworn to by both spouses.)

Mail Return and Remittance to FRANCHISE TAX COMMISSIONER, Income Tax Division, Sacramento, California

ATTACH REMITTANCE HERE

SCHEDULE A—INTEREST ON STATE, MUNICIPAL, AND OTHER BONDS OR OBLIGATIONS (See Instruction 5)

1. Bonds or Obligations	2. Amount Owned	3. Interest Received or Accrued	4. Amount Exempt From Tax	5. Interest Subject to Tax (Enter as Item 5)
(a) Bonds of this State, or of political subdivisions thereof, issued after November 4, 1902	\$	\$	All	x x x x x x x
(b) Obligations of the United States, or of the District of Columbia			All	x x x x x x x
(c) Obligations (including warrants, certificates, judgments, etc.) of this State, or of political subdivisions thereof (except (a) above) or of other states, foreign countries, and political subdivisions thereof			None	\$

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 8)

1. Kind of Property	2. Amount	3. Depreciation (Explain in Schedule F)	4. Repairs (Explain below)	5. Other Expenses (Itemize Below)	6. Net Profit (Enter as Item 8, Page 1)
RANCH in Mexico	\$ 400.00	\$	\$	\$	\$ 400.00
					400.00

Explanation of deductions claimed in Columns 4 and 5

SCHEDULE C—NET PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION (See Instruction 9)

1. Total receipts from business or profession (state kind of business)	\$	10. Salaries not included as "Labor" in Line 2 (do not deduct compensation for your services)	\$
Cost of Goods Sold	\$	11. Interest on business indebtedness to others	
2. Labor		12. Taxes on business and business property	
3. Material and supplies		13. Losses (explain in Schedule E)	
4. Merchandise bought for sale		14. Bad debts arising from sales or services	
5. Other costs (itemize below or on separate sheet)		15. Depreciation, obsolescence, and depletion (explain in table provided at foot of page)	
6. Plus inventory at beginning of year		16. Rent, repairs, and other expenses (itemize below or on separate sheet)	
7. TOTAL (Lines 2 to 6)	\$	17. TOTAL (Lines 10 to 16)	\$
8. Less inventory at end of year		18. TOTAL DEDUCTIONS (Line 9 plus Line 17)	
9. NET COST OF GOODS SOLD (Line 7 minus Line 8)	\$	19. NET PROFIT (or Loss) (Line 1 minus Line 18) (Enter as Item 9)	\$

Enter "C," or "C or M," on Lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

Explanation of deductions claimed on Lines 5 and 16

SCHEDULE D—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY (See Instruction 10)

1. Date Acquired Mo. Day Yr.	2. Date Sold or Exchanged Mo. Day Yr.	3. Gross Sales Price (Contract Price)	4. *Cost or Other Basis	5. Expense of Sale and Cost of Improvements Subsequent to Acquisition or 3/1/13	6. Depreciation Allowed (or Allowable) since Acquisition or 3/1/13	7. **Gain or Loss	8. ***Percentage of Gain or Loss to Be Taken into Account	9. Gain to Be Taken into Account	10. Loss to Be Taken into Account
(a) Description		\$	\$	\$	\$	\$		\$	\$
(b) Description									
(c) Description									
(d) Description									
(e) Description									
TOTAL GAINS AND LOSSES (Enter net gain or loss as Item 10) (Capital losses are allowable only to the extent of \$2,000 plus capital gains)									

* Cost of property must be entered in Column 4 if a loss is claimed in Column 7. (If property was inherited, see Instruction 10.)
** Indicate in Column 7 by G or L whether each entry is gain or loss.
*** Enter in Column 8 after each item the percentage of gain or loss to be taken into account, based on length of time held—if held one year or less, 100%; over 1 year but not over 2, 80%; over 2 years but not over 5, 60%; over 5 years but not over 10, 40%; over 10 years, 30%.

State here whether any item above was (1) acquired other than by purchase, or (2) was sold or transferred to purchaser having relationship to you:

SCHEDULE E—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 13, 14, 15, 16, 17, AND 18

SCHEDULE F—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES B, C, AND D

1. Kind of Property (If buildings, state material of which constructed)	2. Date Acquired	3. Cost or Other Basis (excluding value of land)	4. Assets Fully Depreciated in Use at End of Year	5. Depreciation Allowed (or Allowable) in Prior Years	6. Remaining Cost or Other Basis to be Recovered	7. Life Used in Accumulating Depreciation	8. Estimated Remaining Life From Beginning of Year	9. Depreciation Allowable this Year
		\$	\$	\$	\$			\$

Taxpayer must complete fully all schedules where required. If space provided is inadequate attach separate schedules.

FORM 540
DUPLICATE
DETACH AND RETAIN THIS COPY AND THE INSTRUCTIONS
STATE OF CALIFORNIA
INCOME TAX DIVISION
Individual Income Tax Return
RESIDENT
For Net Incomes of More Than \$5,000 From Salaries, Wages, Dividends, Interest, Annuities, and for Incomes From Other Sources Regardless of Amounts
For Calendar Year 1939
or fiscal year begun, 1939, and ended, 1940
PRINT NAME AND ADDRESS PLAINLY BELOW
PLUTARCO ELIAS CALLES
1212 Upas Street
San Diego, California

1. Are you a resident of the State of California? YES
2. Were you married and living with husband or wife during your taxable year? WIDOWER
3. Are all items of income or deductions of both husband and wife included in this return? YES
4. State (a) Name of husband or wife if a separate return was made NONE
(b) Personal exemption, if any, claimed thereon, \$ YES
5. If not married, were you during your taxable year supporting in your household one or more persons closely related to you?
6. How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support received their chief support from you during your taxable year? 2
7. If your status in respect to question 2, 5, or 6 changed during the year, state date and nature of change
8. Check whether this return was prepared on the cash ☐ or accrual ☐ basis
9. State your principal occupation or profession RETIRED
10. Did you file a return for the preceding year? YES
11. Did you file a return with the Federal government for the taxable year stated herein? Answer "Yes" or "No" NO
12. If the answer to No. 11 is "Yes," state amount of net income (or loss) reported on such return Net Income (or loss) \$ NONE
13. Did you make a return of information on Forms 596 and 599 (see Instruction L) for the calendar year 1939? Answer "Yes" or "No" NO
14. Has the Federal government assessed or proposed to assess any additional income tax for 1937? NO 1938? NO

Item and Instruction No.	INCOME	Amount received	Expenses paid Explain in Schedule E			
1. Salaries and other compensation for personal services		\$	\$	\$	None	
2. Dividends					None	
3. Interest on bank deposits, notes, mortgages, etc.					1293.11	
4. Interest on corporation bonds					None	
5. Interest on State, municipal, or other bonds, etc. (from Schedule A)					None	
6. Income (or loss) from partnerships, syndicates, pools, etc. (furnish names and addresses)					None	
7. Income from fiduciaries (furnish names and addresses)					None	
8. Rents and royalties (from Schedule B)					400.00	
9. Income (or loss) from business or profession (from Schedule C)					None	
10. Gain (or loss) from sale or exchange of property (from Schedule D)					None	
11. Other income (including income from annuities) (state nature; use separate schedule if necessary)					None	
12. TOTAL INCOME IN ITEMS 1 TO 11				\$		1693.11
DEDUCTIONS						
13. Contributions (explain in Schedule E)			\$		None	
14. Interest (explain in Schedule E)					None	
15. Taxes (explain in Schedule E)					None	
16. Losses by fire, storm, etc. (explain in Schedule E)					None	
17. Bad debts (explain in Schedule E)					None	
18. Other deductions authorized by law (explain below or in Schedule E)					None	
19. TOTAL DEDUCTIONS IN ITEMS 13 TO 18				\$		1693.11
20. NET INCOME (Item 12 minus Item 19)				\$		1693.11

COMPUTATION OF TAX (See Instruction 25)				
21. Net Income (Item 20 above)	\$	1693.11	25. Tax (See Instruction 25)	\$
22. Less: Personal exemption	\$ 2500.00		26. Less: Income Tax paid to another State or country (See Instruction 26)	
23. Credit for dependents	\$ 800.00	3300.00	27. Balance of Tax	\$
24. Balance subject to Tax	\$	N-O-N-E		

TAXPAYER'S RECORD OF PAYMENTS				
Payment	Amount	Date	Check or M. O. No.	Bank or Office of Issue
First				
Second				
Third				

An amended return must be marked "Amended" at top of return. Checks and drafts will be accepted only if payable at par.

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Taxpayers will find it helpful to read general instructions (A) to (M) before commencing to fill in their returns and to read specific instructions in connection with filling in the item or items to which they refer

GENERAL INSTRUCTIONS
(A) WHO MUST MAKE A RETURN
Every resident of this State shall make a return of income derived from all sources for each taxable year if during the year his status and the amount of his net income or gross income bring him within either of the following groups:
(1) Single, or married and not living with husband or wife for any part of the taxable year: If having a net income of \$1,000 or more, or a gross income of \$5,000 or more.
(2) Married couples living together for the entire taxable year: If each has a gross income and the combined net income of the two is \$2,500 or over, or the combined gross income is \$5,000 or over. If only one has a gross income and his net income is \$2,500 or over, or his gross income is \$5,000 or over, such person shall make a return.
(3) Married and living with husband or wife for only part of the taxable year: If each has a gross income and the combined net income of the two is equal to, or in excess of, their total credits for personal exemption (computed without regard for credit as head of family). If only one has a gross income, if his net income is equal to, or in excess of, his credit for personal exemption (computed without regard for credit as head of family), or his gross income is \$5,000 or over.
Joint Returns.—May be filed by husband and wife if living together at the end of the year, even though one has no gross income.
(B) FORM OF RETURN
Individuals (1) whose net income exceeds \$5,000, or (2) who have any income or losses from rental or sale of property, or (3) make returns on accrual basis, or (4) make returns for a fiscal year, or (5) conduct their own business or profession, or are members of a partnership, use Form 540. Nonresidents use Form 540NR. Fiduciaries use Form 541. All other individuals use Form 540A.
(C) RETURNS OF INCOME OF DECEDENTS
If the net income of a decedent to the date of his death was \$1,000 or over, if unmarried, or equal to or in excess of the credit allowed him by section 10 of The Personal Income Tax Act (computed without regard to the status as the head of a family), if married and living with spouse, or if his gross income for the period was \$5,000 or over, the executor or administrator should make a return for him on Form 540. The return for a decedent shall include all items of income and deductions accrued up to the date of death regardless of the fact that the decedent may have kept his books on a cash basis.
(D) PERIOD TO BE COVERED BY RETURN
Any taxpayer filing a return with the Federal government must file a return, if required, with the State for the same period. Permission to change his accounting period will be granted such taxpayer by the commissioner if the change is also approved by the Federal government.
An application to the commissioner for a change in the accounting period should be made prior to the expiration of 30 days from the close of the proposed taxable year.
(E) WHEN AND WHERE THE RETURN MUST BE FILED
The return should be filed with the Franchise Tax Commissioner, Income Tax Division, Sacramento, California, or at any branch office which he may establish.
Returns made on the basis of calendar year should be filed on or before the fifteenth day of April following close of the calendar year. Returns made on a fiscal year basis should be filed on or before the fifteenth day of the fourth month following the close of the fiscal year.
(F) AFFIDAVIT
In the case of a separate return, the affidavit must be executed by the person whose income is reported unless he is absent from the State, ill, or otherwise incapacitated, in which case it may be executed by his legal representative or agent; a minor making his own return must execute the affidavit.
In the case of a joint return of husband and wife, the signatures of both are required, but if the return has been prepared by one or the other, only the signature of the one who prepared the return need be witnessed. Where the return has been prepared by both the husband and the wife, both signatures must be witnessed.
The oath will be administered without charge by the commissioner, or by an officer or employee designated by the commissioner, but if no such officer or employee is available the return should be sworn to before a notary public, justice of the peace, or any person authorized to administer oaths except an attorney or agent employed to represent the taxpayer before the commissioner in connection with his tax liability.
(G) WHEN AND TO WHOM THE TAX MUST BE PAID
The tax should be paid, if possible, by sending or bringing with return a check or money order drawn to the order of "State Treasurer." Do not send cash by mail, nor pay it in person except at office of the commissioner in Sacramento, San Francisco, or Los Angeles.
The tax may be paid when the return is filed, or in three equal installments, as follows: The first installment shall be paid on or before the fifteenth day of the fourth month, the second installment on or before the fifteenth day of the eighth month, and the third installment on or before the fifteenth day of the twelfth month following the close of the taxable year.
If any installment is not paid on the date fixed for payment, the whole amount of tax unpaid shall be paid upon notice and demand by the commissioner.
(H) PENALTIES
The law imposes severe penalties for failing to make a return, or for making a false or fraudulent return. Penalties are also imposed for failing to file a return on time.
(I) RECEIVED OR ACCRUED INCOME
If your books of account are kept on the accrual basis, report all income accrued, even though it has not been actually received or entered on the books, and expenses incurred instead of expenses paid. If your books are not kept on the accrual basis, or if you keep no books, make your return on a cash basis and report all income received or constructively received, such as bank interest credited to your account and coupon bond interest matured, and report expenses actually paid.
(J) ITEMS EXEMPT FROM TAX
The following items are exempt from State income tax and should not be included in gross income:
(1) Amounts received under a life insurance contract paid by reason of the death of the insured, whether in a single sum or otherwise (but if such amounts are held by the insurer under an agreement to pay interest thereon, the interest payments shall be included in gross income);
(2) Amounts received (other than amounts paid by reason of the death of the insured and interest payments on such amounts and other than amounts received as annuities) under a life insurance or endowment contract, but if such amounts (when added to amounts received before the taxable year under such contract) exceed the aggregate premiums or consideration paid (whether or not paid during the taxable year) then the excess shall be included in gross income. Amounts received as an annuity under an annuity or endowment contract shall be included in gross income; except that there shall be excluded from gross income the excess of the amount received in the taxable year over an amount equal to 3 per centum of the aggregate premiums or consideration paid for such annuity (whether or not paid during such year), until the aggregate amount excluded from gross income under this act in respect to such annuity increased by the amount which would have been excluded from gross income in respect to such annuity had this act been in effect continuously from and after the date at which payments under such annuity were first received equals the aggregate premiums or consideration paid for such annuity. In the case of a transfer for a valuable consideration, by assignment or otherwise, of a life insurance, endowment, or annuity contract, or any interest therein, only the actual value of such consideration and the amount of the premiums and other sums subsequently paid by the transferee shall be exempt from taxation under paragraph (1) or this paragraph;
(3) The value of property acquired by gift, bequest, devise, or inheritance (but the income from such property shall be included in gross income);
(4) Amounts received through accident or health insurance or under workmen's compensation acts, as compensation for personal injuries or sickness, plus the amount of any damages received, whether by suit or agreement, on account of such injuries or sickness;
(5) The rental value of a dwelling house and appurtenances thereof furnished to a minister of the gospel as part of his compensation;
(6) Wages, fees, or salary of an employee of a foreign country received as compensation for official services to such country, subject, however, to the limitations of section 7 (b) (6).
(7) Income which this State is prohibited from taxing under the Constitution or laws of the United States of America or under the Constitution of this State.
(K) TREATMENT OF DEPRECIATION AND DEPLETION
A reasonable allowance for the exhaustion, wear or tear, and obsolescence of property used in the trade or business may be deducted. All deductions for depreciation must be explained in Schedule F. If obsolescence is claimed, explain why the useful life is less than the actual life.
The amount of depreciation on property acquired by purchase 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 expected useful life, except if the property was purchased prior to March 1, 1913, it should be computed on the fair market value of such property as of that date or its original cost (less depreciation actually sustained before that date), whichever is greater. If the property was acquired in any other manner than by purchase, see section 9.5.
If a deduction is claimed for depletion see also section 9.5.
(L) INFORMATION AT SOURCE
Every person making payments of (1) interest, rents, royalties, or other fixed or determinable income of \$1,000 or more during the calendar year 1939 to an individual, a partnership, or a fiduciary, or (2) salary, wages, or other compensation of \$1,000 or more to a single person or \$2,500 or more to a married person shall make a return on Forms 596 and 599. These forms may be obtained at the main office of the commissioner or any branch office. Form 599 may be typed as a carbon copy of Treasury Department Form 1099.
Information at Source Returns covering the calendar year 1939 must be forwarded to the Franchise Tax Commissioner, Income Tax Division, Sacramento, California, in time to be received not later than February 15, 1940.
(M) EARNED INCOME CREDIT
No earned income credit is allowable for State tax purposes.

SPECIFIC INSTRUCTIONS
The following instructions are numbered to correspond with item numbers on the first page of return:
1. Income from Salaries, Wages, etc.—Enter as Item 1 the total of all salaries, wages, or other compensation available or received from outside sources, including compensation received from the Federal Government or any agency or instrumentality thereof, less ordinary and necessary expenses, as reported in Schedule E. Salaries, wages, fees, etc., of officers or employees of this State, or any political subdivision thereof, are subject to tax. Any amount claimed as a deduction for ordinary and necessary expenses against salaries, etc., such as traveling expenses while away from home in connection with your occupation, should be fully explained in Schedule E or in an attached statement. Traveling expenses ordinarily include expenditures for transportation, meals, and lodging. The expense of transportation between one's residence and place of business or employment is not deductible.
If a joint return, enter as separate items in Schedule E earnings of each spouse. Earnings of minor children should also be reported, if parent is legally entitled to such earnings.
A taxpayer must report in full, at Item 1, his entire salary or other compensation, even though a portion thereof is withheld by the employer for taxes or contributions to the Federal Social Security Act, the California Unemployment Reserves Act, the Railroad Retirement Act, or some other retirement or pension fund. Taxes and contributions paid by employees pursuant to the California Unemployment Reserves Act are deductible. Taxes or contributions paid pursuant to the Federal Social Security Act as payment of old-age benefits, or to the Railroad Retirement Act for pension benefits, or to any other form of a pension fund, are not deductible, but no portion of the amount received as an old-age benefit or pension will be taxable until the entire amount of the employee's contributions has been returned to him.
2. Dividends.—Enter as Item 2 the total of all taxable dividends received from domestic and foreign corporations.
Submit full explanation of all dividends received which are claimed as nontaxable.
3. Interest on Bank Deposits, etc.—Enter as Item 3 the total of all interest on bank deposits, notes, mortgages, etc. Interest on savings bank deposits is considered income to the depositor when credited, even though not entered on the pass book.
4. Interest on Corporation Bonds.—Enter as Item 4 the total of all interest received on bonds, mortgages, and similar obligations of corporations. Include bond interest received upon which a 2% Federal tax was paid at the source, but no credit may be claimed for State tax purposes for the tax so paid at the source. Interest on bonds is considered income when due and payable.
5. Interest on State, Municipal, and other Bonds or Obligations.—Schedule A should be filled in if you own any of the bonds or obligations enumerated in Column 1. Enter in Column 2 the principal amount of the various bonds or obligations owned, and enter in Column 3 all interest received or credited to your account during the year on such bonds or obligations.
The income from bonds or obligations listed under Items (a) and (b) of Schedule A is not subject to State tax, but the information is required for statistical purposes.
Income from obligations listed in Item (c) of Schedule A is subject to the State tax and the amount of such income should be entered as Item 5 on page 1 of the return.
If in doubt as to the proper classification of such income, submit schedule of bonds or obligations owned and amount of interest received from each class of such bonds or obligations.
6, 7. Income from Partnerships, Syndicates, Pools, etc., and Fiduciaries.—Enter as Item 6 your share of the profits (whether received or not) or of the loss of the partnership (including a syndicate, pool, etc., not taxable as a corporation), and as Item 7, income from an estate or trust, as shown by the partnership or fiduciary return of income.
If the taxable year on the basis of which you file your return does not coincide with the annual accounting period of the partnership or fiduciary, then you should include in your return your distributive share of the net profits (or losses) for such accounting period ending within your taxable year.
8. Income from Rents and Royalties.—Fill in Schedule B, giving the information requested.
If you receive property or crops in lieu of cash rent, report income as though rent had been received in cash. Crops received as rent on a crop-share basis should be reported as income for year in which disposed of (unless your return shows income accrued).
Enter as depreciation the amount of wear and tear, or depletion, sustained during the taxable year, and explain in Schedule F.
Other expenses, such as interest, taxes, fire insurance, fuel, light, labor, and other necessary expenses of this character should be itemized.
9. Income (or loss) from Business or Profession.—If you owned a business, or practiced a profession on your own account, fill in Schedule C on page 2 of the return, and enter the net profit (or loss) as Item 9 on page 1 of the return.
Farmer's Income Schedule.—If you are a farmer and keep no books of account, or keep books on a cash basis, obtain from the commissioner, and attach to this return, Form 540F, Schedule of Farm Income and Expenses, and enter the net farm income as Item 9 on page 1 of this return. If your farm books of account are kept on an accrual basis, the filing of Form 540F is optional.
Installment Sales.—If the installment method is used, attach to the return a schedule showing separately for the years 1936, 1937, 1938, and 1939 the following: (a) Gross sales; (b) Cost of goods sold; (c) Gross profits; (d) Percentage of profits to gross sales; (e) Amount collected; and (f) Gross profit on amount collected. (See section 11.)

1. Bonds or Obligations	2. Amount Owned	3. Interest Received or Accrued	4. Amount Exempt From Tax	5. Interest Subject to Tax (Enter as Item 5)
(a) Bonds of this State, or of political subdivisions thereof, issued after November 4, 1902.....	\$	\$	All	x x x x x x x
(b) Obligations of the United States, or of the District of Columbia.....			All	x x x x x x x
(c) Obligations (including warrants, certificates, judgments, etc.) of this State, or of political subdivisions thereof (except (a) above) or of other states, foreign countries, and political subdivisions thereof.....			None	\$

1. Kind of Property	2. Amount	3. Depreciation (Explain in Schedule F)	4. Repairs (Explain below)	5. Other Expenses (Itemize Below)	6. Net Profit (Enter as Item 8, Page 1)
RANCH in Mexico	\$ 400.00				\$ 400.00
					400.00

1. Total receipts from business or profession (state kind of business).....		\$	
Cost of Goods Sold.....		\$	
2. Labor.....			
3. Material and supplies.....			
4. Merchandise bought for sale.....			
5. Other costs (itemize below or on separate sheet).....			
6. Plus inventory at beginning of year.....			
7. TOTAL (Lines 2 to 6).....	\$		
8. Less inventory at end of year.....			
9. NET COST OF GOODS SOLD (Line 7 minus Line 8).....	\$		
Enter "C," or "C or M," on Lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.			
Other Business Deductions.....		\$	
10. Salaries not included as "Labor" in Line 2 (do not deduct compensation for your services).....			
11. Interest on business indebtedness to others.....			
12. Taxes on business and business property.....			
13. Losses (explain in Schedule E).....			
14. Bad debts arising from sales or services.....			
15. Depreciation, obsolescence, and depletion (explain in table provided at foot of page).....			
16. Rent, repairs, and other expenses (itemize below or on separate sheet).....			
17. TOTAL (Lines 10 to 16).....	\$		
18. TOTAL DEDUCTIONS (Line 9 plus Line 17).....			
19. NET PROFIT (or Loss) (Line 1 minus Line 18) (Enter as Item 9).....	\$		

[illegible]**SCHEDULE E—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 13, 14, 15, 16, 17, AND 18**[illegible]

If any taxes paid to another State or country for which a taxpayer has been allowed a credit by this State are at any time credited or refunded to the taxpayer, such fact shall be immediately reported by the taxpayer to the commissioner and a tax equal to the credit allowed for such taxes so credited or refunded shall be due and payable from the taxpayer upon notice and demand from the commissioner.

FORM 540
DUPLICATE
DETACH AND RETAIN THIS COPY AND THE INSTRUCTIONS
STATE OF CALIFORNIA
INCOME TAX DIVISION
Individual Income Tax Return
RESIDENT
For Net Incomes of More Than \$5,000 From Salaries, Wages, Dividends, Interest, Annuities, and for Incomes From Other Sources Regardless of Amounts
For Calendar Year 1939
or fiscal year begun, 1939, and ended, 1940
PRINT NAME AND ADDRESS PLAINLY BELOW
PLUTARCO ELIAS CALLES
1212 Upas Street
San Diego, California

1. Are you a resident of the State of California? YES
2. Were you married and living with husband or wife during your taxable year? WIDOWER
3. Are all items of income or deductions of both husband and wife included in this return? YES
4. State (a) Name of husband or wife if a separate return was made NONE
(b) Personal exemption, if any, claimed thereon, \$ YES
5. If not married, were you during your taxable year supporting in your household one or more persons closely related to you? YES
6. How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support received their chief support from you during your taxable year? 2
7. If your status in respect to question 2, 5, or 6 changed during the year, state date and nature of change
8. Check whether this return was prepared on the cash or accrual basis
9. State your principal occupation or profession RETIRED
10. Did you file a return for the preceding year? YES
11. Did you file a return with the Federal government for the taxable year stated herein? Answer "Yes" or "No" NO
12. If the answer to No. 11 is "Yes," state amount of net income (or loss) reported on such return Net Income (or loss) \$ NONE
13. Did you make a return of information on Forms 596 and 599 (see Instruction L) for the calendar year 1939? Answer "Yes" or "No" NO
14. Has the Federal government assessed or proposed to assess any additional income tax for 1939? 1938? NO NO

Table with 4 columns: Item and Instruction No., INCOME, Amount received, Expenses paid Explain in Schedule E. Rows include Salaries and other compensation for personal services, Dividends, Interest on bank deposits, notes, mortgages, etc., Interest on corporation bonds, Interest on State, municipal, or other bonds, etc. (from Schedule A), Income (or loss) from partnerships, syndicates, pools, etc. (furnish names and addresses), Income from fiduciaries (furnish names and addresses), Rents and royalties (from Schedule B), Income (or loss) from business or profession (from Schedule C), Gain (or loss) from sale or exchange of property (from Schedule D), Other income (including income from annuities) (state nature; use separate schedule if necessary), TOTAL INCOME IN ITEMS 1 TO 11, DEDUCTIONS, Contributions (explain in Schedule E), Interest (explain in Schedule E), Taxes (explain in Schedule E), Losses by fire, storm, etc. (explain in Schedule E), Bad debts (explain in Schedule E), Other deductions authorized by law (explain below or in Schedule E), TOTAL DEDUCTIONS IN ITEMS 13 TO 18, NET INCOME (Item 12 minus Item 19).

COMPUTATION OF TAX (See Instruction 25)
21. Net Income (Item 20 above) \$ 1693.11
22. Less: Personal exemption \$ 2500.00
23. Credit for dependents 800.00
24. Balance subject to Tax N-O-N-E
25. Tax (See Instruction 25) \$
26. Less: Income Tax paid to another State or country (See Instruction 26) \$
27. Balance of Tax \$

TAXPAYER'S RECORD OF PAYMENTS
Table with 5 columns: Payment, Amount, Date, Check or M. O. No., Bank or Office of Issue. Rows for First, Second, Third payments.

An amended return must be marked "Amended" at top of return. Checks and drafts will be accepted only if payable at par.

DUPLICATE
IF YOU NEED ASSISTANCE IN PREPARING THIS RETURN, GO TO THE MAIN OFFICE OF THE COMMISSIONER, SACRAMENTO, CALIFORNIA, OR ANY BRANCH OFFICE

Form 540 [Individual Income Tax Return for Residents]
Taxpayers will find it helpful to read general instructions (A) to (M) before commencing to fill in their returns and to read specific instructions in connection with filling in the item or items to which they refer

- GENERAL INSTRUCTIONS
(A) WHO MUST MAKE A RETURN
Every resident of this State shall make a return of income derived from all sources for each taxable year if during the year his status and the amount of his net income or gross income bring him within either of the following groups:
(1) Single, or married and not living with husband or wife for any part of the taxable year: If having a net income of \$1,000 or more, or a gross income of \$5,000 or more.
(2) Married couples living together for the entire taxable year: If each has a gross income and the combined net income of the two is \$2,500 or over, or the combined gross income is \$5,000 or over. If only one has a gross income and his net income is \$2,500 or over, or his gross income is \$5,000 or over, such person shall make a return.
(3) Married and living with husband or wife for only part of the taxable year: If each has a gross income and the combined net income of the two is equal to, or in excess of, their total credits for personal exemption (computed without regard for credit as head of family). If only one has a gross income, if his net income is equal to, or in excess of, his credit for personal exemption (computed without regard for credit as head of family), or his gross income is \$5,000 or over.
Joint Returns.—May be filed by husband and wife if living together at the end of the year, even though one has no gross income.
(B) FORM OF RETURN
Individuals (1) whose net income exceeds \$5,000, or (2) who have any income or losses from rental or sale of property, or (3) make returns on accrual basis, or (4) make returns for a fiscal year, or (5) conduct their own business or profession, or are members of a partnership, use Form 540. Nonresidents use Form 540NR. Fiduciaries use Form 541. All other individuals use Form 540A.
(C) RETURNS OF INCOME OF DECEDENTS
If the net income of a decedent to the date of his death was \$1,000 or over, if unmarried, or equal to or in excess of the credit allowed him by section 10 of The Personal Income Tax Act (computed without regard to the status as the head of a family), if married and living with spouse, or if his gross income for the period was \$5,000 or over, the executor or administrator should make a return for him on Form 540. The return for a decedent shall include all items of income and deductions accrued up to the date of death regardless of the fact that the decedent may have kept his books on a cash basis.
(D) PERIOD TO BE COVERED BY RETURN
Any taxpayer filing a return with the Federal government must file a return, if required, with the State for the same period. Permission to change his accounting period will be granted such taxpayer by the commissioner if the change is also approved by the Federal government.
An application to the commissioner for a change in the accounting period should be made prior to the expiration of 30 days from the close of the proposed taxable year.
(E) WHEN AND WHERE THE RETURN MUST BE FILED
The return should be filed with the Franchise Tax Commissioner, Income Tax Division, Sacramento, California, or at any branch office which he may establish.
Returns made on the basis of calendar year should be filed on or before the fifteenth day of April following close of the calendar year. Returns made on a fiscal year basis should be filed on or before the fifteenth day of the fourth month following the close of the fiscal year.
(F) AFFIDAVIT
In the case of a separate return, the affidavit must be executed by the person whose income is reported unless he is absent from the State, ill, or otherwise incapacitated, in which case it may be executed by his legal representative or agent; a minor making his own return must execute the affidavit.
In the case of a joint return of husband and wife, the signatures of both are required, but if the return has been prepared by one or the other, only the signature of the one who prepared the return need be witnessed. Where the return has been prepared by both the husband and the wife, both signatures must be witnessed.
The oath will be administered without charge by the commissioner, or by an officer or employee designated by the commissioner, but if no such officer or employee is available the return should be sworn to before a notary public, justice of the peace, or any person authorized to administer oaths except an attorney or agent employed to represent the taxpayer before the commissioner in connection with his tax liability.
(G) WHEN AND TO WHOM THE TAX MUST BE PAID
The tax should be paid, if possible, by sending or bringing with return a check or money order drawn to the order of "State Treasurer." Do not send cash by mail, nor pay it in person except at office of the commissioner in Sacramento, San Francisco, or Los Angeles.
The tax may be paid when the return is filed, or in three equal installments, as follows: The first installment shall be paid on or before the fifteenth day of the fourth month, the second installment on or before the fifteenth day of the eighth month, and the third installment on or before the fifteenth day of the twelfth month following the close of the taxable year.
If any installment is not paid on the date fixed for payment, the whole amount of tax unpaid shall be paid upon notice and demand by the commissioner.
(H) PENALTIES
The law imposes severe penalties for failing to make a return, or for making a false or fraudulent return. Penalties are also imposed for failing to file a return on time.
(I) RECEIVED OR ACCRUED INCOME
If your books of account are kept on the accrual basis, report all income accrued, even though it has not been actually received or entered on the books, and expenses incurred instead of expenses paid. If your books are not kept on the accrual basis, or if you keep no books, make your return on a cash basis and report all income received or constructively received, such as bank interest credited to your account and coupon bond interest matured, and report expenses actually paid.
(J) ITEMS EXEMPT FROM TAX
The following items are exempt from State income tax and should not be included in gross income:
(1) Amounts received under a life insurance contract paid by reason of the death of the insured, whether in a single sum or otherwise (but if such amounts are held by the insurer under an agreement to pay interest thereon, the interest payments shall be included in gross income);
(2) Amounts received (other than amounts paid by reason of the death of the insured and interest payments on such amounts and other than amounts received as annuities) under a life insurance or endowment contract, but if such amounts (when added to amounts received before the taxable year under such contract), exceed the aggregate premiums or consideration paid (whether or not paid during the taxable year) then the excess shall be included in gross income. Amounts received as an annuity under an annuity or endowment contract shall be included in gross income, except that there shall be excluded from gross income the excess of the amount received in the taxable year over an amount equal to 2 per centum of the aggregate premiums or consideration paid for such annuity (whether or not paid during such year), until the aggregate amount excluded from gross income under this act in respect to such annuity increased by the amount which would have been excluded from gross income in respect to such annuity had this act been in effect continuously from and after the date at which payments under such annuity were first received equals the aggregate premiums or consideration paid for such annuity. In the case of a transfer for a valuable consideration, by assignment or otherwise, of a life insurance, endowment, or annuity contract, or any interest therein, only the actual value of such consideration and the amount of the premiums and other sums subsequently paid by the transferee shall be exempt from taxation under paragraph (1) or this paragraph;
(3) The value of property acquired by gift, bequest, devise, or inheritance (but the income from such property shall be included in gross income);
(4) Amounts received through accident or health insurance or under workmen's compensation acts, as compensation for personal injuries or sickness, plus the amount of any damages received, whether by suit or agreement, on account of such injuries or sickness;
(5) The rental value of a dwelling house and appurtenances thereof furnished to a minister of the gospel as part of his compensation;
(6) Wages, fees, or salary of an employee of a foreign country received as compensation for official services to such country, subject, however, to the limitations of section 7 (b) (6);
(7) Income which this State is prohibited from taxing under the Constitution or laws of the United States or under the Constitution of this State.
(K) TREATMENT OF DEPRECIATION AND DEPLETION
A reasonable allowance for the exhaustion, wear or tear, and obsolescence of property used in the trade or business may be deducted. All deductions for depreciation must be explained in Schedule F. If obsolescence is claimed, explain why the useful life is less than the actual life.
The amount of depreciation on property acquired by purchase 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 expected useful life, except if the property was purchased prior to March 1, 1913, it should be computed on the fair market value of such property as of that date or its original cost (less depreciation actually sustained before that date), whichever is greater. If the property was acquired in any other manner than by purchase, see section 9.5.
If a deduction is claimed for depletion see also section 9.5.
(L) INFORMATION AT SOURCE
Every person making payments of (1) interest, rents, royalties, or other fixed or determinable income of \$1,000 or more during the calendar year 1939 to an individual, a partnership, or a fiduciary, or (2) salary, wages, or other compensation of \$1,000 or more to a single person or \$2,500 or more to a married person shall make a return on Forms 596 and 599. These forms may be obtained at the main office of the commissioner or any branch office. Form 599 may be typed as a carbon copy of Treasury Department Form 1099.
Information at Source Returns covering the calendar year 1939 must be forwarded to the Franchise Tax Commissioner, Income Tax Division, Sacramento, California, in time to be received not later than February 15, 1940.
(M) EARNED INCOME CREDIT
No earned income credit is allowable for State tax purposes.
SPECIFIC INSTRUCTIONS
enter in Column 3 all interest received or credited to your account during the year on such bonds or obligations.
The income from bonds or obligations listed under Items (a) and (b) of Schedule A is not subject to State tax, but the information is required for statistical purposes.
Income from obligations listed in Item (c) of Schedule A is subject to the State tax and the amount of such income should be entered as Item 5 on page 1 of the return.
If in doubt as to the proper classification of such income, submit schedule of bonds or obligations owned and amount of interest received from each class of such bonds or obligations.
6, 7. Income from Partnerships, Syndicates, Pools, etc., and Fiduciaries.—Enter as Item 6 your share of the profits (whether received or not) or of the loss of the partnership (including a syndicate, pool, etc., not taxable as a corporation), and as Item 7, income from an estate or trust, as shown by the partnership or fiduciary return of income.
If the taxable year on the basis of which you file your return does not coincide with the annual accounting period of the partnership or fiduciary, then you should include in your return your distributive share of the net profits (or losses) for such accounting period ending within your taxable year.
8. Income from Rents and Royalties.—Fill in Schedule B, giving the information requested.
If you receive property or crops in lieu of cash rent, report income as though rent had been received in cash. Crops received as rent on a crop-share basis should be reported as income for year in which disposed of (unless your return shows income accrued).
Enter as depreciation the amount of wear and tear, or depletion, sustained during the taxable year, and explain in Schedule F.
Other expenses, such as interest, taxes, fire insurance, fuel, light, labor, and other necessary expenses of this character should be itemized.
9. Income (or loss) from Business or Profession.—If you owned a business, or practiced a profession on your own account, fill in Schedule C on page 2 of the return, and enter the net profit (or loss) as Item 9 on page 1 of the return.
Farmer's Income Schedule.—If you are a farmer and keep no books of account, or keep books on a cash basis, obtain from the commissioner, and attach to this return, Form 540F, Schedule of Farm Income and Expenses, and enter the net farm income as Item 9 on page 1 of this return. If your farm books of account are kept on an accrual basis, the filing of Form 540F is optional.
Installment Sales.—If the installment method is used, attach to the return a schedule showing separately for the years 1936, 1937, 1938, and 1939 the following: (a) Gross sales; (b) Cost of goods sold; (c) Gross profits; (d) Percentage of profits to gross sales; (e) Amount collected; and (f) Gross profit on amount collected. (See section 11.)

1. Bonds or Obligations	2. Amount Owned	3. Interest Received or Accrued	4. Amount Exempt From Tax	5. Interest Subject to Tax (Enter as Item 5)
(a) Bonds of this State, or of political subdivisions thereof, issued after November 4, 1902.....	\$	\$	All	x x x x x x x
(b) Obligations of the United States, or of the District of Columbia.....			All	x x x x x x x
(c) Obligations (including warrants, certificates, judgments, etc.) of this State, or of political subdivisions thereof (except (a) above) or of other states, foreign countries, and political subdivisions thereof.....			None	\$

(b) A corporation, or trust, or community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no

If any taxes paid to another State or country for which a taxpayer has been allowed a credit by this State are at any time credited or refunded to the taxpayer, such fact shall be immediately reported by the taxpayer to the commissioner and a tax equal to the credit allowed for such taxes so credited or refunded shall be due and payable from the taxpayer upon notice and demand from the commissioner.

1. Kind of Property	2. Amount	3. Depreciation (Explain in Schedule F)	4. Repairs (Explain below)	5. Other Expenses (Itemize Below)	6. Net Profit (Enter as Item 8, Page 1)
RANCH in Mexico	\$ 400.00	\$	\$	\$	\$ 400.00
					400.00

Taxpayer must complete fully all schedules where required. If space provided is inadequate attach separate schedules.

UNITED STATES INDIVIDUAL INCOME AND DEFENSE TAX RETURN

Page 1 38
1940

(Auditor's Stamp)

FOR GROSS INCOMES OF MORE THAN \$5,000 FROM SALARIES, WAGES,
DIVIDENDS, INTEREST, ANNUITIES, AND FOR INCOMES FROM
OTHER SOURCES REGARDLESS OF AMOUNTS

For Calendar Year 1940

or fiscal year beginning _____, 1940, and ended _____, 1941

To be filed with the Collector of Internal Revenue for your district not later than the 15th day of the third month following the close of your taxable year

PRINT NAME AND ADDRESS PLAINLY. (See Instruction C)

PLUTARCO ELIAS CALLES

(Name) (Use given names of both husband and wife, if this is a joint return)

5182 Bedford Dr.

(Street and number, or rural route)

San Diego San Diego Calif.

(Post office)

(County)

(State)

(Do not use these spaces)

File
Code

Serial
No.

District

(Cashier's Stamp)

Cash—Check—M. O.

First Payment

\$

Item and
Instruction No.

INCOME

1. Salaries and other compensation for personal services. (From Schedule A)	\$	None	
2. Dividends			
3. Interest on bank deposits, notes, mortgages, etc.		1293.11	
4. Interest on corporation bonds		None	
5. Taxable interest on Government obligations, etc. (From Schedule B)			
6. Income (or loss) from partnerships, syndicates, pools, etc. (other than capital gains or losses). (Furnish names and addresses):			
7. Income from fiduciaries. (Furnish names and addresses):			
8. Rents and royalties. (From Schedule C)		400.00	
9. Income (or loss) from business or profession. (From Schedule D)		None	
10. (a) Net short-term gain from sale or exchange of capital assets. (From Schedule F)			
(b) Net long-term gain (or loss) from sale or exchange of capital assets. (From Schedule F)			
(c) Net gain (or loss) from sale or exchange of property other than capital assets. (From Schedule C)			
11. Other income (including income from annuities). (State nature)			
12. Total income in items 1 to 11. (Enter nontaxable income in Schedule I)	\$	1693.11	

DEDUCTIONS

13. Contributions paid. (Explain in Schedule H)	\$	None	
14. Interest. (Explain in Schedule H)			
15. Taxes. (Explain in Schedule H)			
16. Losses from fire, storm, shipwreck, or other casualty, or theft. (Explain in Schedule H)			
17. Bad debts. (Explain in Schedule H)			
18. Other deductions authorized by law. (Explain in Schedule H)			
19. Total deductions in items 13 to 18			
20. Net income (item 12 minus item 19)	\$	1693.11	

COMPUTATION OF TAX

21. Net income (item 20 above)	\$	1693.11	
22. Less: Personal exemption. (From Schedule J-1)	\$	2500.00	
23. Credit for dependents. (From Schedule J-2)	\$	800.00	3300.00
24. Balance (surtax net income)	\$	NONE	
25. Less: Interest on Government obligations, etc. (See Instruction 25)	\$		
26. Earned income credit. (From Schedule K-1 or K-2)			
27. Balance subject to normal tax	\$		
28. Normal tax (4% of item 27)	\$	None	
29. Surtax on item 24. (See Instruction 29)			
30. Total (item 28 plus item 29)	\$		
31. Total income tax (item 30, or if you had a net long-term capital gain or loss, enter line 16, Schedule F)	\$		
32. Less: Income tax paid at source	\$		
33. Income tax paid to a foreign country or U. S. possession. (Attach Form 1116)			
34. Balance of income tax (item 31 minus items 32 and 33)	\$	None	
35. Defense tax (10% of item 31). (See Instruction 35)			
36. Total income and defense taxes due (item 34 plus item 35)	\$		

NOTE.—In order that this return may be accepted as meeting the requirements of the Internal Revenue Code, the data called for herein must be set forth FULLY and CLEARLY.

1. Name and address of employer—If a governmental unit, indicate whether "Federal," "State," or "Local"	2. Amount	3. Expenses (itemize)	4. Amount
	\$		\$
Total of column 2 minus total of column 4 (enter as item 1, page 1)			\$

Schedule B.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction G)

1. Obligations or securities	2. Amount owned at end of year including your proportionate share of such obligations held by estates, trusts, partnerships, or common trust funds	3. Interest received or accrued during the year	4. Amount of principal, interest on which is exempt from taxation	5. Interest on amount in excess of exemption
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions	\$	\$	All	x x x x x x x x
(b) Obligations issued under Federal Farm Loan Act, or under such Act as amended			All	x x x x x x x x
(c) Obligations of United States issued on or before September 1, 1917			All	x x x x x x x x
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness			All	x x x x x x x x
(e) United States Savings Bonds and Treasury Bonds			\$5,000	\$
(f) Obligations of instrumentalities of the United States (other than obligations to be reported in (b) above)			None	
(g) Total (enter as item 5, page 1)				\$

Schedule C.—INCOME FROM RENTS AND ROYALTIES. (See Instruction 8)

1. Kind of property	2. Amount	3. Depreciation (explain in Schedule E)	4. Repairs (explain below)	5. Other expenses (itemize below)	6. Net profit (column 2 minus sum of columns 3, 4, and 5) (enter as item 8, page 1)
Ranch in Mexico	\$ 400.00				\$ 400.00
					400.00

Explanation of deductions claimed in columns 4 and 5

Schedule D.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (See Instruction 9)

(State (1) nature of business _____; (2) number of places of business _____; (3) business name and address if different from name and address on page 1 _____.)

1. Total receipts		OTHER BUSINESS DEDUCTIONS	
COST OF GOODS SOLD			
(To be used where inventories are an income-determining factor)		11. Salaries and wages not included as "Labor" (do not deduct compensation for yourself)	
2. Inventory at beginning of year	\$	12. Interest on business indebtedness	\$
3. Merchandise bought for sale		13. Taxes on business and business property	
4. Labor		14. Losses (explain below)	
5. Material and supplies		15. Bad debts arising from sales or services	
6. Other costs (itemize below)		16. Depreciation, obsolescence, and depletion (explain in Schedule E)	
7. Total of lines 2 to 6	\$	17. Rent, repairs, and other expenses (itemize below or on separate sheet)	
8. Less inventory at end of year		18. Total of lines 11 to 17	\$
9. Net cost of goods sold (line 7 minus line 8)	\$	19. Net profit (or loss) (line 1 minus lines 9 and 18) (enter as item 9, page 1)	\$
10. Gross profit (line 1 minus line 9)	\$		

If the production, manufacture, purchase and sale of merchandise is an income-producing factor, inventories are required. Enter "C," or "C or M," on lines 2 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

Explanation of deductions claimed in lines 6, 14, and 17

Schedule E.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES C, D, F, AND G

[illegible]

Schedule F.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 10)

1. Kind of property (if necessary attach statement of descriptive details not shown below)	2. Date acquired	3. Date sold	4. Gross sales price (contract price)	5. Cost or other basis	6. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	7. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule E)	8. Gain or loss (column 4 plus column 7 minus the sum of columns 5 and 6)	9. Gain or loss to be taken into account	
	Mo. Day Year	Mo. Day Year						Percentage	10. Amount
SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 18 MONTHS									
			\$	\$	\$	\$	\$	100	\$
								100	
								100	
								100	
Total net short-term capital gain or loss (enter in line 1, column 3, of summary below)									\$

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 18 MONTHS BUT NOT FOR MORE THAN 24 MONTHS									
			\$	\$	\$	\$	\$	66%	\$
								66%	
								66%	
								66%	
LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 24 MONTHS									
			\$	\$	\$	\$	\$	50	
								50	
								50	
								50	
Total net long-term capital gain or loss (enter in line 2, column 3, of summary below)									\$

SUMMARY OF CAPITAL NET GAINS OR LOSSES									
1. Classification	2. Net short-term capital loss of preceding taxable year (not in excess of net income for such year)	3. Net gain or loss to be taken into account from column 10, above		4. Net gain or loss to be taken into account from partnerships and "common trust funds"		5. Total net gain or loss to be taken into account in columns 2, 3, and 4 of this summary			
		Gain	Loss	Gain	Loss	Gain	Loss		
1. Total net short-term capital gain or loss (enter as item 10 (a), page 1, amount of gain shown in column 5)	\$	\$	\$	\$	\$	\$	No net loss allowable (see Instruction 10)		
2. Total net long-term capital gain or loss (enter as item 10 (b), page 1, amount of gain or loss shown in column 5)	\$	\$	\$	\$	\$	\$	\$		

COMPUTATION OF ALTERNATIVE TAX

Use only (1) If you had a net long-term capital gain, and item 24, page 1, exceeds \$22,000

(2) If you had a net long-term capital loss, and such loss plus item 24, page 1, exceeds \$22,000

1. Net income (item 20, page 1). (See Instruction 10)	\$	10. Normal tax (4% of line 9)	\$
2. (a) Net long-term capital gain (item 10 (b), page 1)		11. Surtax on line 6. (See Instruction 29)	
(b) Net long-term capital loss (item 10 (b), page 1)		12. Partial tax (line 10 plus line 11)	\$
3. Ordinary net income (line 1 minus line 2 (a) or line 1 plus line 2 (b)). (See Instruction 10)	\$	13. (a) 30% of net long-term capital gain (30% of line 2 (a))	
4. Less: Personal exemption. (From Schedule J-1)	\$	(b) 30% of net long-term capital loss (30% of line 2 (b))	
5. Credit for dependents. (From Schedule J-2)		14. Alternative tax (line 12 plus line 13 (a) or line 12 minus line 13 (b))	\$
6. Balance (surtax net income)	\$	15. Total normal tax and surtax (item 30, page 1)	\$
7. Less: Interest on Government obligations, etc. (See Instruction 25)	\$	16. Tax liability (if a net long-term capital gain, on line 2 (a), enter line 14 or line 15, whichever is the lesser; if a net long-term capital loss, on line 2 (b), enter line 14 or line 15, whichever is the greater). (Enter as item 31, page 1)	\$
8. Earned income credit. (From Schedule K-1 or K-2). (See Inst. 10)			
9. Balance subject to normal tax	\$		

Schedule G.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS (See Instruction 10)

1. Kind of property	2. Date acquired	3. Gross sales price (contract price)	4. Cost or other basis	5. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	6. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule E)	7. Gain or loss (column 3 plus column 6 minus the sum of columns 4 and 5)
		\$	\$	\$	\$	\$
Total net gain (or loss) (enter as item 10 (c), page 1)						\$

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the items on this page: _____

If any of such items were acquired by you other than by purchase, explain fully how acquired: _____

1. Item No.	2. Explanation	3. Amount	1. Item No. (Continued)	2. Explanation (Continued)	3. Amount (Continued)
		\$			\$

Schedule I.—NONTAXABLE INCOME OTHER THAN INTEREST REPORTED IN SCHEDULE B. (See Instruction G)

1. Source of income	2. Nature of income	3. Amount
		\$

Schedule J.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 22 AND 23. (See Instructions 22 and 23)

(1) Personal Exemption			(2) Credit for Dependents		
Status	Number of months during the year in each status	Credit claimed	Name of dependent and relationship	Number of months during the year Under 18 years old Over 18 years old	Credit claimed
Single, or married and not living with husband or wife		\$	PLUTARCO son	12	\$ 400.00
Married and living with husband or wife			LEONARDO son	12	400.00
Head of family (explain below)	12	2500.00			
Maintaining a home for two sons under eighteen years.			Reason for support if over 18 years old		

Schedule K.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 26)

(1) If your net income is \$3,000 or less, use only this part of schedule		(2) If your net income is more than \$3,000, use only this part of schedule	
Net income (item 20, page 1)	\$	Earned net income (not more than \$14,000)	\$
Earned income credit (10% of net income, above)		Net income (item 20, page 1)	
		Earned income credit (10% of earned net income or 10% of net income, above, whichever amount is smaller, but do not enter less than \$300)	

QUESTIONS

1. State your principal occupation or profession.
2. Check whether you are a citizen ☐ or a resident alien ☒.
3. Did you file a return for any prior year? Yes. If so, what was the latest year? 1939. To which Collector's office was it sent? 6th Calif.
4. Are items of income or deductions of both husband and wife included in this return?
5. State (a) Name of husband or wife if separate return was made
- (b) Personal exemption, if any, claimed thereon.
- (c) Collector's office to which it was sent.
6. Check whether this return was prepared on the cash ☒ or accrual ☐ basis.
7. Did you at any time during your taxable year own directly or indirectly any stock of a foreign corporation or a personal holding company as defined by section 501 of the Internal Revenue Code? (Answer "yes" or "no") (If answer is "yes," attach statement required by Instruction J.)

AFFIDAVIT. (See Instruction E)

I/we swear (or affirm) that this return (including any accompanying schedules and statements) has been examined by me/us, and to the best of my/our knowledge and belief is a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Internal Revenue Code and the regulations issued under authority thereof.

Subscribed and sworn to by _____
before me this _____ day of _____, 194__

(Signature) (See Instruction E)

(Signature and title of officer administering oath)

A return made by an agent must be accompanied by power of attorney. (See Instruction E.)

(Signature)

(If this is a joint return (not made by agent), it must be signed by both husband and wife. It must be sworn to before a proper officer by the spouse preparing the return. If neither or both prepare the return, it must be sworn to by both spouses.)

AFFIDAVIT. (See Instruction E)

(If this return was prepared for you by some other person, the following affidavit must be executed)

I/we swear (or affirm) that I/we prepared this return for the person or persons named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the tax liability of the person or persons for whom this return has been prepared of which I/we have any knowledge.

Subscribed and sworn to before me this _____ day
of _____, 194__

(Signature of person preparing the return)

(Signature of person preparing the return)

(Signature and title of officer administering oath)

(Name of firm or employer, if any)

40
TREASURY DEPARTMENT

OFFICE OF COLLECTOR OF INTERNAL REVENUE

LOS ANGELES, CALIF.

OFFICIAL BUSINESS

OPEN AT ONCE
IMPORTANT NOTICE ENCLOSED

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



PLUTARCO ELIAS CALLES
1212 UPAS ST
SAN DIEGO CALIF

NI-658196
RECD 2/27-40

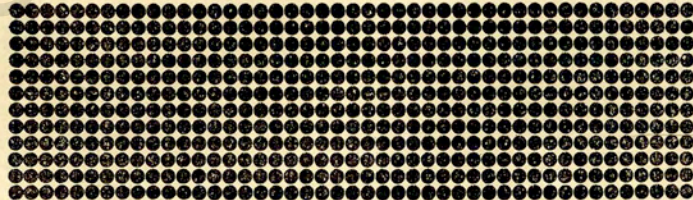
47

IMPORTANT

The number shown on this slip is the serial number of your 1939 return. Please retain the slip and quote this serial number if you have any correspondence with the Commissioner relative to your 1939 return.

PLUTARCO ELIAS CALLES
1212 UPAS ST
SAN DIEGO CAL

406,938

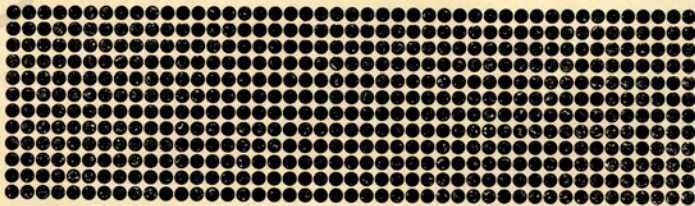


HADLEY WAXSPOT - U. S. PAT. NO. 1,930,429

43

PLUTARCO ELIAS CALLES
1212 UPAS ST
SAN DIEGO CAL

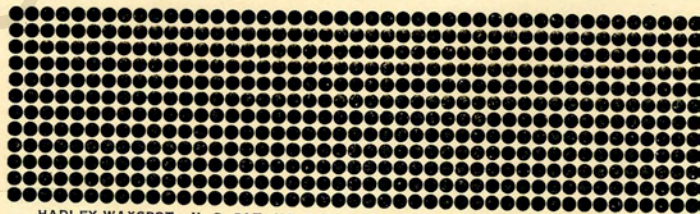
400,465



HADLEY WAXSPOT - U. S. PAT. NO. 1,930,429

PLUTARCO ELIAS CALLES
1212 UPAS STREET
SAN DIEGO CALIF

403106

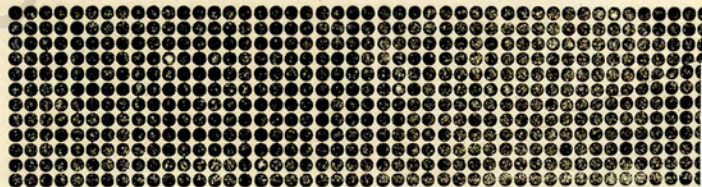


HADLEY WAXSPOT - U. S. PAT. NO. 1,930,429

44

PLUTASCO ELIAS CALLES
1212 UPAS ST
SAN DIEGO CALIF

302752



45

PLUTARCO ELIAS CALLES

1212 UPAS ST

SAN DIEGO CALIF

006795

47

TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE

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

2-17454

OFFICIAL BUSINESS

COLLECTOR OF INTERNAL REVENUE

LOS ANGELES

CALIFORNIA

URGENT NOTICE FOR EVERY INCOME TAXPAYER

Taxpayer should examine this notice immediately to make sure return on proper form is filed on time

Experience in former years shows that numerous taxpayers who should use Form 1040 in filing their income tax returns have erroneously used Form 1040A, and that numerous other taxpayers who might properly use the simpler Form 1040A have erroneously used Form 1040. This experience has resulted in part from the practice of mailing to a taxpayer the same form which was used for the preceding year. You are being sent herewith a blank form for 1937 income, selected in this customary manner.

In view, however, of the possibility that you may be required to use the other form—which is not sent herewith—you are requested to examine the instructions hereon and ascertain which of the two forms you are required to use. If you find that the form enclosed herewith is *not* the correct form for your circumstances, return the enclosed postage-free card without delay with your name and address plainly printed thereon and with a check mark indicating the form of return required to be filed by you. Effort will then be made to insure your prompt receipt of the proper form in ample time for your use in filing; but the responsibility for filing on time, in order to avoid penalty for late filing, remains on the taxpayer.

Please take special notice of the fact that Forms 1040 and 1040A, for 1937, are not identical with those used last year. Various changes have been made, partly to promote economy and efficiency in tax administration, but mainly to secure to as large a number of taxpayers as possible the benefits of simplification in the forms. Therefore, you should examine carefully the following requirements in order to make sure which form you should use.

Form 1040A **MUST** be used *only* by taxpayers required to file returns: (1) who have taxable income derived solely from (a) salaries, wages, and other compensation for personal services, (b) dividends, (c) interest; (2) whose net income does not exceed \$5,000; (3) who report for the *calendar* year; and (4) who report on a cash basis.

Form 1040 **MUST** be used by all other taxpayers required to file returns, specifically by those: (1) who have *any* taxable income, in *whatever* amount, from any source other than (a), (b), and (c) above; or (2) who have net income above \$5,000; or (3) who report on a fiscal-year basis; or (4) who report on an accrual basis.