Department of the Treasury
Internal Revenue Service

General Description

1972 Tax Model for National Estimates

Individual Income Tax Returns

Statistics Division
December 1974

CONTENTS

INTRODUCTION

The Individual Tax Model consists of a file of 106,581 Federal tax returns subsampled from the Statistics of Income sample of 270,469 (less 26,816 manually selected returns) Forms 1040 and 1040A filed for 1972. This file is used in conjunction with (1) a generalized manipulation program designed to select, compute, compare, arrange, and recode the data in the input file, and (2) a table generator program that will select, weight, and tabulate specified items in the manipulated input file and provide for stub and column identification in a flexible print format.

The Tax Model file, which is designed to simulate the administrative and revenue impact of tax law changes (as well as to provide general statistical tables), can be used by government or private researchers in two ways:

(1) The user can specify in writing the types of manipulations to be made and outline the format of the tabulations measuring these changes. If the Service determines that the specifications can be handled using the Model's programs, the IRS will prepare tables on a reimbursable basis insofar as the job does not interfere with the regular statistical processing.

(2) The user may purchase the Model file and develop his own programs to manipulate the data and/or produce the desired tabulations.

This general description provides an explanation of the codes and items, the file layout, sample counts and weights, technical specifications concerning the tapes (for those who wish to purchase the file), and facsimiles of Federal tax return forms for a reference to the line items which were abstracted for the 1972 program. Certain codes and fields are designated "For Statistics Division use only" in the explanations that follow. For those who purchase copies of this file, this means that either (1) the item has little or no value to the user because it was computed for a special internal purpose or (2) the item has been deleted to prevent disclosure of the individual taxpayer.

1972 INDIVIDUAL TAX MODEL, TAPE RECORD LAYOUT

0–1	CODE 0
2–3	CSAMP
4–5	CODE 4
6–7	CODE 6
8–9	SELD
10–11	TXRT
12–13	DEPENDX
14–15	TOTEX
16–17	OTHERX
18–19	CRVSHR
20–21	SELN
22–23	CODE 22
24–25	CODE 24
26	TXMT
27	FDED
28	MARS
29	SCHED
30	FLPD
31	TXST
32	FORM
33	BANK
34	UPCAR
35	TXPYRX
36	AGEX
37	BLINDX
38	STUEX
39	ELECT
40	SURCHG
41	INCRRD
42	TXPREP
43	TAXMD
44	DEPINC
45	OGF
46	CODE 46
47	MAJCRC1
48	MAJCRCL
49	CODE 49
50–55	BLANK
56–61	BLANK

1 Taxpayer Exemptions	2 Age Exemptions	3 Blind Exemptions	4 Dependent Exemptions	5 Total Exemptions	6 Student Exemptions	7 Wages, Etc.	8 Income Averaging Taxable Income	9 Total Dividends Before Exclusion	10 Dividends [illegible]
11 Interest	12 Adjusted Gross Income or Deficit	13 Income Subject to Tax	14 Income Tax Before Credits and Surcharge	15 Income Tax After Credits	16 Income Tax Withheld	17 1972 Estimated Taxpayments	18 Balance Due	19 Overpayments Refunded	20 [illegible]
21 Business Income	22 Business Loss	23 Supplemental Schedule Net Gain	24 Supplemental Schedule Net Loss	25 Farm Income	26 Farm Loss	27 Fully Tax. Pen. and Annu. Form 1040	28 [illegible]	29 State Income Tax Refunds	30 [illegible]
31 Other Income	32 Other Loss	33 Statutory Adjustments: Sick Pay	34 Statutory Adjustments: Moving Expense	35 Statutory Adjustments: Emp. Bus. Expense	36 Statutory Adjustments: Pymts. to a Retire. Plan	37 Total Deductions	38 Taxable Income	39 Credits: Retirement Income	40 Credits: Investment
41 Credits--Continued: Foreign Tax	42 Credits--Continued: Contributions to Candidates	43 Credits--Continued: Work Incentive Program	44 Ordinary Inc. Subj. to Regular Rates	45 Other Tax Credits	46 Other Taxes: Self-Employment	47 Other Taxes: Recompute:	48 Other Taxes: Minimum Tax	49 Other Taxes: [illegible]	50 Excess [illegible] Payments
51 Credit	52 Total	53 Medical and Dental Expenses	54 Medical and Dental Expenses	55 Medical and Dental Expenses	56 Medical and Dental Expenses	57 Medical and Dental Expenses	58	59 Taxes	60 Taxes

Explanation of Codes in Tape File

Code 0, columns 0, 1 — BLANK — For Statistics Division use only.

Code 2, columns 2, 3 -- SAMPLE — Stratum in which return was classfied prior to selection in the sample.

Sample Weight for 1972 Individual Tax Model

Sample Code	Sample Stratum 1/	Population Minus Reject Codes 1&2	Tax Model Sample	Weight
	Nonbusiness Returns			
11	AGI/LSII under 10,000	42,507,831	7,173	5926.09
12	10,000 under 15,000	13,484,099	5,542	2433.07
13	15,000 under 20,000	6,881,075	5,397	1274.98
14	20,000 under 50,000	4,737,281	6,205	763.46
15	50,000 under 100,000	327,409	4,275	76.59
16	100,000 under 200,000	64,535	5,379	12.00
17	200,000 or more	16,803	16,803	1.00
	Business Returns (Schedule C/F attached)			
21	AGI/LSII under 10,000	3,854,611	5,054	762.69
22	10,000 under 15,000	2,487,348	5,052	492.35
23	15,000 under 20,000	1,420,212	4,767	297.93
24	20,000 under 30,000	1,066,063	4,922	216.59
25	30,000 under 50,000	486,652	5,204	93.51
26	50,000 under 100,000	199,524	4,666	42.76
27	100,000 under 200,000	42,333	4,958	8.54
28	200,000 or more	20,871	20,871	1.00
30	Minimum tax $17,000 or more	313	313	1.00
	TOTAL	77,596,960	106,581	

1/ In some cases, returns are stratified by the largest single income item rather than by the size of adjusted gross income.

Code 4, columns 4, 5 — BLANK — For Statistics Division use only.

Code 6, columns 6, 7 — BLANK — For Statistics Division use only.

Explanation of Codes in Tape File — cont'd

Code 8, columns 8, 9 — For Statistics Division use only.

Code 10, columns 10, 11 — For Statistics Division use only.

Code 12, columns 12, 13 — DEPENDENT EXEMPTION - Coded from the number of dependents shown on lines 8 and 9, page 1 of Form 1040.

Dependent Exemptions........................00-99

Code 14, columns 14, 15 — TOTAL EXEMPTIONS - Coded from number of exemptions, as shown on line 10, page 1 of Form 1040.

Total Exemptions 01-99

Code 16, columns 16, 17 — EXEMPTIONS OTHER THAN AGE OR BLINDNESS - Computed from total exemptions, line 10, page 1 of Form 1040 less lines 6 and 7, "65 and over" and "Blind", page 1 of Form 1040.

Exemptions Other Than Age or Blindness 01-99

Code 18, columns 18, 19 — For Statistics Division use only.

Code 20, columns 20, 21 — For Statistics Division use only.

Code 22, columns 22, 23 — BLANK

Code 24, columns 24, 25 — BLANK

Code 26, column 26 — TAXABLE-NONTAXABLE - Coded according to presence or absence of an amount in either field 15 (tax after credits), or field 48 (minimum tax).

Taxable/Nontaxable
- Taxable returns 1
- Nontaxable returns..................2

Code 27, column 27 — FORM OF DEDUCTION - Coded according to type of deduction used in computation of taxable income.

Form of Deduction
- Itemized........................1
- Itemized With No Detail.........2
- Percentage Standard.............3
- Low Income Allowance............4
- No AGI..........................5

Explanation of Codes in Tape File — cont'd

Code 28, column 28 — MARITAL STATUS - Coded from "Filing Status," lines 1-5, page 1 of Form 1040.

Marital Status

Single	1
Joint	2
Separate	3
Head of Household	4
Surviving Spouse	5

Code 29, column 29 — SCHEDULE - Indicates type of tax schedule a taxpayer is eligible to use.

Schedule

Single	1 (X)
Joint and Surviving Spouse	2 (Y1)
Separate	3 (Y2)
Head of Household	4 (Z)

Code 30, column 30 — FILING PERIOD - Coded for full or part year as shown on top lines of page 1 of Form 1040.

Filing Period — tax year beginning:

Before May 1, 1967	1
May 1, 1967 - December 31, 1969	2
January 1 - June 30, 1970	3
July 1 - December 31, 1970	4
On January 1, 1971	5
After January 1, 1971 but before January 1, 1972	6
On January 1, 1972	7
After January 1, 1972	8

Code 31, column 31 — TAX STATUS - Indicates type of tax computation used.

Tax Status

Non-Computed with Taxable Income[1]	1
Regular with No Taxable Income	2
Normal Tax Regular	3
Income Averaging	4
Alternative Tax (Regular)	5
Maximum Tax (Regular)	6
Maximum Tax (Alternative)	7
Minimum Tax Only	8
Non-Computed with No Taxable Income[1]	9

1/ Computations performed by IRS have been entered into the appropriate fields.

Explanation of Codes in Tape File — cont'd

Code 45, column 45 — CAPITAL GAINS PRESENCE - Coded from type of tax computation used on capital gains.

Capital Gains Presence
- Returns With No Capital Gains..................0
- Returns With Regular Tax.......................1
- Returns With Alternative Tax Computation Rates.......................2
- Returns With Regular And Alternative Tax Computation Rates...........3

Code 46, colum 46 — BLANK - For Statistics Division use only.

Code 47, column 47 — MAJOR SOURCE OF INCOME - Coded from the income items with the largest amount of income on page 1 or 2 of Form 1040 or from Schedule E.

Major Source of Income
- No Source of Income...........................00
- Salaries and Wages............................01
- Business or Profession Net Profit.............02
- Farm Net Profit...............................03
- Partnership Net Profit........................04
- Dividend in Adjusted Gross Income.............05
- Interest Received.............................06
- Net Gain From Sales of Capital Assets.........07
- Other Income Sources..........................08

Code 48, column 48 — MAJOR SOURCE OF LOSS - Coded from the income item with the largest amount of loss on page 1 or 2 of Form 1040 or from Schedule E.

Major Source of Loss
- No Source of Loss.............................00
- Business or Profession Net Loss...............01
- Farm Net Loss.................................02
- Partnership Net Loss..........................03
- Net Loss From Sales of Capital Assets.........04
- Other Loss Sources............................05

Code 49, column 49 — BLANK

Explanation of Fields in Tape File
(References are to the 1972 Form 1040;
references also apply to the
corresponding 1972 Form 1040A lines)

Field	
1	TAXPAYER EXEMPTIONS - lines 6 and 7, "Regular," page 1 of Form 1040.
2	AGE EXEMPTIONS - lines 6 and 7, "65 and over," page 1 of Form 1040.
3	BLIND EXEMPTIONS - lines 6 and 7, "Blind," page 1 of Form 1040.
4	DEPENDENT EXEMPTIONS - the sum of lines 8 and 9, page 1 of Form 1040.
5	TOTAL EXEMPTIONS - line 10, page 1 of Form 1040.
6	STUDENT EXEMPTIONS - line 34, page 2 of Form 1040 limited to a maximum of 9.
7	WAGES, ETC. - line 11, page 1 of Form 1040.
8	INCOME AVERAGING TAXABLE INCOME - this equalled the amount, computed for the Statistics, which would have produced the same tax under the regular tax computation method.
9	TOTAL DIVIDENDS BEFORE EXCLUSION - line 12a, page 1 of Form 1040.
10	DIVIDENDS IN AGI - line 12c, page 1 of Form 1040.
11	INTEREST - line 13, page 1 of Form 1040.
12	ADJUSTED GROSS INCOME OR DEFICIT - line 17, if positive or negative, page 1 of Form 1040.
13	INCOME SUBJECT TO TAX - if the regular tax computation was used, this equalled taxable income (Field 38). If the alternative tax computation was used, this equalled the larger of taxable income (Field 38) or one-half excess net long-term capital gain over net short-term capital loss (Field 93). If income averaging was used, this equalled the amount, computed for the Statistics, which would have produced the same tax under the regular tax computation method.
14	INCOME TAX BEFORE CREDITS AND SURCHARGE - line 18, page 1 of Form 1040.

Explanation of Fields in Tape File--Continued

Field	
15	INCOME TAX AFTER CREDITS - line 20, page 1 of Form 1040. (Note: On prior-year delinquent returns for tax years 1968 - 1970, this may include small amounts of surcharge).
16	INCOME TAX WITHHELD - line 23, page 1 of Form 1040.
17	1972 ESTIMATED TAX PAYMENTS - line 24, page 1 of Form 1040.
18	BALANCE DUE - line 28, page 1 of Form 1040.
19	OVERPAYMENTS REFUNDED - line 30, page 1 of Form 1040.
20	OVERPAYMENTS CREDITED TO 1973 ESTIMATED TAX - line 31, page 1 of Form 1040.
21	BUSINESS INCOME - line 35, if positive, page 2 of Form 1040.
22	BUSINESS LOSS - line 35, if negative, page 2 of Form 1040.
23	SUPPLEMENTAL SCHEDULE NET GAIN - line 37, if positive, page 2 of Form 1040.
24	SUPPLEMENTAL SCHEDULE NET LOSS - line 37, if negative, page 2 of Form 1040.
25	FARM INCOME - line 39, if positive, page 2 of Form 1040.
26	FARM LOSS - line 39, if negative, page 2 of Form 1040.
27	FULLY TAXABLE PENSIONS AND ANNUITIES FORM 1040 - line 40, page 2 of Form 1040.
28	*CAPITAL GAIN DISTRIBUTIONS - line 41, page 2 of Form 1040.
29	STATE INCOME TAX REFUNDS - line 42, page 2 of Form 1040.
30	ALIMONY - line 43, page 2 of Form 1040.
31	OTHER INCOME - line 44, if positive, page 2 of Form 1040.
32	OTHER LOSS - line 44, if negative, page 2 of Form 1040.
33	SICK PAY ADJUSTMENT - line 46, page 2 of Form 1040.
34	MOVING EXPENSE ADJUSTMENT - line 47, page 2 of Form 1040.
35	EMPLOYEE BUSINESS EXPENSE ADJUSTMENT - line 48, page 2 of Form 1040.
36	PAYMENTS TO A RETIREMENT PLAN ADJUSTMENT - line 49, page 2 of Form 1040.

Explanation of Fields in Tape File--Contd.

Field	
37	TOTAL DEDUCTIONS - line 52, page 2 of Form 1040. (NOTE: In the case of taxpayers using the tax tables, a computed amount was entered in Field 37).
38	TAXABLE INCOME - line 55, page 2 of Form 1040. (See note to Field 37).
39	RETIREMENT INCOME CREDIT - line 56, page 2 of Form 1040.
40	INVESTMENT CREDIT - line 57, page 2 of Form 1040.
41	FOREIGN TAX CREDIT - line 58, page 2 of Form 1040.
42	CONTRIBUTIONS TO CANDIDATES CREDIT - line 59, page 2 of Form 1040.
43	WORK INCENTIVE PROGRAM CREDIT - line 60, page 2 of Form 1040.
44	ORDINARY INCOME SUBJECT TO REGULAR RATES - a computed amount equal to other taxable income subject to regular rates (Field 142) less capital gains taxed at upper rate (Field 75).
45	OTHER TAX CREDITS - a computed amount equal to total credits (line 61, page 2 of Form 1040) minus retirement income credit (Field 39) minus investment credit (Field 40) minus foreign tax credit (Field 41) minus contributions to candidates credit (Field 42) minus Work Incentive Program credit (Field 43).
46	SELF-EMPLOYMENT TAX - line 62, page 2 of Form 1040.
47	RECOMPUTED TAX - line 63, page 2 of Form 1040.
48	MINIMUM TAX - line 64, page 2 of Form 1040.
49	SOCIAL SECURITY TAX ON TIPS - line 65, page 2 of Form 1040.
50	EXCESS FICA PAYMENTS - line 68, page 2 of Form 1040.
51	CREDIT FOR FEDERAL TAX ON GASOLINE - line 69, page 2 of Form 1040.
52	TOTAL OTHER PAYMENTS - line 71, page 2 of Form 1040.
53	ONE-HALF INSURANCE PREMIUMS - line 1, Schedule A of Form 1040.
54	MEDICINE AND DRUGS IN EXCESS OF 1% - line 4, Schedule A of Form 1040.

Explanation of Fields in Tape File--Contd.

Field	
55	BALANCE OF INSURANCE PREMIUMS - line 5, Schedule A of Form 1040.
56	MEDICAL AND DENTAL IN EXCESS OF 3% - line 9, Schedule A of Form 1040.
57	TOTAL MEDICAL AND DENTAL EXPENSES - line 10, Schedule A of Form 1040.
58	REAL ESTATE TAXES - line 11, Schedule A of Form 1040.
59	STATE AND LOCAL GASOLINE TAXES - line 12, Schedule A of Form 1040.
60	GENERAL SALES TAXES - line 13, Schedule A of Form 1040.
61	STATE AND LOCAL INCOME TAXES - line 14, Schedule A of Form 1040.
62	PERSONAL PROPERTY TAXES - line 15, Schedule A of Form 1040.
63	TOTAL TAXES - line 17, Schedule A of Form 1040.
64	CASH CONTRIBUTIONS - line 18, Schedule A of Form 1040.
65	CARRYOVER CONTRIBUTIONS - line 20, Schedule A of Form 1040.
66	UNUSED CONTRIBUTIONS TO CANDIDATES CREDIT - a computed amount representing reduction in minimum tax. Minimum tax is shown on line 21, Form 4625.
67	TOTAL CONTRIBUTIONS - line 21, Schedule A of Form 1040.
68	HOME MORTGAGE INTEREST - line 22, Schedule A of Form 1040.
69	INSTALLMENT PURCHASES INTEREST - line 23, Schedule A of Form 1040.
70	INVESTMENT INTEREST - line 17, Form 4952; line 24, Schedule A of Form 1040.
71	TOTAL INTEREST EXPENSE - line 25, Schedule A of Form 1040.
72	NET CASUALTY AND THEFT LOSS - line 30, Schedule A of Form 1040.

Explanation of Fields in Tape File--Contd.

Field	
73	CHILD CARE EXPENSES - line 31, Schedule A of Form 1040.
74	CAPITAL GAINS TAXED AT 50% RATE - a computed amount equal to one-half excess net long-term capital gain (Field 93) when Field 93 is $25,000 or less ($12,500 for returns with marital status code 3, separate returns). When Field 93 is greater than $25,000 ($12,500 for returns with martial status code 3, separate returns), a computed amount equal to the larger of [illegible] $25,000 ($12,500 for returns with marital status code 3, separate returns) or one-half of long-term gains from installment sales (Field 96). On returns with tax status code equal to 7, maximum/alternative tax computation, Field 74 was limited to taxable income minus earned taxable income.
75	CAPITAL GAINS TAXED AT UPPER RATE - a computed amount equal to one-half excess net long-term capital gain (Field 93) minus capital gains taxed at 50% rate (Field 74). On returns with tax status code equal to 7, maximum/alternative tax computation, Field 75 was limited to taxable income minus earned taxable income minus capital gains taxed at 50% rate.
76	OTHER MISCELLANEOUS DEDUCTIONS - a computed amount equal to total miscellaneous deductions (Field 78) minus political contributions (Field 77).
77	POLITICAL CONTRIBUTIONS - an amount taken from the miscellaneous deductions portion of Schedule A of Form 1040.
78	TOTAL MISCELLANEOUS DEDUCTIONS - line 32, Schedule A of Form 1040.
79	TOTAL DIVIDENDS AND DISTRIBUTIONS - line 2, Part I, Schedule B of Form 1040.
80	CAPITAL GAINS DISTRIBUTION - line 3, Part I, Schedule B of Form 1040.
81	NONTAXABLE DISTRIBUTION - line 4, Part I, Schedule B of Form 1040.
82	SHORT-TERM CAPITAL LOSS CARRYOVER - a computed amount equal to line 4(a) plus line 4(b), Part I, Schedule D of Form 1040.
83	CAPITAL GAINS TAX GENERATED AT 50% RATE - a computed amount equal to capital gains taxed at 50% rate (Field 74) times .50. (Line 56, Part VI, Schedule D of Form 1040, if tax status code equals 5, alternative (regular) tax computation; line 32 of Form 4726 if tax status code equals 7, maximum/alternative tax computation).

Explanation of Fields in Tape File--Contd.

Field	
84	CAPITAL GAINS TAX GENERATED AT UPPER RATE - line 54, Part VI, Schedule D of Form 1040, if tax status code equals 5, alternative (regular) tax computation; line 28 of Form 4726 if tax status code equals 7, maximum/alternative tax computation.
85	NET SHORT-TERM GAIN AFTER CARRYOVER - line 5, if positive, Part I, Schedule D of Form 1040.
86	NET SHORT-TERM LOSS AFTER CARRYOVER - line 5, if negative, Part I, Schedule D of Form 1040.
87	PRE-1970 LONG-TERM CAPITAL LOSS CARRYOVER - line 12(a), Part II, Schedule D of Form 1040.
88	POST-1969 LONG-TERM CAPITAL LOSS CARRYOVER - line 12(b), Part II, Schedule D of Form 1040.
89	NET LONG-TERM GAIN AFTER CARRYOVER - line 13, if positive, Part II, Schedule D of Form 1040.
90	NET LONG-TERM LOSS AFTER CARRYOVER - line 13, if negative, Part II, Schedule D of Form 1040.
91	NET LOSS BEFORE LIMITATION - line 14, if negative, Part III, Schedule D of Form 1040.
92	NET LONG-TERM GAIN IN EXCESS OF SHORT-TERM LOSS - a computed amount equal to net long-term gain after carryover (Field 89) minus net short-term loss after carryover (Field 86).
93	ONE-HALF EXCESS NET LONG-TERM CAPITAL GAIN - line 15(a), Part III, Schedule D of Form 1040.
94	NET CAPITAL GAIN - line 15(b), if positive, Part III, Schedule D of Form 1040.
95	NET CAPITAL LOSS - line 16(b), if negative, Schedule D of Form 1040.
96	LONG-TERM GAINS FROM INSTALLMENT SALES - line 48, Part VI, Schedule D of Form 1040.
97	PENSION AND ANNUITY INCOME (TAXABLE PORTION) - a computed amount equal to line 40, page 2 of Form 1040 plus line 5, Part I, Schedule E of Form 1040.
98	RENT NET INCOME - portion of line 2 attributable to rent, if positive, Part II, Schedule E of Form 1040.
99	RENT NET LOSS - portion of line 2 attributable to rent, if negative, Part II, Schedule E of Form 1040.

Explanation of Fields in Tape File--Contd.

Field	
100	TAX PREFERENCE, TYPE NOT REPORTED - a computed amount equal to minimum tax (Field 48) times .10 plus exclusion (Field 134) plus recomputed tax (Field 47) plus income tax after credits (Field 15). On returns with minimum tax (Field 48), but with no Form 4625 filed, a computed amount of tax preferences which would be needed to generate the indicated amount of minimum tax.
101	RECOMPUTED TOTAL TAX PREFERENCE INCOME - a computed amount comparable to line 2 of Form 4625 minus no benefit deduction claimed (Field 121).
102	TAX PREFERENCE INCOME LESS EXCLUSION - a computed amount equal to recomputed total tax preference income (Field 101) minus tax preference exclusion (Field 134).
103	ROYALTY NET INCOME - portion of line 2 attributable to royalties, if positive, Part II, Schedule E of Form 1040.
104	ROYALTY NET LOSS - portion of line 2 attributable to royalties, if negative, Part II, Schedule E of Form 1040.
105	PARTNERSHIP NET INCOME - portion of line 2 attributable to partnerships, if positive, Part III, Schedule E of Form 1040.
106	PARTNERSHIP NET LOSS - portion of line 2 attributable to partnerships, if negative, Part III, Schedule E of Form 1040.
107	ESTATE OR TRUST NET INCOME - portion of line 2 attributable to to estates or trusts, if positive, Part III, Schedule E of Form 1040.
108	ESTATE OR TRUST NET LOSS - portion of line 2 attributable to estates or trusts, if negative, Part III, Schedule E of Form 1040.
109	SMALL BUSINESS CORPORATION INCOME - portion of line 2 attributable to small business corporations, if positive, Part III, Schedule E of Form 1040.
110	TAX PREFERENCE INCOME SUBJECT TO TAX - a computed amount equal to tax preference income less exclusion (Field 102) minus income tax after credits (Field 15) minus recomputed tax (Field 47) minus tax carryover from prior year (Field 135), but never less than zero.
111	TENTATIVE TAX ON PREFERENCES - a computed amount equal to tax preference income subject to tax (Field 110) times .10.
112	NET TENTATIVE TAX FOR TAX PREFERENCES - a computed amount equal to tentative tax on preferences (Field 111) minus .10 times 1972 net operating loss carryover (Field 136).

Explanation of Fields in Tape File--Contd.

Field	
113	SMALL BUSINESS CORPORATION LOSS - portion of line 2 attributable to small business corporations, if negative, Part III, Schedule E of Form 1040.
114	TOTAL INCOME EARNED ABROAD - line 17 of Form 2555.
115	EXEMPT AMOUNT - line 18 of Form 2555.
116	ACCELERATED DEPRECIATION, LOW-INCOME RENTAL - line 1(a)(1) of Form 4625.
117	ACCELERATED DEPRECIATION, OTHER REAL PROPERTY - line 1(a)(2) of Form 4625.
118	ACCELERATED DEPRECIATION, PERSONAL PORPERTY - line 1(b) of Form 4625.
119	AMORTIZATION OF CERTIFIED POLLUTION CONTROL FACILITIES - line 1(c) of Form 4625.
	amount comparable to line 16 of Form 4625 (takes account of no benefit deductions claimed).
121	NO BENEFIT DEDUCTION CLAIMED - This may occur whenever a taxpayer had so many deductions and exemptions that, even

Explanation of Fields in Tape File--Contd.

Field	
127	RESERVES FOR BAD DEBTS - line 1(h) of Form 4625.
128	DEPLETION - line 1(i) of Form 4625.
129	CAPITAL GAINS - line 1(j) of Form 4625.
130	EARNED TAXABLE INCOME - a computed amount comparable to line 9 of Form 4726. The computation involved multiplying the ratio of earned net income (Field 144) to adjusted gross income (Field 12) by taxable income (Field 38). This result was then reduced by the tax preferences offset (Field 145).
131	UNEARNED TAXABLE INCOME - a computed amount for maximum tax returns equal to other taxable income (Field 132) minus tax preference offset (Field 145).
132	OTHER TAXABLE INCOME - a computed amount for maximum tax returns equal to taxable income (Field 38) minus earned taxable income (Field 130).
133	TOTAL TAX PREFERENCE INCOME - line 2 of Form 4625.
134	EXCLUSION - line 3 of Form 4625.
135	TAX CARRYOVER FROM PRIOR YEAR - line 7 of Form 4625.
136	1972 NET OPERATING LOSS CARRYOVER - line 11 of Form 4625.
137	MINIMUM TAX DEFERRED FROM PRIOR YEAR - line 15 of Form 4625.
138	UNUSED RETIREMENT INCOME CREDIT - line 19 of Form 4625.
139	MINIMUM TAX AFTER ADJUSTMENT - line 21 of Form 4625.
140	EARNED TAXABLE INCOME SUBJECT TO REGULAR RATES - equal to $38,000 for returns with marital status codes 1 and 4 (single returns and head of household returns); equal to $52,000 for returns with marital status codes 2 and 5 (joint returns and surviving spouse returns). (line 10 of Form 4726).
141	EARNED TAXABLE INCOME SUBJECT TO MAXIMUM RATE - a computed amount equal to earned taxable income (Field 130) minus earned taxable income subject to regular rates (Field 140). (line 11 of Form 4726).

Explanation of Fields in Tape File--Contd.

Field	
142	OTHER TAXABLE INCOME SUBJECT TO REGULAR RATES - if taxpayer uses regular maximum tax (line 17 of Form 4726), then equals other taxable income (Field 132); if taxpayer use alternative-maximum tax (line 34 of Form 4726), then equals other ... rate (Field 74).
143	EARNED INCOME - line 1 of Form 4726.
144	EARNED NET INCOME - line 3 of Form 4726.
145	TAX PREFERENCE ITEMS IN EXCESS OF $30,000 - line 8c of Form 4726.
146	ADJUSTED EARNED TAXABLE INCOME - line 11 of Form 4726. (Unverified, keypunched field. Field 141 should be used instead.)
147	INCOME TAX BEFORE CREDITS GENERATED AT REGULAR RATE ON

SAMPLE DESCRIPTION

The 1972 Individual Tax Model (National File) is a random subsample of 106,581 returns selected from the Statistics of Income sample of 270,469 (less 26,816 manually selected returns) Forms 1040 and 1040A filed for 1972. Sample counts and weighting factors are shown on page 3. The sample code identifies the stratum from which a return was selected and indicates the weight factor to be applied to that return.

The coefficients of variation computed for estimates from the Tax Model sample can be expected to be about 34 percent higher than similar estimates derived from the Statistics of Income sample. The following two tables give some indication of the reliability of Tax Model estimates. It should be noted, however, that these tables assume that returns are only stratified by adjusted gross income when in fact they may also be stratified by other criteria.

A description of the Statistics of Income sample, as well as measures of sampling variability for selected estimates, are shown in the complete report, Statistics of Income, 1972, Individual Income Tax Returns.

Statement on Sampling Variability for the 1972 Individual Tax Model

The following table is a general guide based on sample weight factors for the 1972 Individual Tax Model. Frequency estimates (and corresponding dollar amounts) below the levels in the following table should not be considered reliable.

Sample Code	AGI Class (1,000's)			Number of Returns
	Non-Business Returns			
11	AGI	under	10	53,344
12	10	"	15	21,907
13	15	"	20	11,476
14	20	"	50	6,877
15	50	"	100	694
16	100	"	200	118
17	200	or	More	0
	Business Returns (Schedule C, F, or C and F attached)			
21	AGI	under	10	6,868
22	10	"	15	4,438
23	15	"	20	2,683
24	20	"	30	1,954
25	30	"	50	847
26	50	"	100	388
27	100	"	200	82
28	200	or	More	0
	Non-Business and Business Returns with Minimum Tax $17,000 or more			
30	-	-	-	0

THE UPPER LIMIT COEFFICIENT OF VARIATION FOR THE

ESTIMATED NUMBER OF RETURNS, 1972 TAX MODEL

Estimated Number of Returns	RETURNS WITH ADJUSTED GROSS INCOME OR DEFICIT (PERCENT)						
	Under $10,000	$10,000 under $15,000	$15,000 under $20,000	$20,000 under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 and over
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
30	(1)	(1)	(1)	(1)	(1)	(1)	No sampling variability since all returns are in sample
100	(1)	(1)	(1)	(1)	(1)	33.17	
300	(1)	(1)	(1)	(1)	(1)	19.15	
500	(1)	(1)	(1)	(1)	(1)	14.83	
1,000	(1)	(1)	(1)	(1)	27.49	10.49	
3,000	(1)	(1)	(1)	(1)	15.87	6.05	
5,000	(1)	(1)	(1)	(1)	12.29	4.69	
10,000	(1)	(1)	35.69	27.61	8.69	3.32	
15,000	(1)	(1)	29.14	22.55	7.09	2.70	
20,000	(1)	34.87	25.24	19.52	6.14	2.35	
25,000	(1)	31.19	22.57	17.46	5.50	2.10	
50,000	34.42	22.05	15.96	12.35	3.89	1.48	
100,000	24.34	15.59	11.28	8.73	2.74	1.05	
300,000	14.05	9.00	6.51	5.04	1.58	(2)	
500,000	10.89	6.97	5.04	3.90	1.22	(2)	
1,000,000	7.69	4.93	3.56	2.76	(2)	(2)	
3,000,000	4.44	2.85	2.05	1.58	(2)	(2)	
10,000,000	2.43	1.55	(2)	(2)	(2)	(2)	

Note: The Coefficients of Variation were derived by an "Upper Limit" formula and are expressed as a percent for the frequency estimates. Amount estimates generally have Coefficients of Variation somewhat greater than those of their associated frequencies. For Frequencies not classified by Adjusted Gross Income, Column (2) of the table should be used.

(1) Sample too small to yield reliable estimate of sampling variability.

(2) Not applicable since number of returns in Column (1) exceeds range of possible frequency estimates.

TECHNICAL DESCRIPTION OF THE FILES

Each "data record" in the file, representing one tax return, is composed of 846 bytes. Logical tape records are made up of 5 data records and are separated by a 3/4 inch "inter record gap" (IRG). There is no special indication of the end of a logical tape record other than the IRG, and no indication of the end of a data record.

Tape characters are recorded in EBCDIC (extended binary coded decimal interchange) on standard 2,400 1/2 inch, nine-track tape, at a density of 1600 bpi (bytes per inch) in the PE (phase encoding) mode. In this mode, a 1-bit and a 0-bit are recorded as signals of opposite polarity in ODD parity (a parity bit is set to 1 or 0 so that there is always an ODD number of 1-bits in a nine-bit character).

Each code and data field is numeric and defined as packed decimal. In the packed decimal format, each byte contains two decimal digits, except the byte containing the units digit. This byte contains the unit digit and the sign of the filed. Each code and field is defined as being signed and contains a bit configuration for the plus sign (C, binary 1100).

Codes are defined as 1 or 2 bytes in length. The one-byte codes contain a decimal digit from 0 through 9. The two-byte codes contain three decimal digits in the range 000 through 099. The largest decimal value is 99. The fields in the file are five bytes in length and contain 9 decimal digits with leading zeroes. The first six fields are number fields and contain decimal values in the range of 0 through 99. Fields 7 through 150 have a maximum of eight significant digits. the weight field contains an integer weight value.

The file is a single data set on multiple volumes and uses IBM 360 Standard labels. A standard set of 360 labels consists of a volume label two header labels, and two trailer labels. All labels are 80 characters in length, recorded in EBCDIC, in ODD parity.

The IBM Standard value label (VOL1) is used to identify the tape volume and its owner. It is always the first record on an IBM Standard labeled tape.

The volume label is followed by data set label 1 (HDR1). The HDR1 label contains such information as "HDR1", the data set name, expiration date, and block count.

Data set label 2 (HDR2) follows data set label 1. The HDR2 label contains such information as "HDR2", the record format, ie; fixed, variable or undefined length, record length, block length, and other attributes of the data set.

The HDR2 label is followed by a tape mark, the data set or part of the data set for multiple volumes, a tape mark, a data set label 1 (EOV1 or EOF1) containing the same information as the "HDR1" label, a data set label 2 (EOV2 of EOF2) containing the same information as the "HDR2" label. An EOV label is followed by a tape mark. An EOF2 label is followed by two tape marks which indicate the end of the data set.

Format of IBM Standard Volume Label (VOL1)

Position	Number of Bytes	Field Number and Name	Contents
1-3	3	1 - Label Identifier	VOL
4	1	2 - Label Number	1
5-10	6	3 - Volume Serial Number	
11	1	4 - Reserved	0
12-21	10	5 - VTOC Pointer (Direct access only)	blanks
22-31	10	6 - Reserved	blanks
32-41	10	7 - Reserved	blanks
42-51	10	8 - Owner's Name	
52-80	29	9 - Reserved	blanks

Format of IBM Standard Data Set Label 1

Position	Number of Bytes	Field Number and Name	Contents
1-3	3	1 - Label Identifier	HDR -- for a header label (at the beginning of a data set). EOV -- for a trailer label (at the end of a tape volume, when the data set continues on another volume. EOF -- for a trailer label (at the end of a data set).
4	1	2 - Label Number	1
5-21	17	3 - Data Set Identifier	TAPE.SMI204A4
22-27	6	4 - Data Set Serial Number	TAPE serial number of the first volume of the data set.

Format of IBM Standard Data Set Label 1 (cont'd)

Position	Number of Bytes	Field Number and Name	Contents
28-31	4	5 - Volume Sequence Number	Sequence number of the volume in the data set. The number is in the range 0001 - 9999
32-35	4	6 - Data Set Sequence Number	1
36-39	4	7 - Generation Number	blanks
40-41	2	8 - Version Number	blanks
42-47	6	9 - Creation Date	In the format byyddd
48-53	6	10 - Expiration Date	In the format byyddd
54	1	11 - Data Set Security	0 -- no security protection
[illegible]	[illegible]	12 - Block Count	Zeroes for a header [illegible] a trailer.
61-73	13	13 - System Code	
74-80	7	14 - Reserved	blanks

Format of IBM Standard Data Set Label 2

Position	Number of Bytes	Field Number and Name	Contents
1-3	3	1 - Label Identifier	HDR -- for a header label (at the beginning of a data set). EOV -- for a trailer label (at the end of a tape volume, when the data set continues on another volume). EOF -- for a trailer label (at the end of a data set).

Format of IBM Standard Data Set Label 2 (cont'd)

Position	Number of Bytes	Field Number and Name	Contents
4	1	2 - Label Number	Always 2
5	1	3 - Record Format	F -- Fixed Length
6-10	5	4 - Block Length	04230
11-15	5	5 - Record Length	00846
16	1	6 - Tape Density	3 - for 1600 bpi
17	1	7 - Data Set Position	0 - for first volume 1 - for other volumes of data set
18-34	17	8 - Job/Job step Identification	
35-36	2	9 - Tape Recording Technique	blank
37	1	10 - Printer Control Character	blank
38	1	11 - Reserved	blank
39	1	12 - Block Attribute	B -- blocked records
40-80	41	13 - Reserved	

Comments on IBM Standard Labels used with the 360 Version of the Tax Model

The information provided on header labels for the 7074 Tax Model runs were Data Center conventions and may not have been useful to other users. The format of the IBM Standard Labels are standard; however, most of the information is not used and will vary each time we create a file.

There are three types of labels and a total of five labels on each reel. Most of the information will vary from reel to reel and is not used by the operating system.

A narrative description of each type of label as defined in the IBM Publication is included because a regular format is difficult to lay out.

A regular IBM-360 user needs the following information:

1. Volume serial number - on outside of reel.

2. Data set name (DSN or DSNAME) - as requested.

3. Record length - 846 bytes.

4. Record format - FB for fixed block.

Non-360 users would need the tape density, blocksize and recording mode.

For your information and as a reference for any user, a layout of the three types of labels may be found in the IBM Publication - "IBM System/360 Operating System, Tape Labels, Order Number GC 28-6680-3."

VOL1 is figure 5 on page 32, Data Set Label 1 is figure 6 on page 36 and Data Set Label 2 is figure 7 on page 42.

Other Dependents

(a) NAME	(b) Relationship	(c) Months lived in your home. If born or died during year, write B or D.	(d) Did dependent have income of $750 or more?	(e) Amount YOU furnished for dependent's support. If 100% write ALL.	(f) Amount furnished by OTHERS including dependent.
				$	$

32 Total number of dependents listed in column (a). Enter here and on line 9 . . . . ▶

Revenue Sharing

33 Print or type the location of your principal place of residence at end of year (not necessarily the same as your post office address).

(a) State	(b) County	(c) Locality. If you lived inside the boundaries of an incorporated city, town, etc., enter its name; if not, check here ▶ ☐	(d) Township (see instructions on page 8)

34 Enter the number of persons included on line 10 who (1) are filing a return of their own; or, (2) did not live at your principal place of residence at the end of the year . . . . ▶

For IRS use only—Leave blank

PART I.—Income other than Wages, Dividends, and Interest

35 Business income (or loss) (attach Schedule C)	35	
36 Net gain (or loss) from sale or exchange of capital assets (attach Schedule D)	36	
37 Net gain (or loss) from Supplemental Schedule of Gains and Losses (attach Form 4797) . . .	37	
38 Pensions and annuities, rents and royalties, partnerships, estates or trusts, etc. (attach Schedule E)	38	
39 Farm income (or loss) (attach Schedule F)	39	
40 Fully taxable pensions and annuities (not reported on Schedule E—see instructions on page 8) .	40	
41 50% of capital gain distributions (not reported on Schedule D)	41	
42 State income tax refunds (caution—see instructions on page 8)	42	
43 Alimony	43	
44 Other (state nature and source)	44	
45 Total (add lines 35 through 44). Enter here and on line 14 . . . . ▶	45	

PART II.—Adjustments to Income

46 "Sick pay" if included in income (attach Form 2440 or other required statement)	46	
47 Moving expense (attach Form 3903)	47	
48 Employee business expense (attach Form 2106 or other statement)	48	
49 Payments as a self-employed person to a retirement plan, etc. (see Form 4848)	49	
50 Total adjustments (add lines 46, 47, 48, and 49). Enter here and on line 16 . . . . . . ▶	50	

PART III.—Tax Computation (Do not use this part if you use Tax Tables 1–12 to find your tax.)

51 Adjusted gross income (from line 17)	51	
52 (a) If you itemize deductions, enter total from Schedule A, line 40 and attach Schedule A (b) If you do not itemize deductions, enter 15% of line 51, but do NOT enter more than $2,000. ($1,000 if line 3 is checked) . . .	52	
53 Subtract line 52 from line 51	53	
54 Multiply total number of exemptions claimed on line 10, by $750	54	
55 **Taxable income.** Subtract line 54 from line 53	55	

(Figure your tax on the amount on line 55 by using Tax Rate Schedule X, Y or Z, or if applicable, the alternative tax from Schedule D, income averaging from Schedule G, or maximum tax from Form 4726.) Enter tax on line 18.

PART IV.—Credits

56 Retirement income credit (attach Schedule R)	56	
57 Investment credit (attach Form 3468)	57	
58 Foreign tax credit (attach Form 1116)	58	
59 Credit for contributions to candidates for public office—see instructions on page 9	59	
60 Work Incentive Program credit (attach Form 4874)	60	
61 Total credits (add lines 56, 57, 58, 59, and 60). Enter here and on line 19 . . . . ▶	61	

PART V.—Other Taxes

62 Self-employment tax (attach Schedule SE)	62	
63 Tax from recomputing prior-year investment credit (attach Form 4255)	63	
64 Minimum tax (see instructions on page 10). Check here ☐, if Form 4625 is attached	64	
65 Social security tax on tip income not reported to employer (attach Form 4137)	65	
66 Uncollected employee social security tax on tips (from Forms W–2)	66	
67 Total (add lines 62, 63, 64, 65, and 66). Enter here and on line 21 . . . . ▶	67	

PART VI.—Other Payments

68 Excess FICA tax withheld (two or more employers—see instructions on page 10)	68	
69 Credit for Federal tax on special fuels, nonhighway gasoline and lubricating oil (attach Form 4136)	69	
70 Credit from a Regulated Investment Company (attach Form 2439)	70	
71 Total (add lines 68, 69, and 70). Enter here and on line 26 . . . . ▶	71	

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Schedule B—Dividend and Interest Income

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side) | Your social security number

Part I Dividend Income

Note: If gross dividends (including capital gain distributions) and other distributions on stock are $200 or less, do not complete this part. But enter gross dividends less the sum of capital gain distributions and non-taxable distributions, if any, on Form 1040, line 12a (see note below).

1 Gross dividends (including capital gain distributions) and other distributions on stock. (List payers and amounts—write (H), (W), (J), for stock held by husband, wife, or jointly)

2 Total of line 1 . . . .

3 Capital gain distributions (see instructions on page 13. Enter here and on Schedule D, line 7). See note below . . .

4 Nontaxable distributions (see instructions on page 13) .

5 Total (add lines 3 and 4) . . . . . .

6 **Dividends before exclusion (subtract** line 5 from line 2). **Enter here and on** Form 1040, line 12a . . . .

Part II Interest Income

Note: If interest is $200 or less, do not complete this part. But enter amount of interest received on Form 1040, line 13.

7 Interest includes earnings from savings and loan associations, mutual savings banks, cooperative banks, and credit unions as well as interest on bank deposits, bonds, tax refunds, etc. Interest also includes original issue discount on bonds and other evidences of indebtedness (see instructions on page 13). (List payers and amounts)

8 Total interest income. Enter here and on Form 1040, line 13 . . . . . .

Note: If you received capital gain distributions and do not need Schedule D to report any other gains or losses or to compute the alternative tax, do not file that schedule. Instead, enter 50 percent of capital gain distributions on Form 1040, line 41.

B

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Schedules A&B—Itemized Deductions AND Dividend and Interest Income

(Form 1040)
Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040.

1972

Name(s) as shown on Form 1040 | Your social security number

Schedule A—Itemized Deductions (Schedule B on back)

Medical and dental expenses (not compensated by insurance or otherwise) for medicine and drugs, doctors, dentists, nurses, hospital care, insurance premiums for medical care, etc.

Contributions.—Cash—including checks, money orders, etc. (Itemize—see instructions on page 11 for examples.)

Part IV Capital Loss Limitation—Where Losses Are Shown on Both Lines 12(a) AND 13

17 Enter loss from line 5; if line 5 is zero or a gain, enter a zero	17	
18 Enter loss from line 13	18	
19 Enter gain, if any, from line 5; if line 5 is zero or a loss, enter a zero	19	
20 Reduce loss on line 18 to the extent of the gain, if any, on line 19	20	

SCHEDULE D (Form 1040)
Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1040. ▶ Examples of property to be reported on this Schedule are gains and losses on stocks, bonds, and similar investments, and gains (but not losses) on personal assets such as a home or jewelry.

1972

Name(s) as shown on Form 1040 | Social security number

D

Part I Short-term Capital Gains and Losses—Assets Held Not More Than 6 Months

	a. Kind of property and description (Example, 100 shares of "Z" Co.)	b. How acquired. Enter letter symbol (see instruction D)	c. Mo., day, yr. (Put date sold above dotted line and date acquired below dotted line)	d. Gross sales price	e. Cost or other basis, as adjusted (see instruction E) and expense of sale	f. Gain (or loss) (d less e)
1						

2	Enter your share of net short-term gain (or loss) from partnerships and fiduciaries	2	
3	Enter net gain (or loss), combine lines 1 and 2	3	
4(a)	Short-term capital loss component carryover from years beginning before 1970 (see Instruction H)	4(a)	
4(b)	Short-term capital loss carryover attributable to years beginning after 1969 (see Instruction H)	4(b)	
5	Net short-term gain (or loss), combine lines 3, 4(a) and 4(b)	5	

Part II Long-term Capital Gains and Losses—Assets Held More Than 6 Months

6						

7	Capital gain distributions	7	
8	Enter gain if applicable from line 4(a)(1), Form 4797 (see Instruction A)	8	
9	Enter your share of net long-term gain (or loss) from partnerships and fiduciaries	9	
10	Enter your share of net long-term gain from small business corporations (Subchapter S)	10	
11	Net gain (or loss), combine lines 6 through 10	11	
12(a)	Long-term capital loss component carryover from years beginning before 1970 (see Instruction H)	12(a)	
12(b)	Long-term capital loss carryover attributable to years beginning after 1969 (see Instruction H)	12(b)	
13	Net long-term gain (or loss), combine lines 11, 12(a) and 12(b)	3	

Part III Summary of Parts I and II

14 Combine the amounts shown on lines 5 and 13, and enter the net gain or loss here 14

15 **If line 14 shows a gain—**

(a) Enter 50% of line 13 or 50% of line 14, whichever is smaller (see Part VI for computation of alternative tax). Enter zero if there is a loss or no entry on line 13. . . . . 15(a)

(b) Subtract line 15(a) from line 14. Enter here and on line 36, Form 1040 . . . . 15(b)

16 **If line 14 shows a loss—**

▶ Omit lines 16(a) and 16(b) and go to Part IV if losses are shown on BOTH lines 12(a) and 13. See Instruction I.

▶ Otherwise,

(a) Enter one of the following amounts:

(*i*) If amount on line 5 is zero or a net gain, enter 50% of amount on line 14;
(*ii*) If amount on line 13 is zero or a net gain, enter amount on line 14; or,
(*iii*) If amounts on line 5 and line 13 are net losses, enter amount on line 5 added to 50% of amount on line 13 . . . . 16(a)

(b) Enter here and enter as a (loss) on line 36, Form 1040, the smaller of:

(*i*) The amount on line 16(a);
(*ii*) $1,000 ($500 if married and filing a separate return—if a loss is shown on line 4(a) or 12(a), see instruction M for a higher limit not to exceed $1,000); or,
(*iii*) Taxable income, as adjusted (see Instruction L) . . . . 16(b) (

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side) | Your social security number

If you received earned income in excess of $600 in each of any 10 calendar years before 1972, you may be entitled to a retirement income credit. If you elect to have the Service compute your tax (see page 4 of Form 1040 instructions), answer the question for columns A and B below and fill in lines 2 and 5. The Service will figure your retirement income credit and allow it in computing your tax. Be sure to attach Schedule R and write "RIC" on line 19 of Form 1040. If you compute your own tax, fill out all applicable lines of this schedule.

Married residents of Community Property States see Schedule R instructions.

Joint return filers use column A for wife and column B for husband. All other filers use column B only. Did you receive earned income in excess of $600 in each of any 10 calendar years before 1972? (Widows or widowers see Schedule R instructions.) If "Yes" in either column, furnish all information below in that column. Also furnish the combined information called for in column C for both husband and wife if joint return, both 65 or over, even if only one answered "Yes" in column A or B.	A ☐ Yes ☐ No	B ☐ Yes ☐ No	C Alternative Computation (Combined information of husband and wife if joint return and both 65 or over)
1 Maximum amount of retirement income for credit computation	$1,524 00	$1,524 00	$2,286 00
2 Deduct: (a) Amounts received as pensions or annuities under the Social Security Act, the Railroad Retirement Acts (but not supplemental annuities), and certain other exclusions from gross income			
(b) Earned income received (does not apply to persons 72 or over): (1) If you are under 62, enter amount in excess of $900			R
(2) If you are 62 or over but under 72, enter amount determined as follows: If $1,200 or less, enter zero . . . . If over $1,200 but not over $1,700, enter ½ of amount over $1,200; or if over $1,700, enter excess over $1,450 . . .			

Schedules E&R—Supplemental Income Schedule AND Retirement Income Credit Computation

(Form 1040)
Department of the Treasury
Internal Revenue Service

(From pensions and annuities, rents and royalties, partnerships, estates and trusts, etc.)
▶ Attach to Form 1040.

1972

Name(s) as shown on Form 1040 | Your social security number

Schedule E—Supplemental Income Schedule (Schedule R on back)

Part I Pension and Annuity Income. If fully taxable, do not complete this part. Enter amount on Form 1040, line 40. For each pension or annuity not fully taxable, attach a separate Part I and enter combined total of taxable portions on line 5.

1 Name of payer
2 Did your employer contribute part of the cost? ☐ Yes ☐ No
If "Yes," is your contribution recoverable within 3 years of the annuity starting date? ☐ Yes ☐ No
If "Yes," show: Your contribution $ Your contribution recovered in prior years $
3 Amount received this year
4 Amount excludable this year
5 Taxable portion (subtract line 4 from line 3)

Part II Rent and Royalty Income. Report rents and royalties here. If you need more space, you may use Form 4831.
Note: If you are reporting farm rental income here that is based on crops or livestock produced by a tenant farmer but you did not materially participate in the operation of the farm, see Schedule E Instructions, to determine if you should also file Form 4835.

(a) Kind and location of property If residential, also write "R"	(b) Total amount of rents	(c) Total amount of royalties	(d) Depreciation (explain below) or depletion (attach computation)	(e) Other expenses (Repairs, etc.—explain below)
1 Totals				

2 Net income (or loss) from rents and royalties (column (b) plus column (c) less columns (d) and (e))

Part III Income or Losses from Partnerships, Estates or Trusts, Small Business Corporations.
If any of the partnership, estate or trust income reported below is from farming, see Schedule E Instructions, to determine if you should also file Form 4835.

(a) Name and address	(b) Check applicable box: Partnership	Estate or Trust	Small Bus. Corp.	(c) Employer identification number	(d) Income or loss	(e) Additional 1st year depreciation (applicable only to partnerships and estates)
1 Totals						

2 Income (or loss) Total of column (d) less total of column (e).

TOTAL OF PARTS I, II, AND III (Enter here and on Form 1040, line 38)

Explanation of Column (e), Part II

Item	Amount	Item	Amount	Item	Amount

Schedule for Depreciation Claimed in Part II Above.

Note: If depreciation is computed by using the Class Life (ADR) System for assets placed in service after December 31, 1970, or the Guideline Class Life System for assets placed in service before January 1, 1971, you must file Form 4832 (Class Life (ADR) System) or Form 5006 (Guideline Class Life System). Except as otherwise expressly provided in income tax regulations sections 1.167(a)–11(b)(5)(vi) and 1.167(a)–12, the provisions of Revenue Procedures 62–21 and 65–13 are not applicable for taxable years ending after December 31, 1970. If you need more space, use Form 4562.

Check box if you made an election this taxable year to use ☐ Class Life (ADR) System and/or ☐ Guideline Class Life System.

(a) Group and guideline class or description of property	(b) Date acquired	(c) Cost or other basis	(d) Depreciation allowed or allowable in prior years	(e) Method of computing depreciation	(f) Life or rate	(g) Depreciation for this year
1 Total additional first-year depreciation (do not include in items below) →						
2 Depreciation from Form 4832						
3 Depreciation from Form 5006						
4 Other depreciation:						
5 Totals						

Summary of Depreciation (Other Than Additional First Year Depreciation)

	Straight line	Declining balance	Sum of the years-digits	Units of production	Other (specify)	Total
1 Depreciation from Form 4832						
2 Depreciation from Form 5006						
3 Other						

E

Computations on this page are not needed unless line 17, Form 1040 for 1972 is under $10,000 or you used the optional tax tables for 1971, 1970, 1969 or 1968.

Computation of Standard Deduction for 1972 if Adjusted Gross Income is Under $10,000

1 Enter 15% of line 17, Form 1040 (1972) (limited to $1,000 if married filing separately)	
2 Enter $1,300 ($650 if married filing separately)	
3 Standard deduction. Enter line 1 or 2 whichever is greater. (If married filing separately choose either line 1 or line 2. **Note:** If your wife (husband) uses the percentage standard deduction (line 1) both must use it.)	

Computation of Standard Deduction for 1971 if Adjusted Gross Income was Under $10,000

1 Enter 13% of line 18, Form 1040 (1971) (limited to $750 if you were married and filed separately)	
2 Enter $1,050 ($525 if you were married and filed separately)	
3 Standard deduction. Enter line 1 or 2 whichever is greater. (If you were married and filed separately choose either line 1 or line 2. **Note:** If your wife (husband) used the percentage standard deduction (line 1) both must use it.)	

Computation of Standard Deduction for 1970 if You Used the Optional Tax Tables

1 Enter 10% of line 18, Form 1040 (1970), but not more than $500 if you were married and filed separately				
(If you were married and filed separately, complete only line 2 or line 3, whichever is applicable. All other filers complete only lines 4 through 14.)				
2 If you used the low income allowance, enter the sum of $100 plus $100 for each exemption claimed on line 11, Form 1040 (1970), but not more than $500. 1970 standard deduction				
3 If you used the percentage standard deduction, enter amount from line 1. 1970 standard deduction				
4 Basic allowance. Enter the sum of $200 plus $100 for each exemption claimed on line 11, Form 1040 (1970), but not more than $1,000				
Computation of additional allowance:				
5 Limitation			$900.00	
6 Enter $100 for each exemption claimed on line 11, Form 1040 (1970)				
7 Enter amount from line 18, Form 1040 (1970)				
8 Enter the sum of $1,100 plus $625 for each exemption claimed on line 11, Form 1040 (1970)				
9 Subtract line 8 from line 7. If less than zero, enter zero				
10 Enter one-half of amount on line 9				
11 Add lines 6 and 10				
12 Additional allowance. Subtract line 11 from line 5. If less than zero, enter zero				
13 Low income allowance. Add lines 4 and 12				
14 Standard deduction. Enter amount from line 1 or line 13, whichever is greater				

Computation of Standard Deduction for Base Years 1969 and 1968 if You Used the Optional Tax Tables

If you were married and filed a separate return, complete only line 4 or line 5, whichever is applicable. All other filers complete only lines 1, 2, and 3.	1969	1968
1 Enter 10% of adjusted gross income		
2 Enter $200 plus $100 for each exemption claimed but not more than $1,000		
3 Standard deduction. Enter amount on line 1 or line 2 whichever is greater		
Married persons who filed separate returns:		
4 Standard deduction if you used the 10 percent standard deduction. Enter 10% of adjusted gross income		
5 Standard deduction if you used the minimum standard deduction. Enter $100 plus $100 for each exemption claimed but not more than $500		

SCHEDULE G (Form 1040)
Department of the Treasury
Internal Revenue Service

Income Averaging

▶ See instructions on pages 3 and 4.
▶ Attach to Form 1040.

1972

Name(s) as shown on Form 1040 | Your social security number

Taxable Income and Adjustments

	(a) Computation year 1972	(b) 1st preceding base period year 1971	(c) 2d preceding base period year 1970	(d) 3d preceding base period year 1969	(e) 4th preceding base period year 1968
1 Taxable income (see instruction 1)					
2 Income earned outside of the United States or within U.S. possessions and excluded under sections 911 and 931					
3 Excess community income and certain amounts received by owner-employees subject to a penalty under section 72(m)(5). See instruction 3					
4 Accumulation distributions subject to section 668(a)					
5 Adjusted taxable income or base period income. (Line 1 plus line 2, less lines 3 and 4). If less than zero, enter zero					

Computation of Averagable Income

6 Adjusted taxable income from line 5, column (a)	6	
7 30% of the sum of line 5, columns (b), (c), (d), and (e)	7	
8 Averagable income (line 6 less line 7)	8	

Complete the remaining parts of this form only if line 8 is more than $3,000. If $3,000 or less, you do not qualify for income averaging. Do not fill in rest of form.

G

Computation of Tax

9 Amount from line 7			9	
10 20% of line 8			10	
11 Total (add lines 9 and 10)			11	
12 Amount from line 3, column (a), less any income subject to a penalty under section 72(m)(5) which was included in line 3			12	
13 Total (add lines 11 and 12)			13	
14 Tax on amount on line 13			14	
15 Tax on amount on line 11	15			
16 Tax on amount on line 9	16			
17 Difference (line 15 less line 16)	17			

PART III.—To be Completed for Both Bona Fide Residence and Physical Presence

10 Enter below your total earned income, including noncash remuneration. (See Instructions 3 and 4(d).)

Is part of the income (such as bonuses) attributable to services performed in past years or to be performed for years other than this year? . . . . ☐ Yes ☐ No

If "Yes," see Instructions 6(a) and 11.

Do not report exempt income on your Form 1040, but enter all taxable income in the appropriate sections of the form. For those who receive all or part of their income in foreign currency, the value of foreign currency received should be translated into terms of United States dollars on the basis of the rates of exchange prevailing at the time the income is actually or constructively received.

Earned Income (for personal services rendered in foreign countries)	Exchange rates used	Amount (In U.S. dollars)
11 (a) Total wages, salaries, bonuses, commissions, etc. received during this year		
(b) Amount attributable to prior years or future years (See Instructions 6(a) and 11.)		
(c) Balance attributable to this year. Subtract line 11(b) from line 11(a)		
12 Pensions and annuities (See Instruction 6(d).)		
13 Allowable share of income for personal services rendered (See Instruction 3.)		
(a) In a business (including farming) or profession. Attach Schedule C or F		
(b) In a partnership (State name, address, and nature of income.)		
14 Noncash remuneration (Market value of property or facilities furnished by employer. Attach statement showing how determined.)		
(a) Home		
(b) Car		
(c) Other property facilities (Specify.)		
15 Other income (Specify.)		
16 Allowances or reimbursements		
(a) Cost of living		
(b) Overseas differential		
(c) Family		
(d) Education		
(e) Home leave		
(f) Quarters		
(g) For any other purpose (Specify.)		
17 Total earned income from sources outside the United States		
18 Amount exempt (If exempt status changed during the taxable year, complete schedule below.)		
19 Taxable income (Line 17 less line 18. If less than zero, enter zero). Enter here and report on Form 1040		

Schedule for Computation of Exemption Claimed in Part III, line 18, above.

(The $20,000 and $25,000 exemptions are for full taxable years. The exemptions must be prorated when exempt status changes during the taxable year. See Instructions 4(a)(ii) and 6(c).)

	A	B
20 Applicable exemption	$20,000	$25,000
21 Number of exemption qualifying days in taxable year		
22 Total number of days in taxable year		
23 Percentage applicable (Divide the number of days on line 21 by the number of days on line 22.)	%	%
24 Allowable exemption (Multiply the amount on line 20 by the percent on line 23.)	$	$
25 Total allowable exemption (Add amounts on line 24, columns A and B.). Enter here and on line 18.		$

(If more space is needed for any schedule, etc., attach statement.)

Form **2555**
(Rev. Sept. 1971)
Department of the Treasury
Internal Revenue Service

Exemption of Income Earned Abroad

▶ Attach to Form 1040.

For taxable year ending ....

This Form is to be Used Only by United States Citizens

Name of taxpayer	Social security number
Foreign address (including Country)	Your occupation

Name of employer ▶
Employer's address U.S. ▶
Foreign ▶
Give the latest year for which you filed a U.S. income tax return ▶ Office where filed ▶

For an explanation of the provisions under which **earned income** of citizens abroad is exempt, see instructions. You may obtain Publication 54, Tax Guide for U.S. Citizens Abroad, and all forms from any Internal Revenue office, U.S. Embassy, or Consulate.

Check status under which you claim exemption of **earned income** from services abroad
☐ Bona fide residence. Complete Parts I and III.
☐ Physical presence. Complete Parts II and III.

Complete all items in the parts pertaining to your status. If an item does not apply, write "DOES NOT APPLY." Failure to submit required information may result in disallowance of the claimed exemption.

PART I.—To be Completed for Bona Fide Residence Only

1 Foreign country in which you claim bona fide residence .... Residence began .... (Date), terminated .... (Date)

2 Type of living quarters in foreign country ☐ Purchased house ☐ Rented house or apartment ☐ Rented room ☐ Quarters furnished by employer

3 Did your family live with you abroad during any part of the taxable year? . . . . . ☐ Yes ☐ No
If "Yes," for what period? ....

4 (a) Have you made a statement to the authorities of the foreign country you claim bona fide residence in that you are not a resident of that country? . . . . . ☐ Yes ☐ No
(b) Are you subject to the income tax of the country you claim bona fide residence in? . . . . . ☐ Yes ☐ No
If you made a statement to the authorities of the foreign country that you are not a resident, and the country holds you are not subject to its income tax, you do not qualify for this United States exemption. See Instruction 4(c).

5 Complete the following for days present in the United States or its possessions during the taxable year:

Date arrived in U.S.	Date departed from U.S.	Number of days in U.S. on business	Amount earned in U.S. on business (Attach statement showing computation.)	Date arrived in U.S.	Date departed from U.S.	Number of days in U.S. on business	Amount earned in U.S. on business (Attach statement showing computation.)

6 (a) State any contractual terms or other conditions relating to the length of your employment abroad. ....
(b) State the type of visa you entered the foreign country under. ....
(c) Did your visa contain any limitations as to the length of your stay or employment in a foreign country . . . . . ☐ Yes ☐ No
If "Yes," attach explanation.
(d) List the places where you have resided and the dates of residence since you left the United States to establish residence abroad. ....
(e) Did you maintain a home in the United States while residing abroad? . . . . . ☐ Yes ☐ No
If "Yes," show address of your home, whether it was rented, and the names and relationships of the occupants. ....

PART II.—To be Completed for Physical Presence Only

7 The 18-month period the exemption for physical presence in a foreign country is based on is from .... to .... inclusive.

8 Enter all travel abroad during the 18-month period the exemption is based on, except that you may omit travel between foreign countries that did not involve travel on or over international waters for 24 hours or more. If the last entry is an arrival in a foreign country, insert number of full days to end of 18-month period. If there was no travel to report during the period, write in schedule that you were physically present in a foreign country or countries during the entire 18-month period.

Name of country (Including U.S.)	Date and time departed	Date and time arrived	Full days present in country	Number of days in U.S. on business	Amount earned in U.S. on business (Attach statement showing computation.)

9 Enter prior years you claimed exemption for income earned abroad under section 911 ▶

Instructions

(References are to the Internal Revenue Code)

Who Must File.—Individuals with items of tax preference in excess of $15,000 must file this form even though there is no minimum tax due. If short period return, see note in instructions for line 3.

Line 1—Items of Tax Preference

(a) Accelerated depreciation on real property

(1) Low income rental housing under sec. 167(k)

(2) Other real property

Enter on the appropriate line(s) the excess of depreciation allowable over the depreciation that would have been allowable if the straight-line method had been used. This excess must be computed on a property by property basis. **Note:** If you amortized certain rehabilitation expenditures for sec. 1250 property over a 5-year period, enter on line (a)(1) the amount by which this amortization exceeds straight-line depreciation over the normal useful life of the improvements.

(b) Accelerated depreciation on personal property subject to a net lease

Enter the excess of depreciation allowable over the depreciation that would have been allowable if the straight-line method had been used. This excess must be computed on a property by property basis.

(c) Amortization of certified pollution control facilities,

(d) Amortization of railroad rolling stock,

(e) Amortization of on-the-job training facilities *and*

(f) Amortization of child care facilities

For items (c), (d), (e), and (f) with respect to each certified pollution control facility, unit of railroad rolling stock, on-the-job training facility, and child care facility enter the amount by which the debts that would have been allowable if the bad debt reserve had been maintained for all taxable years on the basis of actual experience. See sec. 57(a)(7).

(i) Depletion

Determine any excess of deduction for depletion allowable under sec. 611 over the adjusted basis of the property at the end of the year (determined without regard to depletion deduction for the taxable year). Enter that amount here. This excess must be computed on a property by property basis.

(j) Capital gains

Enter one-half of the amount by which the net long-term capital gain exceeds the net short-term capital loss for the taxable year. (Amount from Schedule D, line 15(a). However, if capital gain distributions are reported on Form 1040, line 41, enter amount included on line 41 here.)

Limitations on amounts treated as items of tax preference in certain cases

See Income Tax Regulations sec. 1.57–4 for limitations on amounts treated as items of tax preference in certain cases. If limitations apply, attach schedule showing computation.

Partners, beneficiaries of estates and trusts, etc.

Each partner must take into account separately his distributive share of items of income and deductions which enter into the computation of items of tax preferences. If you are a partner and have elected the optional adjustment to basis (see sec. 743), adjust the applicable items of tax preference to reflect the election.

If you are a:

beneficiary of an estate or trust, see sec. 58(c);

shareholder of an electing small

If this return is for a short period, a special formula is used for determining the adjustment in exclusion for computing the minimum tax for tax preference. See sec. 443(d).

However, if you are married filing separately or "certain married individuals living apart," substitute $15,000 for the $30,000.

Note: If line 2 is more than either the adjusted exclusion or $15,000, file this form even though there is no minimum tax due.

Line 7—Tax Carryover from Prior Year(s).—If you did not file a Form 4625 for 1970 or 1971, or if you did file and the total amount shown on line 8 Form 4625 for 1971 was more than the amount shown on line 4, you may be entitled to a tax carryover. See sec. 56(c) and I.T. Regs. sec. 1.56–5.

Line 11—1972 Net Operating Loss Carryover to 1973

Under certain conditions, part or all of the amount shown on line 10 may be deferred to a subsequent year. See sec. 56(b).

Line 15—Minimum Tax deferred from Prior Year(s)

Enter amount of minimum tax deferred from prior years, if any (10 percent of the amount by which the net operating loss carryforward from a taxable year ending after December 31, 1969 reduced taxable income this year). See section 56(b). In computing the amount of minimum tax deferred from fiscal year 1969–70 which is imposed in a subsequent taxable year, the same proration rule applies to the subsequent computation that applied to the computation of the initial minimum tax liability in fiscal year 1969–70. See sec. 301(c) of Public Law 91–172 (Tax Reform Act of 1969).

Line 21—If you elected to take a credit for political contributions (see section 41) and the entire allowable credit is not included in line 19 (Form 1040), (for ex-

4C

Form **4625**

Department of the Treasury
Internal Revenue Service

Computation of Minimum Tax

► Attach to Form 1040

1972

Name(s) as shown on Form 1040

Your social security number

1 Items of Tax Preference. File this form if the total items of tax preference (line 2) is more than $15,000 even though there is no minimum tax due. If short period return, see instructions for line 3. **Caution:** See "Limitations on amounts treated as items of tax preference in certain cases" in instructions.	
(a) Accelerated depreciation on real property:	
(1) Low-income rental housing under sec. 167(k)	
(2) Other real property	
(b) Accelerated depreciation on personal property subject to a net lease	
(c) Amortization of certified pollution control facilities	
(d) Amortization of railroad rolling stock	
(e) Amortization of on-the-job training facilities	
(f) Amortization of child care facilities	
(g) Stock options	
(h) Reserves for losses on bad debts of financial institutions	
(i) Depletion	
(j) Capital gains	
2 Total items of tax preference (add lines 1(a) through 1(j))	
3 Exclusion. Enter $30,000. If married filing separately or "certain married individuals living apart," enter $15,000	
4 Subtract line 3 from line 2	
5 Amount from Form 1040, line 20	
6 Amount from Form 1040, line 63	
7 Tax carryover from prior year(s)	
8 Add lines 5, 6 and 7	
9 Subtract line 8 from line 4	
10 Multiply amount on line 9 by .10 and enter result	
11 Enter amount of 1972 net operating loss which is a carryover to 1973, if any (attach statement showing computation)	
12 Multiply amount on line 11 by .10 and enter result	
13 Deferred minimum tax—enter amount from line 10 or line 12, whichever is smaller	
14 Minimum Tax. Subtract line 13 from line 10	
15 Enter minimum tax deferred from prior year(s) until this year (attach statement showing computation)	
16 Total minimum tax. Add lines 14 and 15	
If you had no retirement income (see Schedule R, lines 5(a) and 5(b)), omit lines 17 through 20. Enter amount from line 16 above on line 21 below.	
17 Amount from Schedule R, line 8	
18 Amount from Schedule R, line 10 or from line 13, whichever is applicable	
19 Subtract line 18 from line 17	
20 Enter amount from line 19 or line 16, whichever is smaller	
21 Subtract line 20 from line 16. See instructions for line 21 if you elected to take a credit for contributions to a candidate for public office. Enter here and on Form 1040, line 64	

Instructions

(References are to the Internal Revenue Code)

Line 1—Earned income.—"Earned income" generally means wages, salaries, professional fees, bonuses, commissions on sales or on insurance premiums, tips, and other amounts received as compensation for personal services actually rendered. It includes prizes and awards (other than gambling gains), group-term life insurance purchased for employees that are includible in gross income, and amounts includible in gross income under section 83.

If you perform personal services for a corporation, "earned income" means only that portion of income received from the corporation that represents a reasonable allowance for salaries and other compensation for personal services actually rendered. It also includes gains (other than capital gains) and net earnings derived from the sale or other disposition of, the transfer of any interest in, or the licensing of the use of property (other than goodwill) if your personal efforts created such property.

The entire amount you receive for the performance of professional services, such as services performed by a doctor, dentist, lawyer, architect, or accountant, will be treated as earned income if you are individually and personally responsible for the services performed, even though you employ assistants to perform all or part of such services.

If you are engaged in a noncorporate trade or business in which both personal services and capital are material income-producing factors, a reasonable allowance (but not more than 30% of your share of net profits of such trade or business) will be considered to be earned income. See section 1.1348–3(a)(3) of the regulations for rules on earned income from business in which capital is material.

For rules relating to income in respect of a decedent, see section 1.1348–3(a)(4) of the regulations.

If you are a *nonresident alien,* "earned income" includes only income from sources within the United States that is effectively connected with the conduct of a trade or business in the United States.

"Earned income" does not include such income as dividends (including amounts treated as dividends by reason of section 1373(b) and Income Tax Regulations section 1.1373-1), other distributions of corporate earnings and profits, gambling gains, or gains treated as capital gains under chapter 1 of the code.

"Earned income" does not include any distribution to which sections 72(m)(5), 72(n), 402(a)(2), or 403(a)(2)(A) apply, or any deferred compensation within the meaning of section 404. "Deferred compensation" for this purpose does not include any amount received before the end of the taxable year following the first taxable year of the recipient in which his right to receive such amount is not subject to a substantial risk of forfeiture.

Section 72(m)(5) deals with premature or excessive distributions from a qualified employees' pension plan or trust to an employee who is (or was) also an owner of the business.

Sections 72(n), 402(a)(2), or 403(a)(2)(A) deal with certain lump-sum distributions from qualified plans that are treated as capital gains or are subject to special averaging rules.

See section 1.1348–3(a)(5) of the regulations for exceptions to definition of earned income.

See section 1.1348–3(b) of the regulations for definition and examples of deferred compensation.

If you are a nonresident alien, "earned income" does not include salaries, wages, compensations, remunerations, emoluments, and other fixed or determinable annual or periodic gains, profits and income subject to tax at the rate of 30 percent (or lower treaty rate) under section 871(a)(1)(A).

Line 2—Deductions.—Include on this line any deductions that are required to be taken into account under section 62 in determining adjusted gross income and are properly allocable to or chargeable against earned income. Such deductions include:

(1) deductions attributable to a trade or business from which earned income is or may be derived,

(2) expenses paid or incurred in connection with the performance of services as an employee,

(3) deductions allowable by sections 404 (employer contributions to an employer's trust or annuity plan) and 405(c) (employer contributions to qualified bond purchase plans),

(4) deductions allowable by section 217 (moving expense),

(5) deductions allowable by section 1379(b)(3) (employer contributions to qualified pension, etc., plans), and

(6) a net operating loss deduction to the extent that the net operating losses carried to the taxable year are properly allocable to or chargeable against earned income. See section 1.1348–2(d)(2)(vi) of the regulations for more information on net operating loss deduction.

Line 8—Tax preference offset.—See section 1.1348–2(d)(3) of the regulations for detailed information concerning items of tax preference to be taken into account to determine the tax preference offset.

Line 9—Earned taxable income.—"Earned taxable income" means the excess of the portion of taxable income attributable to earned net income over the tax preference offset.

See section 1.1348–2(d)(4) of the regulations for illustrations showing computation of earned taxable income.

NOTE: If short period return, see section 1.1348–2(c) of the regulations.

☆GPO–1972–458-145 37-0746135

Form **4868** Department of the Treasury Internal Revenue Service

Application for Automatic Extension of Time to File U.S. Individual Income Tax Return

1972

NOTE: Prepare this form in duplicate. File the original with the Internal Revenue Service Center where you are required to file your income tax return and pay the amount shown on line 6 below. Attach the duplicate to the face of your Form 1040.

Please Print or Type		
	Name of taxpayer(s)	Your social security number
	Number and street or rural route	Wife's number, if joint return
	City or town, State and ZIP code	

An automatic 2-month extension of time until June 15, 1973, is hereby requested in which to file Form 1040 for the calendar year 1972 (or if a fiscal year return until ...., 19........, for the taxable year beginning ...., 1972, and ending ...., 1973).

1 Tentative tax (see Form 1040, line 22) . . . .

2 Federal income tax withheld . . . .

Instructions

A. Who may file.—This application is to be used by an individual to request an automatic 2-month extension of time to file Form 1040. You may not request an automatic extension if you ask the Internal Revenue Service to compute your tax, you are under a court order to file your return by the original due date, or you previously received a 6 months extension while traveling abroad.

An extension will be granted upon the timely and proper filing of this form with payment of the required amount shown on line 6. You will be notified only if your application is denied.

Any further extension beyond 2 months automatically granted by the filing of Form 4868 must be applied for in writing and be specifically granted. The request for an additional extension must be addressed to the Internal Revenue Service Center where you will file Form 1040.

Except in undue hardship cases, no extension of time for filing an individual income tax return shall be granted until an individual has properly availed himself of the automatic extension provisions.

B. When to file.—File this application on or before April 15, 1973, or before the original due date of Form 1040, if you are filing a fiscal year return. However, if the due date for filing your return falls on a Saturday, Sunday, or legal holiday, substitute the next regular workday.

C. How and where to file.—Complete this form in duplicate. File the original with the Internal Revenue Service Center where you will file Form 1040 and pay the amount shown on line 6. Attach the duplicate to the face of Form 1040 when it is filed.

Form 1040 may be filed any time prior to the expiration of the 2-month period.

If your legal residence or principal place of business is in this State	Use this mailing address
Delaware, District of Columbia, Maryland, Pennsylvania	Internal Revenue Service Center, 11601 Roosevelt Boulevard, Philadelphia, Pa. 19155
New Jersey	Internal Revenue Service Center, 1040 Waverly Avenue, Holtsville, New York 11799
Alabama, Florida, Georgia, Mississippi, South Carolina	Internal Revenue Service Center, 4800 Buford Highway, Chamblee, Georgia 30006
Michigan, Ohio	Internal Revenue Service Center, Cincinnati, Ohio 45298
Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas	Internal Revenue Service Center, 3651 S. Interregional Highway, Austin, Texas 78740
Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Internal Revenue Service Center, 1160 West 1200 South Street, Ogden, Utah 84405
Illinois, Iowa, Missouri, Wisconsin	Internal Revenue Service Center, 2306 E. Bannister Road, Kansas City, Mo. 64170
Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont	Internal Revenue Service Center, 310 Lowell Street, Andover, Mass. 01812
Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia	Internal Revenue Service Center, 3131 Democrat Road, Memphis, Tenn. 38110
California, Hawaii	Internal Revenue Service Center, 5045 East Butler Avenue, Fresno, California 93730

If you are located in:	Use this address
Panama Canal Zone, American Samoa, Guam	Internal Revenue Service Center, 11601 Roosevelt Boulevard, Philadelphia, Pa. 19155
Puerto Rico (or if excluding income under section 933) Virgin Islands: Non-permanent residents	Internal Revenue Service Center, 11601 Roosevelt Boulevard, Philadelphia, Pa. 19155
Virgin Islands: Permanent residents	Department of Finance, Tax Division, Charlotte Amalie, St. Thomas, Virgin Islands 00801

U.S. citizens with foreign addresses (except A.P.O. and F.P.O.) and those excluding income under sec. 911 or 931, should file with the Internal Revenue Service Center, 11601 Roosevelt Boulevard, Philadelphia, Pennsylvania 19155.

D. How to claim credit for payment made with this application on Form 1040.—Show the amount paid (line 6) with this application on line 25, Form 1040.

If you and your wife (husband) filed a joint Form 4868 for 1972 but do not file a joint income tax return for the year, the total automatic extension tax payment may be claimed on your separate return or the separate return of your wife (husband), or divided in any agreed amounts. In either event, the social security number of both persons should be entered on the separate Form 1040 returns.

If you and your wife (husband) filed a separate Form 4868 for 1972 and you elect to file a joint income tax return for the year, enter on line 25, Form 1040, the sum of the amounts paid on the separate Forms 4868. Also enter the social security numbers of both persons in the spaces provided on Form 1040.

E. Amount of interest.—Any unpaid portion of the final tax will bear interest at the rate of 6 percent a year from the original due date of Form 1040 to the date of payment. Show the amount of interest in the bottom margin on page 1 of Form 1040 as "Interest" and increase line 28.

F. Penalty for failure to pay tax.—The extension of time to file Form 1040 automatically granted by this application does not extend the time for payment of tax.

The law imposes a penalty for the late payment of tax (other than estimated tax) of one-half percent per month or fractional part of a month, unless you can show reasonable cause for failure to pay on time.

However, it will be presumed that you have reasonable cause for the period covered by the automatic extension if the balance due on line 28, Form 1040, is:

1) not in excess of 10 percent of the amount shown as total tax on line 22, Form 1040, and

2) is paid with Form 1040.

When you file Form 1040, if the balance due is more than 10 percent of the total tax *OR* is not paid with the return, the penalty for failure to pay will apply to the total of the balance due from the original due date of Form 1040 to the date of payment, unless reasonable cause is established.

If you have reasonable cause, attach a statement to Form 1040 giving your reason(s).

If you cannot show reasonable cause, calculate the penalty on the total amount of income tax due on line 28, Form 1040, from the original due date of Form 1040 to the date of payment. Show the amount of penalty in the bottom margin on page 1 of Form 1040 as "Penalty—failure to pay tax" and increase line 28.

G. Termination of extension.—Internal Revenue may terminate the automatic extension at any time by mailing a notice of termination to the taxpayer(s) or to the person who requested the extension for the taxpayer(s). The notice shall be mailed at least 10 days prior to the termination date designated in the notice.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1972—O-453-157 56-2603-697

Form **4875**

Department of the Treasury
Internal Revenue Service

Presidential Election Campaign Fund Statement

▶ Attach to Form 1040 or Form 1040A only if you are participating.

1972

Name(s) as shown on your return	Your social security number

This form may be used to designate that $1 of your income tax be paid over to the 1976 Presidential Election Campaign Fund. Your wife (husband) may designate an additional $1 if you are filing a joint return. Participation will not result in any cost to you, but you may not participate unless the amount on line 21 of Form 1040A or line 20 of Form 1040 is at least as great as the $1 (or $2) designated.

If you wish $1 to be paid over to the candidates of a specific political party, check the first box and fill in the name of the political party. If you wish $1 to be paid over to a non-partisan general account for all eligible candidates, check the second box.

Your choice	Wife's (husband's) choice
☐ .... Party (Do NOT specify name of any particular candidate)	☐ .... Party (Do NOT specify name of any particular candidate)
OR	OR
☐ Non-Partisan General Account	☐ Non-Partisan General Account
▶ .... Your signature	▶ .... Wife's (husband's) signature (if filing jointly and both are participating)
▶ .... Date	▶ .... Date

16—330-4-1

Presidential Election Campaign Fund Statement

1. Who May File.—Every individual (other than a nonresident alien) may participate in the Presidential Election Campaign Fund if line 21 of Form 1040A, or line 20 of Form 1040 shows a tax liability of $1.00 or more ($2.00 or more in the case of a joint return by husband and wife and both choose to participate). The purpose of this fund is to help pay campaign expenses in the 1976 Presidential Election Campaign.

Completion of this form will not change any of the figures on your tax return. In other words the tax due IRS, or, if applicable, the tax refund IRS owes you, will not be changed.

2. Participation is Optional.—If you do not wish to participate in the Presidential Election Campaign Fund, do not file this form.

3. If You Participate.—$1.00 ($2.00 if a joint return and both husband and wife choose to participate) will be paid over to the Presidential Election Campaign Fund for the account of a political party's candidate for President and Vice President of the United States. If you don't want to choose a specific political party, you can designate the placement of your money in a non-partisan general account for all eligible candidates for election to the offices of President and Vice President of the United States.

4. How to File.—If you participate, you must file this form with your original income tax return. It may not be filed separately, or with an amended return.

☆ U.S. GOVERNMENT PRINTING OFFICE 1972—O-458-168

16—83030-1