COMMISSIONER OF INTERNAL REVENUE

ANNUAL REPORT 1958

FOR THE FISCAL YEAR
ENDED JUNE 30, 1958

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Summary and Transmittal

TREASURY DEPARTMENT,
OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE,
Washington, D. C., September 30, 1958.

DEAR MR. SECRETARY.

The operating statistics of the Internal Revenue Service for the last fiscal year reflect a steady growth in efficiency and productivity, and indicate that we are a step closer to the ideal of a "Blue Ribbon" career service.

Notwithstanding recent business conditions, collections of internal revenue were the second highest in history and the dollar volume of outstanding delinquent accounts was reduced somewhat.

Throughout the Revenue Service, there was evidence that more work was being performed with approximately the same number of employees, or even fewer in some cases. Of particular note were the facts that more tax returns were audited, and a higher amount of additional tax was obtained from enforcement activities. This increased audit activity caused the backlog of appeal cases to grow, but generally taxpayers and their representatives were able to obtain hearings as soon as they were ready to proceed.

In the field of criminal investigation, both as to income tax and as to alcohol tax cases, our forces were concentrated on major violations resulting, we believe, in a greater contribution to tax law enforcement, even though the number of cases was slightly smaller.

This also was a year in which important strides were taken for the long-run strengthening of the Revenue Service. The mechanization of our paperwork was enlarged and a new Planning and Research office was established to foster more improvements.

In furtherance of the "Blue Ribbon" concept, many significant adjustments were made in our programs for recruiting, training, and promoting qualified individuals.

The details of these developments, including supporting statistics and charts, are contained in the attached report. The record is an honorable and enviable one. As I retire from the Revenue Service, I salute all of the employees who have worked so hard to achieve these accomplishments.

Russell C. Harrington

Commissioner of Internal Revenue.

HON. ROBERT B. ANDERSON,
Secretary of the Treasury.

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COMMISSIONERS OF INTERNAL REVENUE

Name [1]	State	Service From—	Service To—
George S. Boutwell	Massachusetts	July 17, 1862	Mar. 4, 1863
Joseph J. Lewis	Pennsylvania	Mar. 18, 1863	June 30, 1865
William Orton	New York	July 1, 1865	Oct. 31, 1865
Edward A. Rollins	New Hampshire	Nov. 1, 1865	Mar. 10, 1869
Columbus Delano	Ohio	Mar. 11, 1869	Jan. 2, 1871
Alfred Pleasonton	New York	Jan. 3, 1871	Aug. 8, 1871
John W. Douglass	Pennsylvania	Aug. 9, 1871	May 14, 1875
Daniel D. Pratt	Indiana	May 15, 1875	July 31, 1876
Green B. Raum	Illinois	Aug. 2, 1876	Apr. 30, 1883
Walter Evans	Kentucky	May 21, 1883	Mar. 19, 1885
Joseph S. Miller	West Virginia	Mar. 20, 1885	Mar. 20, 1889
John W. Mason	do	Mar. 21, 1889	Apr. 18, 1893
Joseph S. Miller	do	Apr. 19, 1893	Nov. 26, 1896
W. St. John Forman	Illinois	Nov. 27, 1896	Dec. 31, 1897
Nathan B. Scott	West Virginia	Jan. 1, 1898	Feb. 28, 1899
George W. Wilson	Ohio	Mar. 1, 1899	Nov. 27, 1900
John W. Yerkes	Kentucky	Dec. 20, 1900	Apr. 30, 1907
John G. Capers	South Carolina	June 5, 1907	Aug. 31, 1909
Royal E. Cabell	Virginia	Sept. 1, 1909	Apr. 27, 1913
William H. Osborn	North Carolina	Apr. 28, 1913	Sept. 25, 1917
Daniel C. Roper	South Carolina	Sept. 26, 1917	Mar. 31, 1920
William M. Williams	Alabama	Apr. 1, 1920	Apr. 11, 1921
David H. Blair	North Carolina	May 27, 1921	May 31, 1929
Robert H. Lucas	Kentucky	June 1, 1929	Aug. 15, 1930
David Burnet	Ohio	Aug. 20, 1930	May 15, 1933
Guy T. Helvering	Kansas	June 6, 1933	Oct. 8, 1943
Robert E. Hannegan	Missouri	Oct. 9, 1943	Jan. 22, 1944
Joseph D. Nunan, Jr.	New York	Mar. 1, 1944	June 30, 1947
George J. Schoeneman	Rhode Island	July 1, 1947	July 31, 1951
John B. Dunlap	Texas	Aug. 1, 1951	Nov. 18, 1952
T. Coleman Andrews	Virginia	Feb. 4, 1953	Oct. 31, 1955
Russell C. Harrington	Rhode Island	Dec. 5, 1955	Sept. 30, 1958

Note.—Office of Commissioner of Internal Revenue created by act of Congress, July 1, 1862.

[1] In addition, the following were Acting Commissioners during periods of time when there was no Commissioner holding the office: John W. Douglass, of Pennsylvania, from Nov. 1, 1870, to Jan. 2, 1871; Henry C. Rogers, of Pennsylvania, from May 1 to May 10, 1883; John J. Knox, of Minnesota, from May 11 to May 20, 1883; Robert Williams, Jr., of Ohio, from Nov. 28 to Dec. 19, 1900; Millard F. West, of Kentucky, from Apr. 12 to May 26, 1921; H. F. Mires, of Washington, from Aug. 15 to Aug. 20, 1930; Pressly R. Baldridge, of Iowa, from May 15 to June 5, 1933; Harold N. Graves, of Illinois, from Jan. 23 to Feb. 29, 1944; John S. Graham, of North Carolina, from Nov. 19, 1952, to Jan. 19, 1953; Justin F. Winkle, of New York, from Jan. 20 to Feb. 3, 1953; and O. Gordon Delk, of Virginia, from Nov. 1 to Dec. 5, 1955.

PRINCIPAL OFFICERS OF THE INTERNAL REVENUE SERVICE AS OF JUNE 30, 1958

NATIONAL OFFICERS

Office of the Commissioner

Commissioner ..... Russell C. Harrington
Deputy Commissioner ..... O. Gordon Delk
Administrative Assistant to the Commissioner ..... Wilber A. Gallahan
Division Directors:
- Operating Facilities ..... Bruce McNair
- Personnel ..... Amos N. Latham, Jr.
- Training ..... Edwin N. Montague

Fiscal Management Officer ..... Gray W. Hume, Jr.
Technical Advisor to the Commissioner ..... Leo Speer
Director, Public Information Division ..... Lawrence George
Director of Practice ..... George C. Lea

Inspection

Assistant Commissioner ..... Harry J. Trainor
Division Directors:
- Internal Audit ..... Francis I. Geibel
- Internal Security ..... Vernon D. Acree, Jr.

Operations

Assistant Commissioner ..... L. Alfred Chamberlin
Executive Assistant to Assistant Commissioner ..... Arthur H. Klotz
Division Directors:
- Alcohol and Tobacco Tax ..... Dwight E. Avis
- Appellate ..... H. J. Donnelly, Jr.
- Audit ..... J. B. Sefert
- Collection ..... Robert L. Jack
- Intelligence ..... J. Perry August
- International Operations ..... Harry O. Swanson

Planning and Research

Assistant Commissioner ..... Vacant
Division Directors:
- Plans and Policy ..... Bertrand M. Harding
- Research ..... Richard W. Nelson
- Systems Development ..... Vacant
- Statistics ..... Ernest J. Engquist, Jr.

Technical

Assistant Commissioner ..... Justin F. Winkle
Division Directors:
- International Tax Relations ..... Eldon P. King
- Special Technical Services ..... Ned W. Arick
- Tax Rulings ..... Harold T. Swartz
- Technical Planning ..... John W. S. Littleton

Office of the Chief Counsel

Chief Counsel ..... Arch M. Cantrall
Assistant Chief Counsels:
- Administration ..... John W. Burrus
- Claims ..... Raymond F. Brown
- Enforcement ..... E. Riley Campbell
- Litigation ..... Rudy P. Hertzog
- Technical ..... Herman T. Reiling

REGIONAL AND DISTRICT OFFICERS

Atlanta Region

Regional Commissioner ..... William H. Loeb
Assistant Regional Commissioners:
- Administration ..... Burton M. Graham
- Alcohol and Tobacco Tax ..... Louis E. Howell
- Appellate ..... Norman C. Bailey
- Audit ..... Frank A. Winter
- Collection ..... James C. Van Voorhis
- Intelligence ..... Allen T. Hollinrake

District Directors:
- Atlanta, Ga ..... William J. Bookholt
- Birmingham, Ala ..... George D. Patterson, Jr.
- Columbia, S. C ..... Francis G. Duehay
- Greensboro, N. C ..... Philip K. Sanders
- Jackson, Miss ..... James L. Enochs
- Jacksonville, Fla ..... Laurie W. Tomlinson
- Nashville, Tenn ..... James M. Rountree

Regional Counsel ..... Howard A. Dawson, Jr.
Regional Inspector ..... Walter F. Connell

Boston Region

Regional Commissioner ..... Donald W. Bacon
Assistant Regional Commissioners:
- Administration ..... Maurice J. Taggart
- Alcohol and Tobacco Tax ..... Harold L. Henneberry
- Appellate ..... Howard D. Taylor
- Audit ..... Frank T. Murphy
- Collection ..... Fred W. Turpen
- Intelligence ..... John J. Deneen

District Directors:
- Augusta, Maine ..... Whitney L. Wheeler
- Boston, Mass ..... Frank J. Cavanagh
- Burlington, Vt ..... John W. Gaynor
- Hartford, Conn ..... Harold R. All
- Portsmouth, N. H ..... Charles W. Emlet
- Providence, R. I ..... John A. O'Connell

Regional Counsel ..... John W. Edwards
Regional Inspector ..... Emanuel M. Schuster
Director, Northeast Service Center, Lawrence, Mass ..... William H. Weaver

Chicago Region

Regional Commissioner ..... Norman B. Eshleman
Assistant Regional Commissioners:
- Administration ..... Joseph W. Burke
- Alcohol and Tobacco Tax ..... William N. Woodruff
- Appellate ..... Wallace T. Morris
- Audit ..... Andrew J. O'Donnell, Jr.
- Collection ..... John Weber
- Intelligence ..... William B. Mayes

District Directors:
- Chicago, Ill ..... H. Alan Long
- Detroit, Mich ..... Raphael I. Nixon
- Milwaukee, Wis ..... Emil J. Nelson
- Springfield, Ill ..... Hezzie J. White

Regional Counsel ..... David F. Long
Regional Inspector ..... Vacant

Cincinnati Region

Regional Commissioner ..... Ernest H. Vaughn
Assistant Regional Commissioners:
- Administration ..... F. Dean McCrory
- Alcohol and Tobacco Tax ..... Henry R. Peterson
- Appellate ..... G. Waldron Snyder
- Audit ..... Michael A. DeGuire
- Collection ..... William J. Grabo
- Intelligence ..... Thomas P. McGovern

District Directors:
- Cincinnati, Ohio ..... Russell A. Welsh
- Cleveland, Ohio ..... Melvin J. Burton
- Columbus, Ohio ..... Nathaniel Looker
- Indianapolis, Ind ..... Sterling M. Dietrich
- Louisville, Ky ..... William M. Gray
- Parkersburg, W. Va ..... Philipp L. Charles
- Richmond, Va ..... Clifford W. Glotzbach
- Toledo, Ohio ..... Gilbert C. Hooks

Regional Counsel ..... Clarence E. Price
Regional Inspector ..... Gordon M. Anderson
Director, Midwest Service Center, Kansas City, Mo ..... Arnold S. Dreyer

Dallas Region

Regional Commissioner ..... B. Frank White
Assistant Regional Commissioners:
Administration ..... Roy W. Hann
Alcohol and Tobacco Tax ..... Joseph F. Black
Appellate ..... Tom F. Reese
Audit ..... Dallas A. Sims
Collection ..... Carl E. Webb
Intelligence ..... William E. Beloate, Jr.
District Directors:
Austin, Tex ..... Robert L. Phinney
Albuquerque, N. Mex ..... Steven P. Vidal
Dallas, Tex ..... Ellis Campbell, Jr.
Little Rock, Ark ..... Curtis R. Mathis
New Orleans, La ..... Chester A. Usry
Oklahoma City, Okla ..... Earl R. Wiseman
Regional Counsel ..... J. Marvin Kelley
Regional Inspector ..... David O. Lowry, Jr.

New York City Region

Regional Commissioner ..... Clarence I. Fox, Jr.
Assistant Regional Commissioners:
Administration ..... Norman D. Nowak
Alcohol and Tobacco Tax ..... F. Virgil Welsh
Appellate ..... Ralph M. Horne
Audit ..... Richard D. Donoghue
Collection ..... Raymond A. Hennessy
Intelligence ..... Francis J. Kennedy
District Directors:
Albany, N. Y ..... James A. O'Hara
Brooklyn, N. Y ..... Thomas E. Scanlon
Buffalo, N. Y ..... Eugene C. Coyle, Jr.
Lower Manhattan ..... Raphael Meisels
Upper Manhattan ..... Kenneth W. Moe
Syracuse, N. Y ..... Alva M. Meyers
Regional Counsel ..... Elmer T. Kemper
Regional Inspector ..... Frank S. Turbett, Jr.

Omaha Region

Regional Commissioner ..... Harold Hawkins
Assistant Regional Commissioners:
Administration ..... Orland V. Steele
Alcohol and Tobacco Tax ..... William K. Lilley
Appellate ..... Vance N. Bates
Audit ..... Ernest W. Bacon
Collection ..... Roger R. Kaiser
Intelligence ..... Harold B. Holt
District Directors:
Aberdeen, S. Dak ..... William C. Welsh
Cheyenne, Wyo ..... Frank G. Clark
Denver, Colo ..... George H. Allan
Des Moines, Iowa ..... V. Lee Phillips
Fargo, N. Dak ..... Byron J. Rockwood
Kansas City, Mo ..... Edwin O. Bookwalter
Omaha, Nebr ..... James L. McCrory
St. Louis, Mo ..... Ernest M. Flinn
St. Paul, Minn ..... Arthur R. Knox
Wichita, Kans ..... Gustave F. Koehler
Regional Counsel ..... Douglas L. Barnes
Regional Inspector ..... Winslow B. Randall

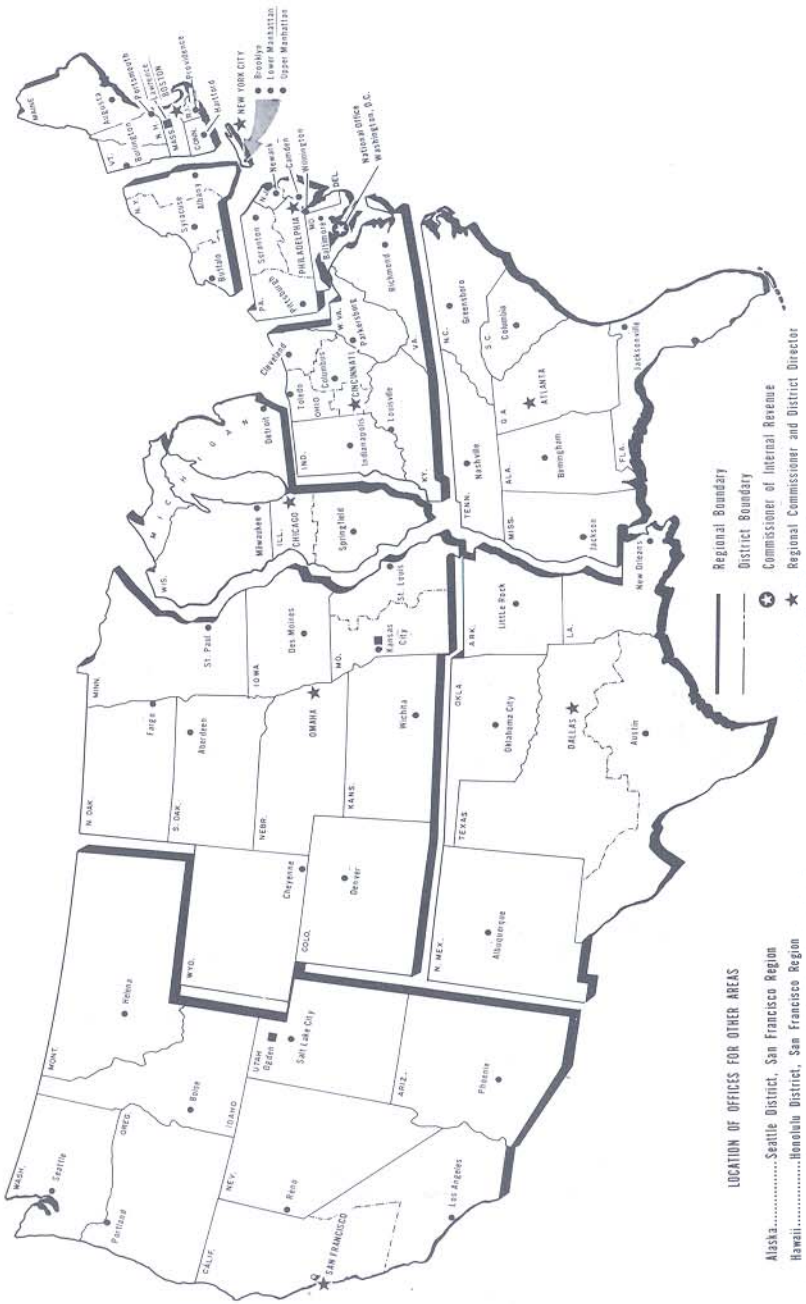
Philadelphia Region

Regional Commissioner ..... Robert D. McDowell [1]
Assistant Regional Commissioners:
Administration ..... Robert D. McDowell
Alcohol and Tobacco Tax ..... Louis DeCarlo
Appellate ..... William E. Steynen
Audit ..... Joseph M. Shotz
Collection ..... Edward J. Manning
Intelligence ..... Wesley E. Craig
District Directors:
Baltimore, Md ..... Irving Machiz [1]
Camden, N. J ..... Chris L. Gross
Newark, N. J ..... Joseph F. J. Mayer
Philadelphia, Pa ..... Edgar A. McGinnes
Pittsburgh, Pa ..... John H. Bingler
Scranton, Pa ..... Richard P. Brownell
Wilmington, Del ..... Horace L. Brown
Regional Counsel ..... Cecil H. Haas
Regional Inspector ..... William A. Costello

San Francisco Region

Regional Commissioner ..... Ernest C. Wright
Assistant Regional Commissioners:
Administration ..... Homer C. Gant
Alcohol and Tobacco Tax ..... Henry G. Morthorst
Appellate ..... Joseph B. Harlacher
Audit ..... Lester T. Farley
Collection ..... Homer O. Croasmun
Intelligence ..... Walter H. Thomas
District Directors:
Boise, Idaho ..... Calvin E. Wright
Helena, Mont ..... Frank J. Healy
Honolulu, Hawaii ..... Henry Robinson
Los Angeles, Calif ..... Robert A. Riddell
Phoenix, Ariz ..... Wilson B. Wood
Portland, Oreg ..... Ralph C. Granquist
Reno, Nev ..... Vaughn W. Evans
Salt Lake City, Utah ..... Charles I. Fox
San Francisco, Calif ..... Joseph M. Cullen
Seattle, Wash ..... William E. Frank
Regional Counsel ..... Melvin L. Sears
Regional Inspector ..... Scott C. McCarl
Director, Western Service Center, Ogden, Utah ..... Frederick W. Bearman

[1] Acting.



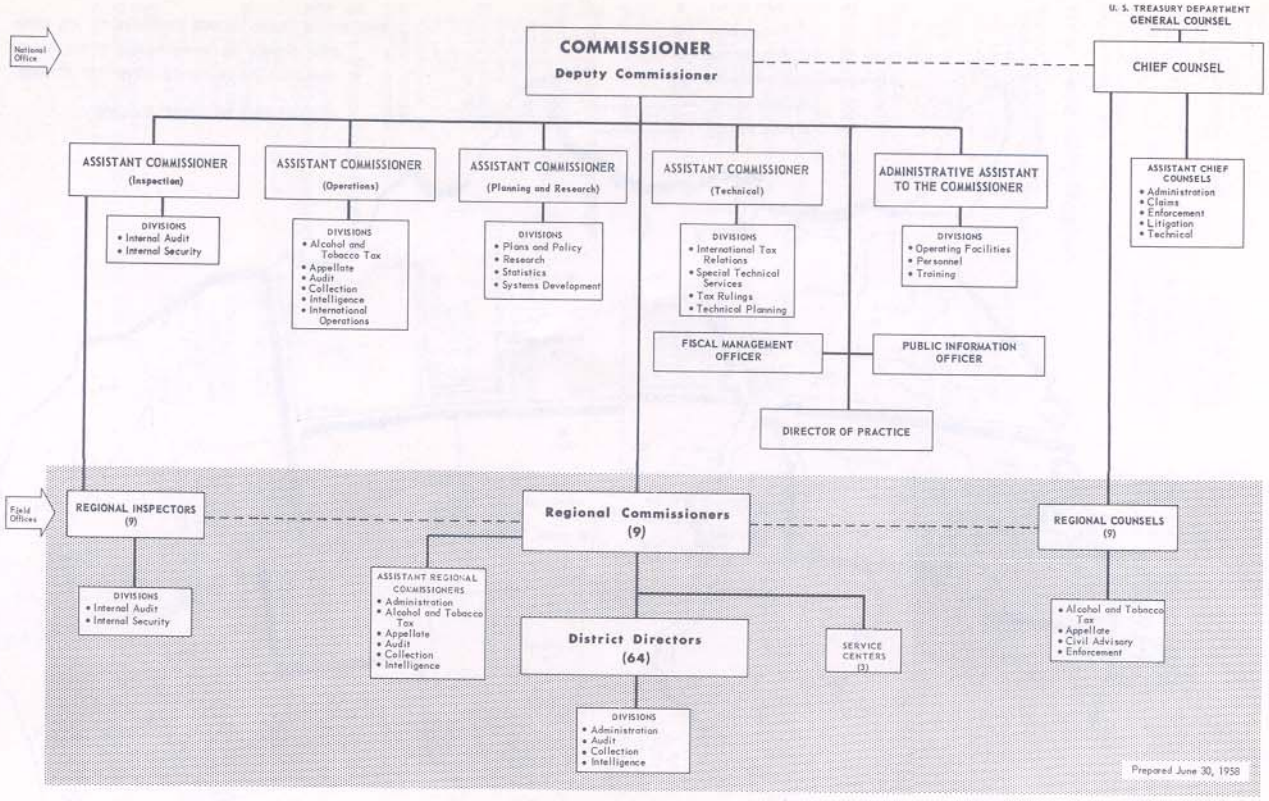


Chart of Internal Revenue Service Organization

Notes

All yearly data are on a fiscal year basis, unless otherwise specified.

In many tables and charts, figures have been rounded and therefore will not necessarily add to the printed totals which are based on unrounded figures.

INTERNAL REVENUE COLLECTIONS

General

Internal revenue collections amounted to $79,978,476,000 in the fiscal year 1958. Although this was a decrease of $193,495,000, or 0.2 percent, under the record $80,171,971,000 collected in 1957, the 1958 total was the second highest in history in spite of a temporary downturn in business.

In the income tax area there was an increase of $313,368,000, or 1.2 percent, in the taxes withheld by employers. However, this increase was not sufficient to offset the decreases in corporation and nonwithheld individual income tax collections. Employment tax collections increased by $1,063,864,000, or 14 percent. Excise tax collections (including alcohol and tobacco taxes) in 1958 increased by $176,724,000, or 1.7 percent, over collections in the preceding year. Estate and gift taxes rose by $32,926,000, or 2.4 percent.

A comparison of collections by major categories follows:

Internal revenue collections

[In thousands of dollars. For details, see table 3, pages 102–104]

Source	1958	1957
Grand total [1]	79, 978, 476	80, 171, 971
Income taxes, total	59, 101, 874	60, 560, 425
Corporation	20, 533, 316	21, 530, 653
Individual, total	38, 568, 559	39, 029, 772
Withheld by employer	27, 040, 911	26, 727, 543
Other [2]	11, 527, 648	12, 302, 229
Employment taxes, total	8, 644, 386	7, 580, 522
Old-age and disability insurance [2]	7, 733, 223	6, 634, 467
Unemployment insurance	335, 880	330, 034
Railroad retirement	575, 282	616, 020
Estate and gift taxes	1, 410, 925	1, 377, 999
Excise taxes, total	10, 814, 268	10, 637, 544
Alcohol taxes	2, 946, 461	2, 973, 195
Tobacco taxes	1, 734, 021	1, 674, 050
Other excise taxes	6, 133, 786	5, 990, 299
Taxes not otherwise classified [3]	7, 024	15, 482

Note.—Calendar year figures, by regions, districts, States, and Territories, for selected types of taxes, may be obtained from the Public Information Division, Internal Revenue Service, Washington 25, D. C.

[1] Collections are adjusted to exclude amounts transferred to the Government of Guam. For details, see table 1, and footnote 5.

[2] Estimated. Collections of individual income tax withheld are not reported separately from old-age and disability insurance taxes on wages and salaries. Similarly, collections of individual income tax not withheld are not reported separately from old-age and disability insurance taxes on self-employment income. The amount of old-age and disability insurance tax collections shown is based on estimates made by the Secretary of the Treasury pursuant to the provisions of section 201(a) of the Social Security Act as amended, and includes all old-age and disability insurance taxes. The estimates shown for the two classes of individual income taxes were derived by subtracting the old-age and disability insurance tax estimates from the combined totals reported.

[3] Includes amounts of unidentified and excess collections and profit from sale of acquired property. For 1957 this item also includes depositary receipts outstanding 6 months or more for which no tax accounts were found.

The use of the depositary receipt method of paying taxes has increased steadily since its adoption for employment taxes in 1950, and for excise taxes in 1953. During 1958 depositary receipt purchases totaled $30, 408, 898, 000. This figure represents an increase of $1,251,247,000, or 4.3 percent, over the amounts purchased last year. The 1958 depositary receipt purchases accounted for 38 percent of the total internal revenue receipts, and 72 percent of the employment taxes collected. In the excise tax area, 86 percent of the taxes shown on Form 720 returns were paid by depositary receipts.

Corporation Income Taxes

Corporation income taxes collected during 1958 totaled $20,533,316,000, and accounted for almost 26 percent of the total internal revenue collections. These collections were $997,337,000, or 4.6 percent, under those for the preceding fiscal year.

Individual Income Taxes

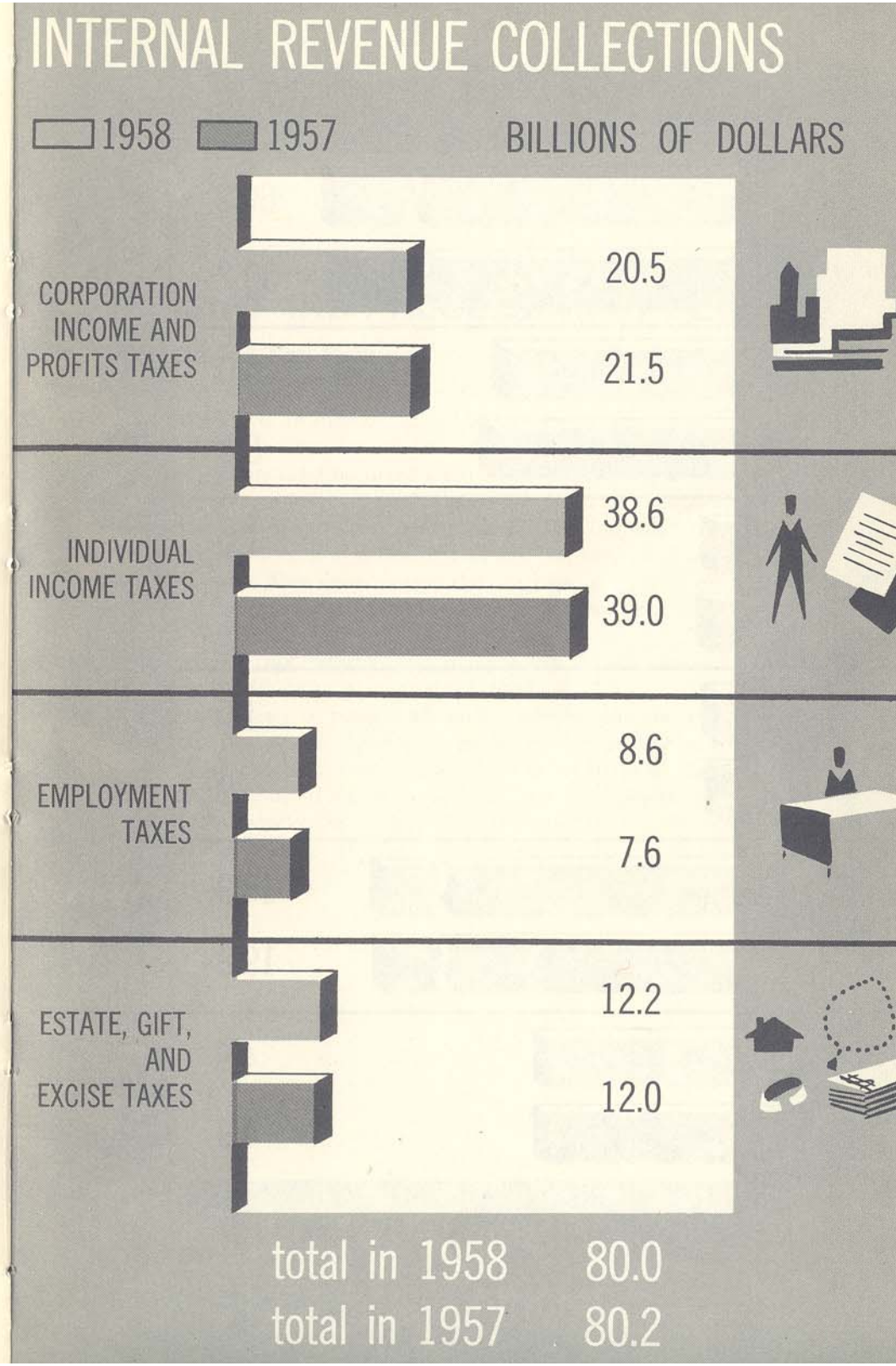
The collections of individual income taxes during 1958 reflect the slight decline in personal incomes. An increase of $313,368,000 in withheld income tax collections was more than offset by a decrease of $774,581,000 in other individual income tax collections during the year. Individual income taxes accounted for 48 percent of the total internal revenue. Withheld taxes accounted for more than two-thirds of all individual income taxes.

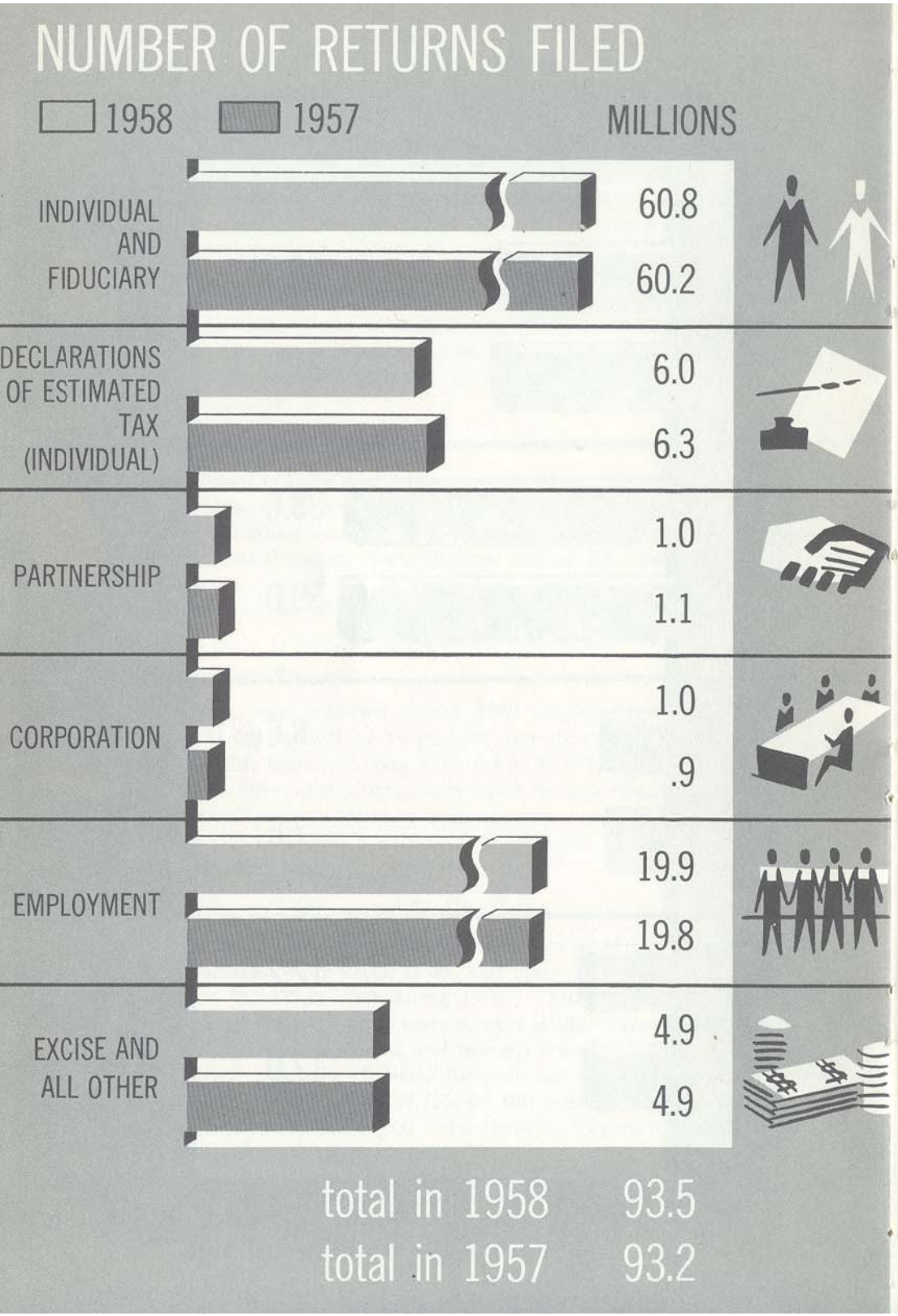
Employment Taxes

Employment taxes collected during 1958 totaled $8,644,386,000, an increase of $1,063,864,000, or 14 percent, over the preceding year. Old-age and disability insurance taxes increased by $1,098,756,000, due mainly to the full-year effect of the higher rates which became effective January 1, 1957. Unemployment insurance taxes showed a moderate increase of $5,846,000, and there was a decline of $40,738,000 in the collections of railroad retirement taxes.

Other Internal Revenue Collections

Other internal revenue collections, including estate and gift taxes, alcohol and tobacco taxes, other excise taxes, and taxes not otherwise classified, amounted to $12,232,217,000 during 1958. This amount represents an increase of $201,192,000, or 1.7 percent, over similar collections last year. Excise taxes, other than alcohol and tobacco taxes, rose by 2.4 percent. Taxes collected under the Highway Revenue Act of 1956 increased from $1,556,863,000 in 1957 to $2,181,730,000 this year. Collections of taxes on gasoline totaled $1,636,629,000 and account for 75 percent of the collections affecting the highway trust fund.





RECEIPT AND PROCESSING OF RETURNS

Number of Tax Returns

In the 1958 fiscal year, 93,539,000 tax returns of all classes were filed. This represented an increase of 352,000, or 0.4 percent, over the number filed in the preceding year.

Most of the increase occurred among income tax returns, which showed a net increase of 306,000, or 0.4 percent. Principal changes within the income tax group were an increase of 552,000 individual and fiduciary income tax returns, and a decrease of 276,000 individual declarations of estimated tax. This decrease was due, in large part, to a decline in the number of subsequent declarations filed by taxpayers amending their original estimates.

Employment tax returns filed in 1958 numbered almost 20,000,000, which was 80,000, or 0.4 percent, more than in 1957.

All other classes of returns showed a net decrease of 35,000 returns. Major changes among these were an increase of 64,000 returns relating to special occupational taxes, and a decrease of 107,000 relating to other excise tax returns. This latter decrease was due almost entirely to the 100,000 floor stocks tax returns filed in fiscal 1957 as required by the Highway Revenue Act of 1956. These were not required in fiscal 1958.

"A Small Part" of the Income Tax Mail

A comparison of the number of returns filed in fiscal 1958 with the number filed in fiscal 1957, by principal types of returns, follows:

Number of returns filed, by principal type of return

[Figures in thousands]

Type of return	1958	1957
Grand total	93,539	r 93,187
Income tax returns, total	69,202	r 68,896
Individual and fiduciary, total	60,793	r 60,241
Individual—citizens and resident aliens, total	60,007	r 59,482
Form 1040	45,818	r 45,378
Form 1040A	14,188	14,105
All other individual and fiduciary	786	758
Declarations of estimated tax, total	6,015	6,291
Individual	5,995	6,271
Corporation	20	20
Partnership	1,047	1,120
Corporation	971	r 907
Other [1]	377	r 338
Employment tax returns, total	19,856	19,776
Withheld income tax and old-age and disability insurance	18,618	18,550
Railroad retirement and unemployment insurance	1,238	1,227
Estate tax	54	49
Gift tax	80	77
Special occupational taxes	1,276	1,212
All other excise taxes	3,071	r 3,178

r Revised.

[1] Includes exempt organization income tax returns, 40,000 Forms 1040–PR and 1040–VI filed for 1958 in Puerto Rico and Virgin Islands with respect to self-employment tax only, and 34,000 Form 1040–PR returns filed for 1957.

Service Centers

Large-scale centralized machine processing of individual income tax returns and declarations of estimated tax was further extended during the year to cover a total of 50 districts, or 36 states, in 7 of the 9 regions. The Midwest Service Center at Kansas City, Mo., served all districts in the Chicago and Cincinnati Regions. The Northeast Service Center at Lawrence, Mass., served all districts in the Boston, New York, and Philadelphia Regions. The Western Service Center at Ogden, Utah, served all districts in the Omaha Region, and all districts except Honolulu in the San Francisco Region.

The principal functions of the service centers included the processing of Forms 1040A and those Forms 1040 which were readily adaptable to machine processing, the processing of taxable declarations of estimated tax filed by individuals, the establishment and subsequent processing of accounts receivable originating from returns processed in the centers, the matching of information documents, the mailing of tax return packages to taxpayers for the next year's filing, and the processing of claims for refund of federal tax on gasoline used on farms.

Over the past several years service center operations have been expanded

steadily in terms of number of centers, number of districts served, and number of returns processed. In fiscal year 1955, centralized machine processing was introduced in the Processing Branch at Kansas City, Mo. (subsequently reorganized as the Midwest Service Center), and covered 1,100,000 Forms 1040A filed in the 10 districts in the Omaha Region. In 1956 the Northeast Service Center was established, and the program was extended to Forms 1040 which reported income and deduction characteristics similar to those on Forms 1040A. In that year, the Midwest and Northeast centers together processed a total of 11,000,000 individual income tax returns filed in 26 districts.

The Western Service Center went into operation in fiscal year 1957, when the three centers processed a combined total of 22,000,000 individual income tax returns filed in 38 districts. During 1958 the three service centers continued in operation and processed an aggregate of 32,000,000 Forms 1040 and 1040A, or more than half of the total volume filed. Next year, fiscal 1959, will witness still further expansion of large-scale machine processing. All districts, except Honolulu, will be served by centers, with Midwest assuming some of the processing for the districts in the Atlanta Region and Western assuming some of the processing for the districts in the Dallas Region. In addition to extended district coverage, the centers will process larger workloads for certain of the districts served in the past.

Mathematical Verification

During the year, 58,365,000 income tax returns, including those filed by individuals, fiduciaries, and corporations, were mathematically verified. These were 1,540,000, or almost 3 percent, more than were verified in the preceding year. Individual and fiduciary income tax returns verified increased by about 1,700,000 returns. Some of the increase occurred for Forms 1040 and was due to accelerated processing of 1957 tax returns during the last half of fiscal 1958. However, the greater part of the increase occurred for Forms 1040A. Almost 9,500,000 taxpayers filing Form 1040A for the tax year 1957 elected the option of computing their own tax, as compared with about 8,500,000 in the preceding year when the option was first made available. Mathematical verification covers such Form 1040A returns, but does not cover returns filed by taxpayers who elect to have the Revenue Service do the initial tax determination.

The number of error cases disclosed in the mathematical verification operation during fiscal 1958 increased by 9 percent over the preceding year, as compared with the increase of 3 percent in number of returns verified. Among the error cases, the number with tax increase resulting from verification rose by 12 percent, while the number with decrease rose by 4 percent. Amounts of tax increase and decrease rose by 10 percent and 8 percent, respectively.

Tax increases resulted for 65 percent of total error cases disclosed in 1958, and averaged $88. Tax decreases resulted for 35 percent of error cases, and averaged $72.

The results of the mathematical verification of income tax returns during the last two years are shown in the following table:

Income tax returns mathematically verified

Item	Type of return					
	Total		Individual and fiduciary		Corporation	
	1958	1957 r	1958	1957 r	1958	1957
Number of returns verified ... thousands	58,365	56,825	57,585	55,911	779	914
Number of returns on which changes were made ... thousands	1,908	1,746	1,905	1,743	3	3
Returns with increase:						
Number ... thousands	1,247	1,112	1,245	1,109	2	2
Amount ... thousand dollars	109,674	99,983	107,766	98,223	1,907	1,760
Returns with decrease:						
Number ... thousands	661	634	660	634	1	1
Amount ... thousand dollars	47,796	44,367	45,572	43,763	2,224	604

r Revised.

Information Returns

More than 259,000,000 information documents were received by the Revenue Service during 1958. The majority of these, nearly 149,000,000, consisted of Forms W–2 (employer's statements of wages paid and tax withheld) and included both copies A, filed by employers, and B, filed by employees. Forms 1099 (information returns on payments of dividends, interest, and various other items) totaled nearly 107,000,000. The remaining information documents processed consisted of more than 5,000,000 Forms 1087, Ownership Certificates—Dividends on Stock, and minor numbers of other types of documents.

The service centers received, sorted, and matched these documents in accordance with specified procedures for the purpose of enabling comparison with income tax returns filed.

Collection Activity Reorganization

As an additional step in the development of a "Blue Ribbon" Revenue Service, the collection divisions' office branches are now being realigned. This reorganization, one of the most important administrative developments in recent years, constitutes a balanced grouping of the office collection functions and establishes a carefully developed supervisory structure to accompany it. The objectives of this plan are the alignment of the office branches to achieve optimum efficiency of organization, and the development of a balanced organizational structure to encourage sound managerial planning and control and to make the most efficient and effective use of employee skills and capabilities. One phase of the realignment was the establishment of a Taxpayer Service Branch, which concentrates in one central area all taxpayer inquiries relevant to collection functions. The plan was set into operation in the Pittsburgh and Phoenix district offices during the filing period and proved superior in establishing

a smoother workflow for the collection activity and in giving better service to the taxpayer.

The plan is currently being extended to one pilot office in each region and eventually will be adopted in all districts.

Work Planning and Control System

During the year, a Work Planning and Control System was set up and installed in the collection divisions of all district offices. The system is designed to provide for uniformly effective control over the processing phase of the collection activity. This represents one of the major functions of the Revenue Service and is basic to the entire revenue system, providing the only point of contact that most taxpayers have with the Revenue Service and the starting point for other enforcement activities. Uniformly effective control over the processing phase of the collection activity is achieved under the Work Planning and Control System by the establishment and realistic evaluation of work plans, the effective development and justification of budgets, the proper allocation of manpower and other resources, and the periodic check of work status.

ENFORCEMENT WORK

Audit of Returns

General.—For the third consecutive year the number of returns examined has increased. This continued improvement is directly attributable to a constant appraisal and adjustment of the audit operations and procedures involved in the enforcement program.

A study was undertaken to mechanize the classification processes for the low income returns through utilization of the card-punch operations in the service centers. Another study was begun during the year to determine the feasibility of using card-punch methods to obtain audit production statistics.

Significant improvements in the procedures, training program, and personnel policies were effected during the year to assist the district audit divisions in their enforcement work. Among these were the establishment of a program for the classification and examination of exempt organizations, revision of existing instructions for the disposition of disputed office audit cases, increased training material and classroom instruction for both new and experienced technical personnel, and the establishment of guidelines for the assignment of work to revenue agents in accordance with their training and experience.

Exempt organizations.—A program was established for the classification and examination of exempt organizations and pension trusts. New guidelines also were furnished to the district offices for the review of the status of exempt organizations which are not required to file returns.

Revision of procedures in office audit cases.—As a means of reducing the number of office audit cases referred to the Appellate Division, provision has been made for a special conferee in district offices to consider office audit cases involving travel and entertainment expenses. Also authorization has been granted the district offices to contact taxpayers by telephone or by certified mail when no response is received to a preliminary letter or notice. This change should substantially lessen the need to issue formal notices which, under the law, give taxpayers 90 days to appeal to the Tax Court.

Training program.—Continued progress is being made in the plan to provide technical personnel with the specific training needed for each grade level. Materials are being developed for the advanced training program of revenue agents. These consist of text; assignment, study guide, and classroom outlines; audit technique and report writing problems; and instructor guide. Classes for the advanced training course are scheduled to start January 1, 1959.

During this year the Revenue Service conducted its first formal classroom training for estate and gift tax examiners. Centralized classes were held in the National Office for 64 estate and gift tax examiners from all sections of the country. About half of the participants in these classes were experienced examiners who had been selected to conduct future estate and gift tax classes on a regional or area basis, depending upon the needs of the Revenue Service.

A training program for returns classifiers has been completed and made available for use by the field offices. The materials to be used in this program consist of a handbook; assignment, study guide, and classroom outline; and an instructor guide. These will be used in training agents participating in the classification of returns program.

Materials are being developed for training programs for excise tax agents, office auditors, and pension trust specialists.

To assist the field offices in the discharge of their management responsibilities, the development of special guides was continued. During the year, a "Handbook for Group Supervisors-Audit" was distributed, and early distribution was also planned for a handbook covering the informal conference function.

Personnel developments.—A guide for assignment of work to revenue agents has been completed and will be issued in the early part of fiscal 1959. This guide is designed to promote uniformity in the work assignment practices in the various groups and districts, and to provide assurance that cases of varying degrees of difficulty and complexity are assigned to revenue agents in accordance with their qualifications.

Revised classification (occupational) standards for revenue agents were developed. It is anticipated that the Civil Service Commission will issue these standards in the first quarter of fiscal year 1959. The standards for office auditors and specialized positions are scheduled for development during the next fiscal year.

Returns examined.—During the fiscal year over 2,841,000 returns were examined by the district audit divisions. This is a continuation of the improvement in the examination activity which began in recent years.

In addition there were 1,637,000 returns which were initially selected for examination but which, upon further consideration by the audit divisions, were closed without taxpayer contact. This represents a reduction of 110,000 in the number of returns closed by this method during fiscal year 1957, and is an indication of the progress being made to improve the classification and examination techniques of the examining personnel.

The reduction also indicates a realization of the benefits derived from centralization of the classification responsibilities in the district offices which began in fiscal year 1956 with the establishment of a chief classifying officer position in each office.

A comparison of the number of returns examined during the last two years is as follows:

Number of tax returns examined

[Figures in thousands]

Type of return	1958	1957
Grand total	2,841	2,622
Income and profits tax, total	2,496	2,310
Corporation	159	170
Individual and fiduciary	2,336	2,140
Estate and gift tax	28	28
Excise and employment tax [1]	317	284

[1] Excludes examinations resulting in no tax change where such examination was made from the taxpayer's copies of returns in the course of an audit covering both income and excise and/or employment tax. The number of such "no change" returns thus excluded is 859,000 for fiscal year 1958 and 941,000 for 1957.

In addition, the district audit divisions also disposed of 6,796 offers in compromise involving income, profits, estate, gift, excise (other than alcohol), employment, and withholding taxes. These cases required field examinations and the expenditure of 136 man-years by technical personnel of the audit divisions. For general information on offer-in-compromise cases, see page 41.

Fraud Investigations

Additional progress was made toward the objective of covering tax law violations in all geographical areas, by all strata of society, and for all types of taxes. Also, emphasis was continued on the identification and investigation of cases of more substance and significance for deterrent effect. This program required the allocation of manpower to conduct special studies and inquiries in those geographical areas in which there have been few or no criminal tax cases, as well as to conduct surveys of possible noncompliance in various taxpaying categories.

The continued emphasis on better geographical coverage and selection of cases for their deterrent value, combined with a 2 percent decrease in technical personnel, resulted in a decrease of approximately 8 percent in the number of full-scale investigations completed. However, the additional taxes and penalties involved in these cases increased 25 percent over the previous year. Such investigations frequently result in recommendations for prosecution, and represent the most significant workload factor in the Intelligence Division.

Also, fewer preliminary investigations were completed due to the policy of more closely evaluating allegations of criminal tax violations and assigning to special agents for preliminary inquiries only those which appear to have the most significant prosecution potential. This policy has permitted a more efficient use of Intelligence manpower in that fewer preliminary investigations, which do not warrant followup as full-scale (numbered) investigations, are conducted.

The number of investigations of applications for enrollment of practitioners also decreased, due to a decrease in applications.

A comprehensive study of the long-term training needs of Intelligence also was completed during the year. (See p. 70.)

A summary of investigations by the special agents during the last two years follows:

Tax fraud and other investigations completed by Intelligence Division

Type	1958	1957
Grand total	25,923	30,438
Suspected fraud and miscellaneous type cases investigated:		
Unnumbered (preliminary) investigations, total	14,416	17,759
Fraud	12,736	14,888
Wagering	1,247	2,082
Coin-operated gaming devices	306	620
Miscellaneous	127	169
Numbered (full-scale) investigations, total	4,184	4,538
Prosecution recommended, total	1,946	2,271
Fraud	1,280	1,399
Wagering	547	603
Coin-operated gaming devices	88	241
Miscellaneous	31	28
Prosecution not recommended, total	1,426	1,528
Fraud	1,254	1,290
Wagering	75	73
Coin-operated gaming devices	83	141
Miscellaneous	14	24
Investigations discontinued, total	812	739
Fraud	748	701
Wagering	52	30
Coin-operated gaming devices	12	8
Other investigations, total	7,323	8,141
Applications for admission to practice before the Treasury Department	[1] 7,241	8,081
Charges against enrollees to practice	82	60

[1] In addition to the applications for admission to practice before the Treasury Department, there were 7,375 renewal applications processed and renewal cards issued during fiscal year 1958.

Federal-State Cooperation

The revitalized program for mutual exchange of audit and other enforcement information between the Revenue Service and the tax offices of interested states resulted in a revised agreement with Wisconsin.

The new agreement materially broadened the area of cooperation beyond the terms of the original Wisconsin agreement in 1950—first year of the exchange program.

Following the new concept worked out with Minnesota the year before, the revised Wisconsin pact provided for cooperation on other than income taxes. This and other features of the broadened program are expected to

produce a better balance of the benefits between the federal and state governments, and to improve the ratio between costs and benefits of the program.

Other states participating in the earlier audit exchange agreements with the Revenue Service are North Carolina, Kentucky, Montana, and Colorado. A beginning has been made in reviewing these agreements, and informal conversations have been held with other interested states about the broadened program.

Alcohol and Tobacco Tax Program

This was the first complete fiscal year for a new enforcement program, which appears to be producing tangible results in the effort to combat illicit production and sale of alcoholic beverages. This program places primary emphasis on—

(1) a concentrated drive to detect and prosecute organized groups of large-scale operators

(2) the extension of investigations and the planning of raids so as to arrest groups of violators together (more arrests per seizure)

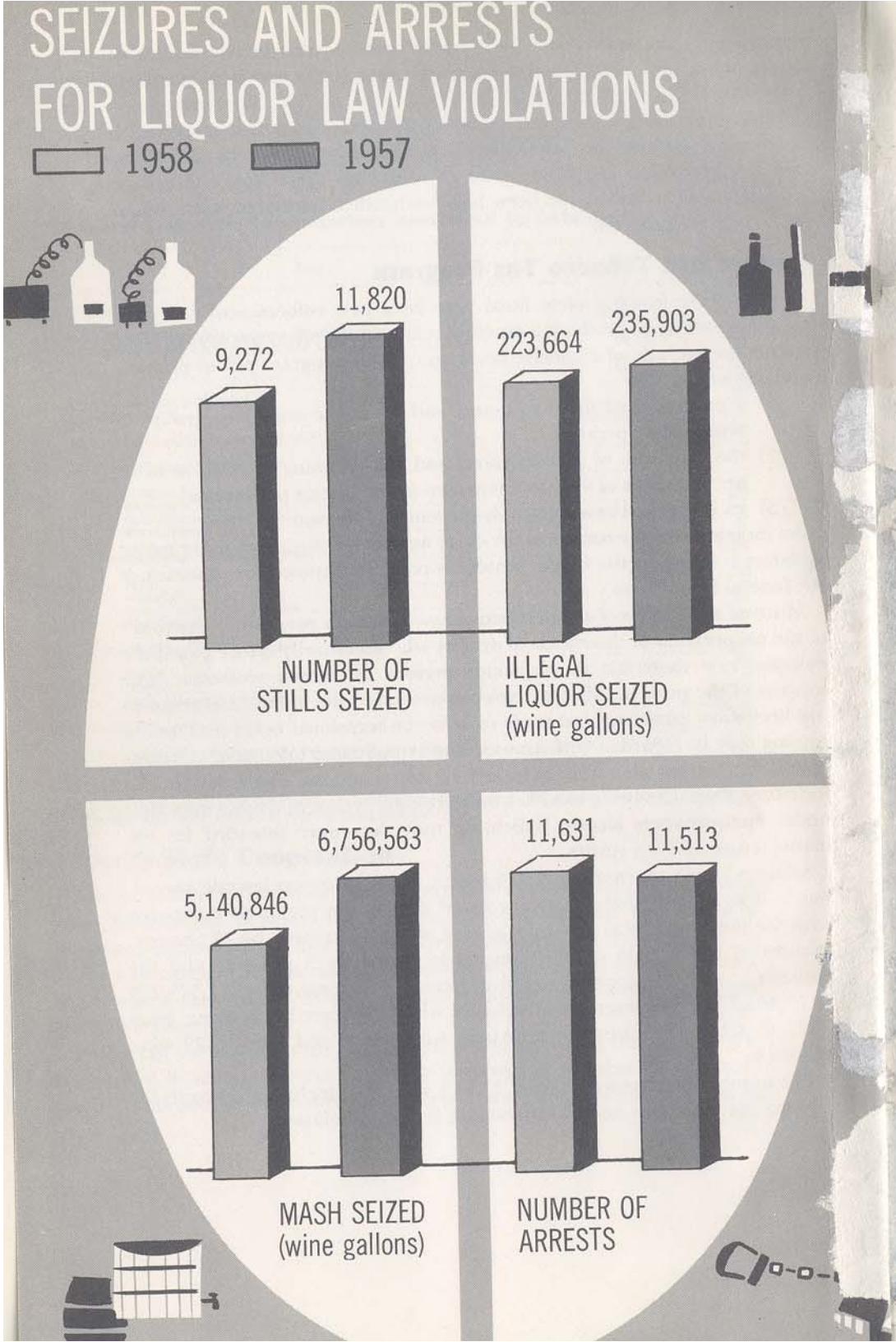
(3) an intensified raw materials preventive program.

An indication of the success of the drive against large-scale or other major violators is found in the longer sentences recently imposed for violation of the federal liquor laws.

Much of the success of the preventive raw materials program is the result of the cooperation of thousands of dealers who voluntarily refuse to sell the essential raw materials to suspicious persons or known violators. The support of the press in this preventive approach to the moonshine problem has been most gratifying and tends to belie the occasional belief that moonshining may be regarded with amused and sympathetic tolerance. Considerable success has also been achieved by court actions which sustain the forfeiture of vehicles being used to transport sugar, yeast, and other materials under circumstances clearly indicating that they were intended for the manufacture of illicit spirits.

Seizures for violations of alcohol, tobacco, and firearms tax laws decreased, but it is significant that arrests increased during the year. As compared with the preceding fiscal year, the seizure of stills decreased by 22 percent; seizures of nontaxpaid distilled spirits decreased by 5 percent; and the appraised value of property seized decreased 4 percent, from $3,529,274 to $3,403,778. The number of vehicles seized decreased 4 percent, from 3,377 to 3,229. Seizures of nontaxpaid wines decreased from 9,329 wine gallons to 7,448.

The number of arrests rose from 11,513 to 11,631, including 9 arrests for tobacco tax violations and 513 arrests for firearms violations.



A comparison of seizures and arrests follows:

Seizures and arrests for alcohol, tobacco, and firearms violations

Item		1958	1957
Seizures:			
Stills	number	9,272	11,820
Nontaxpaid distilled spirits	wine gallons	216,216	226,574
Nontaxpaid wines	do	7,448	9,329
Mash	do	5,140,846	6,756,563
Vehicles	number	3,229	r 3,377
Property (appraised value)	dollars	3,403,778	3,529,274
Arrests	number	[1] 11,631	[1] 11,513

Note.—Includes seizures and arrests in cases adopted, as well as originated by the Alcohol and Tobacco Tax Division.

r Revised.

[1] Includes 9 arrests for tobacco tax violations and 513 arrests for firearms violations during 1958, and 4 arrests for tobacco tax violations and 415 arrests for firearms violations during 1957.

Action under the Liquor Enforcement Act of 1936 against persons attempting to import liquor into the State of Oklahoma resulted in 34 arrests and the seizure of 2,723 wine gallons of taxpaid liquor and 32 vehicles, valued at $36,417.

Firearms Program

In order to cope with persistent illicit traffic in firearms and with intensified lawful activity under the National and Federal Firearms Acts, the applicable regulations were strengthened and brought up to date.

Emphasis also was placed on cooperating with other law-enforcement agencies in investigating conspiracy cases having national and international significance. Investigational work resulted in 513 arrests, the seizure of 139 vehicles, the seizure of 798 firearms, and the completion of 501 criminal prosecution cases. Registration of firearms during the year totaled 9,254, as compared with 154,874 in 1957 and 2,358 in 1956. The number of registrations in 1957 was abnormally high due to the production of a large quantity of automatic weapons for the armed forces.

Rewards to Informers

During 1958, 4,173 claims were received from individuals seeking rewards as informers. Of these, and those pending from prior years, 694 were approved with recommended payments of $493,535. Nearly 28 times more than the amount of rewards recommended were the taxes, interest, and penalties recovered on the basis of the information given by the claimants. Claims totaling 4,866 were disallowed for lack of substantiation or failure to meet eligibility requirements.

Concentrated efforts during the year have resulted in more expeditious disposition of claims and in placing these claims on a more current basis. Revised procedures have been developed which will tend to decrease the time required in the final processing of claims for reward.

Activity in this area during the last two years is shown below:

Receipt and disposal of claims for informers' rewards

Status		1958	1957
Pending July 1	number	7,076	7,494
Received during year	do	4,173	3,938
Disposed of during year, total	do	5,560	4,356
Rejected	do	4,866	3,732
Allowed	do	694	624
Pending June 30	do	5,689	7,076
Amount allowed on claims disposed of during year	dollars	493,535	518,437

Cases Involving Criminal Prosecution

Compared with the preceding year there was a decrease of 29 percent in the flow of income and miscellaneous tax cases from field offices to the Chief Counsel's office. This decrease was reflected, in turn, in the total of 943 cases, exclusive of wagering tax cases, which were forwarded to the Department of Justice with recommendations for criminal proceedings against 1,011 prospective defendants. This was a decrease of 28 percent from the prior year.

There also was a drop of 17 percent in the number of indictments returned. Fewer misdemeanor type violations were prosecuted following the decision of the Supreme Court in *Achilli* v. *United States*, 353 U. S. 373.

The total additional taxes and penalties involved in cases received in the Chief Counsel's office with recommendations of criminal prosecution increased from $76,156,443 during the fiscal year 1957 to $82,195,794 during this year. The reduction in the number of cases in the closing inventory is attributable principally to the decrease in the number of income and miscellaneous tax cases received and, in part, to a new procedure for processing wagering tax cases in groups without the opening of individual case files.

An analysis of cases flowing from the special agents through the regional offices of the Chief Counsel and the Department of Justice follows:

Receipt and disposal of cases in Chief Counsel's office

Status	1958	1957
Pending July 1 [1]	3,140	3,140
Received during year, total [2]	1,565	2,174
With recommendation for prosecution	1,501	2,106
With requests for opinion	64	68
Disposed of during year, total	2,573	2,174
Prosecution not warranted	285	230
Department of Justice declined [3]	208	257
Prosecutions	1,770	1,412
Opinions delivered	84	72
All other closings	226	203
Pending June 30 [1]	2,132	3,140

[1] Includes cases awaiting action in Department of Justice exclusive of wagering-occupational tax cases referred by Intelligence Division.
[2] Does not include 280 wagering-occupational tax cases in groups processed under new procedure.
[3] Includes 62 wagering tax cases during 1958 and 137 during 1957.

In income, excise, and wagering tax cases reaching the courtroom, 968 defendants pleaded guilty or nolo contendere, 128 were convicted after trial, 106 were acquitted, and 325 were dismissed. In alcohol, tobacco, and firearms tax cases, 5,275 pleaded guilty, 834 were convicted after trial, 425 were acquitted, and 586 were dismissed.

A comparison of indictments and courtroom actions for the last two years follows:

Results of criminal action

Action	Number of defendants	
	1958	1957
Total		
Indictments returned [1]	8,705	r 8,331
Disposals, total	8,647	8,370
Plea—guilty or nolo contendere	6,243	5,991
Convicted after trial	962	1,018
Acquitted	531	429
Nol-prossed or dismissed	[2] 911	932
Income tax and miscellaneous cases [3]		
Indictments returned [1]	918	1,104
Disposals, total	995	1,028
Plea—guilty or nolo contendere	720	769
Convicted after trial	87	88
Acquitted	46	48
Nol-prossed or dismissed	142	123
Wagering tax cases		
Indictments returned [1]	441	562
Disposals, total	532	581
Plea—guilty or nolo contendere	248	349
Convicted after trial	41	50
Acquitted	60	16
Nol-prossed or dismissed	183	166
Alcohol, tobacco, and firearms taxes		
Indictments returned	7,346	r 6,665
Disposals, total	7,120	6,761
Plea of guilty	5,275	4,873
Convicted after trial	834	880
Acquitted	425	365
Nol-prossed or dismissed	586	643

r Revised.
[1] Includes defendants prosecuted on the basis of informations.
[2] Includes cases dismissed for the following reasons: 8 because of death of principal defendant, 5 because of serious illness of principal defendant, 153 because defendant had pleaded guilty or had been convicetd in a related case.
[3] Includes income, estate, gift, and excise taxes other than wagering, alcohol, tobacco, and firearms taxes.

Supreme Court decisions in criminal cases.—In a *per curiam* decision in *United States* v. *Massei*, 355 U. S. 595, the Court dealt with the question as to whether the government must introduce proof of a likely source of unreported income as an indispensable element of the net worth method. Clarifying its 1954 decision in the *Holland* case (348 U. S. 121) the Court stated that should all possible sources of nontaxable income be negatived, there would be no necessity for proof of a likely source.

In *United States* v. *Shotwell Manufacturing Company et al.*, 355 U. S. 233, the Court considered newly discovered evidence impugning the truthfulness of trial testimony as to an alleged voluntary disclosure and found that, if true, it indicated the disclosure alleged was but a further step in a conspiracy to fix the corporation's tax difficulties, possibly involving the corruption of government officials, and entailing an attempt to perpetrate a fraud upon the courts. The case was remanded to the district court for full exploration, the Supreme Court holding that the integrity of the judicial process demanded no less.

The Supreme Court affirmed the convictions of *Lawn*, *Giglio*, and *Livorsi* (355 U. S. 339) on charges of conspiracy and attempted evasion of some $800,000 in corporate and individual taxes due from profits of black market sugar operations. The Court denied certiorari in the *Klein* case thus concluding litigation which began in 1954 with respect to a conspiracy by *Hyman Harvey Klein*, *Maurice Haas*, *Morris O. Alprin*, and others, to obstruct the Treasury in its collection of the revenue through concealment which involved the organization of no less than seventeen foreign corporations, falsification of records, removal of $8,000,000 in bonds to Canada, and numerous other overt acts. The case involved the sale of over $38,000,000 worth of Canadian whiskey to American importers. Klein and his associates directed and controlled the sales from the United States and sought to minimize the amount of income taxes on the profits. The defendants were sentenced to four, three, and two years, respectively.

Collection of Delinquent Accounts

The dollar inventory of delinquent accounts was reduced for the third straight year. However, as the result of an increase in the number of new cases, there was a small increase in the number of cases outstanding at the end of the year.

The inventory of delinquent accounts on June 30, 1958, totaled 1,505,000 cases and $1,466,000,000. This is 1.2 percent higher than a year ago in number of cases, but 6.1 percent lower dollarwise.

A year ago about one-fourth of the inventory of delinquent accounts

comprised cases with balances at least two years old; this ratio dropped to one-fifth on June 30, 1958. This is the result of special emphasis on the older and larger value accounts, together with continued work on the current and smaller ones.

The inventory of delinquent accounts reached an alltime high of 1,833,000 accounts on August 31, 1957, thereafter decreasing each month to 1,227,000 on May 31, 1958, the lowest in almost five years. This low, however, was partly attributable to the issuance of fewer delinquent account assemblies in April and May, due to concentration on refunding work.

This year 2,978,000 delinquent account assemblies (each assembly consists of a notice to the taxpayer and two office records) were issued, which is about 9 percent higher than the number issued last year. The amount of tax on these cases was $1,352,000,000, about 4 percent more than last year. This year's volume was the greatest on record. Dollarwise, the amount was also high, but this year was only the third full fiscal year in which the amount of money on delinquent account assemblies has been reported.

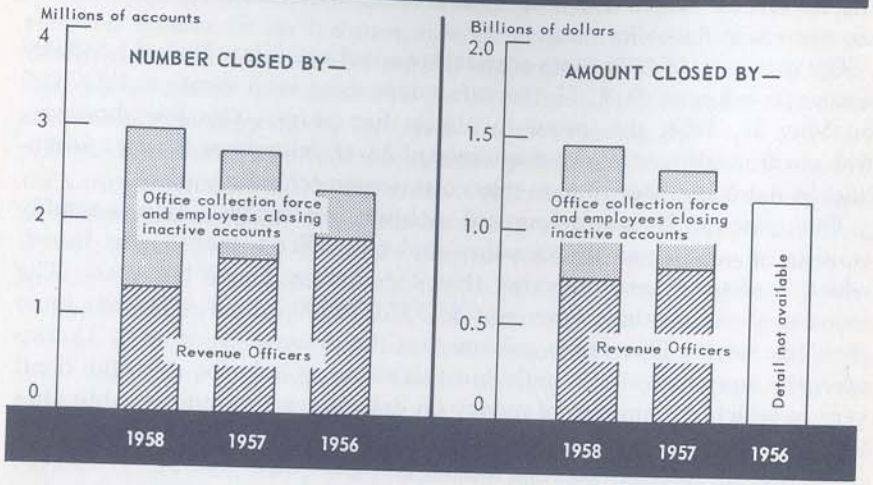
Delinquent account disposals totaled 2,960,019 cases and $1,447,000,000 this year, increases of 7.2 percent and 9.5 percent, respectively, over last year. The increased production was primarily accomplished through improved planning and procedures, although average employment in the delinquent accounts and returns branches of district offices was slightly higher than last year, about 3 percent.

This was the first full fiscal year in which the collection of delinquent accounts by office collection methods was pursued actively by all regions, and the accomplishments have been encouraging. The Office Collection Force was responsible for about one-half of all delinquent accounts closed during the year while in 1957, when many regions were just starting the plan, the ratio was about one-third of total closures. The use of office collection methods on easier cases has made it possible for the revenue officer staff to concentrate on the more difficult cases. This year revenue officers closed 13 percent fewer cases than the Office Collection Force but 73 percent more dollarwise.

In 1958, the amount collected from delinquent accounts totaled $1,012,000,000. This is 7.3 percent more than last year.

A law was enacted on February 11, 1958, giving the Revenue Service more authority in combating tax delinquencies. This law, Public Law 85–321, provides that, upon notification, taxpayers must make special deposits of trust fund moneys from withheld income and social security taxes, and excise taxes on facilities and services.

TAXPAYER DELINQUENT ACCOUNTS, 1956-1958



The title, Collection Officer, was changed to Revenue Officer to identify these positions more closely with the Revenue Service, and to show that the primary concern of these positions is with the revenue, as such, rather than with one particular type of activity.

Following is a comparison of delinquent account activity in the last two years:

Taxpayer delinquent accounts

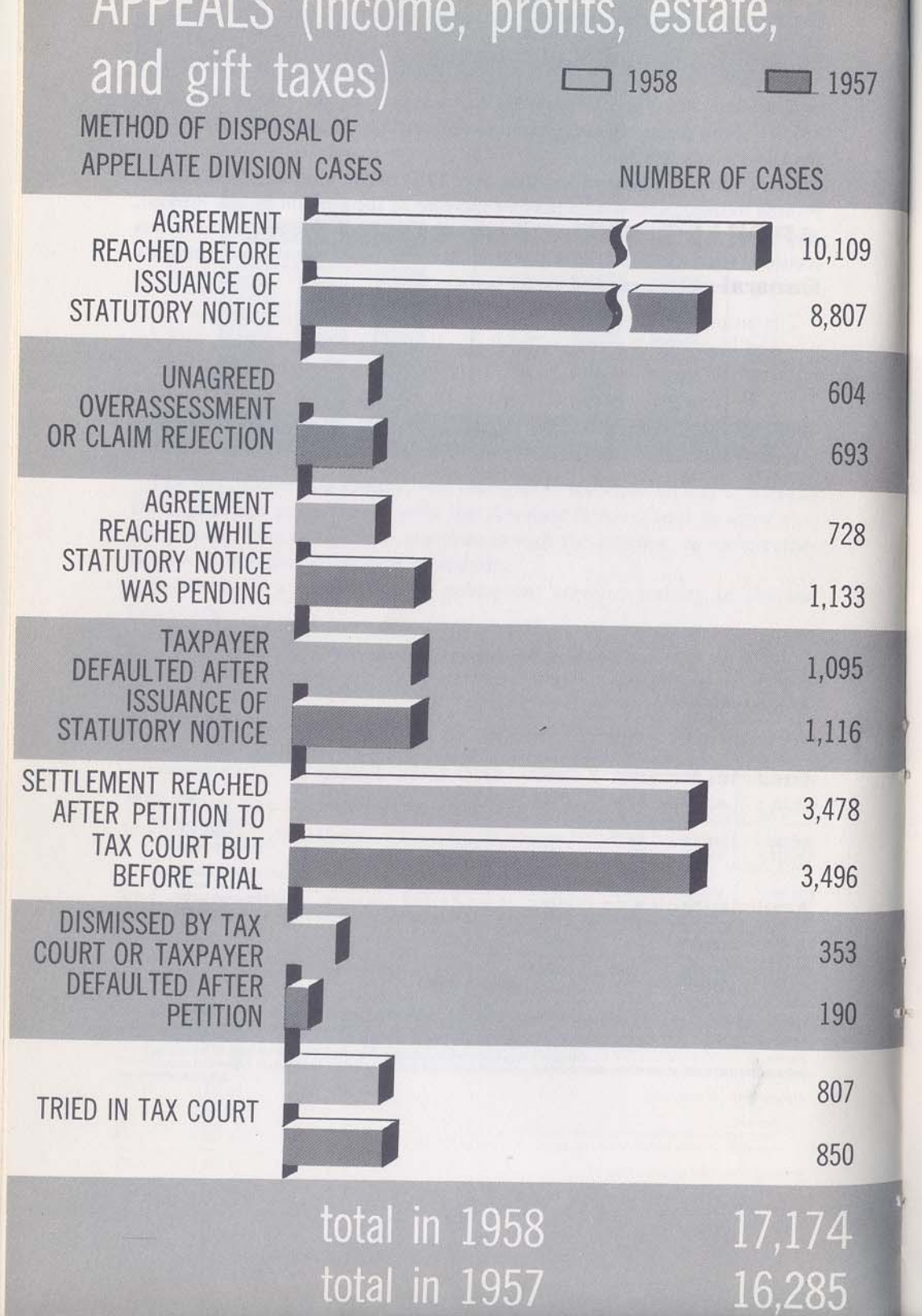
Status	Number (thousands)		Amount (thousand dollars)	
	1958	1957	1958	1957
Assemblies issued [1]	2, 978	2, 744	1, 352, 478	1, 299, 176
Closed, total	2, 960	2, 762	1, 446, 785	1, 321, 108
By type of action:				
Collected	2, 434	2, 342	1, 011, 948	943, 249
Other disposals [2]	526	420	434, 837	377, 859
By method of handling:				
Revenue officers	1, 295	1, 625	754, 734	807, 633
Office Collection Force	1, 487	986	436, 085	308, 587
Other [3]	178	152	255, 966	204, 886
Pending June 30, total	1, 505	1, 488	1, 466, 223	1, 560, 530
Active	1, 368	1, 321	976, 466	935, 519
Inactive [4]	137	166	489, 756	625, 010

[1] The assembly comprises several parts, all for office use, except one which is a notice to the taxpayer indicating legal action unless immediate payment is made.
[2] Includes adjustments to reflect erroneous and duplicate assessments, uncollectibility, etc.
[3] Consists of closings by the office group designated to handle inactive accounts.
[4] Consists of inactive accounts on which collection has been deferred, such as cases involving military personnel, offers in compromise, etc.

Delinquency Investigations and Delinquent Returns

Over 1,000,000 investigations were completed in each of the last two fiscal years in cases in which preliminary information indicated that persons or firms had failed to file some type of return. At the end of this year, 585,367 delinquency investigations were pending. This is slightly higher than last year's 583,618.

There was a 0.3 percent increase over 1957 in the number of delinquent returns secured, with a 12.3 percent increase in the amount of tax, interest, and penalty on these returns. A total of 890,882 delinquent returns was secured, representing $125,000,000 in tax. Most of these were quarterly returns of employment and excise taxes.



APPEALS AND CIVIL LITIGATION

General

The number of protested income, profits, estate, and gift tax cases received in pre-90-day and 90-day status by the regional appellate divisions from the district offices during 1958 approximated the number received in 1957. This is in contrast to the four preceding years when receipts increased substantially each year.

The larger volume of protested cases referred to the regional appellate divisions in recent years is reflected in increases in both the number of cases disposed of and the number pending. Notwithstanding the larger workload, the policy of considering protested cases promptly has continued with the result that disposals increased and the inventory at the close of the year was in a substantially current condition.

The number of petitions filed with the Tax Court of the United States increased during the year. This is attributable to the larger volume of regional appellate division disposals of protested cases and to an increase in the number of cases which were not considered by the regional appellate divisions prior to the issuance of the statutory notice. Disposals of petitioned cases also increased, but to a lesser extent than receipts.

Income, Profits, Estate, and Gift Taxes

The following tables reflect case receipts, dispositions, and pending inventories for the regional appellate divisions as a whole during the last two fiscal years:

Appellate Division processing of protested income, profits, estate, and gift tax cases prior to issuance of statutory notice of deficiency (pre-90-day cases)

Status	Number of cases	
	1958	1957
Pending in pre-90-day status July 1	11,123	8,750
Net receipts from district directors during year	16,512	15,786
Processed during year, total	15,241	13,413
Agreed	10,109	8,807
Unagreed overassessment and claim rejections	604	693
Appellate Division statutory notices issued—transferred to 90-day status	4,528	3,913
Pending in pre-90-day status June 30	12,394	11,123

Appellate Division processing of protested income, profits, estate, and gift tax cases in which statutory notices of deficiency were outstanding (90-day cases)

Status	Number of cases	
	1958	1957
Pending in 90-day status July 1	1,453	1,089
Net receipts during year, total	4,945	4,927
Statutory notices issued by Appellate Division [1]	4,469	3,945
Cases resulting from district directors' statutory notices	476	982
Processed during year, total	4,524	4,563
Agreed	728	1,133
Defaulted	1,095	1,116
Petitioned to the Tax Court—transferred to docketed status	2,701	2,314
Pending in 90-day status June 30	1,874	1,453

[1] Difference from preceding table is caused by cases being combined or split for the purpose of issuing the statutory notice, cases in transit, etc.

Appellate Division processing of income, profits, estate, and gift tax cases petitioned to the Tax Court (docketed cases)

Status	Number of cases	
	1958	1957
Pending in docketed status July 1	8,761	8,422
Net receipts during year, total	6,272	4,875
Petitions filed in response to—		
District directors' statutory notices	3,677	2,613
Appellate Division's statutory notices [1]	2,546	2,184
Cases reconsidered after trial	49	78
Processed during year, total	4,638	4,536
Agreed—stipulated	3,478	3,496
Dismissed or defaulted	353	190
Tried before the Tax Court on merits	807	850
Pending in docketed status June 30	10,395	8,761

[1] Difference from number shown as petitioned in preceding table is caused by excluding district directors' statutory notices considered by Appellate in 90-day status, cases in transit, etc.

Excise and Employment Taxes

The receipts of excise and employment tax cases increased substantially over prior years. The increase in 1958 was offset, to a large extent, by an increase in disposals.

The following table reflects the results in excise and employment tax cases:

Appellate Division processing of protested excise and employment tax cases

Status	Number of cases	
	1958	1957
Pending July 1	628	286
Received during year	1,498	1,093
Processed during year, total	1,327	751
Settled by agreement	591	380
Closed without agreement	736	371
Pending June 30	799	628

New Settlement Procedure

On May 1, 1958, a new procedure for settling Tax Court cases in the various field offices of the regional counsels and the regional appellate divisions was put into effect. This procedure provides as follows:

Prior to the opening date of the session of the Court at which a case is placed on a trial calendar, or of any pre-trial hearing or report session on a case, such case is considered a "pre-session case." In pre-session cases, it is the joint responsibility of the regional counsel and the regional appellate division to determine whether a case, in whole or in part, should be settled, conceded, or tried, except that in the event of disagreement between the two offices, the case is referred to the Chief Counsel, and his decision is controlling.

On and after the opening date of the session of the Court at which a case is placed on a trial calendar, or of any pre-trial hearing or report session, such case is considered a "session case." In session cases, it is the responsibility of the regional counsel, subject to the general supervision and review, where appropriate or necessary, of the Chief Counsel, to determine whether a case, in whole or in part, should be settled, conceded, or tried.

The purpose of the change in settlement procedure in the regional field offices was to reestablish proper control of Tax Court litigation in the Chief Counsel's office, yet at the same time to retain the negotiation and settlement experience of the regional appellate division.

Claims for Relief From Excess Profits Tax

Substantial progress was made during the year in the disposition of the remaining claims for relief from the World War II excess profits tax (section 722, Internal Revenue Code of 1939). The number of cases pending in the Tax Court was reduced 59 percent, from 239 to 99; and only one nondocketed case was pending before the Excess Profits Tax Council by the close of the year.

The results for the year were as follows:

Claims for relief from excess profits tax

Status	Cases not petitioned to the Tax Court		Cases petitioned to the Tax Court	
	Number of cases	Amount claimed (thousand dollars)	Number of cases	Amount claimed (thousand dollars)
Pending July 1, 1957	2	1,840	239	707,662
Received	1	255		
Total	3	2,095	239	707,662
Closed	2	1,840	140	365,679
Pending June 30, 1958	1	255	99	341,983

Compromise and Closing Agreement Cases

Final closing agreement cases relating to completed transactions are considered by the Appellate Division. The table shown below reflects the activity in this area during the year 1958. (Rulings on proposed closing agreements involving prospective transactions are discussed on p. 52.)

The table below also shows the number of offer-in-compromise cases appealed to the regional appellate divisions and the results of such appeals. This information is also included in the data on compromise cases appearing on pages 41 and 42.

Appellate Division processing of compromise and final closing agreement cases

Status	Compromise cases		Final closing agreement cases	
	1958	1957	1958	1957
Pending July 1	210	235	15	7
Received during year	398	422	27	49
Processed during year, total	396	447	30	41
Accepted, granted, or approved	111	112		
Rejected	244	269		
Withdrawn	41	66		
Pending June 30	212	210	12	15

Other Courts

Results in other courts.—The Supreme Court decided 19 tax cases last year, sustaining the government's position in 12 of the cases.

The circuit courts of appeals decided 365 tax cases (exclusive of bankruptcy, receivership, insolvency, compromise, and liquor cases). The government's position was supported in 228 of these cases.

In most cases, taxpayers who have paid a disputed tax can, if they wish, sue for refund in the Court of Claims or in a United States district court. Last year the district courts decided 173 cases for the government, 265 for the taxpayer, and 34 cases partly for the government and partly for the taxpayer. The Court of Claims decided 17 cases for the government, 31 cases for the taxpayer, and 7 cases partly for each.

There were at year-end 2,333 civil cases (principally suits for refund of taxes, other than those relating to alcohol, tobacco, and firearms taxes) involving tax questions pending in district and State courts, and 487 pending in the Court of Claims.

For details of the cases in courts other than the Tax Court, see tables 19–22 on pages 125–127.

Decisions of Supreme Court.—Among civil cases (see "Enforcement" section for criminal cases) decided by the Supreme Court were the following:

On March 17, 1958, the Supreme Court decided in favor of the government in two cases relating to the deductibility of state fines: *Tank Truck Rentals, Inc.* v. *Commissioner* (1958) 356 U. S. 30, and *Hoover Motor Express Co. Inc.* v. *United States*, 356 U. S. 38. The government contended that fines imposed for violations of state maximum weight laws were not deductible as ordinary and necessary business expenses. Both cases are of significance because the Court decided that it made no difference whether the violations were inadvertent ones or not, thus refusing to extend the test of willfulness enunciated in the case of *Rossman Corporation* v. *Commissioner* (C. A. 2d 1949) 175 F. 2d 711, to violations of state or federal laws which do not differentiate between innocent and willful violators.

On the same day the Supreme Court also decided the cases of *Commissioner* v. *Neil and Grace Sullivan, James and Ann Ross, Sam Mesi* (1958) 356 U. S. 27, against the government holding that amounts paid for rent and wages by bookmaking establishments, which were illegal enterprises under the law of the state in which they operated, were deductible as business expenses. It also stated that not only do the regulations not express any disapproval of allowance of these deductions, but they point in the other direction by allowing as a business expense the federal excise tax on wagers. This would seem to be recognition of a gambling enterprise as a business for federal tax purposes.

On April 14, 1958, the Supreme Court unanimously decided in the government's favor seven oil assignment cases: *Commissioner* v. *P. G. Lake, Inc., et al.* (1958) 356 U. S. 260. It held that although oil payment rights and a sulphur payment right were interests in land, as held by the court of appeals, yet the consideration received for assignments of these rights is taxable as ordinary income subject to depletion. A lump-sum cash consideration received for the assignments was a substitute for the right to receive ordinary income in the future, as evidenced by the fact that the payout of the assigned rights could be ascertained with reasonable accuracy. The assignments of oil payments for an interest in a ranch and for business real estate were not tax free "like kind" exchanges, since the effect of the exchanges was to transfer future ordinary income from oil leases for real estate. (The Lake, Fleming (3 cases), Weed, and Wrather cases originated in the Tax Court, while the seventh case, O'Connor, arose in the district court.)

On the date of June 9, 1958, the Supreme Court decided two cases adverse to the Commissioner, both of which arose in the Tax Court. In *The Colony, Inc.* v. *Commissioner* (1958) 357 U. S. 28, the Court reversed the decision of the court of appeals to hold that an overstatement of costs resulting in an understatement of income does not constitute an "omission from gross income" so as to make the 5-year statute of limitation applicable under section 275(c) of the 1939 Code. While considering that the statutory language is not unambiguous, the Court concluded that legislative history was persuasive, that Congress was addressing itself to the specific situation where a taxpayer actually omitted from income an item of receipt or accrual in his computation of gross income, and not more generally to errors in that computation arising from other causes. The deficiencies involved were based upon the Commissioner's determination that the taxpayer had understated the gross profits on the sales of certain lots of land as the result of having overstated the basis of such lots by inclusion in the cost of the lots certain unallowable items of development expense.

The case of *Walter W. Flora* v. *United States*, 78 S. C. 1079, was decided June 16, 1958, in favor of the government. It involved the question of whether a taxpayer must pay the full amount of an income tax deficiency before he may challenge its correctness by a suit for refund. The Court considered the case on writ of certiorari from the Court of Appeals for the Tenth Circuit and affirmed. The Court based its determination on what it considered to be congressional intent. The Court went back to dicta in *Cheatam* v. *United States* (1875) 92 U. S. 85, which said that statutes at that time (R. S. 3226) required full payment as a condition precedent to the right to sue for refund, and noted that current statutes [28 U. S. C. 1346(a)(1)] employed identical language and were not intended to alter the *Cheatam* rule. The Court specifically noted that the statute establishing

the Tax Court in 1924 constituted a partial remedy for hardship cases. In other hardship cases the Court stated that amelioration was a matter for Congress, not the Court. Justice Whittaker dissented. This decision resolves what has been a very debatable and a significant issue in tax litigation. A contrary decision would have permitted taxpayers to make token payments on deficiency assessments and by a suit for refund for such payment to test the correctness of the entire assessment. Such a rule probably would have resulted in a substantial change in taxpayers' choice of forums for litigation.

The case of *The F. and M. Schaefer Brewing Company* v. *United States*, 356 U. S. 227, was decided March 7, 1958, in favor of the government. The only issue involved in the Court was the timeliness of an appeal taken to the Court of Appeals, Second Circuit. In a suit to recover stamp taxes, the district court filed an opinion on April 14, 1955, in which, after finding that the taxpayer had paid a specific amount of taxes and interest, but making no finding of the date or dates of payment, the taxpayer's Motion for Summary Judgment was granted. On the same day the Clerk of the Court entered a notation of this opinion on the Civil Docket. On May 24, 1955, the district judge signed a formal judgment which specified the principal sum and interest awarded to the taxpayer. The appeal filed by the government was timely if the May 24th judgment rather than the April 14th opinion was the "final judgment." The Court, in holding, with three justices dissenting, that the appeal was timely, concluded that the April 14th opinion did not clearly evidence the district court's intention that it be the final act in the case and that none of the parties so understood it. The decision is applicable to all litigation, and it is believed that it constitutes a significant contribution in clarifying the question as to what constitutes a final judgment in a district court.

The case of *Fidelity-Philadelphia Trust Co., et al.* v. *Smith*, 356 U. S. 274, was decided April 28, 1958, against the government. With three dissents, the Court reversed a decision by the Court of Appeals for the Third Circuit which had been in agreement with decisions of the Second and Sixth Circuits but contra to a decision of the Seventh Circuit. On the government's petition the Supreme Court had granted a writ of certiorari in the decision of the Seventh Circuit, but that decision was affirmed in 1953 by an equally divided court per curiam. The present case involved the question whether simultaneous purchases of single premium life insurance policies and annuity contracts at age 76 constituted transfers with income retained for life within the meaning of section 811(c)(1)(B)(i) where the life insurance policies were given outright to the children by means of irrevocable assignments and an irrevocable trust. The Court based its decision on the facts which distinguished this case from *Helvering* v. *Le Gierse* (1941) 312 U. S. 531. In the *Le Gierse* case, the decedent had

retained possession of the rights and benefits of the insurance policy until his death; whereas, in the instant case, the decedent had divested herself completely of her interests in the policies of life insurance including the possibility of reverter. Thus, the assignees had become the owners in their own right prior to her death. The Court pointed out that the decedent did not retain the right to the income from the aggregate premium payment since the periodic payments under the annuities would have continued undiminished and unimpaired for the term of her life even if the life insurance policies had been extinguished. The decision serves to clarify the question as to the applicable rule of law in similar cases.

On October 14, 1957, the United States Supreme Court decided the case of *United States* v. *W. H. Vorreiter* (1957) 355 U. S. 15, reversing the Supreme Court of Colorado (134 Colo. 544, 307 P. 2d 475). This case reaffirmed the prior decisions of the Supreme Court in the cases of *United States* v. *Colotta* (1955) 350 U. S. 808, and *United States* v. *White Bear Brewing Co.* (1955) 350 U. S. 1010, and stands for the proposition that a mechanic's lienor, at least for the purposes of federal taxation, must be considered essentially like the holder of an attachment or a garnishment or a landlord's lien before it has matured into a judgment, and that therefore the mechanic's lien is inchoate until reduced to a conventional judgment which has become a lien in accordance with locally prescribed procedures. Together, the cases demonstrate that a tax lien of the United States is prior to a mechanic's lien even though it arose at a later date than the mechanic's lien became effective (without being reduced to a judgment) under state law. The reaffirmance of its views by the Supreme Court is decisive of a number of cases pending before the lower courts and before the Revenue Service involving the question of priority of federal tax liens over mechanic's liens.

On June 9, 1958, the United States Supreme Court rendered its decisions in the cases of *Commissioner of Internal Revenue* v. *Stern* (1958) 357 U. S. 39, and *United States* v. *Bess* (1958) 357 U. S. 51. These cases involved the much litigated question of the extent to which the proceeds of an insolvent taxpayer's life insurance may be reached by taking action against the beneficiary as the transferee. In the *Stern* case the Court held that (in the absence of a lien) a life insurance beneficiary is not liable for the deceased taxpayer's income taxes as a transferee when such liability is not imposed under applicable state law. Under the Kentucky law held applicable to the case, the liability of a beneficiary to creditors was limited to the amount of premiums paid by the insured in fraud of creditors, and there being no showing of such fraud, the beneficiary in the case escaped transferee liability. However, in the *Bess* case, the Court held that where assessments of income taxes were made against the insured taxpayer during his lifetime, the government had a lien upon the cash surrender value of the taxpayer's life insurance policies which could be enforced against the beneficiary after the

taxpayer's death despite the fact that under the state law (in this instance the law of New Jersey) applicable to the case the beneficiary would not have been liable to creditors of the insured to any extent. These decisions will enable both the courts and the Revenue Service to dispose of a number of pending cases.

Statements on adverse Tax Court decisions.—There were published in the Internal Revenue Bulletin acquiescences of the Commissioner in 213 adverse decisions of the Tax Court and nonacquiescences in 31 adverse decisions.

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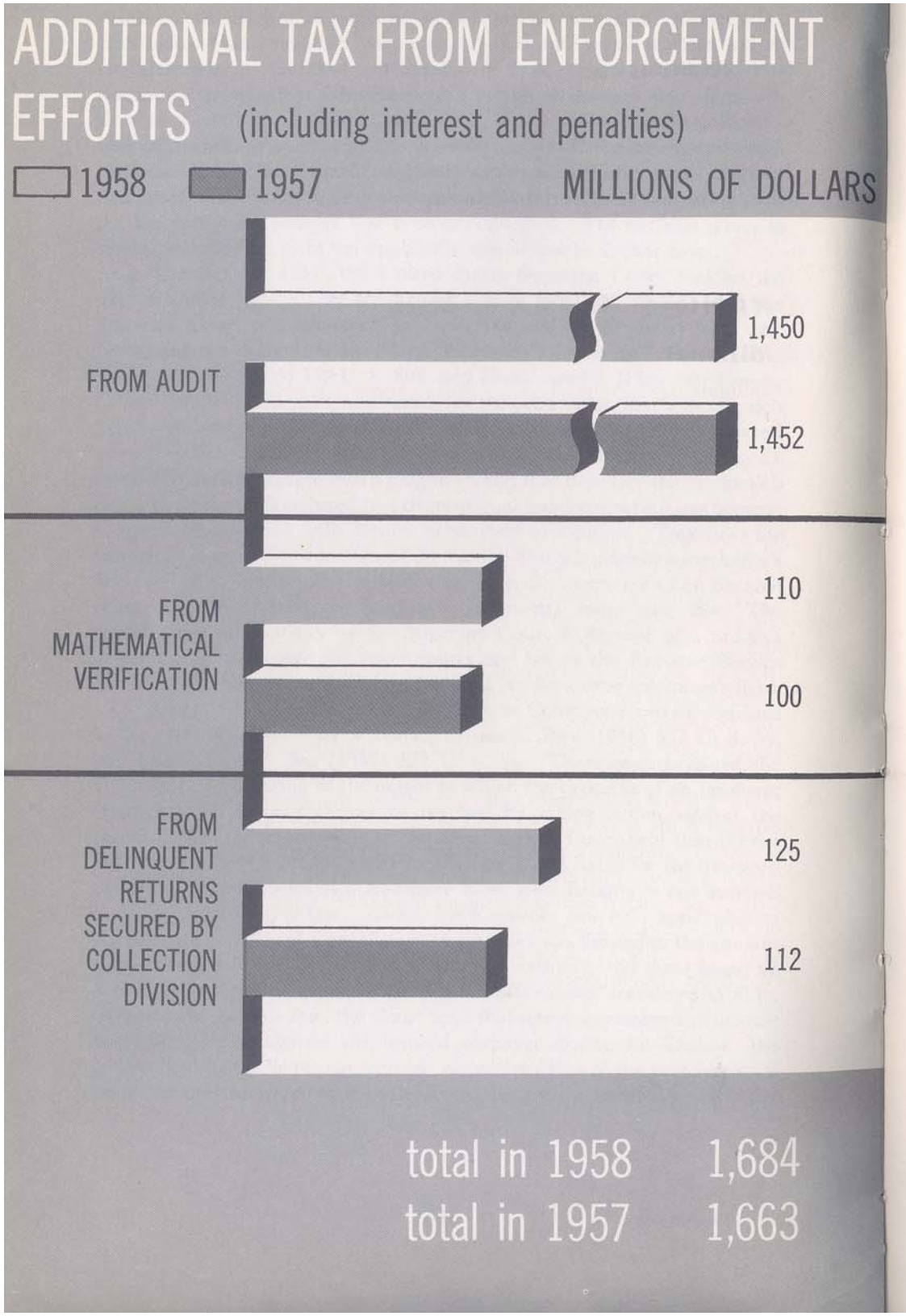

CHANGES IN TAX LIABILITY

Additional Tax

Additional taxes, interest, and penalties assessed as the result of enforcement activities were $1,684,465,000. Although this total was only slightly more than the 1957 figure, it reflects a new high for any year since the reorganization of 1952.

Assessments resulting from audit of returns totaled $1,449,564,000 for 1958, nearly equalling the total of $1,451,674,000 reported for the preceding year. Assessments due to the audit of individual and fiduciary income tax returns rose $40,240,000, while estate and gift tax assessments increased by $5,366,000, but there were offsetting decreases of $41,568,000 in assessments of corporation income and profits taxes, $2,824,000 in employment taxes, and $3,324,000 in excise taxes. The decreases were attributable mainly to the fact that there were unusually large assessments in a few special cases in 1957, while there were no comparable cases in 1958. Also contributing to the decreases in employment and excise tax assessments was the change in appeal procedures whereby taxpayers may appeal unagreed issues to the Appellate Division prior to assessment rather than after assessment.

Other types of enforcement activities, such as the securing of delinquent returns and the mathematical verification of returns, produced gains in assessments during the year. Mathematical verification of returns resulted in the assessment of nearly $10,000,000 more than in 1957, an advance of nearly 10 percent. The increases from these other types of activities were more than sufficient to offset the previously referred to decreases and still reflect a new alltime high for additional tax, interest, and penalties assessed as the result of enforcement activities.

Results of the last two years are shown in the following table:

Tax, interest, and penalties resulting from enforcement efforts

[In thousands of dollars]

Item	1958	1957
Additional tax, interest, and penalties assessed, total	1,684,465	r 1,663,214
From audit, total	1,449,564	1,451,674
Income and profits taxes, total	1,290,949	1,292,278
Corporation income and profits	636,700	678,268
Individual and fiduciary:		
Prerefund audit	102,595	79,064
Regular audit	551,654	534,945
Estate and gift taxes	128,812	123,446
Employment taxes [1]	5,350	8,174
Excise taxes	24,452	27,776
From mathematical verification, total	109,674	r 99,983
Individual	107,766	r 98,223
Corporation	1,907	1,760
From delinquent returns secured by—		
Collection Division	125,227	111,557
Audit Division	[2] 21,308	[2] 10,424
Claims disallowed	271,168	r 387,815

r Revised.

[1] Includes withheld income tax.

[2] Not included in grand total or subtotal because the figure for fiscal year 1957 includes 6 months only.

Overassessments and Overpayments

Refunds and repayments.—Although the number of refunds and repayments increased only about 5 percent last year, the amount of such payments increased 16 percent to a total of $4,651,656,000. The amount of interest allowed increased by 29 percent.

Over 90 percent of the increase in the number of refunds occurred in the "prepayment" of individual income taxes, while the number of manufacturers' and retailers' excise tax refunds accounted for nearly 10 percent of the increase. Included in the manufacturers' and retailers' excise taxes were 1,365,000 refunds made to farmers for gasoline tax, which aggregated approximately $74,000,000. This increase of $49,000,000 over the previous year is mainly due to the fact that for the fiscal year 1957 the claims covered only gasoline purchases from January 1, 1956, to June 30, 1956.

The following table shows by class of tax the number and amount of refunds and interest allowed during the last two fiscal years:

Number and amount of internal revenue refunds, including interest

Type of tax	Number		Amount refunded (principal and interest—thousand dollars)		Amount of interest included (thousand dollars)	
	1958	1957	1958	1957	1958	1957
Total refunds of internal revenue [1]	38,097,839	r 36,402,496	4,651,656	4,009,335	73,675	57,009
Corporation income and profits taxes	66,791	58,741	505,799	399,563	46,588	35,983
Individual income and employment taxes, total	36,609,118	r 35,084,268	3,947,574	3,487,887	23,725	16,887
Excessive prepayment income tax	35,528,081	r 33,979,827	3,777,919	3,315,690	7,850	6,413
Other income tax and old-age and disability insurance	1,053,867	r 1,084,917	165,953	169,533	15,791	10,390
Railroad retirement	158	103	383	100	2	8
Unemployment insurance	27,012	19,421	3,318	2,563	82	75
Estate tax	4,304	3,965	19,024	13,809	2,061	1,496
Gift tax	692	594	1,199	1,125	154	187
Excise taxes, total	1,406,601	1,241,707	177,360	105,751	1,129	2,443
Alcohol taxes [2]	9,170	10,266	64,526	58,755	1	73
Tobacco taxes [2]	2,111	2,241	6,388	5,029	(*)	(*)
Manufacturers' and retailers' excise taxes	1,380,056	1,217,901	99,512	27,766	363	310
All other excise taxes [3]	15,264	11,299	6,934	14,201	764	2,061
Not otherwise classified	10,333	13,221	700	1,199	18	14

*Less than $500.

r Revised

[1] Figures have not been reduced to reflect reimbursments from the Federal Old-age and Survivors Insurance Trust Fund, amounting to $75,465,000 in 1958 and $58,190,000 in 1957, and from the Highway Trust Fund, amounting to $89,913,000 in 1958 and $17,000 in 1957.

[2] Includes drawbacks and stamp redemptions.

[3] Includes narcotics, silver, wagering tax (excise) and stamps, capital stock tax, and other excise refunds previously reported separately.

Excessive prepayments of individual income tax.—Beginning with January 1958 the number and amount of refunds paid as a result of excessive prepayments of individual income tax was reported on a net "checks issued" basis; that is, refunds issued by disbursing officers less repayments and canceled checks, instead of on a "gross scheduled" basis as reported in prior years.

During the period January through June 1958, almost 34,000,000 refunds were issued on individual income tax returns filed for the tax year 1957. This represents an increase of 900,000 over those "scheduled" in the comparable period of the preceding year, disregarding the number of checks that were canceled and those that were erroneous and repaid by the taxpayers for the taxable year 1956. During the same period the number and amount of credits allowed increased 51 percent and 59 percent, respectively, over the preceding year. The excess is due partly to the 1957 economic recession and partly to the accelerated scheduling during 1958. The refunds issued through June 1958 with respect to the tax year 1957 returns averaged over $103 per item as compared with an average of $94 per item for the refunds scheduled through June 1957 with respect to the tax year 1956 returns.

The following table shows the number and amount of refunds and credits, and interest paid as a result of prepayments of tax for returns filed for the tax years 1953 through 1957 (usually received and processed by June 30 of the following year):

Refunds and credits resulting from excessive prepayments of individual income tax

Tax year	Refunds			Credits	
	Number (thousands)	Principal (thousand dollars)	Interest (thousand dollars)	Number (thousands)	Amount (thousand dollars)
1957 [1]	[2] 33,952	3,518,340	355	[2] 1,535	552,542
1956	[3] 34,096	3,323,779	3,936	[3] 1,602	599,012
1955	33,274	3,074,128	3,589	1,596	543,501
1954	33,138	2,932,261	3,559	1,681	573,243
1953	31,591	2,739,932	3,879	1,130	462,818

[1] Figures are preliminary and reflect refunds or credits to June 30, 1958. Refunds are reported on a checks issued basis for the tax year 1957 and credits are on a scheduled basis. Revised figures to Dec. 31, 1958, will appear in next year's report.
[2] Includes 227,000 returns requiring split between credit to ensuing tax year (or prior year) and current year refund..
[3] Includes 262,000 returns requiring split between credit to ensuing tax year (or prior year) and current year refund.

Carryback allowances.—More applications for tentative adjustments of prior years' taxes due to net operating losses were received in this year than in the previous year. Similarly, the dollar amount of these claims was greater than in last year. These increases are attributable to recent changes in economic conditions and consist principally of filings by corporate taxpayers. Claims filed by individual taxpayers continued to decrease, although the dollar amount claimed this year was slightly above the prior year.

Due to the appreciable increase in the filings during the latter part of this fiscal year, the number of applications pending was 45 percent greater than the number of those pending at the end of the prior year.

A two years' comparison of the carryback applications received and adjusted follows:

Receipt and disposal of tentative carryback applications

Status	Number		Amount (thousand dollars)			
			Claimed		Adjusted	
	1958	1957	1958	1957	1958	1957
Pending July 1	7,107	8,152	43,271	41,078		
Applications received	53,514	43,401	360,230	261,518		
Applications adjusted, total	50,295	44,446	327,018	259,325		
Allowed	n. a.	n. a.			308,139	241,162
Disallowed	n. a.	n. a.			19,724	26,388
Pending June 30	10,336	7,107	76,316	43,271		

n. a.—Not available.

Claims for refund.—Over 418,000 refund claims were closed by district audit divisions in this fiscal year. This represents an increase of 118,000 over the prior fiscal year.

The increase in closings was attributable, for the most part, to a Supreme Court decision which released from suspense status many individual income tax claims involving compensation for personal injuries or sickness.

Claims for refund of excise taxes also reflected a sizable increase over the prior year. This was probably due to legislation permitting taxpayers (farmers, airlines, shipowners, etc.) to obtain refunds of tax paid on gasoline not used on highways.

Over 86 percent of the total number of claims closed related to individual income taxpayers, whereas less than 5 percent involved corporate income taxpayers. (The remainder of the claims related to excise, employment, gift, and estate taxes.) In contrast, corporate income tax claims accounted for 60 percent of the total dollar amount of claims handled, while individual income tax claims represented only 26 percent.

Of the amount claimed by individuals 31 percent was disallowed, while 64 percent of the amount claimed by corporate income taxpayers was disapproved.

Data on claims for refund during this fiscal year are reflected below:

Claims for refund closed by district audit divisions

Class of tax	Number	Amount (thousand dollars)		
		Claimed by taxpayer	Allowed	Disallowed
Total	418,571	399,755	179 538	220,218
Individual income tax	360,839	103,467	71,470	31,997
Corporation income tax	20,674	239,060	86,156	152,904
Estate tax	866	12,362	4,307	8,055
Gift tax	204	620	330	290
Excise taxes	17,599	40,320	14,608	25,712
Employment taxes	18,389	3,926	2,667	1,259

Review of overassessments exceeding $100,000.—A total of 278 cases involving overassessments of $245,260,358 was reported to the Joint Committee on Internal Revenue Taxation in accordance with the provision of section 6405 of the Internal Revenue Code of 1954, which requires review by the committee of all refunds and credits of income, war profits, excess profits, estate, or gift tax exceeding $100,000. These figures compared with 277 cases involving $266,419,941 reported in the preceding year.

Offers in Compromise

For the fifth straight year, inventories of offer-in-compromise cases were reduced. These reductions are due primarily to concentrated efforts through regional and national visitation programs to eliminate backlogs.

Other factors include issuance of more precise technical instructions—for instance, a new offer-in-compromise form replaced two separate forms in use previously—and greater emphasis on procedures to develop evaluation and followup techniques.

During the year, district audit divisions received for consideration 5,779 tax offers, 7,068 delinquency penalty offers, and 5,076 specific penalty offers. The district offices, together with the National Office's Compromise Branch and regional appellate divisions, disposed of 19,213 offers, leaving 5,690 on hand as of June 30, 1958.

The Chief Counsel and offices of regional counsels have original jurisdiction over tax offers in cases in which court proceedings (except those of the Tax Court of the United States) are involved, or criminal prosecution is pending. These offices received 274 offers, disposed of 340, and had 198 offers on hand as of June 30, 1958.

In the alcohol, tobacco, and firearms categories, the National Office's Alcohol and Tobacco Tax Division and its regional offices received 552 offers and disposed of 553, leaving a total of 65 cases on hand as of June 30, 1958.

The overall compromise workload as of June 30, 1958, consisted of 5,953 cases awaiting consideration at all Revenue Service levels.

A comparative summary of compromise cases closed in the last two years follows:

Offers in compromise disposed of

Type of tax or penalty	Number		Amount (thousand dollars)			
			Liabilities		Offers	
	1958	1957	1958	1957	1958	1957
Offers accepted, total	14, 648	13, 494	47, 340	46, 107	12, 528	14, 093
Income, profits, estate, and gift taxes	1, 326	1, 329	35, 643	36, 572	9, 313	11, 232
Employment and withholding taxes	1, 261	1, 303	6, 007	4, 686	1, 803	1, 562
Alcohol taxes	178	170	605	683	117	153
Other excise taxes	286	269	2, 655	1, 839	711	570
Delinquency penalties on all taxes	6, 393	6, 498	2, 430	2, 327	487	476
Specific penalties	5, 204	3, 925	--------	--------	97	100
Offers rejected or withdrawn, total	5, 458	5, 890	77, 414	90, 285	12, 090	12, 545
Income, profits, estate, and gift taxes	2, 183	2, 264	64, 403	78, 600	9, 615	10, 186
Employment and withholding taxes	1, 316	1, 371	7, 659	5, 837	1, 544	1, 396
Alcohol taxes	175	205	597	891	65	65
Other excise taxes	424	387	4, 018	3, 736	711	671
Delinquency penalties on all taxes	1, 333	1, 630	737	1, 221	149	218
Specific penalties	27	33	--------	--------	6	9

SUPERVISION OF THE ALCOHOL AND TOBACCO INDUSTRIES

General

H. R. 7125, which incorporates the Revenue Service's recommendations for modernization of the distilled spirits provisions of the Internal Revenue Code, together with some minor revisions in the wine, beer, and tobacco statutes, was under consideration by the Senate Finance Committee during the year, and was enacted shortly thereafter (September 2, 1958).

Detailed tabulations relating to the production of alcohol, distilled spirits, beer, wine, and tobacco manufactures during the fiscal year 1958 are presented in a separate Internal Revenue Service publication entitled "Statistics Relating to the Alcohol and Tobacco Industries," which may be obtained from the Superintendent of Documents, Washington 25, D. C. (For the fiscal year 1952 and earlier years, similar information appeared in the appendix of the Annual Report of the Commissioner of Internal Revenue.)

Authorization of Operations

Totals of permits issued, terminated, suspended, and in effect at the beginning and the end of the fiscal year, under the provisions of chapters 51 and 52 of the Internal Revenue Code and sections 3 and 4 of the Federal Alcohol Administration Act, are shown in tables 9–11 on pages 112 and 113. Totals of all liquor and tobacco establishments qualified under the Internal Revenue Code are shown in tables 7 and 8 on page 111. Fifty-six applications for approval of interlocking directorates under section 8 of the Federal Alcohol Administration Act were acted on. Table 12, showing the number of certificates of label approval and exemption from label approval, issued under the provisions of section 27 U. S. C. 205, appears on page 113.

On-Premises Supervision

Industrial operations were expedited as the result of authorization by the Revenue Service to storekeeper-gaugers in charge to approve many types of minor plant changes.

Storekeeper-gauger supervision was provided at distilleries, warehouses, denaturing and rectifying plants, bottling houses, and other facilities which accounted for the production of 494,376,254 proof gallons of ethyl alcohol, the denaturation of 454,628,959 proof gallons of ethyl alcohol, the

warehousing of 37,737,516 proof gallons of ethyl alcohol, the production of 224,471,656 tax gallons of distilled spirits of various kinds, the warehousing of 858,281,043 tax gallons of distilled spirits, the tax payment on 165,097,120 tax gallons of distilled spirits including alcohol, the rectification of 78,804,156 proof gallons of distilled spirits and wines, and the bottling of 185,697,205 wine gallons of distilled spirits.

Inspection of Establishments

Inspections of establishments for the fiscal year aggregated 45,957, of which 33,124 related to plants and permittees other than dealers. During the previous fiscal year total inspections numbered 52,336, of which 38,449 related to plants and permittees other than dealers. The reduction in the number of inspections resulted primarily from more careful evaluation of the need for special inspections and emphasis being placed on making such inspections on an individual establishment basis rather than for all establishments of a particular type.

The total reported inspections include periodic inspections of all qualified plant operations and permittees, special inspections such as those covering plant changes, claims, surveys, or instructional activities, investigations incidental to the qualification of establishments, and investigations of alleged infractions of law and regulations. As an incidental duty in their regular enforcement work, enforcement personnel also made 108,734 inspections of retail liquor dealers and 599 inspections of nonpermittee wholesale liquor dealers.

During the year, the plants and permittees (other than dealers), which were inspected and which had no on-premises supervision, produced alcoholic beverages and tobacco products as follows: 89,010,812 barrels (of 31 gallons each) of beer, 143,809,468 wine gallons of still wines, 2,833,018 wine gallons of effervescent wines, 3,639,163 wine gallons of vermouth, and 7,382,656 wine gallons of special natural wines other than vermouth. The inspected tobacco plants, in the calendar year 1957, produced 5,951,933,832 cigars, 442,327,762,820 cigarettes, and 178,991,751 pounds of other tobacco products (including smoking and plug tobacco, and snuff).

Chemical Analyses and Research

During the year, approximately 41,000 samples for chemical analysis were received by the national and regional laboratories of the Alcohol and Tobacco Tax Division. Twenty-five percent of the samples consisted of suspected illicit alcoholic products submitted by the Enforcement Branch of the Alcohol and Tobacco Tax Division, and 14 percent consisted of samples of marihuana, narcotics, and other prohibited drugs submitted by the Bureau of Narcotics. Most of the remaining samples related to legitimate alcoholic beverages, imported alcoholic products, denatured alcohol, taxpaid alcohol, tobacco, and other products subject to excise

taxes. A few miscellaneous samples were submitted by other federal and state agencies.

Approximately 3,500 formulas and 5,700 labels were approved for products produced from denatured alcohol, and 2,700 formulas were approved for the use of taxpaid distilled spirits in medicines, flavors, and food. The National Office laboratory tested and certified 393 gauging instruments, tested 95 beer meters, repaired 42 beer meters, and ran 169 evaluation tests on a new type of beer meter.

Collaborative studies were carried out between the laboratories and alcohol and tobacco tax field officers for the purpose of improving gauging instruments and techniques. More accurate tax determinations have resulted from this program.

As technological advances take place in the industries affected by Internal Revenue regulations, research work is carried out by the Internal Revenue laboratories to keep abreast of the tide of progress. Analytical methods are modernized and new procedures developed. The research program carried out in the past year has resulted in the development of a number of new methods of analysis, thirteen of which have reached the stage of publication. In collaboration with chemical companies and the wine industry, ion exchange processes have been studied and approved for commercial use.

TECHNICAL SERVICES

General

Technical activities last year were concerned primarily with maintaining and improving services to taxpayers and to the field offices through the issuance of rulings and technical advice; preparation of tax regulations; revision of tax return forms and instructions; publication of tax guides for individuals, businessmen, and farmers; consultation with congressional subcommittees on technical amendments to the Internal Revenue Code and on changes proposed in the excise tax provisions of the Code; preparation of reports to congressional subcommittees, including legislative reports on bills; and negotiation of tax conventions with other nations.

Regulations Program

Regulations under the Internal Revenue Code of 1954.—Issuance in final form of the first complete major tax regulation planned under the originally enacted provisions of the 1954 Code took place during the fiscal year. This was the issuance of new Estate Tax Regulations (T. D. 6296), which supersede Regulations 105.

Of the total of 82 separate Treasury Decisions involved in issuing the complete new Income Tax Regulations, to date 66 have been published in final form and an additional 10 in "proposed" form.

Of the total of 152 separate Treasury Decisions scheduled for preparation and issuance under originally enacted 1954 Code provisions, other than alcohol and tobacco tax provisions, to date 92 have been published in final form and an additional 11 in "proposed" form. With the exception of 2 Treasury Decisions which are in a "deferred" status, the remaining 49 Treasury Decisions have been drafted and are in various stages of review.

In all, 32 Treasury Decisions and 8 notices of proposed rulemaking relating to regulations under the 1954 Code were published during the fiscal year. In addition to the new Estate Tax Regulations, some of the more important regulations published were:

Regulations under section 174 of the 1954 Code, relating to research and experimental expenditures (T. D. 6255).

Regulations under sections 6015, 6016, 6073, 6074, 6153, 6154, 6654, and 6655 of the 1954 Code, relating to declarations of estimated income tax and failure by individual or by corporation to pay estimated income tax (T. D. 6267).

Regulations under sections 446, 451, 454, and 461 of the 1954 Code, relating to methods of accounting (T. D. 6282).

Regulations under sections 161, 162, and 168 of the 1954 Code, relating to certain itemized deductions for individuals and corporations (T. D. 6291).

Other regulations, Treasury Decisions, and related Executive Orders.—Regulations under public laws other than the 1954 Code have become an increasingly important factor in the program of issuing new regulations, although only one notice of proposed rulemaking and two Treasury Decisions were published under such laws during the fiscal year.

Also published during the fiscal year were eight other Treasury Decisions, seven notices of proposed rulemaking, and one related Executive Order. These Treasury Decisions conformed existing regulations to subsequent court decisions, or to administrative determinations that the rules in existing regulations should be changed or clarified.

Alcohol and tobacco tax.—A total of 32 regulations, implementing the alcohol and tobacco tax provisions of the 1954 Code, have been issued. A new regulation, 26 CFR Part 177, "Interstate Traffic in Firearms and Ammunition," effective March 1, 1958, was issued to supersede Regulations 131 [26 CFR (1939) Part 315]. Two tobacco regulations, 26 CFR Part 285, relating to cigarette papers and tubes, and 26 CFR Part 290, relating to the exportation of tobacco materials and products, remain to be issued.

Treasury Decisions of major import issued during the year included—

T. D. 6244 and T. D. 6245, effective July 1, 1957, which liberalized procedures for the exportation, with benefit of drawback, of distilled spirits and wines.

T. D. 6262, effective January 1, 1958, which permitted manufacturers of tobacco products to utilize their commercial records, in lieu of the prescribed internal revenue records.

Tax Return Forms Program

Numerous revisions of existing forms and instructions were made as the result of legislation enacted during the fiscal year 1958. Approximately 223 public-use forms, instructions, and publications were reviewed or revised. The following changes are noteworthy:

Form 1040 instructions were revised to clarify the definition of dependents' support and of income which must be reported. Lists of examples of interest payments which can and cannot be deducted were added. New paragraphs on the treatment of long-term capital gains from regulated investment companies were added.

Form 1040–ES, Declaration of Estimated Income Tax, was revised to facilitate the computation of the amount to be paid with the filing of the declaration, and to point out clearly that a taxpayer may apply prior years' credits against the first installment or evenly over the four estimated installments.

Form 1041, U. S. Fiduciary Income Tax Return, contains several important changes. Line 31 was added on page 1, "Credit for tax deemed paid on undistributed capital gains of regulated investment companies," to implement the enactment of section 852(b)(3)(D) of the Code. New material was added to the instructions, explaining the treatment of undistributed capital gains of regulated investment companies. Separate Schedule J (Form 1041), Allocation of Accumulation Distribution, was revised to provide for "throwbacks" to the three preceding years.

Form 1065, U. S. Partnership Return of Income, was revised extensively. The format of page 1 of Form 1065 was redesigned to present the reporting of entries more nearly in the form of a profit and loss statement. A new schedule (designated B) was added for the detail reporting of income from rents and royalties. A schedule for reporting other income also was added (Schedule C). These changes

resulted in the creation of a separate Schedule D, Gains and Losses from Sales or Exchanges of Property, with instructions on the back.

Form 1120, U. S. Corporation Income Tax Return, also contains several changes. Two questions were added to Form 1120. One of these is question "H", "Did the corporation at any time during the taxable year own directly or indirectly any stock of a foreign corporation?" The other is question "M", "Is taxpayer a resident foreign corporation?"

The enactment of new and amendatory legislation and the concluding of income tax conventions between the United States and foreign nations required the initiation of a number of new forms during the fiscal year.

Form 2438, Regulated Investment Company Undistributed Capital Gains Tax Return, and Form 2439, Notice to Shareholder of Undistributed Long-Term Capital Gains, were issued as a result of the enactment of P. L. 700. These forms are for use by every regulated investment company which, during a taxable year, designates undistributed capital gains to its shareholders for special tax treatment under section 852(b)(3)(D) of the Code.

Form 2440, Statement to Support Exclusion of Sick Pay, was developed to help taxpayers compute "sick pay" exclusion and to submit data in support of the exclusion claimed.

Form 2441, Statement of Expenses for Care of Children and Certain Other Dependents, was issued to help taxpayers compute the allowable deduction for the care of children and certain other dependents.

Publication No. 393, Employer's Tax Information Forms, was designed to give employers, in one package, a supply of the various forms needed to comply with the laws relating to income tax withholding and old-age and survivors insurance taxes. It contains Forms W–2, W–3, W–4, and 7018, an order blank for requesting additional supplies of forms.

Also developed for the first time was Publication No. 421, Optional Self-Employment Tax Table. This self-employment tax table may be used for determining self-employment tax, and was developed under the provisions of section 6102 of the Code to provide a simple method for computing the tax for the year 1957, which is at the rate of 3⅜ percent. The optional tax table eliminates the arithmetic of multiplying fractions or decimals.

Numerous suggestions for improvements in returns, instructions, and other publications were received from Revenue Service personnel, taxpayers, professional groups, and other sources. After careful analysis of every suggestion, many were adopted, and numerous improvements in tax return forms and other publications were made during the year. The simplification of public-use forms and the reduction of paperwork continue to be primary objectives of the forms management program.

Tax Rulings

There was a marked increase in requests for income tax rulings this year, but requests relating to other classes of tax were close to last year's figures. The total of all requests for rulings from taxpayers and for technical advice from field offices of the Revenue Service was 45,170, compared with 40,157 in the previous year. The number of taxpayer requests relating to income tax increased from 29,623 to 35,927.

Rulings were issued in compliance with all requests except for a relatively small number of cases in which it was deemed improper because

the subject matter of the requests was involved in pending audit, litigation, legislation, etc.

In addition to processing these requests, 15,220 technical conferences were held with taxpayers and their representatives.

An analysis of the requests processed, by subject matter, follows:

Requests for tax rulings and technical advice processed

Subject	Total	Taxpayers' requests	Field requests
Total	45, 170	41, 378	3, 792
Income and excess profits taxes	37, 090	35, 927	1, 163
Employment and self-employment taxes	1, 475	1, 043	432
Estate and gift taxes	852	654	198
Alcohol and tobacco taxes	1, 961	862	1, 099
Other excise taxes	2, 871	2, 169	702
Engineering questions (depreciation, etc.)	921	723	198

Determination Letters

Determination letters are issued by the district audit divisions where a reply can be made on the basis of clearly established rulings and regulations. Requests for rulings involving new and complex issues are referred to the National Office.

The following table reflects the audit divisions' activity in the issuance of pension trust and exempt organization determination letters during this fiscal year:

Pension trust and exempt organization determination letters issued

Item	Pension trust plans			Exempt organizations
	Profit-sharing	Pension or annuity	Stock bonus	
Initial qualifications:				
Approved	3, 100	3, 757	15	4, 865
Employees participating under plan	154, 287	595, 892	7, 206	
Total number employed	676, 445	1, 398, 386	24, 515	
Disapproved	23	19	1	311
Terminations	174	214		
Closed without issuance of determination letter	95	88	1	1, 855

Under established procedure taxpayers may appeal adverse field determinations relating to pension trust and profit-sharing plans. During this year 14 appeals were considered by the National Office. Of these, 8 were sustained, 2 were reversed, and 4 were changed.

Technical Publication Program

The number of income tax rulings published in the Internal Revenue Bulletin increased 30 percent during the year, but the number for other classes of tax declined.

Greater emphasis was placed on clarifying and expanding rulings prior to publication in order to explain the criteria and reasoning upon which rulings are based, to promote understanding of the Revenue Service's position on technical problems, and to facilitate the application of relevant tax principles to other tax cases.

A comparison of the rulings published in the last two years follows:

Revenue rulings and procedures published

Type	1958	1957
Total	687	737
Income tax	342	264
Employment taxes	35	64
Estate and gift taxes	13	15
Alcohol and tobacco taxes	71	138
Other excise taxes	196	207
Excess profits tax	2	3
Firearms	2	8
Engineering issues	10	12
Administrative and miscellaneous	16	26

Among the more significant Revenue Rulings and Revenue Procedures published during the year were the following:

Television network affiliation contracts and national advertising contracts acquired in a purchase of an entire broadcasting station are not subject to the allowance for depreciation provided by section 167 of the Code (Rev. Rul. 57–377, C. B. 1957–2, 146).

Election by a group of affiliated corporations to claim a credit or deduction for foreign taxes paid or accrued binds all members of the affiliation, and in computing the consolidated taxable income no foreign taxes are deductible under section 164(a) of the Code (Rev. Rul. 57–601, C. B. 1957–2, 614).

An amount which is required to be paid to a hotel by a customer as a service charge for utilizing the hotel's dining facilities, and which is subsequently disbursed by the hotel to its waiters and other employees, constitutes wages for federal employment tax purposes (Rev. Rul. 57–397, C. B. 1957–2, 628).

Failure of a spouse to relinquish her inchoate dower interest in real property, which was made the subject of a gift by her husband, will have no effect in determining the value of such property for federal gift tax purposes (Rev. Rul. 58–13, I. R. B. 1958–2, 10).

A voluntary employee's beneficiary association which does not qualify for exemption under the provisions of section 501(c)(9) of the Code may not qualify for exemption as a social welfare organization under section 501(c)(4) of the Code (Rev. Rul. 57–494, C. B. 1957–2, 315).

An organization which operates a trade show as its sole or principal activity is not entitled to exemption as a business league under the provisions of section 501(c)(6) of the Code (Rev. Rul. 58–224, I. R. B. 1958–20, 14).

The Revenue Service revoked Rev. Rul. 56–538, C. B. 1956–2, 1005, and announced that it will recognize the decisions in the cases of *Gellman* v. *United States*, 234 F. 2d 87, and *Torti* v. *United States*, 249 F. 2d 623, as precedents in the disposition of other cases involving the definition of the term "sold at retail" for purposes of the retailers' excise tax. In these cases the courts rejected the Revenue Service's contention that the term "sold at retail" is equivalent to a sale for purposes other than resale (Rev. Rul. 58–125, I. R. B. 1958–12, 19).

The proceeds from the sale of wheat by a farmer using the cash receipts and disbursements method of accounting, under a bona fide arms-length contract calling for payment in the taxable year following that in which the wheat was delivered to the purchaser, are includible in his gross income for the taxable year in which payment is received (Rev. Rul. 58–162, I. R. B. 1958–15, 12).

Under certain conditions, a gift to a charitable organization of a future interest in an object of art or an undivided present interest in such an object is deductible as a charitable contribution (Rev. Rul. 57–293, C. B. 1957–2, 153). Likewise, the gift of a partial interest in real property to a charitable organization constitutes an allowable deduction to the extent of the fair market value of the interest conveyed (Rev. Rul. 58–261, I. R. B. 1958–22, 12).

Costs of special aids to assist in the education of a child progressively becoming blind qualify as medical expenses (Rev. Rul. 58–223, I. R. B. 1958–20, 12). Likewise, costs of special education, training, and treatment afforded mentally retarded children in institutions qualify as medical expenses (Rev. Rul. 58–280, I. R. B. 1958–23, 12).

Based upon the facts in each case an employee is considered as having separated from the service of his employer within the meaning of section 402(a)(2) of the Code, where, as examples,

(*a*) the employees' qualified trust terminates and makes distribution either (i) by reason of a certain reorganization taking place within the meaning of section 368(a)(1)(C) of the Code (Rev. Rul. 58–94, I. R. B. 1958–11, 18), or (ii) incident to a plan of complete liquidation of the assets of the employer corporation within the meaning of section 332(b) of the Code (Rev. Rul. 58–95, I. R. B. 1958–11, 21), or (iii) incident to a plan of complete liquidation of the assets of the employer corporation which results in recognition of gain or loss under section 1002 of the Code (Rev. Rul. 58–96, I. R. B. 1958–11, 24); or

(*b*) the employees' qualified trust does not terminate and makes distributions to employees who transfer to the purchasing corporation incident to a plan of complete liquidation and sale of the assets of one or two divisions of the selling corporation (Rev. Rul. 58–97, I. R. B. 1958–11, 25).

Stock and securities acquired by a domestic corporation upon its organization in 1955, in a transaction to which section 351 of the Code applies, and having a holding period commencing prior to December 31, 1953, are, upon their distribution in liquidation in 1956, considered to be stock and securities "acquired by the corporation after December 31, 1953," for purposes of section 333(e)(2) of the Code (Rev. Rul. 58–92, I. R. B. 1958–11, 14).

Where a parent corporation contributed to the capital of its subsidiary by canceling the latter's indebtedness to the parent shortly before the distribution of the stock of the subsidiary to the parent's sole stockholder, and the distribution was followed by a statutory merger between the former subsidiary and a third corporation owned by the same stockholder and his wife, the transaction was considered to be one which was used principally as a device for the distribution of earnings and profits of the distributing corporation within the purview of section 355(a)(1)(B) of the Code. Therefore, the distribution constituted the payment of a taxable dividend (Rev. Rul. 58–68, I. R. B. 1958–9, 10).

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Closing Agreement Cases

Work was kept substantially current on closing agreements involving prospective transactions. (For action on cases involving completed transactions see p. 30.)

The following table reflects the action of the Tax Rulings Division as to cases of this type:

Tax Rulings Division receipt and disposal of closing agreement cases

Status	Number of cases
Pending July 1, 1957	3
Received during year	4
Disposed of during year	5
Pending June 30, 1958	2

Civil Advisory Legal Services

During the fourth year of experience with the civil advisory legal program the regional counsels further expanded this phase of their work in order to cope with the local needs of administrative personnel who perform the assessment and collection functions in connection with which civil advisory legal problems generally arise. Such expansion related both to litigation and to advisory legal activities.

During the current year, and in line with the Revenue Service's expanded in-service training program, the civil advisory lawyers of the regional and national offices prepared lecture materials for use in that portion of the program devoted to the in-service training of revenue officers. These lawyers then presented a series of 24 lectures to revenue officer trainees and others at each of the various training centers in the United States.

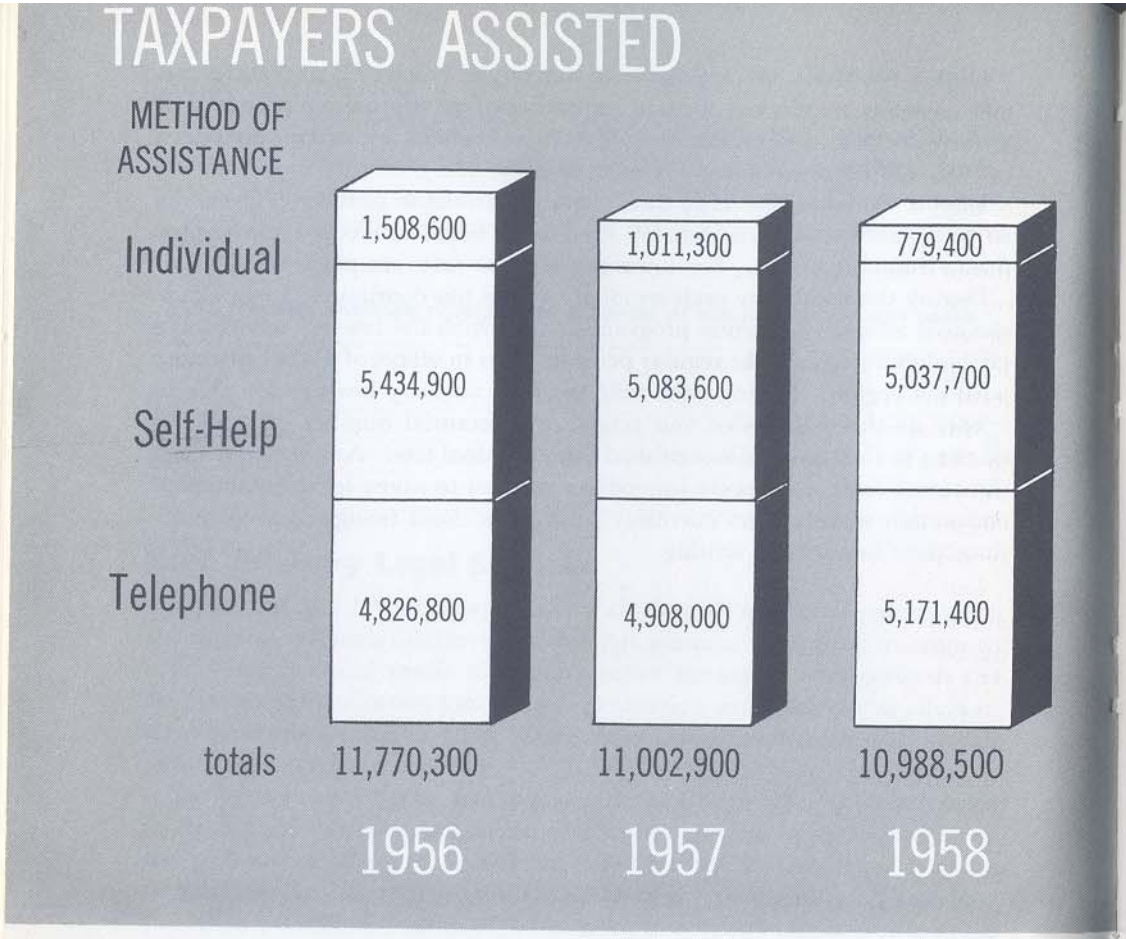
There was a material increase in the number of cases received and the number of cases disposed of during the year. A total of 10,448 new cases (6,175 representing cases in litigation and 4,273 being noncourt cases) was received, whereas during the previous year 8,704 new cases (4,793 representing cases in litigation and 3,911 being noncourt cases) were received. The aggregate increase of 1,744 new cases received is especially meaningful in that 1,382 represent court proceedings. A total of 9,570 cases (5,444 representing cases in litigation and 4,126 being noncourt cases) was disposed of, whereas during the previous year 8,296 cases (4,503 representing cases in litigation and 3,793 being noncourt cases) were disposed of. The disposition of 1,274 additional cases during the year (including 941 court proceedings), together with the increase in receipts of 1,744 cases, reflects the substantially increased caseload of the lawyers performing civil advisory legal work.

The cases in question relate to proceedings under the Bankruptcy Act, receiverships and other insolvencies, federal tax liens in actions to quiet title and suits for foreclosure by mortgagees and other secured creditors, the discharge of property from liens, the release of liens, the administration of

estates of decedents or incompetents (see tables 24 and 25, pages 127 and 128), and the handling of offers in compromise (see offer-in-compromise discussion on page 41 hereof), as well as to collection, injunction, erroneous refund, and subpoena cases. (See table 23, p. 127.)

During the fiscal year 1958 three cases pertaining to problems considered in connection with civil advisory legal work were decided by the United States Supreme Court. For summary of these cases see page 34.

During the fiscal year each regional counsel has continued to emphasize the civil advisory visitation program under which the lawyers who handle civil advisory cases make regular periodic visits to offices of district directors within a region. During each visit the civil advisory lawyers are able to render on-the-spot advice and resolve a substantial number of problems relating to civil law as distinguished from criminal law. As a result, district directors are able to secure immediate answers to many legal questions in connection with matters currently pending without being required to reduce their inquiries to writing.



AIDS FOR TAXPAYERS

Direct Taxpayer Assistance

A continued trend toward "do-it-yourself" and telephone techniques in assisting taxpayers to prepare their individual income tax returns was shown during the year.

A total of 10,988,000 persons requested some form of aid during the 1958 filing period. This was just a little below the 1957 figure of 11,003,000.

This would indicate that more than one of every six individual income tax filers required aid. However, nearly one-half of those who asked for help called on the telephone and apparently were able to complete their returns after getting answers to a question or two. Of those taxpayers who came personally to Revenue Service offices, the vast majority accepted "self-help" instruction, and only 779,000 required actual filling-out of forms for them.

Until a few years ago, a great many taxpayers came to Revenue Service offices each year and stood in long lines waiting for personalized preparation of forms. This was inconvenient for taxpayers, lessened their confidence in their ability to prepare their own returns, and diverted large numbers of highly trained technicians from enforcement duties.

The Revenue Service also has endeavored to reduce the need for assistance through expansion of the educational and publicity programs, described on page 58. During the recent filing period, live question and answer programs were conducted by several district audit divisions over local television stations. These programs received favorable publicity in the local newspapers.

Man-days devoted to taxpayer assistance dropped from 162,419 in 1957 to 144,012 in 1958, or approximately 11 percent. These man-day savings were accomplished, in part, by better organization of the program, increased efficiency of individual assistors, and a shift in the type of assistance rendered.

Better organization of the program was indicated by a decrease in the amount of time required of supervisory personnel and for other indirect purposes. "Indirect" time dropped from 27,840 man-days in 1957 to 23,131 in 1958.

More taxpayers were assisted per man-day in 1958 than in any other filing period. The average rose from 81.8 in 1957 to 90.9 in 1958. Improvement in administering self-help and telephone method assistance was largely responsible for this increased efficiency. There was little change in the number of taxpayers assisted per man-day by the individual method.

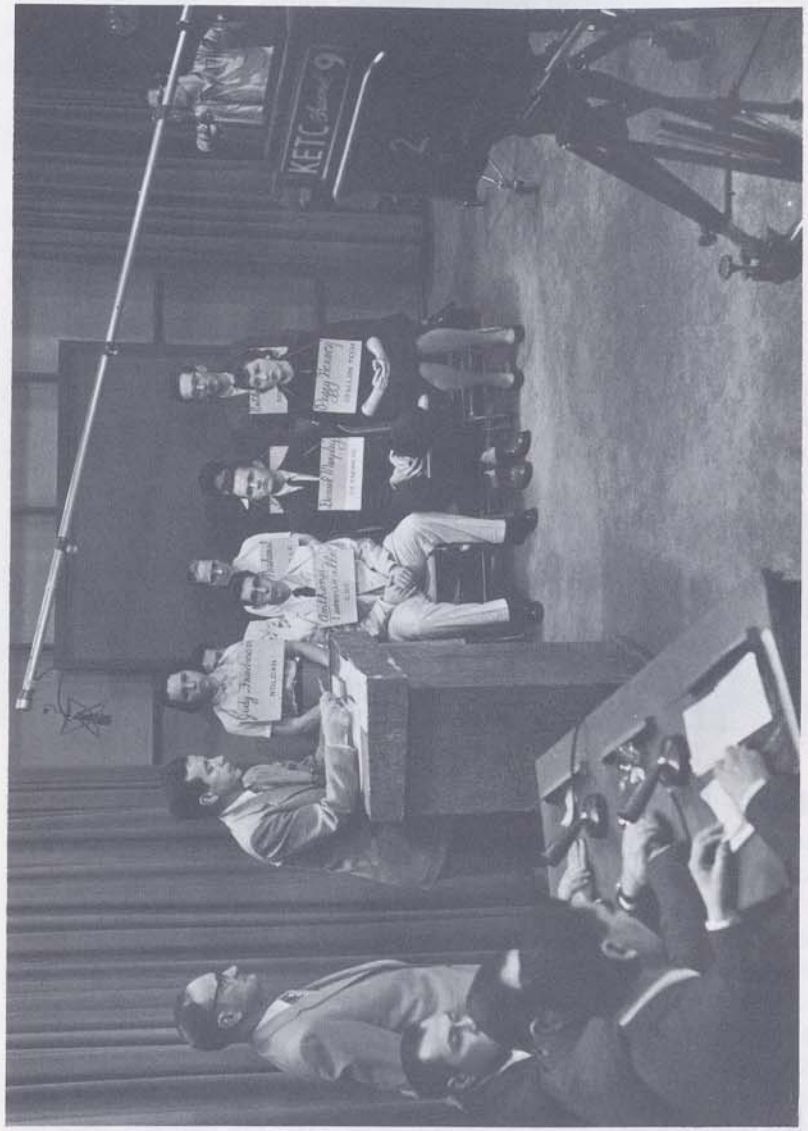
Cost of the program was $3,256,000 in 1958 compared with $3,264,000 in 1957.

Taxpayer Publications

Extensive improvements were made in the Revenue Service's special publications for aiding taxpayers.

"*Your Federal Income Tax*," IRS Publication No. 17, was revised and expanded from 112 to 128 pages. An additional 116 technical items were added and the entire text improved. Typography and design were completely changed to further simplify the use of the book as a ready reference. The expanded subject matter in this 1958 edition resulted from suggestions received from taxpayers, Revenue personnel, and tax men in private practice. Approximately 600,000 copies were sold, an increase of about 13,000 over the previous year.

"*Tax Guide for Small Business*," IRS Publication No. 334, is a 128-page booklet of explanations and answers to most of the federal tax problems confronting the small business and professional man. Although the 1958 edition was intended to be used in preparing 1957 returns, it was also designed to be useful as a ready reference all during the year. It includes,



Television Broadcasts Help Taxpayers Reduce Office Workloads, St. Louis, Mo.

for the corporation, partnership, and the sole proprietor, detailed explanations of the tax results of the establishment, operation, and disposition of a business. It also contains explanations of income, excise, employment, self-employment, and withholding taxes. A Federal Tax Calendar for 1958 and a detailed Federal Tax Check List (of special interest to a new business) are also included. Fifty technical items and examples were added and the entire text improved. The index was also expanded to make the book easier to use. Approximately 205,000 copies were sold, an increase of about 88,000 over the previous year which was the first year of publication.

"*Farmers' Tax Guide*," IRS Publication No. 225, was revised and improved as a result of suggestions received from field personnel and discussions with representatives of the Agricultural Extension Service of the U. S. Department of Agriculture. One million copies of this third edition of the 64-page booklet were distributed to farmers.

"*Tax Guide for U. S. Citizens Abroad*," IRS Publication No. 54, was revised, expanded, and improved. This 24-page booklet tells the United States citizen who resides or works abroad the extent to which he has to pay federal taxes on his income. Coverage was extended to include discussions of pensions and annuities, dependents, royalties, foreign tax problems peculiar to the marital relationship, and estate and gift taxes, in addition to a comprehensive explanation of the federal income tax laws as they relate to such citizens. Seventy-five thousand copies of this edition were distributed through consulates and other government offices to United States citizens abroad.

Motor fuel tax pamphlets.—These publications were revised and issued to explain the Highway Revenue Act of 1956 as it relates to—

"Federal Use Tax on Highway Motor Vehicles"
(IRS Publication No. 349)
"Federal Gas Tax Refund for Nonhighway and Transit Users"
(IRS Publication No. 378)
"Farmer's Gas Tax Refund"
(IRS Publication No. 308)

Other publications.—Twenty-six publications containing chapters of "Your Federal Income Tax" and "Tax Guide for Small Business" were printed for free distribution to taxpayers during the Taxpayer Assistance Program. These publications contained modified versions of separate chapters from the two booklets, and sometimes separate chapters from both booklets were combined in order to present a more comprehensive discussion of the

subject matter. Titles of some of the more important of these publications include—

What Is Income
Sick Pay, Disability Pay, etc.
Personal Exemptions and Dependents
Sale of a Residence
Medical and Dental Expenses
Depreciation, Amortization, Depletion
What Are Business Expenses
Excise Taxes
Net Operating Loss
Employee and Travel Expenses
Entertainment for Business Purposes
Casualty and Theft Losses

"*Cumulative List*," IRS Publication No. 78, the cumulative list of tax-exempt organizations, contributions to which are deductible by donors on their income tax returns, was revised, expanded, and improved. It includes the names of all qualifying organizations that were the subject of rulings by the National Office and determination letters by district directors issued up to June 30, 1957. Over 4,000 organizations were added to the Cumulative List as so revised. Supplements to the Cumulative List will appear in the last Internal Revenue Bulletin for each month and will be cumulated on a semiannual basis, the Cumulative Supplements to be published in the last Bulletins for June and December.

Information Program

The public information program was broadened to provide additional explanation to taxpayers of tax procedures and requirements and also to reduce misunderstandings which are apt to arise in such complex matters.

One project was designed to minimize misunderstanding of settlements and decisions of Tax Court cases. Cooperative arrangements were made with news service representatives, as the result of which regional counsels contacted local news editors to provide explanations of Tax Court procedure and settlement policy, and to offer other assistance for complete coverage of news stories.

Another project involved a "Meet the Press" session to acquaint participants in the Executive Development Program with the news objectives of representative media and to promote the issuance of information to the taxpaying public.

Arrangements were made with the Industrial Editors Association to place tax material with 4,000 publications having a reader circulation of 70,000,000 industrial workers and executives.

An increased number of field releases geared to the tax filing calendar were distributed to all field offices.

An extensive package of filing period information was prepared for the Taxpayer Assistance Program. Contents included a number of news and technical information releases, feature stories, spot announcements for

radio and television, television slides, speeches, and a 3-minute film featuring the Commissioner.

Preliminary work was begun on production of a documentary film of the Revenue Service, designed for television showing as well as for use by private groups and as an internal training aid. Assistance also was given to commercial motion picture and television film producers during the filming of a feature length movie and a filmed television series of 39 half-hour shows telling the story of the enforcement efforts of the Revenue Service.

School Program

Increased participation by private schools, colleges and universities, military service schools, and adult education courses in using the Revenue Service's "Teaching Taxes" materials was realized. Improved distribution of these kits also was accomplished. As an adjunct to this program, the Revenue Service cooperated in a contest sponsored by the Florida Junior Chamber of Commerce to find the high school student who knew most about federal tax matters following the tax course in his own school.

INTERNATIONAL ACTIVITIES

International Operations

International operations are centralized in the International Operations Division with headquarters in Washington, D. C., and permanent field offices in Paris, France; Ottawa, Canada; Manila, Philippines; Frankfurt, Germany; and San Juan, Puerto Rico. In addition to the permanent field offices, internal revenue agents visited more than 30 other countries to assist persons with United States tax liabilities in filing their tax returns during the filing period, to hold conferences on tax cases, to obtain information for other offices of the Revenue Service, and to perform other functions.

A substantial amount of the time spent in foreign countries is devoted to securing tax information for other offices of the Revenue Service, and the division receives an ever-increasing number of such requests for assistance. The number of these requests has more than doubled during the past year, increasing from 100 in fiscal year 1957 to 220 in fiscal year 1958.

One of the problems is that of providing both United States citizens residing abroad and nonresident aliens with information about their United States tax responsibilities. In addition to the information media utilized in prior years, a series of "I. O. D. Information Guides" was published and distributed, explaining subjects of general interest to taxpayers abroad in clear and concise language.

Another long-standing problem in this area is the difficulty in contacting taxpayers to effect collection of taxes, due to the distances involved as well as the problem of foreign sovereignty. Various steps have been taken to alleviate these problems. The most effective of these steps has been the collection of delinquent accounts from servicemen abroad through an allotment part payment effected by correspondence, which was made possible through agreements negotiated with the Department of Defense.

A revised form for reporting tax withheld from dividends, interest, etc., paid to nonresident aliens has made it possible to determine readily when tax, in addition to that withheld, is due from nonresident alien taxpayers. Additional assessments in excess of $100,000 already have resulted from the use of the revised form.

During the past year special emphasis has been given to the examination of foreign corporations doing business in the United States and domestic corporations with foreign subsidiaries or subsidiaries in United States

possessions. These examinations have revealed the need for further examinations in this area.

The special provisions applicable to international activities result in a high percentage of refund cases, compared with cases involving additional assessments. However, last year the handling of refund cases was expedited to the point that it was possible to handle more additional assessment cases. As a result, the refund category accounted for only 32.5 percent of the cases handled, instead of 53 percent as shown during the previous year.

International Tax Conventions

Austria.—An income tax convention with Austria came into force October 10, 1957, retroactive in operation to January 1, 1957.

Canada.—A supplemental income tax convention with Canada came into force September 26, 1957, effective with the beginning of 1957, carrying provisions modifying in several respects the pre-existing income tax conventions with Canada.

Japan.—The supplemental income tax convention with Japan came into force September 9, 1957. Its scope is confined to tax exemptions, reciprocally, of the Export-Import Bank of the United States and the Export-Import Bank of Japan.

Belgium.—On January 30, 1958, the President transmitted to the Senate the text of a supplementary convention between the United States and Belgium, which would extend to the Belgian Congo and Ruandi-Urundi the existing income tax convention between the United States and Belgium, and modify, for technical reasons, that convention as so extended.

United Kingdom.—On January 15, 1958, the President transmitted to the Senate a supplementary protocol between the United States and the United Kingdom with respect to the tax treatment of royalties. On January 30, 1958, there was also transmitted to the Senate a notification emanating from the United Kingdom and requesting that the cited convention as thus amended be extended, with certain modifications, to some 20 United Kingdom overseas territories.

Foreign visitors.—There is a continuing worldwide interest in the study of the tax laws and tax administration methods of the United States. The International Tax Relations Division was host to approximately 100 officials of 32 foreign governments during the fiscal year for varying periods ranging up to one year.

LEGISLATIVE DEVELOPMENTS

Legislative Preparations

The Technical Amendments Act of 1958, H. R. 8381, was reported out on July 9, 1957, by the House Ways and Means Committee and was passed by the House of Representatives on January 28, 1958. Public hearings on the bill were held by the Senate Finance Committee in February 1958, followed by weeks of study of the bill and proposed amendments thereto in executive session. The drafting of the committee amendments and report was nearing completion at the close of the fiscal year.

Near the close of the year the House Ways and Means Committee devoted a substantial amount of time to H. R. 12084 and H. R. 12085, the Administration's bill to provide tax relief for small business.

Revenue Service representatives attended public hearings and executive sessions held by the committees in connection with all of this legislation. They also performed services in connection with the drafting of the above bills and the committee reports.

During the year, 76 reports on bills were prepared and forwarded to the Office of the Deputy to the Secretary. Information was also furnished to that office informally in instances where time did not permit the preparation of a formal report. In addition, the Revenue Service carried out its own research and study projects to develop information about tax administrative problems, tax loopholes, and tax inequities. It considered and evaluated all suggestions submitted by taxpayers and Congressmen.

Legislation Enacted

On February 11, 1958, H. R. 8865 was enacted, requiring separate accounting for certain collected taxes when the person who collected them failed to pay the taxes over to the government. It also provides a penalty for failure to comply with that requirement (P. L. 85–321).

On June 30, 1958, H. R. 12695, the Tax Rate Extension Act of 1958, was enacted, extending until July 1, 1959, the present corporation income tax rate and the rates of certain excise taxes, and repealing the taxes on the transportation of property (P. L. 85–475).

Fourteen other bills which have some effect on the federal tax statutes were enacted, the following being of particular interest:

P. L. 85–165 amended the Internal Revenue Code of 1954 with respect to the readjustment of tax in the case of certain amounts received for breach of contract, and restricted the issuance of certificates for rapid amortization of emergency facilities.

P. L. 85–323 amended the 1954 Code to prevent unjust enrichment by precluding refunds of alcohol and tobacco taxes to persons who have not borne the ultimate burden of the tax.

P. L. 85–380 provided exemptions from the tax imposed on admissions for admissions to certain musical and dramatic performances and certain athletic events.

P. L. 85–345 extended the 1955 formula for taxing income of life insurance companies to taxable years beginning in 1957.

The Revenue Service formulated and carried out plans for the implementation of the legislation that was enacted. These plans included the issuance of statements to the public, circulars, and regulations, and the revision of tax forms.

INTERNAL CONTROLS

Internal Audit

Findings developed through internal audits during the past year have resulted in corrective actions being taken by management in a number of areas. Some of these actions have resulted in direct savings. The majority have resulted in improved procedures and more effective controls, which have the indirect effect of safeguarding future tax revenues. These actions involved supervision, review, planning, internal control, followup, and coordination. All of these areas, if not maintained at a high level of efficiency and effectiveness, can have an adverse effect on overall operations, as well as day-to-day taxpayer relationships.

The internal audit program is designed to promote efficient administration. Utilizing recognized sampling techniques, it gives greatest attention to those organizational segments which are most closely connected with the collection of tax revenues and the enforcement of tax laws.

The following summary covers the regular audit activity of the nine regional inspection offices for the fiscal year 1958:

Internal audit activity

Offices or divisions audited	In process July 1, 1957	Started	Completed	In process June 30, 1958
Grand total	28	276	263	41
Regional offices, total	7	60	52	15
Regional counsels' offices	1	8	6	3
Regional commissioners' offices:				
Collection		7	6	1
Audit		8	8	
Intelligence	1	9	8	2
Alcohol and Tobacco Tax	4	8	9	3
Appellate	1	8	7	2
Administrative		12	8	4
District directors' divisions, total	21	212	208	25
Collection	5	60	55	10
Audit	12	56	57	11
Intelligence	2	56	54	4
Administrative	2	40	42	
Service centers		4	3	1

In addition to the above regularly scheduled audits, the Internal Audit Division also participated in a number of special assignments. These included a survey of the Office of the Director of Practice, an internal audit of the Budget Branch of the Fiscal Management Division, and assistance to the General Accounting Office in its audit of the reporting requirements prescribed by section 1311 of the Supplemental Appropriation Act of 1955. Members of the staff also participated in the audit of the Treasury Department's Exchange Stabilization Fund, as well as the Treasury review of bureau inspection programs. The Internal Audit Division also continued its participation in a fact-finding study of the regional office organizational structure and completed its work in the joint investigation and audit of one of the larger district offices. Surveys of the National Office's Operating Facilities and Collection Divisions were in process at the close of the fiscal year.

Internal Security

A new program was initiated for preappointment investigations of trainees selected for trainee revenue agent and revenue officer positions. The special handling required by this program increases the cost per investigation. However, by determining and eliminating unsuitable candidates *prior* to appointment, substantial savings are realized which normally would be expended prior to such determination for travel, per diem, and training costs.

Two important training aids were developed during the year. One of these was the initiation of a "Case Digest Series." These digests, concerning certain investigative cases of special interest to both divisions, are prepared jointly by the Internal Audit and the Internal Security Divisions. The digests are of particular value in that they alert the technical personnel of both divisions to ingenious, unique, and heretofore successful schemes designed to defraud the Revenue Service of income tax moneys by diverting them to the personal benefit of the wrongdoers. By pointing up the nature of the scheme, the means of its detection, and the methods and procedures undertaken to prevent its recurrence, the digest increases the effectiveness of the Inspection Service in carrying out its audit and investigative responsibilities.

The other training aid consists of a series of instructional memorandums. Some of these memorandums contain interim instructions which are subsequently incorporated into the Inspection Handbook or the Internal Revenue Manual, and others are simply informational or advisory in nature.

There were 6,007 personnel investigations closed during the year. In addition, police checks were conducted on 2,748 employees who served in temporary appointments for 90 days or less. Inspection also completed 149 formal tort claim investigations of motor vehicle accidents and cases involving personal injuries to nonfederal employees in connection with Revenue Service activities.

A comparison of personnel investigation cases in the past two years follows:

Personnel investigations and disciplinary actions

Type of investigation and action	1958	1957
Personnel investigations		
Number of cases closed, total	6,007	7,512
Character and security investigations	3,986	4,949
Conduct investigations	610	785
Special inquiries	1,411	1,778
Disciplinary actions against employees as a result of personnel investigations		
Disciplinary actions, total	719	821
Separations, total [1]	260	355
Bribery, extortion, or collusion	1	5
Embezzlement or theft of government funds or property	9	13
Failure of employee to pay proper tax	14	34
Falsification or distortion of government reports, records, etc	83	101
Unauthorized outside activity	14	13
Failure to discharge duties properly	13	13
Personal misconduct unrelated to tax cases	88	68
Refusal to cooperate	3	4
Divulgence of confidential information	5	4
Acceptance of fees or gratuities	7	5
Other misconduct	23	95
Suspensions from duty and pay	25	23
Reprimands, warnings, transferrals, and demotions	434	443

[1] Includes resignations, retirements, or other separations while employees were under investigation or before administrative decision was made on disciplinary action where investigation disclosed derogatory information.

MANAGEMENT ACTIVITIES

Personnel

The program for the development and maintenance of a "Blue Ribbon" career service continued to receive major attention during the year. Very early in the year the Revenue Service instituted an Executive Selection Program to assure that employees in key positions throughout the Revenue Service are automatically considered for vacancies in regional commissioner, assistant regional commissioner, and district director positions. Placements in assistant district director positions are made on the basis of nationwide competition through the Executive Development Program, which has completed its third year of successful operation. Under this program a carefully selected group of employees who have demonstrated potential for advancement participate in a 6-month training course designed to help equip them for assignment to assistant district director and other responsible positions in the Revenue Service.

College recruitment campaigns for trainees were curtailed sharply during the year due both to a planned reduction in staffing through attrition and to a lower turnover rate which developed in the last half of the year. Although the Revenue Service would normally recruit approximately 1,000 young college-trained people to meet replacement needs in its technical staff, only 335 trainees were hired during the last year.

A major organization change was made in the Personnel Division to permit increased attention and emphasis to be given employee relations matters. An Employee Relations Branch was established and assigned responsibility for personnel guidance and service in the areas of employee incentives, performance evaluation, relations with employee groups, appeals, grievances, employee conduct, leave, group life insurance, outside employment, fitness for duty and health programs, benefits and services, and coordination of recreational and fund raising activities.

Authority to approve outstanding performance ratings for field employees was shifted from Washington to the regional commissioners. During the year, 397 employees were recommended for outstanding ratings, of which 282, or 71 percent, were approved. This was a substantial increase in the number of recommendations and approvals over the previous two years. There were 96 outstanding performance ratings approved in 1956, and 62 the year before that.

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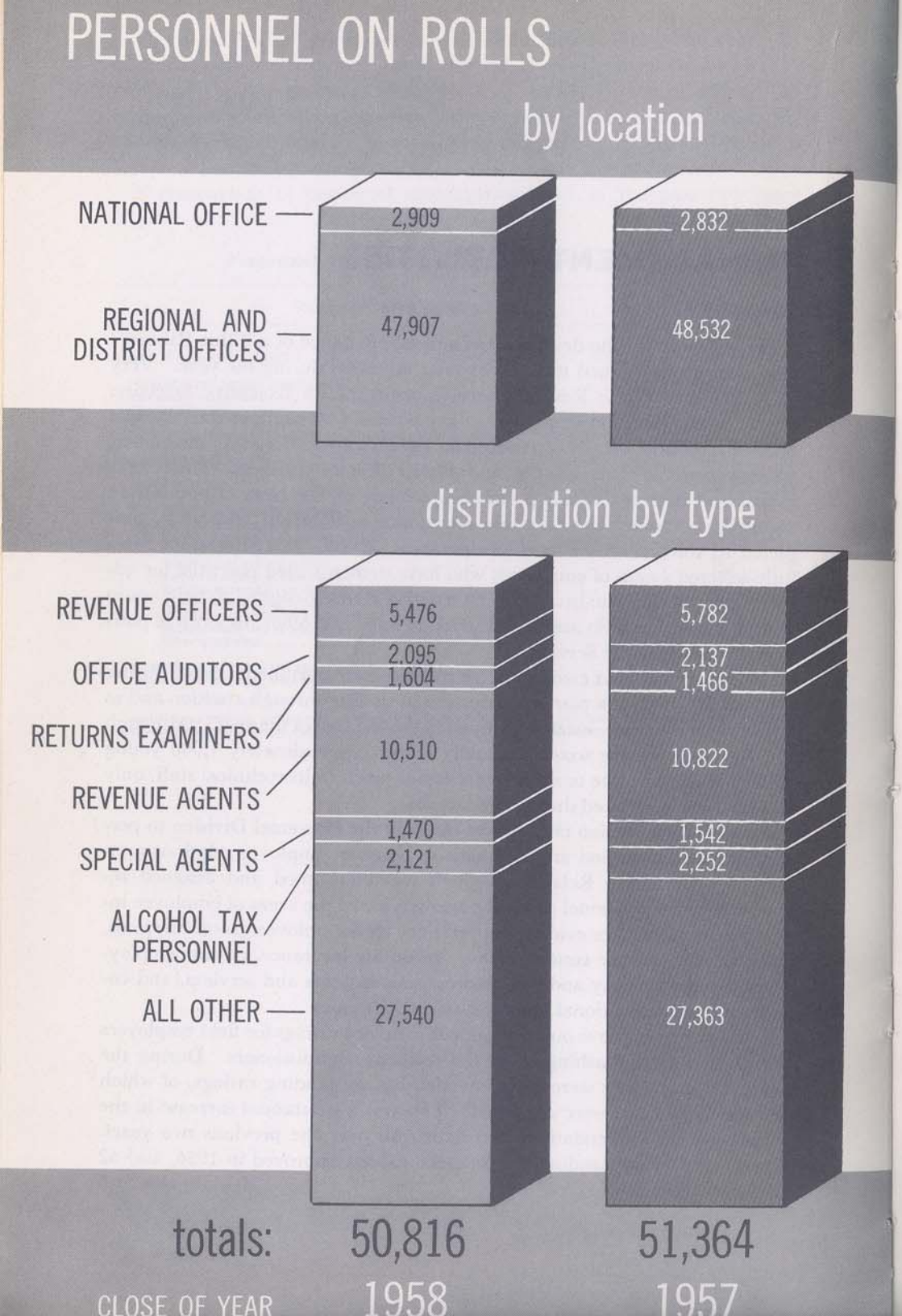


Broader participation and gratifying results were noted in the Incentive Awards Program. A comparison of activities follows:

Incentive Awards Program

Item	1958	1957
Suggestions received	5,110	4,500
Suggestions adopted	1,235	1,071
Superior work performance awards	859	558
Special act or service awards	89	60

Concerted effort was continued in the preparation of position classification guides and standards so that ultimately every major type of Revenue Service job may be covered. The primary purposes of these guides and standards are to define promotion ladders, maintain grade equity between various positions, eliminate unnecessary paper work, facilitate the assignment of work in accordance with management concepts, and help the recruitment and retention of well-qualified people.

Completed during fiscal year 1958 were new position classification guides covering district personnel chiefs, regional operating facilities chiefs, regional records management chiefs, district administration division chiefs, supervisory intelligence positions, program analyst positions in alcohol and tobacco tax, supervisory positions in the office of the Chief Counsel, nonsupervisory positions in the office of the Chief Counsel, alcohol and tobacco tax inspector positions, and internal audit positions.

Many other guides were in various stages of preparation.

Although the number of employees in some categories declined slightly, there were no significant changes. A comparison with the previous year follows:

Personnel on the rolls

Location and type	Number on rolls at close of fiscal year— 1958	1957
Grand total	50,816	51,364
By location		
National Office [1]	2,909	2,832
Regional and district offices	47,907	48,532
By type		
Permanent personnel, total	49,834	50,797
Supervisory personnel	547	523
Enforcement personnel, total	23,276	24,001
Revenue officers [2]	5,476	5,782
Office auditors	2,095	2,137
Returns examiners	1,604	1,466
Revenue agents	10,510	10,822
Special agents	1,470	1,542
Alcohol tax inspectors	438	465
Alcohol tax investigators	912	954
Storekeeper-gaugers	771	833
Legal personnel	513	501
Other technical personnel	4,252	3,978
Clerical personnel, messengers, and laborers	21,246	21,794
Temporary personnel	982	567

[1] National Office figures include International Operations Division personnel (headquarters and field offices) numbering 230 for 1957 and 271 for 1958.
[2] Formerly designated as Collection officers.

Training

Further progress was made in installing improvements in the audit and collection training programs in accordance with recommendations of special survey committees appointed by the Commissioner in 1956 and 1957. Special training classes were held for internal revenue agent and revenue officer instructors; and in June 1958 field instructors were assembled in Washington to be trained in a new course in estate and gift taxes, which will be given in the future in field offices as local needs require.

A third Commissioner's committee was appointed in August 1957 to survey the extent to which the training needs of special agents were being met. The committee report, including improvement recommendations, was submitted in March 1958, and work was immediately begun on the major proposals.

A new 6-month training program for internal audit recruits was approved by the Civil Service Commission in May 1958, and a management intern program for the Statistics Division was approved in January 1958. In the alcohol and tobacco tax functions, new training materials were released on plant inspection and criminal investigation procedures. Training materials in the form of a handbook were prepared by a task force of appellate personnel from New York, to be used for the training of new technical advisors.

During the year, approximately 720 employees participated in the "Basic Revenue Agent Training Program," approximately 240 trainees in the "Basic Revenue Officer Training Program," 41 trainees in the "Audit Instructor Training Program," and 67 trainees in the "Estate and Gift Tax Law Course for Estate Tax Examiners." One hundred eighty-six alcohol and tobacco tax, intelligence, and inspection investigators completed the 6-week training course at the Treasury Law Enforcement Officers Training School.

Based on recommendations of the Commission's Committee on Revenue Officer Training a revised program for GS–5 recruits was presented to and approved by the Civil Service Commission. A new training program for GS–7 revenue officers was developed as a further step in preparing them for journeyman assignment.

Thirteen employees completed the 6-month executive development course, which continues to provide an effective training base for potential key officials. Twenty management institutes, with outstanding university lecturers serving as instructors, were conducted for a total of 758 key national and field officials.

A Career Development Committee was established to evaluate the various methods used throughout the Revenue Service in selecting and training supervisory personnel. This committee, set up late in the fiscal year, is expected to recommend improvements in the selection of first-line supervisors, an appropriate training program in the principles of supervision

for new supervisors, and an executive development plan covering all managerial positions from first-line to top level.

A full-scale Writing Improvement Program was developed for the National Office and is now being conducted for the six divisions under the Assistant Commissioner (Operations). Management personnel and supervisor-reviewers attended training sessions specifically designed for them. Evaluation and followup plans have been built into the program.

A special task force was set up late in 1957 to make an appraisal of the entire correspondence course training program. Its report recommended more effective coordination of such training with the expanded classroom and on-the-job training programs of the Revenue Service.

Operating Facilities

Publications.—Improved techniques in the distribution of tax forms have resulted in a substantial reduction of surplus stocks at the end of the filing period. The savings realized have materially offset rising costs of printing and the cost of new printing programs.

Space.—Efforts have continued to improve space conditions through relocation and consolidation. Columbia and Jacksonville district offices were moved into new buildings designed primarily for the Revenue Service. The Camden office was relocated in a completely remodeled air-conditioned building. Similar major projects are currently in progress. A new building has been approved for Baltimore, and completely realigned and remodeled buildings are scheduled for the Milwaukee, Cincinnati, and Los Angeles offices. In addition approximately 68 locations have been improved by providing housing that meets standards for more effective and efficient operation.

There has been developed and issued to all field offices a publication entitled "Space Guides." These guidelines are designed to provide each employee with the proper amount of space to assist him in attaining his maximum productivity and effectiveness.

Property management.—Improved techniques have been developed in the management of property and supplies in order to reduce the clerical workload and to speed processing actions. Examples include an order issue bock which is a preprinted series of forms used for requisitioning, filling, and receiving of supplies, and which eliminates the need for typing a requisition; and a motor vehicle record book which assists both the operating and administrative personnel in maintaining records on maintenance and utilization of the vehicle fleet. Large quantities of personal property, which were declared excess to the needs of other agencies, have been acquired for Revenue Service use.

Records and correspondence.—The records administration program has continued to provide new techniques, guidelines, and studies to reduce and improve paperwork.

New Building Enables More Efficient Layout of District Director's Office, Jacksonville, Fla.

TV Experiment Links Taxpayer Service Desk and Tax Return File Room, Jacksonville, Fla.

To foster efforts to detect and eliminate unnecessary paperwork, many of the regional and district offices have designated records management liaison representatives. A training course has been prepared to better equip the representatives to recognize and correct paperwork problems.

The greatest emphasis in the past year continued to be on the management of forms, with particular attention to the standardization of field forms. All regions have started reviews of district office forms for conversion to standardized forms. One region, after a task force review of 891 district office forms and form letters, revised them to 178 standardized forms.

The result of such activities is indicated by these figures:

Forms prescribed by	*Inventory July 1, 1957*	*New forms added during year*	*Forms eliminated*	*Inventory June 30, 1958*
National Office	2, 751	396	126	3, 021
Regional offices	4, 817	1, 965	152	6, 630
District offices	24, 507	4, 412	6, 372	22, 547

Work has continued on improving the correspondence and filing practices of the Revenue Service. Part I of the Correspondence Handbook has been completed, a pilot study of the use of correspondence management techniques in Audit Division correspondence has been completed and installed, pilot studies on improved work methods in major files have been completed and are being evaluated, intensive audits of documentation procedures have been completed, and standards for shelf-filing small size documents have been released.

Within a period of 18 months, 162,000 square feet of filing space have been freed for reuse by an intensive program of disposing of inactive records. This is equivalent to the total amount of space occupied by the Parkersburg, Scranton, New Orleans, and Nashville district offices.

Safety.—The Revenue Service's accident frequency rate was reduced from 3.5 to 3.3 accidents per million man-hours worked. The Secretary's Safety Awards were made to 16 district offices for working without a lost time accident during the calendar year. The success of the "Pursuit Driving" handbook was indicated by the sale of over 5,000 copies by the Superintendent of Documents of the Government Printing Office. A manual issuance on the Driver Licensing Program was completed and distributed to the field offices. Some regions have already completed tests of all operators within the region, although the deadline for completing all such licensing is March 14, 1959.

Fiscal Management

The cost of operating the Revenue Service during the year was $337,429,000, or 42.2 cents for every $100 collected. This was the first year that Congress included the annual appropriation to the Civil Service Retirement Fund in the budgets of government agencies, and this accounted for more than one-half of the $31,891,000 increase in Revenue Service cost. The government-wide increase in salary rates, which was applicable to the last half of the fiscal year, was the other principal factor.

A comparison of obligations, by classes of expenditures, follows:

Obligations incurred by the Internal Revenue Service

(In thousands of dollars)

Activity	Total		Salaries		Other	
	1958	1957	1958	1957	1958	1957
Total	337, 429	305, 538	285, 838	270, 853	51, 591	34, 685
Rulings, technical planning, and special technical services	5, 157	4, 633	4, 510	4, 282	647	351
Collection of revenue	141, 501	128, 866	115, 609	110, 078	25, 892	18, 788
Audit of tax returns	118, 444	106, 702	105, 108	99, 376	13, 336	7, 326
Tax fraud and special investigations	17, 333	15, 739	14, 896	14, 071	2, 437	1, 668
Alcohol and tobacco tax regulatory work	24, 773	23, 200	20, 478	19, 966	4, 295	3, 234
Taxpayer conferences and appeals	11, 030	9, 771	9, 899	9, 289	1, 130	482
Legal services	8, 271	7, 044	7, 167	6, 405	1, 104	639
Inspection	4, 491	4, 097	3, 611	3, 427	880	670
Statistical reporting	2, 451	1, 735	1, 842	1, 475	609	260
Executive direction	3, 979	3, 751	2, 718	2, 484	1, 261	1, 267

Further progress was made in the field of financial planning and execution of the financial plan. Experience during the year reemphasized that financial planning, while establishing good operational programs and guidelines, still provides the flexibility to meet the requirements of changing circumstances and unusual conditions. An important accomplishment was the incorporation in the budgetary and financial planning procedures of the work planning and control program of the collection activity.

Significant accomplishments in the long-range program to apply improved mechanical and electronic techniques to payroll, budget, and related operations included: (1) inauguration of a pilot payroll operation for the Boston Region on mechanized equipment in the Northeast Service Center; (2) extension of this installation to processing payrolls for the Atlanta, Cincinnati, New York, and Philadelphia Regions, and the National Office; (3) centralization in the service center of personnel analysis reporting for regions under mechanized payroll processing; (4) preparation of year-end reports and analyses of personnel-on-roll, and certain analytical reports used in developing 1959 financial plans, from the centralized payroll records; and (5) advance planning and training of employees in preparation for the centralization of payroll operations for the four western regions in the Western Service Center, to take effect in September 1959. This program so far has resulted in annual savings of $164,000.

The survey of regional fiscal management branches, started in fiscal year 1957, was completed in March 1958. This program not only accomplished the original objectives, which were to study and evaluate fiscal management operations in the field and to suggest improvements, but also resulted in increased understanding between field and National Office personnel, and brought to light a number of refinements and laborsaving devices developed by regional offices which are being extended to other regions. Savings of 9.3 man-years resulted from the survey program. Plans were made for followup visits to include a review of the actions taken as a result of the original survey, a check on progress made to im-

prove deficiencies noted, and a further dissemination of ideas and improvements gleaned from other regions.

Planning and Research

On May 19, 1958, a new Planning and Research office, to be headed by an Assistant Commissioner (Planning and Research), was established.

This culminated a long period during which various organizational arrangements were studied—all of which were designed to bring together the previously fragmented areas of research, planning, and policy formulation.

Among the responsibilities of the new organization are the following:

1. *Plans and Policy Division.*—Compiles and coordinates all official Revenue Service policies for approval by the Commissioner; administers a system whereby the operational plans of all Revenue Service activities are integrated into a comprehensive master plan.
2. *Research Division.*—Conducts advanced research to foster improvement in the administrative provisions of the tax laws and to minimize compliance burdens upon taxpayers.
3. *Systems Development Division.*—Studies and selects electronic and mechanical, as well as manual, systems for improving the efficiency and efficacy of Revenue Service operations, and assists in the installation of such systems.
4. *Statistics Division.*—Compiles and publishes "Statistics of Income"; prepares various management and operating statistics.

Statistical Reporting

Further progress was made during the year in developing statistics needed for internal management purposes, and for appraisal of income distribution and tax consequences under the tax laws.

Internal data systems were kept under continuous review to reduce costs, and to improve timeliness and effectiveness. In order to obtain these objectives, more of the reports were converted to electronic processing.

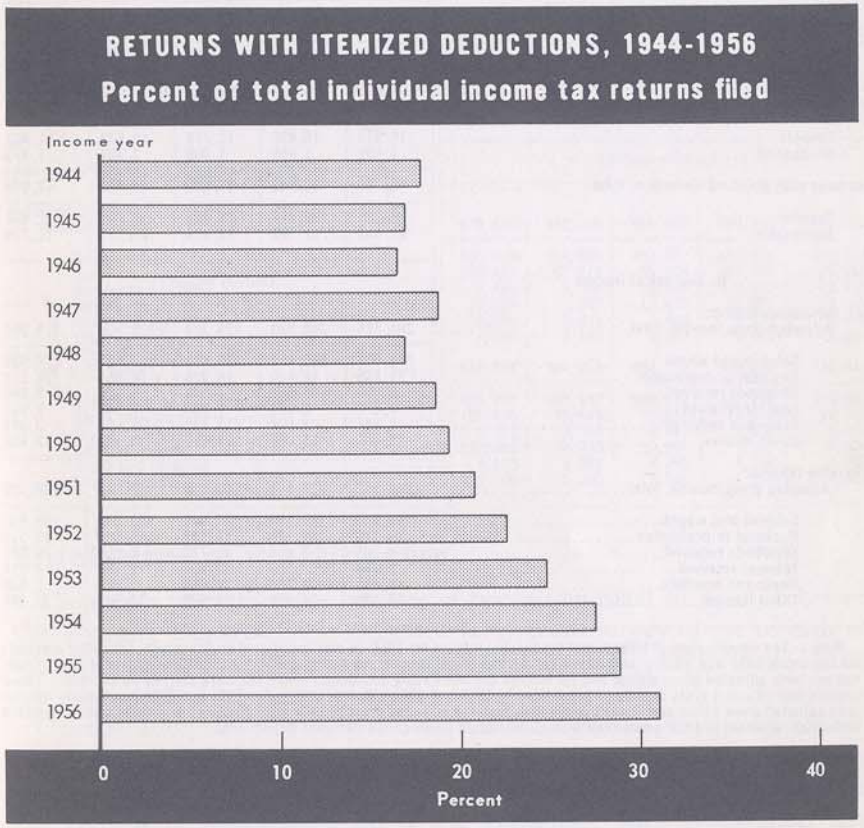
Publication of "Statistics of Income" was speeded up another notch during the year, the fortieth year since these compilations were initiated.

The volume which covers individual income tax returns for 1955 came out 23 months after the due date of the returns, 9 months less than the best previous record, and 52 months less than the time required for the 1946 volume.

A number of factors have been responsible over the last few years in expediting this work, including—

1. Cooperation of district offices in locating and dispatching sample returns promptly
2. Decentralization of some card-punching and clerical work to the Northeast Service Center
3. Improved utilization of high-speed electronic computer equipment (operated jointly with the Bureau of the Census at Suitland, Md.)

A comparison of major types of income for both individuals and corporations, as given in the "Statistics of Income" for the 5 most recent years, is shown in the following tables. The growth in the percent of individual returns making use of itemized deductions for the years 1944–56 is also presented in the accompanying chart.



Individual income tax returns: Number of returns and sources of income, 1952–1956

Item	Income year				
	1956	1955	1954	1953	1952
A. Number of returns	(Thousands)				
All individual returns, total	59, 197	58, 250	56, 747	57, 838	56, 529
Taxable	46, 259	44, 689	42, 633	45, 223	43, 876
Nontaxable	12, 938	13, 561	14, 114	12, 615	12, 653
Returns with itemized deductions, total	18, 459	16, 891	15, 702	14, 426	12, 836
Taxable	16, 973	15, 435	13, 712	12, 932	11, 463
Nontaxable	1, 486	1, 456	1, 990	1, 494	1, 373
Returns with standard deduction, total	40, 738	41, 359	41, 045	43, 412	43, 693
Taxable	29, 286	29, 254	28, 921	32, 291	32, 414
Nontaxable	11, 453	12, 105	12, 124	11, 121	11, 279
B. Sources of income	(Million dollars)				
All individual returns:					
Adjusted gross income, total	267, 724	248, 530	229, 221	228, 708	215, 290
Salaries and wages	215, 618	200, 712	185, 953	187, 734	174, 339
Business or profession	21, 285	18, 430	16, 926	16, 664	16, 312
Dividends received	8, 606	7, 851	7, 048	5, 828	5, 860
Interest received	2, 872	2, 584	2, 370	2, 043	1, 847
Rents and royalties	3, 344	3, 086	3, 107	3, 128	3, 081
Other income	16, 000	15, 868	13, 818	13, 312	13, 852
Taxable returns:					
Adjusted gross income, total	249, 551	229, 595	209, 669	212, 375	198, 508
Salaries and wages	201, 837	186, 154	170, 501	173, 518	159, 853
Business or profession	19, 176	16, 349	14, 987	15, 969	15, 512
Dividends received	8, 201	7, 454	6, 720	5, 568	5, 631
Interest received	2, 468	2, 187	2, 003	1, 786	1, 614
Rents and royalties	2, 731	2, 526	2, 485	2, 568	2, 536
Other income	15, 139	14, 926	12, 972	12, 967	13, 364

Note.—The classification of taxable and nontaxable returns for 1954–56 was based only on the income tax (after credits); for the years 1952 and 1953 it was based on the combined income tax (after credits) and self-employment tax. Thus, returns with adjusted gross deficit and no income tax but having self-employment tax were classed as taxable. These returns had adjusted gross deficits of $46 million in 1953 and $23 million in 1952. For 1955 and 1956, nontaxable returns with adjusted gross deficit and returns with a breakeven in adjusted gross income were classified as returns with a standard deduction, whereas in prior years they were classified as returns with itemized deductions.

Corporation income tax returns: Number of returns and sources of receipts, 1952–1956

Item	Income year				
	1956 (preliminary)	1955	1954	1953	1952
A. Number of returns					
All corporation returns, total	924, 961	842, 125	754, 019	730, 974	705, 497
Active corporations, total	885, 747	807, 303	722, 805	697, 975	672, 071
With net income	559, 710	513, 270	441, 177	441, 767	442, 577
Without net income	326, 037	294, 033	281, 628	256, 208	229, 494
Inactive corporations	39, 214	34, 822	31, 214	32, 999	33, 426
B. Sources of receipts	(Million dollars)				
Active corporations:					
Receipts, total	679, 868	642, 248	554, 822	558, 242	531, 307
Gross sales	540, 042	514, 864	443, 637	452, 061	429, 514
Gross receipts from operations	106, 633	97, 819	85, 269	82, 507	79, 805
Dividends received	3, 446	3, 344	2, 945	2, 965	2, 898
Interest received	15, 058	13, 207	11, 618	10, 801	9, 481
Rents and royalties	6, 830	5, 875	5, 343	4, 936	4, 675
Other receipts	7, 858	7, 140	6, 010	4, 973	4, 934
Returns with net income:					
Receipts, total	614, 857	584, 975	484, 727	506, 450	486, 441
Gross sales	493, 634	472, 447	388, 712	411, 212	393, 987
Gross receipts from operations	92, 476	86, 549	73, 352	74, 151	72, 652
Dividends received	3, 352	3, 303	2, 860	2, 938	2, 871
Interest received	12, 855	11, 415	10, 155	9, 567	8, 504
Rents and royalties	5, 613	4, 862	4, 405	4, 184	4, 003
Other receipts	6, 926	6, 399	5, 244	4, 397	4, 423

Enrollment of Practitioners

The steady growth of the number of persons enrolled to practice before the Treasury Department is indicated in a recent survey of the records of the Director of Practice, showing that approximately 85,000 individuals are now enrolled for this purpose.

Consideration also is being given to special recognition for school teachers, bank clerks, and other unenrolled persons who assist taxpayers, particularly during filing seasons, and especially in small towns or rural areas where government or professional aid is less available. Such recognition was proposed by the Subcommittee on Internal Revenue Taxation of the Ways and Means Committee of the House of Representatives. Views have been obtained from various interested groups, including representatives of the American Bar Association, the American Institute of Certified Public Accountants, and the National Society of Public Accountants.

Many delinquent practitioners were eliminated from the rolls during the past year as the result of the current rule that enrollments lapse in five years unless the practitioners apply for re-enrollment. In these cases, delinquent practitioners have the burden of proof of their qualifications, whereas in disbarment proceedings the government has the burden of proof.

The processing of original applications, re-enrollment applications, and disbarment cases has been kept current. Listed below are comparative statistics showing the disposition of cases for the last two years:

Disposition of enrollment and disbarment cases

Type of case	1958	1957
General enrollment—attorneys and agents:		
Applications for enrollment approved	6,720	r 8,303
Applications for enrollment disapproved	17	27
Applications withdrawn on advice of the Director	110	192
Applications for enrollment withdrawn with prejudice	1	----------
Applications abandoned	30	20
Special enrollment to practice before the Internal Revenue Service:		
Applications approved by reason of examination	1	2
Applications approved pursuant to standards and procedures based upon former service with the Treasury Department. (Sec. 12, Department Circular No. 230, revised)	199	220
Applications approved by reason of having passed CPA examination though CPA certificates not issued	----------	35
Applications of former employees denied	15	9
Applications withdrawn	7	14
Applications abandoned	54	4
Renewal of enrollment cases:		
Applications for renewal approved	7,422	r 29,673
Applications for renewal disapproved	16	4
Applications for renewal withdrawn	24	27
Applications for renewal abandoned	4	2
Disbarment cases:		
Disbarments	----------	1
Resignations accepted	2	2
Resignations accepted with prejudice	1	----------
Reprimands issued	39	33
Suspensions	1	3
Closed without action	2	27
Formal complaints pending against enrolled persons	1	9

Note.—When the time specified in 31 CFR 10.6 (d), as amended, is not met, a former enrollee is required to submit the original application which is processed by this office. The item, "Applications for enrollment approved," includes 1,316 applications of this type in 1957 and 1,077 in 1958.

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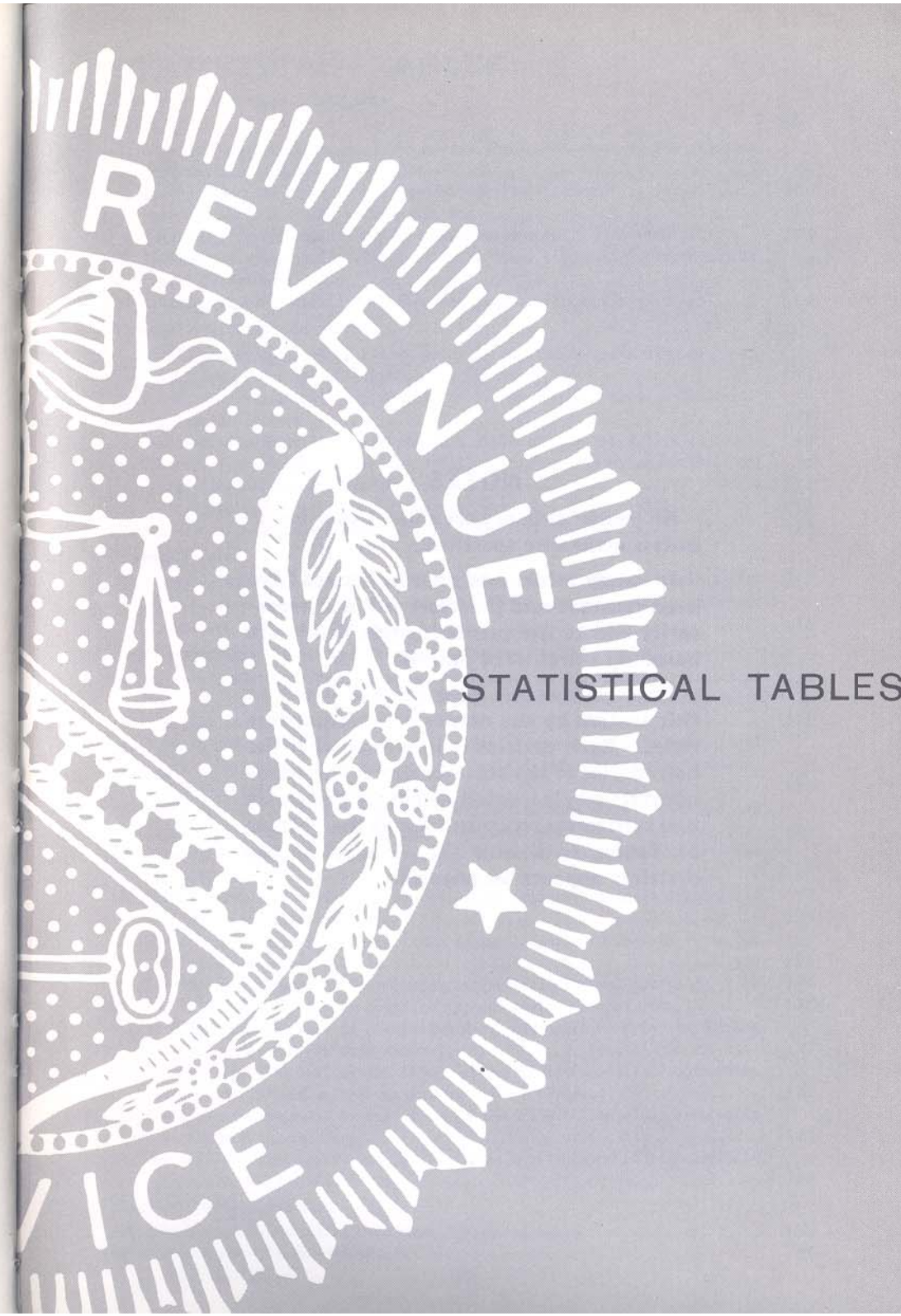

STATISTICAL TABLES

NOTES

All yearly data are on a fiscal year basis, unless otherwise specified.

In many tables and charts, figures have been rounded and therefore will not necessarily add to the printed totals which are based on unrounded figures.

Internal revenue districts are listed in this section by the names of headquarters cities. Each district is identical with the boundaries of the state in which the headquarters city is located except for the states and territories recapitulated at the bottom of Tables 1, 5, and 13. A map of the districts appears on page xiii.

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Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories

[In thousands of dollars. See table 3, p. 102, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts; States and Territories [1] (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Total internal revenue collections (1)	Corporation income and profits taxes [2] (2)	Individual income and employment taxes: Total (3)	Income tax not withheld [3] (4)	Income tax withheld and old-age and disability insurance [3 4 5] (5)	Railroad retirement [4 6] (6)	Unemployment insurance (7)
United States, total	**79,978,476**	**20,533,316**	**47,212,944**	**12,091,789**	**34,209,992**	**575,282**	**335,880**
Atlanta region	**5,380,520**	**1,030,608**	**3,016,474**	**962,240**	**2,005,329**	**23,421**	**25,485**
Atlanta (Georgia)	846,084	198,357	545,543	143,716	393,026	4,046	4,755
Birmingham (Alabama)	496,155	118,094	355,325	99,029	248,399	4,846	3,051
Columbia (South Carolina)	287,511	70,170	204,015	56,274	145,548	115	2,078
Greensboro (North Carolina)	1,857,559	277,110	546,002	145,547	386,048	8,886	5,521
Jackson (Mississippi)	176,473	26,579	136,910	49,063	86,228	362	1,257
Jacksonville (Florida)	1,094,513	207,534	784,110	327,959	448,352	2,601	5,199
Nashville (Tennessee)	622,225	132,765	444,569	140,652	297,728	2,566	3,623
Boston region	**4,322,681**	**969,644**	**2,941,163**	**750,650**	**2,151,551**	**17,122**	**21,840**
Augusta (Maine)	191,286	40,940	139,940	40,908	95,242	2,633	1,158
Boston (Massachusetts)	2,194,763	490,276	1,497,025	350,410	1,130,435	5,025	11,155
Burlington (Vermont)	76,641	11,974	58,566	16,848	40,183	1,105	430
Hartford (Connecticut)	1,398,277	335,272	905,182	254,930	635,666	8,308	6,277
Portsmouth (New Hampshire)	148,751	27,752	114,735	31,186	82,583	42	924
Providence (Rhode Island)	312,963	63,430	225,715	56,368	167,442	9	1,896
Chicago region	**14,138,785**	**4,112,968**	**7,435,150**	**1,657,067**	**5,625,095**	**96,777**	**56,210**
Chicago (See (c) below)	5,521,709	1,571,803	3,386,988	732,631	2,540,063	89,266	25,028
Detroit (Michigan)	6,198,156	1,944,461	2,666,418	518,405	2,120,249	6,472	21,292
Milwaukee (Wisconsin)	1,462,224	410,043	879,978	227,439	645,576	321	6,642
Springfield (See (c) below)	956,696	186,662	501,766	178,592	319,207	718	3,249
Cincinnati region	**10,268,007**	**2,400,254**	**5,486,262**	**1,280,041**	**4,090,952**	**78,630**	**36,639**
Cincinnati (See (g) below)	1,328,742	413,251	728,187	169,186	552,721	989	5,291
Cleveland (See (g) below)	2,939,913	851,022	1,728,782	305,246	1,370,810	41,367	11,359
Columbus (See (g) below)	442,826	102,063	319,240	90,134	226,975	11	2,118
Indianapolis (Indiana)	1,798,028	339,055	1,117,227	255,973	854,436	797	6,021
Louisville (Kentucky)	1,539,590	157,514	378,147	128,059	234,629	12,892	2,568
Parkersburg (West Virginia)	334,804	70,512	243,568	75,830	165,605	100	2,033
Richmond (Virginia)	1,239,931	241,929	610,016	162,385	421,308	21,894	4,430
Toledo (See (g) below)	644,173	224,907	361,095	93,230	264,466	581	2,819
Dallas region	**4,549,709**	**1,003,682**	**2,949,005**	**1,064,388**	**1,835,756**	**28,614**	**20,246**
Albuquerque (New Mexico)	157,411	18,433	131,076	47,044	83,305	2	725
Austin (See (i) below)	1,437,570	360,067	917,316	336,577	561,518	13,129	6,092
Dallas (See (i) below)	1,259,739	265,200	869,370	320,443	529,706	13,340	5,881
Little Rock (Arkansas)	186,009	29,995	144,190	57,709	85,196	156	1,129
New Orleans (Louisiana)	691,591	147,040	462,671	174,869	282,903	1,590	3,310
Oklahoma City (Oklahoma)	817,388	182,946	424,381	127,746	293,128	398	3,110
New York City region	**15,348,079**	**5,420,130**	**8,099,329**	**1,678,384**	**6,281,173**	**76,524**	**63,248**
Albany (See (f) below)	924,080	311,695	575,815	78,552	490,034	2,784	4,444
Brooklyn (See (f) below)	1,440,080	210,339	1,087,377	354,444	721,678	3,694	7,560
Buffalo (See (f) below)	1,011,313	301,811	622,825	156,342	461,819	47	4,616
Lower Manhattan (See (f) below)	5,575,888	2,690,308	2,311,271	418,786	1,865,458	8,794	18,232
Syracuse (See (f) below)	537,239	113,437	363,273	83,891	276,449	36	2,896
Upper Manhattan (See (f) below)	5,859,479	1,792,540	3,138,768	586,367	2,465,734	61,168	25,499
Omaha region	**5,907,400**	**1,279,986**	**4,009,282**	**1,103,900**	**2,763,155**	**118,593**	**23,634**
Aberdeen (South Dakota)	87,999	11,246	72,862	32,955	39,522	11	373
Cheyenne (Wyoming)	71,724	7,799	56,276	25,868	30,131	5	272
Denver (Colorado)	905,357	126,433	698,189	122,069	569,082	4,496	2,541
Des Moines (Iowa)	625,272	137,173	448,389	180,468	264,555	563	2,803
Fargo (North Dakota)	88,472	10,125	74,979	37,245	37,358	20	356
Kansas City (See (d) below)	621,376	171,328	390,108	110,939	272,854	3,425	2,891
Omaha (Nebraska)	444,234	67,739	319,170	91,073	203,186	23,098	1,812
St. Louis (See (d) below)	1,270,933	313,068	769,684	177,535	556,667	29,982	5,500
St. Paul (Minnesota)	1,245,617	321,661	803,300	198,982	565,847	33,264	5,208
Wichita (Kansas)	546,418	113,413	376,325	126,765	223,952	23,729	1,878
Philadelphia region	**10,881,814**	**2,686,067**	**6,761,002**	**1,553,186**	**5,039,188**	**120,496**	**48,132**
Baltimore (Maryland and District of Columbia)	1,871,897	259,677	1,321,006	273,869	998,212	42,601	6,323
Camden (See (e) below)	455,626	98,417	326,582	99,598	224,615	7	2,361
Newark (See (e) below)	1,964,682	451,063	1,233,227	326,305	893,419	3,861	9,641
Philadelphia (See (h) below)	2,772,764	563,465	1,780,338	415,087	1,290,311	62,480	12,460
Pittsburgh (See (h) below)	2,429,369	637,890	1,432,887	275,961	1,136,422	8,524	11,979
Scranton (See (h) below)	602,662	200,068	370,911	66,250	298,156	3,021	3,484
Wilmington (Delaware)	784,815	475,487	296,052	96,115	198,054	1	1,882
San Francisco region	**9,186,404**	**1,625,170**	**6,517,325**	**1,945,932**	**4,490,390**	**40,560**	**40,443**
Boise (Idaho)	134,826	20,993	108,188	35,596	71,606	241	744
Helena (Montana)	138,940	23,353	107,159	46,305	59,995	337	523
Honolulu (Hawaii)	166,306	33,764	123,566	36,235	86,367	235	728
Los Angeles (See (b) below)	3,768,148	706,647	2,714,632	812,944	1,882,569	1,609	17,510
Phoenix (Arizona)	235,036	36,162	188,737	74,080	113,448	76	1,133
Portland (Oregon)	472,025	70,961	375,608	111,387	259,422	2,371	2,428
Reno (Nevada)	109,986	14,096	78,478	28,188	49,822	(*)	468
Salt Lake City (Utah)	200,022	44,188	136,996	39,804	95,288	1,026	878
San Francisco (See (b) below)	2,985,802	501,655	1,968,308	558,801	1,364,090	33,981	11,436
Seattle (See (a) and (j) below)	975,312	173,351	715,652	202,592	507,781	684	4,595
International Operations Division	**152,680**	**4,808**	**119,428**	**96,001**	**23,423**		**4**
Puerto Rico	40,934	3	20,010	2,380	17,626		4
Other	111,746	4,804	99,418	93,621	5,797		
Collections not distributed by region and district:							
Undistributed depositary receipts	(—154,103)		(—117,976)		(—92,520)	(—25,456)	
Transferred to Government of Guam	(—3,500)		(—3,500)		(—3,500)		
Totals for States and Territories not shown above							
(a) Alaska	43,669	3,529	38,002	7,071	30,748		183
(b) California	6,753,950	1,208,303	4,682,940	1,371,744	3,246,660	35,590	28,946
(c) Illinois	6,478,405	1,758,464	3,888,754	911,223	2,859,270	89,984	28,277
(d) Missouri	1,892,308	484,397	1,159,792	288,474	829,521	33,407	8,391
(e) New Jersey	2,420,308	549,481	1,559,808	425,903	1,118,034	3,868	12,003
(f) New York	15,348,079	5,420,130	8,099,329	1,678,384	6,281,173	76,524	63,248
(g) Ohio	5,355,654	1,591,243	3,137,303	657,796	2,414,973	42,948	21,587
(h) Pennsylvania	5,804,794	1,401,422	3,584,136	757,298	2,724,889	74,025	27,924
(i) Texas	2,697,309	625,267	1,786,686	657,020	1,091,224	26,468	11,973
(j) Washington	931,643	169,822	677,649	195,520	477,034	684	4,411

Footnotes on p. 106.

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories—Continued

[In thousands of dollars. See table 3, p. 102, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts; States and Territories [1] (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Estate tax	Gift tax	Excise taxes, total (sum of columns 11, 26, 31, 35, 43, 48, and 69)	Alcohol taxes						
				Total	Distilled spirits taxes					
					Total	Imported (collected by Customs)	Domestic [7]	Rectification [7]	Occupational taxes [8]	Other [9]
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
United States, total	**1,277,052**	**133,873**	**10,814,268**	**2,946,461**	**2,092,183**	**307,338**	**1,745,317**	**22,103**	**15,893**	**1,532**
Atlanta region	**84,429**	**8,361**	**1,240,566**	**23,778**	**17,149**	**10,820**	**4,924**	**3**	**567**	**834**
Atlanta (Georgia)	10,809	1,556	89,903	1,496	899	490	219	2	96	93
Birmingham (Alabama)	6,487	411	15,829	527	431	313	16		56	47
Columbia (South Carolina)	5,214	480	7,621	767	396	289			56	50
Greensboro (North Carolina)	14,373	574	1,019,502	713	565	237	28		22	278
Jackson (Mississippi)	2,469	290	10,233	194	112		6		54	51
Jacksonville (Florida)	33,757	3,747	65,204	14,512	9,315	9,039	(*)	1	226	49
Nashville (Tennessee)	11,321	1,303	32,275	5,570	5,430	452	4,655		58	265
Boston region	**107,848**	**10,419**	**293,583**	**130,103**	**108,485**	**11,727**	**94,615**	**938**	**1,091**	**115**
Augusta (Maine)	5,474	220	4,707	676	405	4	362	13	26	(*)
Boston (Massachusetts)	49,757	4,503	153,219	74,315	62,946	7,540	53,972	737	584	113
Burlington (Vermont)	2,827	212	3,058	1,156	1,093	1,068			24	
Hartford (Connecticut)	37,895	4,931	114,949	44,869	43,230	2,442	40,281	187	318	1
Portsmouth (New Hampshire)	3,324	150	2,809	75	26				26	(*)
Providence (Rhode Island)	8,571	404	14,842	9,012	785	673			111	1
Chicago region	**135,498**	**18,396**	**2,433,566**	**482,879**	**312,132**	**80,811**	**224,739**	**3,550**	**2,927**	**104**
Chicago (See (c) below)	68,447	8,074	483,774	51,294	29,917	23,835	5,051	64	914	53
Detroit (Michigan)	35,578	9,380	1,541,788	104,348	63,798	55,939	6,634	217	993	15
Milwaukee (Wisconsin)	17,591	581	154,004	99,406	1,792	1,037	(*)	7	747	1
Springfield (See (c) below)	13,881	361	254,001	227,830	216,624		213,055	3,261	274	35
Cincinnati region	**114,217**	**10,450**	**2,255,968**	**963,647**	**878,820**	**13,617**	**854,666**	**8,789**	**1,616**	**133**
Cincinnati (See (g) below)	19,174	1,835	166,147	118,207	105,545		104,303	1,021	220	2
Cleveland (See (g) below)	28,145	3,477	327,769	27,756	5,090	4,171	317	18	583	2
Columbus (See (g) below)	8,104	452	12,964	1,835	153			1	150	2
Indianapolis (Indiana)	23,872	1,262	316,618	248,658	227,487	5,172	217,219	4,816	277	1
Louisville (Kentucky)	8,474	434	995,090	555,754	536,513	4,224	529,185	2,932	137	34
Parkersburg (West Virginia)	5,417	567	14,712	825	274		227		30	16
Richmond (Virginia)	15,135	1,698	371,138	6,311	3,562	50	3,414		23	75
Toledo (See (g) below)	5,896	725	51,531	4,299	196				194	1
Dallas region	**94,258**	**13,998**	**488,614**	**60,312**	**14,374**	**10,406**	**3,241**	**1**	**681**	**45**
Albuquerque (New Mexico)	2,383	231	5,331	84	79	(*)	(*)		77	1
Austin (See (i) below)	34,435	4,564	121,052	30,702	7,391	7,261	2		128	1
Dallas (See (i) below)	33,944	6,108	85,082	264	107				106	1
Little Rock (Arkansas)	5,167	980	5,673	266	52		2		42	8
New Orleans (Louisiana)	9,485	1,148	71,244	28,463	6,663	3,145	3,229	1	286	2
Oklahoma City (Oklahoma)	8,844	967	200,232	531	83		8		43	32
New York City region	**265,849**	**28,115**	**1,532,692**	**300,280**	**184,316**	**119,013**	**62,487**	**928**	**1,839**	**49**
Albany (See (f) below)	18,511	787	17,401	8,421	315		12	25	265	13
Brooklyn (See (f) below)	48,605	2,112	90,729	56,293	3,716		3,091	66	551	8
Buffalo (See (f) below)	17,989	2,276	66,417	26,199	3,981	3,668	(*)		298	14
Lower Manhattan (See (f) below)	7,887	11,202	555,214	103,693	94,097	93,949	7	(*)	139	3
Syracuse (See (f) below)	15,952	672	43,775	26,509	21,599	21,396	(*)		202	1
Upper Manhattan (See (f) below)	156,905	11,067	759,156	79,164	60,608		59,376	837	384	11
Omaha region	**86,819**	**7,910**	**522,704**	**137,033**	**22,485**	**6,113**	**15,035**	**122**	**1,098**	**117**
Aberdeen (South Dakota)	892	20	2,977	83	49				48	1
Cheyenne (Wyoming)	1,564	169	5,877	45	37				32	5
Denver (Colorado)	9,198	721	70,412	14,025	1,158	947		2	145	64
Des Moines (Iowa)	14,003	2,364	23,338	807	89		1		88	(*)
Fargo (North Dakota)	1,272	38	2,055	70	54	1			53	
Kansas City (See (d) below)	8,436	489	51,016	8,765	2,280		2,120	2	156	3
Omaha (Nebraska)	7,656	324	49,341	9,286	143				141	2
St. Louis (See (d) below)	20,018	2,112	165,946	57,733	6,038	3,248	2,493	77	207	12
St. Paul (Minnesota)	11,649	1,069	107,828	39,152	5,672	1,917	3,538	40	153	24
Wichita (Kansas)	12,130	605	43,913	7,067	6,966		6,884	(*)	76	6
Philadelphia region	**172,912**	**23,580**	**1,238,362**	**542,085**	**385,799**	**12,864**	**364,315**	**5,995**	**2,552**	**72**
Baltimore (Maryland and District of Columbia)	28,604	2,435	260,175	130,762	109,397	5,832	100,532	2,664	350	20
Camden (See (e) below)	14,044	432	16,085	4,518	1,374		1,106	74	186	8
Newark (See (e) below)	40,116	3,501	236,859	137,665	72,009		71,214	255	531	9
Philadelphia (See (h) below)	43,134	7,240	378,728	140,842	103,909	5,134	97,034	1,087	634	21
Pittsburgh (See (h) below)	36,528	3,070	318,971	122,421	98,770	1,898	94,430	1,915	512	14
Scranton (See (h) below)	6,751	153	24,767	5,831	296				296	(*)
Wilmington (Delaware)	3,734	6,749	2,777	46	44				43	1
San Francisco region	**208,191**	**12,149**	**823,419**	**289,129**	**151,414**	**41,968**	**104,567**	**1,296**	**3,522**	**62**
Boise (Idaho)	2,263	84	3,302	379	39		(*)		39	
Helena (Montana)	3,007	59	5,353	2,454	97	1			95	1
Honolulu (Hawaii)	1,607	404	6,966	1,384	740	660	15	(*)	65	(*)
Los Angeles (See (b) below)	77,762	4,210	265,139	71,427	38,326	17,996	18,912	124	1,271	22
Phoenix (Arizona)	2,970	246	6,953	1,885	138	1	(*)	(*)	136	1
Portland (Oregon)	7,184	617	17,603	3,966	2,180	1,453	544		181	2
Reno (Nevada)	6,615	317	10,480	76	69		(*)		69	
Salt Lake City (Utah)	1,748	158	16,401	1,385	9				9	(*)
San Francisco (See (b) below)	80,450	4,932	430,416	172,478	99,633	12,087	85,091	1,171	1,279	5
Seattle (See (a) and (j) below)	24,586	1,122	60,807	33,695	10,183	9,770	4		377	32
International Operations Division	**7,031**	**495**	**20,919**	**17,214**	**17,210**		**16,728**	**482**		**(*)**
Puerto Rico		2	20,919	17,214	17,210		16,728	482		(*)
Other	7,031	492	(*)							
Collections not distributed by region and district: Undistributed depositary receipts			(−36,127)							
Totals for States and Territories not shown above										
(a) Alaska	147	5	1,999	40	37	1			36	
(b) California	158,211	9,143	695,554	243,905	137,959	30,083	104,003	1,295	2,550	27
(c) Illinois	82,329	8,435	737,775	279,124	246,542	23,835	218,106	3,325	1,187	88
(d) Missouri	28,454	2,601	216,962	66,498	8,318	3,248	4,613	79	363	15
(e) New Jersey	54,161	3,933	252,944	142,183	73,383		72,319	329	717	17
(f) New York	265,849	28,115	1,532,692	300,280	184,316	119,013	62,487	928	1,839	49
(g) Ohio	61,319	6,489	558,411	152,098	110,984	4,171	104,619	1,040	1,147	7
(h) Pennsylvania	86,413	10,463	722,466	269,094	202,975	7,032	191,464	3,002	1,442	35
(i) Texas	68,379	10,672	206,133	30,967	7,498	7,261	2		234	1
(j) Washington	24,438	1,117	58,807	33,655	10,146	9,769	4		341	32

Footnotes on p. 106.

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories—Continued

[In thousands of dollars. See table 3, p. 102, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts; States and Territories [1] (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Alcohol taxes—Continued							
	Wines, cordials, etc., taxes				Beer taxes			
	Total (18)	Imported (collected by Customs) (19)	Domestic [7] (20)	Occupational taxes [10] (21)	Total (22)	Imported (collected by Customs) (23)	Domestic [7] (24)	Occupational taxes [11] (25)
United States, total	**91,617**	**5,773**	**84,530**	**1,314**	**762,660**	**2,894**	**754,704**	**5,063**
Atlanta region	**1,334**	**194**	**767**	**373**	**5,296**	**85**	**4,575**	**635**
Atlanta (Georgia)	202	8	139	55	395	6	339	50
Birmingham (Alabama)	1	1		(*)	94	4		91
Columbia (South Carolina)	275	3	206	66	96	5		91
Greensboro (North Carolina)	67	(*)	1	66	82	4		78
Jackson (Mississippi)	7			7	75			75
Jacksonville (Florida)	777	176	422	179	4,420	66	4,236	118
Nashville (Tennessee)	5	5		(*)	134	(*)		134
Boston region	**2,228**	**317**	**1,858**	**52**	**19,391**	**72**	**19,038**	**280**
Augusta (Maine)	199	(*)	199		72	3		69
Boston (Massachusetts)	1,174	205	969	(*)	10,194	55	10,079	61
Burlington (Vermont)	51	(*)		51	12	6		7
Hartford (Connecticut)	627	79	547	1	1,013	3	921	89
Portsmouth (New Hampshire)	(*)			(*)	48			48
Providence (Rhode Island)	177	33	143	(*)	8,051	6	8,039	6
Chicago region	**7,424**	**755**	**6,572**	**97**	**163,323**	**502**	**162,474**	**346**
Chicago (See (c) below)	5,169	571	4,593	5	16,208	150	15,990	68
Detroit (Michigan)	2,079	115	1,874	90	38,472	341	38,092	39
Milwaukee (Wisconsin)	174	70	104	1	97,439	11	97,222	206
Springfield (See (c) below)	2		1	1	11,204		11,170	33
Cincinnati region	**4,214**	**121**	**3,654**	**440**	**80,613**	**20**	**80,222**	**371**
Cincinnati (See (g) below)	390		381	9	12,272		12,255	17
Cleveland (See (g) below)	447	100	346	(*)	22,219	16	22,187	15
Columbus (See (g) below)	73		54	18	1,610		1,599	11
Indianapolis (Indiana)	246	7	24	215	20,925		20,880	45
Louisville (Kentucky)	1,522	11	1,511	1	17,718		17,643	75
Parkersburg (West Virginia)	23			23	528		429	98
Richmond (Virginia)	1,377	3	1,201	174	1,373	4	1,274	95
Toledo (See (g) below)	136		136		3,968		3,953	15
Dallas region	**1,760**	**198**	**1,377**	**185**	**44,178**	**68**	**43,372**	**737**
Albuquerque (New Mexico)	2	(*)	1	1	3	(*)		3
Austin (See (i) below)	1,047	112	785	151	22,264	57	21,837	371
Dallas (See (i) below)	77		62	15	80			80
Little Rock (Arkansas)	164		147	17	50			50
New Orleans (Louisiana)	467	86	381		21,333	11	21,221	100
Oklahoma City (Oklahoma)	1			1	448		314	134
New York City region	**13,892**	**3,067**	**10,781**	**44**	**102,072**	**1,624**	**99,623**	**825**
Albany (See (f) below)	184		184	(*)	7,921		7,827	94
Brooklyn (See (f) below)	3,156		3,139	17	49,422		49,102	320
Buffalo (See (f) below)	4,973	38	4,931	4	17,246	596	16,532	117
Lower Manhattan (See (f) below)	3,658	3,026	621	11	5,939	944	4,959	35
Syracuse (See (f) below)	4	3	(*)	(*)	4,907	84	4,724	99
Upper Manhattan (See (f) below)	1,918		1,906	12	16,637		16,478	159
Omaha region	**1,716**	**109**	**1,594**	**13**	**112,832**	**7**	**112,026**	**799**
Aberdeen (South Dakota)	(*)		(*)	(*)	34			34
Cheyenne (Wyoming)					8			8
Denver (Colorado)	337	22	313	2	12,531	4	12,489	38
Des Moines (Iowa)	123		116	7	596		430	166
Fargo (North Dakota)	(*)	(*)		(*)	15	(*)		15
Kansas City (See (d) below)	561		560	2	5,924		5,870	54
Omaha (Nebraska)	1			1	9,142		9,100	43
St. Louis (See (d) below)	237	46	190	1	51,457	2	51,357	99
St. Paul (Minnesota)	456	41	415	1	33,024	1	32,781	242
Wichita (Kansas)	(*)			(*)	100			100
Philadelphia region	**9,960**	**334**	**9,598**	**28**	**146,326**	**160**	**145,662**	**504**
Baltimore (Maryland and District of Columbia)	2,171	190	1,959	23	19,193	100	19,021	72
Camden (See (e) below)	581		580	1	2,563		2,533	29
Newark (See (e) below)	3,620		3,617	2	62,037		61,992	45
Philadelphia (See (h) below)	3,526	144	3,382		33,407	59	33,197	150
Pittsburgh (See (h) below)	53	(*)	52	1	23,598	1	23,435	162
Scranton (See (h) below)	9		8	(*)	5,526		5,484	42
Wilmington (Delaware)	(*)		(*)	(*)	2			2
San Francisco region	**49,088**	**679**	**48,328**	**82**	**88,627**	**354**	**87,707**	**566**
Boise (Idaho)	(*)		(*)		340		289	51
Helena (Montana)	(*)	(*)	(*)		2,357	(*)	2,341	17
Honolulu (Hawaii)	12	10		2	631	37	591	4
Los Angeles (See (b) below)	6,726	365	6,360	1	26,375	181	26,027	168
Phoenix (Arizona)	2	(*)		2	1,746	(*)	1,735	10
Portland (Oregon)	72	9	63		1,715	10	1,649	56
Reno (Nevada)	(*)		(*)	(*)	7			7
Salt Lake City (Utah)	(*)		(*)	(*)	1,375		1,339	37
San Francisco (See (b) below)	41,362	259	41,026	77	31,483	108	31,207	168
Seattle (See (a) and (j) below)	914	35	879		22,598	18	22,529	51
International Operations Division	(*)		(*)		**3**		**3**	
Puerto Rico	(*)		(*)		3		3	
Other								
Totals for States and Territories not shown above								
(a) Alaska	(*)	(*)			3	1		2
(b) California	48,088	624	47,386	78	57,858	289	57,234	335
(c) Illinois	5,171	571	4,595	6	27,412	150	27,160	101
(d) Missouri	799	46	750	2	57,381	2	57,227	153
(e) New Jersey	4,201		4,197	3	64,600		64,526	74
(f) New York	13,892	3,067	10,781	44	102,072	1,624	99,623	825
(g) Ohio	1,045	100	918	27	40,069	16	39,995	57
(h) Pennsylvania	3,588	145	3,442	2	62,531	60	62,116	355
(i) Texas	1,125	112	847	166	22,344	57	21,837	451
(j) Washington	914	35	879		22,595	17	22,529	49

Footnotes on p. 106.

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories—Continued

[In thousands of dollars. See table 3, p. 102, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts; States and Territories [1] (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Tobacco taxes: Total (26)	Cigarettes (27)	Cigars [7 12] (28)	Manufactured tobacco [7] (29)	Other [13] (30)	Stamp taxes on documents, other instruments, and playing cards: Total (31)	Issues and transfers of bonds of indebtedness or capital stock, foreign insurance policies, and deeds of conveyance: Sales by postmasters (32)	Sales by directors (33)	Playing cards, silver bullion transfers (34)
United States, total	**1,734,021**	**1,668,208**	**47,247**	**17,862**	**704**	**109,452**	**30,460**	**71,681**	**7,311**
Atlanta region	**1,009,223**	**988,396**	**12,960**	**7,194**	**673**	**5,830**	**4,659**	**1,170**	**1**
Atlanta (Georgia)	950	(*)	950	(*)	(*)	955	612	343	(*)
Birmingham (Alabama)	722	(*)	722			478	424	55	
Columbia (South Carolina)	1,575	(*)	1,575			288	239	50	(*)
Greensboro (North Carolina)	994,395	988,394	1	5,391	609	648	540	108	
Jackson (Mississippi)						258	183	74	
Jacksonville (Florida)	9,591	1	9,590	(*)		2,501	2,146	355	(*)
Nashville (Tennessee)	1,990		122	1,803	64	702	516	186	(*)
Boston region	**874**	**1**	**858**	**14**	(*)	**4,177**	**1,572**	**2,602**	**2**
Augusta (Maine)	1	1				153	147	6	
Boston (Massachusetts)	381	1	367	12	(*)	2,259	585	1,673	1
Burlington (Vermont)						85	60	25	
Hartford (Connecticut)	184	(*)	183	1		1,286	579	705	1
Portsmouth (New Hampshire)	303		303			128	94	34	
Providence (Rhode Island)	5		5	(*)		267	108	159	(*)
Chicago region	**2,710**	(*)	**822**	**1,888**		**11,977**	**2,644**	**7,995**	**1,338**
Chicago (See (c) below)	1,131	(*)	44	1,087		8,204	1,113	6,212	879
Detroit (Michigan)	1,459	(*)	674	784		2,103	880	1,222	1
Milwaukee (Wisconsin)	116	(*)	100	16		1,529	651	420	458
Springfield (See (c) below)	5		3	1		141		141	
Cincinnati region	**689,259**	**677,485**	**5,427**	**6,348**	(*)	**11,295**	**3,431**	**2,496**	**5,367**
Cincinnati (See (g) below)	146	(*)	117	29		7,335	1,348	624	5,362
Cleveland (See (g) below)	5	(*)	(*)	5		824		824	(*)
Columbus (See (g) below)	(*)		(*)			289		284	5
Indianapolis (Indiana)	846	(*)	844	2		966	682	284	(*)
Louisville (Kentucky)	353,321	349,731	833	2,757	(*)	602	413	189	
Parkersburg (West Virginia)	1,525	(*)	471	1,054		262	223	39	
Richmond (Virginia)	331,026	327,753	1,125	2,148		879	766	113	(*)
Toledo (See (g) below)	2,389	(*)	2,036	353		139		139	(*)
Dallas region	**1,163**	(*)	**1,163**	**1**		**6,466**	**3,051**	**3,414**	(*)
Albuquerque (New Mexico)	(*)	(*)	(*)			247	142	105	(*)
Austin (See (i) below)	100	(*)	100	1		1,500		1,500	(*)
Dallas (See (i) below)	(*)	(*)	(*)			2,549	1,422	1,127	(*)
Little Rock (Arkansas)	(*)		(*)			303	206	97	
New Orleans (Louisiana)	1,063	(*)	1,063			1,127	760	367	(*)
Oklahoma City (Oklahoma)	(*)	(*)				740	521	219	(*)
New York City region	**1,861**	**494**	**1,254**	**107**	**6**	**41,382**	**1,253**	**39,996**	**133**
Albany (See (f) below)	316		316	(*)		159		73	86
Brooklyn (See (f) below)	822	436	356	30		361		361	(*)
Buffalo (See (f) below)	3	(*)	2	(*)		534		534	(*)
Lower Manhattan (See (f) below)	619	52	531	33	3	39,980	1,253	38,707	19
Syracuse (See (f) below)	34		1	32		209		209	
Upper Manhattan (See (f) below)	68	6	48	11	3	138		111	28
Omaha region	**1,314**	(*)	**20**	**1,294**		**6,214**	**3,301**	**2,465**	**449**
Aberdeen (South Dakota)						113	105	9	
Cheyenne (Wyoming)						97	84	13	
Denver (Colorado)	(*)	(*)	(*)			942	391	551	(*)
Des Moines (Iowa)	(*)		(*)	(*)		629	625	5	(*)
Fargo (North Dakota)						117	105	13	
Kansas City (See (d) below)	1		1			486		486	(*)
Omaha (Nebraska)	(*)		(*)			415	239	176	
St. Louis (See (d) below)	1,312	(*)	18	1,293		1,288	963	325	(*)
St. Paul (Minnesota)	1	(*)	(*)	(*)		1,628	422	757	449
Wichita (Kansas)	(*)	(*)	(*)			499	367	132	(*)
Philadelphia region	**26,139**	**1,815**	**23,328**	**971**	**25**	**8,347**	**3,181**	**5,162**	**4**
Baltimore (Maryland and District of Columbia)	57	(*)	57			1,467	723	744	(*)
Camden (See (e) below)	1,539	(*)	1,539	(*)		169		169	
Newark (See (e) below)	1,239	(*)	391	823	25	1,863	1,362	498	3
Philadelphia (See (h) below)	12,834	1,780	10,907	146		2,518		2,517	(*)
Pittsburgh (See (h) below)	23		22	2		1,981	1,073	908	1
Scranton (See (h) below)	10,447	35	10,412			116		116	
Wilmington (Delaware)						233	23	210	(*)
San Francisco region	**138**	**16**	**78**	**44**	(*)	**13,765**	**7,367**	**6,381**	**17**
Boise (Idaho)						159	148	11	
Helena (Montana)	(*)	(*)				172	157	15	
Honolulu (Hawaii)	14	(*)	14	(*)		177	6	167	4
Los Angeles (See (b) below)	58	4	32	22	(*)	3,121		3,118	4
Phoenix (Arizona)	(*)			(*)		503	153	341	8
Portland (Oregon)	(*)	(*)	(*)	(*)		597	330	267	(*)
Reno (Nevada)	(*)		(*)			146	66	80	
Salt Lake City (Utah)						255	76	180	
San Francisco (See (b) below)	65	13	31	22		7,390	6,011	1,378	1
Seattle (See (a) and (j) below)	(*)	(*)	(*)	(*)		1,245	421	824	1
International Operations Division	**1,340**		**1,338**	**2**					
Puerto Rico	1,340		1,338	2					
Other									
Totals for States and Territories not shown above									
(a) Alaska						42	42		
(b) California	123	16	63	44	(*)	10,511	6,011	4,496	5
(c) Illinois	1,136	(*)	47	1,088		8,345	1,113	6,354	879
(d) Missouri	1,313	(*)	19	1,293		1,775	963	811	(*)
(e) New Jersey	2,778	(*)	1,931	823	25	2,032	1,362	667	3
(f) New York	1,861	494	1,254	107	6	41,382	1,253	39,996	133
(g) Ohio	2,541	1	2,153	387		8,587	1,348	1,872	5,367
(h) Pennsylvania	23,304	1,815	21,341	148		4,615	1,073	3,541	1
(i) Texas	101	(*)	100	1		4,049	1,422	2,627	(*)
(j) Washington	(*)	(*)	(*)	(*)		1,203	379	824	1

Footnotes on p. 106.

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories—Continued

[In thousands of dollars. See table 3, p. 102, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts; States and Territories[1] (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Manufacturers' excise taxes							
	Total	Gasoline [14]	Lubricating oil, etc.	Tires (wholly or in part of rubber), inner tubes, and tread rubber [14]	Motor vehicles, chassis, bodies, parts, and accessories [14]	Radio and television sets, phonographs, components, etc.	Refrigerators, freezers, air conditioners, etc.; electric, gas, and oil appliances	Other [15]
	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
United States, total	**3,974,135**	**1,636,629**	**69,996**	**259,820**	**1,542,827**	**146,422**	**100,779**	**217,661**
Atlanta region	**33,181**	**9,318**	**168**	**6,201**	**6,740**	**4,643**	**3,868**	**2,243**
Atlanta (Georgia)	4,056	821	51	514	1,507	----	86	1,078
Birmingham (Alabama)	2,904	30	2	1,130	1,527	(*)	91	125
Columbia (South Carolina)	258	8	----	(*)	96	----	1	153
Greensboro (North Carolina)	1,752	1	19	2	1,204	(*)	317	210
Jackson (Mississippi)	5,854	687	----	4,539	218	----	395	16
Jacksonville (Florida)	7,520	6,050	2	1	1,106	5	168	189
Nashville (Tennessee)	10,835	1,722	95	15	1,082	4,638	2,810	473
Boston region	**59,720**	**6,288**	**79**	**4,049**	**5,926**	**11,509**	**10,669**	**21,200**
Augusta (Maine)	189	19	(*)	16	34	(*)	3	116
Boston (Massachusetts)	17,182	4,546	67	6	1,844	3,983	483	6,253
Burlington (Vermont)	184	(*)	----	1	3	----	(*)	179
Hartford (Connecticut)	39,313	1,116	10	3,922	2,679	7,526	10,159	13,901
Portsmouth (New Hampshire)	585	(*)	----	24	42	----	22	498
Providence (Rhode Island)	2,266	607	2	79	1,325	(*)	2	252
Chicago region	**1,651,903**	**156,971**	**6,237**	**238**	**1,362,548**	**52,169**	**43,196**	**30,544**
Chicago (See (c) below)	248,714	126,154	5,749	8	42,325	43,435	14,630	16,413
Detroit (Michigan)	1,362,986	15,343	263	229	1,310,787	8,690	20,651	7,023
Milwaukee (Wisconsin)	26,856	10,728	201	(*)	8,174	36	5,889	1,827
Springfield (See (c) below)	13,347	4,746	23	1	1,262	8	2,026	5,281
Cincinnati region	**393,400**	**100,188**	**4,239**	**172,602**	**64,328**	**9,150**	**16,869**	**26,023**
Cincinnati (See (g) below)	21,282	1,694	50	4,523	6,124	7	1,348	7,537
Cleveland (See (g) below)	235,839	29,652	1,574	164,835	20,633	59	2,857	16,229
Columbus (See (g) below)	2,523	63	13	(*)	812	14	1,486	134
Indianapolis (Indiana)	31,011	9,871	177	14	16,255	1,422	1,743	1,529
Louisville (Kentucky)	66,891	46,799	2,044	(*)	781	7,637	9,388	243
Parkersburg (West Virginia)	1,253	1,075	92	(*)	69	(*)	16	1
Richmond (Virginia)	1,083	6	21	(*)	785	9	3	259
Toledo (See (g) below)	33,517	11,029	270	3,230	18,868	2	29	90
Dallas region	**291,224**	**274,812**	**8,849**	**723**	**5,708**	**94**	**206**	**832**
Albuquerque (New Mexico)	1,503	1,473	(*)	1	21	(*)	5	2
Austin (See (i) below)	53,327	51,476	894	1	811	15	40	90
Dallas (See (i) below)	38,269	32,963	1,012	718	3,315	62	44	155
Little Rock (Arkansas)	405	127	38	2	126	(*)	66	46
New Orleans (Louisiana)	16,395	15,076	567	1	534	18	44	157
Oklahoma City (Oklahoma)	181,324	173,697	6,339	----	901	----	6	380

New York City region	**802,731**	**541,567**	**26,717**	**50,949**	**28,840**	**41,684**	**5,738**	**107,238**
Albany (See (f) below)	951	282	----	(*)	537	2	11	118
Brooklyn (See (f) below)	16,556	1,292	116	437	4,646	5,291	1,910	2,864
Buffalo (See (f) below)	26,445	2,846	60	5,199	2,112	531	677	15,021
Lower Manhattan (See (f) below)	225,982	205,329	8,741	43	686	905	667	9,611
Syracuse (See (f) below)	7,849	346	1	(*)	691	1,380	1,132	4,299
Upper Manhattan (See (f) below)	524,949	331,472	17,800	45,270	20,167	33,575	1,341	75,325
Omaha region	**97,437**	**56,607**	**2,082**	**10,207**	**14,934**	**1,762**	**6,827**	**5,018**
Aberdeen (South Dakota)	180	128	----	(*)	50	(*)	(*)	(*)
Cheyenne (Wyoming)	3,884	3,865	1	1	14	----	----	3
Denver (Colorado)	9,093	2,192	126	4,729	1,910	(*)	3	126
Des Moines (Iowa)	10,308	168	108	4,514	942	726	2,375	1,474
Fargo (North Dakota)	308	271	11	(*)	27	----	----	----
Kansas City (See (d) below)	10,298	7,568	346	(*)	1,481	20	755	127
Omaha (Nebraska)	731	277	139	(*)	253	1	46	17
St. Louis (See (d) below)	17,354	10,318	446	722	3,999	57	886	927
St. Paul (Minnesota)	29,300	17,672	736	240	5,253	846	2,230	2,323
Wichita (Kansas)	15,982	14,148	168	1	1,006	111	527	20
Philadelphia region	**405,824**	**294,447**	**13,802**	**13,550**	**38,772**	**21,798**	**9,671**	**13,783**
Baltimore (Maryland and District of Columbia)	64,425	53,056	1,368	7,756	272	1,449	98	426
Camden (See (e) below)	2,062	10	15	(*)	935	187	195	720
Newark (See (e) below)	49,394	12,191	717	119	25,278	5,822	623	4,644
Philadelphia (See (h) below)	121,773	90,471	3,535	4,857	7,242	10,556	3,573	1,540
Pittsburgh (See (h) below)	167,541	138,526	8,166	818	4,751	3,772	5,150	6,358
Scranton (See (h) below)	390	3	(*)	(*)	271	12	33	71
Wilmington (Delaware)	239	191	(*)	(*)	23	----	(*)	25
San Francisco region	**238,715**	**196,431**	**7,822**	**1,301**	**15,031**	**3,612**	**3,736**	**10,782**
Boise (Idaho)	105	4	----	(*)	40	(*)	----	61
Helena (Montana)	118	66	----	9	37	2	1	4
Honolulu (Hawaii)	195	5	(*)	(*)	140	10	2	38
Los Angeles (See (b) below)	122,765	98,089	3,579	826	6,741	3,511	3,166	6,852
Phoenix (Arizona)	189	77	2	1	74	1	4	32
Portland (Oregon)	1,704	----	----	(*)	1,557	1	92	54
Reno (Nevada)	17	----	----	1	15	----	----	1
Salt Lake City (Utah)	5,312	4,097	92	(*)	163	2	(*)	958
San Francisco (See (b) below)	101,857	91,175	4,127	463	3,159	81	366	2,486
Seattle (See (a) and (j) below)	6,454	2,917	22	(*)	3,106	5	105	298
International Operations Division	----	----	----	----	----	----	----	----
Puerto Rico	----	----	----	----	----	----	----	----
Other	----	----	----	----	----	----	----	----
Totals for States and Territories not shown above								
(a) Alaska	1	1	----	----	(*)	(*)	----	(*)
(b) California	224,621	189,264	7,706	1,289	9,900	3,592	3,533	9,338
(c) Illinois	262,061	130,900	5,773	9	43,586	43,443	16,656	21,694
(d) Missouri	27,652	17,886	792	722	5,480	77	1,641	1,054
(e) New Jersey	51,456	12,201	732	119	26,213	6,009	818	5,364
(f) New York	802,731	541,567	26,717	50,949	28,840	41,684	5,738	107,238
(g) Ohio	293,161	42,438	1,906	172,588	46,437	82	5,720	23,990
(h) Pennsylvania	289,703	228,999	11,701	5,675	12,264	14,340	8,755	7,969
(i) Texas	91,596	84,439	1,906	719	4,126	76	84	246
(j) Washington	6,453	2,916	22	(*)	3,106	5	105	297

Footnotes on p. 106.

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories—Continued

[In thousands of dollars. See table 3, p. 102, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts; States and Territories [1] (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Retailers' excise taxes					Miscellaneous excise taxes			
							Admissions		
	Total	Luggage, etc.	Jewelry, etc.	Furs	Toilet preparations	Total	Theaters, concerts, athletic contests, etc.[16]	Roof gardens, cabarets, etc.	Club dues and initiation fees
	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)
United States, total	**341,621**	**58,785**	**156,134**	**28,544**	**98,158**	**1,741,327**	**54,683**	**42,919**	**60,338**
Atlanta region	**27,785**	**4,620**	**14,215**	**1,312**	**7,637**	**140,448**	**3,497**	**3,690**	**5,140**
Atlanta (Georgia)	5,166	999	2,756	249	1,161	77,241	488	308	820
Birmingham (Alabama)	3,141	453	1,693	135	859	8,048	123	113	521
Columbia (South Carolina)	1,845	236	865	60	684	2,865	99	48	285
Greensboro (North Carolina)	4,358	636	2,270	247	1,205	17,617	288	108	791
Jackson (Mississippi)	1,332	212	616	74	431	2,565	27	73	233
Jacksonville (Florida)	7,784	1,370	4,024	291	2,099	23,081	2,209	2,887	1,649
Nashville (Tennessee)	4,159	713	1,991	256	1,198	9,031	263	154	842
Boston region	**19,318**	**3,198**	**9,296**	**1,811**	**5,013**	**79,324**	**2,813**	**1,802**	**3,732**
Augusta (Maine)	910	130	482	62	235	2,771	80	131	111
Boston (Massachusetts)	10,640	2,063	5,538	1,172	1,868	48,424	1,793	1,080	1,748
Burlington (Vermont)	279	33	171	16	59	1,357	16	27	48
Hartford (Connecticut)	5,283	604	1,881	397	2,401	23,984	428	350	1,466
Portsmouth (New Hampshire)	532	74	305	25	128	1,173	169	16	86
Providence (Rhode Island)	1,674	295	919	139	322	1,615	327	198	273
Chicago region	**47,017**	**9,033**	**20,938**	**5,108**	**11,938**	**236,744**	**6,167**	**6,031**	**7,966**
Chicago (See (c) below)	25,799	5,515	11,282	3,141	5,861	148,355	3,169	3,615	3,998
Detroit (Michigan)	13,049	2,143	5,708	1,245	3,952	57,791	1,908	1,530	2,619
Milwaukee (Wisconsin)	5,398	1,002	2,541	582	1,272	20,693	892	357	769
Springfield (See (c) below)	2,771	374	1,406	139	852	9,903	198	530	580
Cincinnati region	**32,522**	**4,956**	**16,416**	**2,180**	**8,971**	**165,678**	**3,501**	**3,232**	**6,765**
Cincinnati (See (g) below)	5,536	985	2,447	332	1,773	13,609	530	331	807
Cleveland (See (g) below)	7,168	1,029	3,520	635	1,984	56,084	1,171	890	2,020
Columbus (See (g) below)	2,408	485	1,184	163	577	5,913	184	337	447
Indianapolis (Indiana)	6,160	872	3,482	374	1,433	28,955	549	537	990
Louisville (Kentucky)	2,739	417	1,535	151	635	15,779	380	527	663
Parkersburg (West Virginia)	1,949	274	986	153	536	8,894	144	131	445
Richmond (Virginia)	4,323	565	2,179	260	1,319	27,499	399	102	1,001
Toledo (See (g) below)	2,240	329	1,084	113	714	8,945	143	376	392
Dallas region	**26,211**	**3,832**	**13,822**	**1,657**	**6,900**	**103,067**	**1,614**	**1,731**	**6,253**
Albuquerque (New Mexico)	985	115	500	38	332	2,492	126	170	169
Austin (See (i) below)	7,589	1,167	3,979	439	2,004	27,812	316	412	2,151
Dallas (See (i) below)	8,899	1,189	5,277	632	1,801	35,028	654	314	2,012
Little Rock (Arkansas)	1,400	208	698	69	425	3,282	70	41	233
New Orleans (Louisiana)	4,097	662	1,851	297	1,286	20,068	275	696	816
Oklahoma City (Oklahoma)	3,242	491	1,516	183	1,052	14,385	174	98	872
New York City region	**76,238**	**14,831**	**28,208**	**7,431**	**25,768**	**309,595**	**19,143**	**5,922**	**8,910**
Albany (See (f) below)	1,738	254	858	188	437	5,798	422	366	507
Brooklyn (See (f) below)	6,013	1,219	2,373	476	1,945	10,486	1,422	840	1,872
Buffalo (See (f) below)	4,437	711	2,040	525	1,160	8,764	579	706	1,029
Lower Manhattan (See (f) below)	23,666	6,923	8,428	2,986	5,328	161,196	470	598	765
Syracuse (See (f) below)	4,720	363	3,420	219	717	4,440	243	239	456
Upper Manhattan (See (f) below)	35,664	5,361	11,087	3,036	16,180	118,909	16,007	3,174	4,282
Omaha region	**29,621**	**6,121**	**13,072**	**2,234**	**8,194**	**250,556**	**2,650**	**3,525**	**5,142**
Aberdeen (South Dakota)	633	87	308	48	190	1,968	78	56	55
Cheyenne (Wyoming)	376	42	214	12	108	1,474	15	78	37
Denver (Colorado)	2,435	340	1,158	280	657	43,915	492	838	748
Des Moines (Iowa)	3,336	516	1,578	173	1,069	8,245	182	174	617
Fargo (North Dakota)	616	72	320	37	187	940	36	63	37
Kansas City (See (d) below)	4,073	690	1,750	265	1,368	27,377	423	566	618
Omaha (Nebraska)	1,888	296	808	131	653	37,013	154	222	312
St. Louis (See (d) below)	7,668	2,758	2,629	685	1,596	80,495	651	386	986
St. Paul (Minnesota)	6,399	1,044	3,227	529	1,599	30,965	501	1,012	1,010
Wichita (Kansas)	2,196	275	1,079	75	768	18,163	117	130	721
Philadelphia region	**34,201**	**5,693**	**16,405**	**3,410**	**8,692**	**221,093**	**6,316**	**4,623**	**8,099**
Baltimore (Maryland and District of Columbia)	8,252	1,508	3,743	809	2,192	55,213	1,757	1,048	1,867
Camden (See (e) below)	1,949	261	973	169	546	5,832	1,513	1,357	593
Newark (See (e) below)	5,739	1,016	2,494	632	1,597	40,741	904	730	1,647
Philadelphia (See (h) below)	9,356	1,568	4,424	1,187	2,177	91,309	1,231	635	2,024
Pittsburgh (See (h) below)	6,653	995	3,556	423	1,680	20,015	608	613	1,325
Scranton (See (h) below)	1,822	294	966	160	403	6,165	77	180	378
Wilmington (Delaware)	429	52	250	30	98	1,818	226	60	265
San Francisco region	**48,710**	**6,500**	**23,763**	**3,401**	**15,045**	**232,458**	**8,982**	**12,362**	**8,331**
Boise (Idaho)	711	89	355	17	250	1,946	37	165	55
Helena (Montana)	730	89	379	51	211	1,872	62	135	84
Honolulu (Hawaii)	1,069	173	611	1	285	4,122	136	868	132
Los Angeles (See (b) below)	20,856	2,862	9,871	1,708	6,415	46,854	5,600	3,697	3,559
Phoenix (Arizona)	1,641	202	882	59	499	2,732	157	419	428
Portland (Oregon)	2,578	365	1,182	88	943	8,754	285	652	537
Reno (Nevada)	640	77	352	34	178	9,599	34	3,277	68
Salt Lake City (Utah)	1,374	147	699	78	451	8,068	138	99	308
San Francisco (See (b) below)	14,475	1,868	7,032	1,131	4,445	133,736	1,936	2,433	2,350
Seattle (See (a) and (j) below)	4,635	628	2,402	236	1,369	14,775	597	617	808
International Operations Division	(*)		(*)		(*)	**2,365**			
Puerto Rico						2,365			
Other	(*)		(*)		(*)	(*)			
Totals for States and Territories not shown above									
(a) Alaska	294	26	158	31	80	1,622	72	75	7
(b) California	35,331	4,730	16,902	2,839	10,860	180,590	7,536	6,130	5,910
(c) Illinois	28,570	5,889	12,688	3,280	6,713	158,259	3,366	4,145	4,578
(d) Missouri	11,741	3,448	4,379	950	2,964	107,872	1,074	952	1,605
(e) New Jersey	7,689	1,278	3,467	802	2,143	46,573	2,417	2,086	2,240
(f) New York	76,238	14,831	28,208	7,431	25,768	309,595	19,143	5,922	8,910
(g) Ohio	17,352	2,828	8,234	1,242	5,048	84,551	2,028	1,935	3,667
(h) Pennsylvania	17,831	2,856	8,945	1,770	4,260	117,489	1,916	1,428	3,727
(i) Texas	16,488	2,356	9,256	1,071	3,805	62,840	970	726	4,163
(j) Washington	4,340	602	2,244	205	1,289	13,153	525	542	801

Footnotes on p. 106.

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories—Continued

[In thousands of dollars. See table 3, p. 102, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts; States and Territories [1] (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Miscellaneous excise taxes—Continued									
	Long-distance telephone, telegraph, cable, radio, etc.	Leased wires, wire and equipment service	Local telephone service	Transportation of—			Use of safe deposit boxes	Coconut and other vegetable oils processed [17]	Sugar	Diesel and special motor fuels [14]
				Oil by pipeline	Persons	Property				
	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(61)
United States, total	**256,143**	**23,233**	**370,810**	**35,143**	**225,809**	**462,989**	**6,137**	**9,383**	**85,911**	**46,061**
Atlanta region	**29,630**	**899**	**38,270**	**1,494**	**15,280**	**30,474**	**393**	**8**	**3,980**	**2,232**
Atlanta (Georgia)	24,145	758	33,073	1,446	6,552	4,356	60	6	3,891	297
Birmingham (Alabama)	373	16	307		535	5,188	44			259
Columbia (South Carolina)	315	1	324		90	895	20			245
Greensboro (North Carolina)	2,024	20	2,002		2,333	8,680	49	2		381
Jackson (Mississippi)	61	7	42	49	9	1,315	26			240
Jacksonville (Florida)	2,203	71	1,888		5,482	5,078	144	(*)	89	467
Nashville (Tennessee)	509	25	635		278	4,962	50			343
Boston region	**14,868**	**1,160**	**24,256**	(*)	**7,287**	**17,191**	**414**	**14**	**2,738**	**524**
Augusta (Maine)	92	5	89	(*)	267	1,724	26			45
Boston (Massachusetts)	10,424	403	18,439		2,726	7,303	225	9	2,738	217
Burlington (Vermont)	55	15	49		142	840	11			65
Hartford (Connecticut)	4,263	693	5,648		4,067	6,262	99	3		156
Portsmouth (New Hampshire)	33	11	29		45	562	19			25
Providence (Rhode Island)	(*)	34	2	(*)	41	500	35	2		16
Chicago region	**28,789**	**2,016**	**51,449**	**1,687**	**39,491**	**80,444**	**908**	**337**	**1,176**	**2,924**
Chicago (See (c) below)	14,108	1,245	25,602	1,417	37,574	52,017	398	331	21	1,805
Detroit (Michigan)	9,272	549	16,830	154	1,550	19,785	254	4	1,020	416
Milwaukee (Wisconsin)	3,855	197	6,990	110	243	5,507	154	3	135	388
Springfield (See (c) below)	1,554	25	2,027	6	123	3,134	102			315
Cincinnati region	**22,866**	**1,026**	**36,348**	**2,294**	**13,413**	**56,399**	**585**	**4,512**	**194**	**4,118**
Cincinnati (See (g) below)	1,565	117	2,741		145	3,227	59	3,324		135
Cleveland (See (g) below)	8,582	482	14,103	415	4,948	19,233	149	1,040	(*)	1,164
Columbus (See (g) below)	743	10	1,374		131	1,904	43	149	(*)	166
Indianapolis (Indiana)	4,946	169	7,766	69	677	9,157	136	(*)	86	622
Louisville (Kentucky)	703	30	1,025	245	3,593	6,000	45			889
Parkersburg (West Virginia)	1,664	121	2,579	68	1,230	1,340	35			217
Richmond (Virginia)	3,620	86	5,413	(*)	2,551	12,803	73			566
Toledo (See (g) below)	1,042	12	1,345	1,497	138	2,736	45	(*)	108	359
Dallas region	**3,435**	**298**	**3,024**	**17,876**	**11,747**	**30,610**	**423**	**302**	**13,018**	**7,041**
Albuquerque (New Mexico)	92	12	61	33	170	549	17			950
Austin (See (i) below)	363	70	298	7,207	1,411	9,805	114	(*)	2,997	1,300
Dallas (See (i) below)	2,481	153	2,189	2,578	8,659	12,750	158		(*)	1,685
Little Rock (Arkansas)	197	5	227	74	171	1,291	28		(*)	324
New Orleans (Louisiana)	149	13	102	1,214	963	3,628	45	302	10,021	833
Oklahoma City (Oklahoma)	154	44	147	6,770	373	2,587	61			1,949

New York City region	**49,027**	**12,550**	**56,616**	**1,603**	**56,520**	**56,519**	**952**	**849**	**29,648**	**7,880**
Albany (See (f) below)	498	23	523		228	2,482	56	(*)	1	240
Brooklyn (See (f) below)	27	90	3	(*)	1,828	3,242	184	12	(*)	266
Buffalo (See (f) below)	952	54	1,883	1	134	2,414	97	90		242
Lower Manhattan (See (f) below)	47,224	12,235	53,858	721	636	16,054	428	10	25,476	2,305
Syracuse (See (f) below)	300	8	347		595	1,668	54	2		166
Upper Manhattan (See (f) below)	26	138	2	880	53,099	30,657	133	735	4,170	4,661
Omaha region	**43,024**	**1,680**	**60,252**	**4,880**	**37,389**	**68,742**	**638**	**253**	**12,082**	**4,818**
Aberdeen (South Dakota)	90	5	174		90	954	28			151
Cheyenne (Wyoming)	20	8	14	73	23	390	11			583
Denver (Colorado)	8,216	304	11,215	8	2,913	5,858	54		11,977	760
Des Moines (Iowa)	811	13	1,175	(*)	76	3,918	109			435
Fargo (North Dakota)	85	3	122		38	328	17			97
Kansas City (See (d) below)	201	20	257	2,471	16,701	5,119	66	1		341
Omaha (Nebraska)	9,047	243	13,244	1	2,914	9,684	64			534
St. Louis (See (d) below)	23,182	1,046	32,266	45	2,657	17,072	99	153	105	1,023
St. Paul (Minnesota)	617	27	889	149	8,872	16,396	113	100		440
Wichita (Kansas)	756	10	896	2,133	3,106	9,023	77			455
Philadelphia region	**29,665**	**1,671**	**47,262**	**2,819**	**27,441**	**73,552**	**825**	**1,669**	**4,132**	**5,067**
Baltimore (Maryland and District of Columbia)	4,858	203	9,081	(*)	12,989	19,972	110	5	(*)	681
Camden (See (e) below)	8	5	10		319	1,471	62	1		104
Newark (See (e) below)	10,570	512	13,721	7	1,462	7,692	194	1,369		977
Philadelphia (See (h) below)	12,958	631	22,595	1,375	12,096	30,639	236	48	4,132	771
Pittsburgh (See (h) below)	961	240	1,493	1,438	220	9,252	155	2		2,385
Scranton (See (h) below)	307	78	361	(*)	270	3,783	52		(*)	121
Wilmington (Delaware)	2	(*)			84	743	16	243		28
San Francisco region	**34,839**	**1,934**	**53,332**	**2,489**	**17,241**	**49,058**	**999**	**1,438**	**16,579**	**11,456**
Boise (Idaho)	54	12	47		39	869	21		77	276
Helena (Montana)	79	18	62	84	96	782	26			261
Honolulu (Hawaii)	328	31	1,096	2	848	428	11		22	27
Los Angeles (See (b) below)	5,668	204	5,473	895	4,739	10,949	221	678		3,404
Phoenix (Arizona)	74	21	29		89	654	37		(*)	591
Portland (Oregon)	389	31	339		469	4,253	78	8		653
Reno (Nevada)	315	4	222		209	192	11			405
Salt Lake City (Utah)	62	5	45	425	64	1,067	19		4,993	452
San Francisco (See (b) below)	26,437	1,525	44,314	1,019	9,212	24,962	457	751	11,486	4,965
Seattle (See (a) and (j) below)	1,433	85	1,705	64	1,476	4,901	118	(*)	(*)	422
International Operations Division						(*)			**2,365**	
Puerto Rico									2,365	
Other						(*)				
Totals for States and Territories not shown above										
(a) Alaska	245	38	159		440	389	4			4
(b) California	32,105	1,728	49,788	1,914	13,950	35,911	678	1,430	11,486	8,369
(c) Illinois	15,662	1,270	27,629	1,423	37,697	55,151	500	331	21	2,119
(d) Missouri	23,383	1,066	32,523	2,516	19,358	22,191	165	153	105	1,364
(e) New Jersey	10,578	517	13,732	7	1,781	9,163	255	1,370		1,080
(f) New York	49,027	12,550	56,616	1,603	56,520	56,519	952	849	29,648	7,880
(g) Ohio	11,933	621	19,564	1,913	5,362	27,099	296	4,512	108	1,824
(h) Pennsylvania	14,227	950	24,449	2,813	12,587	43,674	443	50	4,132	3,277
(i) Texas	2,844	223	2,487	9,785	10,070	22,554	271	(*)	2,997	2,986
(j) Washington	1,188	47	1,546	64	1,036	4,512	114	(*)	(*)	418

Footnotes on p. 106.

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories—Continued

[In thousands of dollars. See table 3, p. 102, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts; States and Territories [1] (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Miscellaneous excise taxes—Continued: Narcotics and marihuana, including occupational taxes (62)	Coin-operated amusement and gaming devices (63)	Bowling alleys, pool tables, etc. (64)	Wagering taxes: Occupational (65)	Wagering taxes: Wagers (66)	Use tax on certain vehicles [14] (67)	Other [18] (68)	Unclassified excise taxes [4] (69)	Taxes not otherwise classified [19] (70)
United States, total	**1,038**	**17,513**	**3,139**	**628**	**6,311**	**33,117**	**24**	**(−32,749)**	**7,024**
Atlanta region	**64**	**1,448**	**280**	**59**	**412**	**3,196**	**2**	**322**	**81**
Atlanta (Georgia)	9	447	39	4	61	483	(*)	40	(−85)
Birmingham (Alabama)	9	50	38	12	65	394	1	8	10
Columbia (South Carolina)	7	265	28	2	9	232	(*)	22	12
Greensboro (North Carolina)	8	81	51	5	63	732	(*)	19	(−2)
Jackson (Mississippi)	4	178	23	5	65	208	(*)	29	(−7)
Jacksonville (Florida)	15	129	54	30	85	600	(*)	216	161
Nashville (Tennessee)	12	298	47	2	65	546	(*)	(−11)	(−7)
Boston region	**42**	**329**	**222**	**36**	**55**	**1,840**	**1**	**69**	**24**
Augusta (Maine)	3	28	21	(*)	(*)	148	(*)	7	5
Boston (Massachusetts)	22	159	124	25	34	954	1	20	(−16)
Burlington (Vermont)	1	6	9	2	----	70	----	(−3)	5
Hartford (Connecticut)	10	81	38	5	12	404	----	30	47
Portsmouth (New Hampshire)	2	26	14	4	8	126	----	13	(−17)
Providence (Rhode Island)	4	29	14	1	1	138	----	3	1
Chicago region	**89**	**1,633**	**483**	**62**	**1,035**	**4,053**	**3**	**337**	**3,208**
Chicago (See (c) below)	39	556	155	31	784	1,488	1	277	2,623
Detroit (Michigan)	31	255	171	3	32	1,408	1	51	532
Milwaukee (Wisconsin)	11	301	88	7	8	678	(*)	6	27
Springfield (See (c) below)	8	521	69	21	211	480	1	3	25
Cincinnati region	**120**	**2,088**	**425**	**110**	**2,297**	**5,381**	**3**	**166**	**856**
Cincinnati (See (g) below)	11	74	37	5	53	448	(*)	31	148
Cleveland (See (g) below)	15	170	87	24	265	1,323	(*)	93	717
Columbus (See (g) below)	5	64	25	1	64	268	(*)	(−5)	4
Indianapolis (Indiana)	51	716	94	44	850	1,495	1	21	(−5)
Louisville (Kentucky)	10	488	64	13	755	349	1	4	(−69)
Parkersburg (West Virginia)	4	334	31	14	189	349	(*)	4	28
Richmond (Virginia)	19	81	50	4	21	709	1	16	15
Toledo (See (g) below)	4	161	38	5	100	440	----	2	18
Dallas region	**64**	**1,104**	**270**	**50**	**663**	**3,542**	**1**	**172**	**152**
Albuquerque (New Mexico)	4	32	27	1	2	77	(*)	20	(−43)
Austin (See (i) below)	28	142	89	14	190	905	(*)	21	136
Dallas (See (i) below)	11	72	42	3	25	1,241	(*)	72	37
Little Rock (Arkansas)	4	206	30	5	140	237	(*)	17	3
New Orleans (Louisiana)	9	413	31	19	234	304	(*)	31	2
Oklahoma City (Oklahoma)	8	238	51	9	71	778	(*)	10	17
New York City region	**295**	**507**	**272**	**14**	**57**	**2,307**	**3**	**605**	**1,963**
Albany (See (f) below)	84	85	31	(*)	23	228	1	18	(−128)
Brooklyn (See (f) below)	122	147	65	----	21	345	(*)	197	918
Buffalo (See (f) below)	25	97	81	1	2	377	(*)	35	(−5)
Lower Manhattan (See (f) below)	4	16	12	2	1	379	1	78	5
Syracuse (See (f) below)	6	97	41	2	7	208	(*)	13	131
Upper Manhattan (See (f) below)	54	66	42	10	4	769	(*)	264	1,044
Omaha region	**89**	**925**	**443**	**21**	**138**	**3,866**	(*)	**529**	**699**
Aberdeen (South Dakota)	2	122	22	1	8	133	(*)	1	1
Cheyenne (Wyoming)	1	54	9	8	17	132	(*)	1	39
Denver (Colorado)	7	64	41	(*)	3	416	(*)	2	404
Des Moines (Iowa)	7	94	76	(*)	----	558	(*)	12	4
Fargo (North Dakota)	2	25	19	1	13	53	----	3	3
Kansas City (See (d) below)	7	105	47	1	29	405	(*)	17	(−3)
Omaha (Nebraska)	5	55	56	1	22	456	(*)	8	4
St. Louis (See (d) below)	40	145	53	2	5	578	(*)	95	105
St. Paul (Minnesota)	10	110	59	6	26	628	(*)	384	110
Wichita (Kansas)	8	150	61	2	14	507	(*)	7	32
Philadelphia region	**183**	**2,909**	**389**	**44**	**320**	**4,103**	**3**	**674**	**(−110)**
Baltimore (Maryland and District of Columbia)	13	1,861	74	(*)	36	655	1	----	1
Camden (See (e) below)	4	133	27	2	5	217	----	15	66
Newark (See (e) below)	102	147	76	7	8	616	(*)	218	(−85)
Philadelphia (See (h) below)	41	358	82	10	144	1,302	(*)	97	(−142)
Pittsburgh (See (h) below)	18	256	92	16	57	883	1	336	23
Scranton (See (h) below)	4	144	33	8	39	328	----	(−4)	13
Wilmington (Delaware)	1	10	6	1	31	101	----	12	15
San Francisco region	**92**	**6,570**	**354**	**231**	**1,333**	**4,830**	**9**	**504**	**150**
Boise (Idaho)	2	39	14	(*)	5	233	(*)	2	(−4)
Helena (Montana)	2	46	14	20	27	74	(*)	6	10
Honolulu (Hawaii)	2	63	22	2	1	103	----	5	1
Los Angeles (See (b) below)	37	197	113	15	9	1,389	7	58	(−242)
Phoenix (Arizona)	3	98	16	(*)	4	112	(*)	3	(−32)
Portland (Oregon)	6	255	31	8	23	738	(*)	4	52
Reno (Nevada)	1	4,268	5	14	515	58	1	2	(*)
Salt Lake City (Utah)	3	58	16	31	98	184	(*)	8	530
San Francisco (See (b) below)	22	229	73	4	32	1,527	1	414	41
Seattle (See (a) and (j) below)	13	1,317	50	138	621	411	(*)	2	(−205)
International Operations Division	----	----	----	----	(*)	----	----	----	(*)
Puerto Rico	----	----	----	----	----	----	----	----	(*)
Other	----	----	----	----	(*)	----	----	----	(*)
Collections not distributed by region and district: Undistributed depositary receipts	----	----	----	----	----	----	----	(−36,127)	----
Totals for States and Territories not shown above									
(a) Alaska	2	140	4	5	29	8	(*)	----	(−14)
(b) California	59	427	186	18	41	2,916	7	473	(−201)
(c) Illinois	47	1,078	224	52	995	1,967	2	280	2,649
(d) Missouri	47	250	100	2	34	982	(*)	112	102
(e) New Jersey	107	281	102	9	13	834	(*)	233	(−18)
(f) New York	295	507	272	14	57	2,307	3	605	1,963
(g) Ohio	35	469	187	36	482	2,480	(*)	121	888
(h) Pennsylvania	63	758	207	34	240	2,513	1	429	(−106)
(i) Texas	40	214	131	17	215	2,146	(*)	93	173
(j) Washington	11	1,176	46	133	592	403	(*)	2	(−191)

Footnotes on p. 106.

Table 2.—Internal revenue collections by sources and by quarters

[In thousands of dollars]

Source of revenue	Quarter ended— Sept. 30, 1957 (1)	Dec. 31, 1957 (2)	Mar. 31, 1958 (3)	June 30, 1958 (4)
Grand total, all sources	17, 416, 825	15, 178, 137	23, 208, 869	24, 174, 645
Corporation income and profits taxes [2]	3, 200, 423	3, 073, 005	7, 429, 234	6, 830, 654
Individual income and employment taxes, total	11, 017, 353	9, 061, 387	12, 799, 656	14, 334, 549
Income tax not withheld [3]	2, 219, 666	656, 836	3, 555, 935	5, 659, 352
Income tax withheld and old-age and disability insurance [3 5]	8, 638, 630	8, 253, 685	8, 777, 313	8, 540, 364
Railroad retirement [6]	156, 797	148, 713	139, 420	130, 352
Unemployment insurance	2, 259	2, 152	326, 988	4, 481
Estate tax	349, 715	283, 257	344, 422	299, 658
Gift tax	4, 162	10, 153	16, 321	103, 237
Excise taxes, total	2, 842, 433	2, 752, 426	2, 616, 949	2, 602, 460
Alcohol taxes, total	745, 381	829, 024	622, 646	749, 410
Distilled spirits [7]	495, 134	633, 768	444, 930	518, 350
Wines, cordials, etc.[7]	21, 590	27, 321	20, 590	22, 116
Beer [7]	228, 656	167, 934	157, 126	208, 944
Tobacco taxes, total	449, 254	398, 370	420, 941	465, 457
Cigarettes	432, 539	380, 800	406, 741	448, 128
Cigars [7 12]	11, 960	12, 775	10, 004	12, 507
Other [7]	4, 754	4, 795	4, 196	4, 821
Stamp taxes on documents, other instruments, and playing cards, total	28, 075	25, 216	28, 858	27, 302
Issues and transfers of bonds of indebtedness or capital stock, foreign insurance policies, and deeds of conveyance:				
Sales by postmasters	7, 765	5, 271	10, 823	6, 601
Sales by directors	18, 732	18, 133	16, 002	18, 814
Playing cards, silver bullion transfers	1, 578	1, 812	2, 033	1, 889
Manufacturers, excise taxes, total	1, 045, 732	1, 029, 933	1, 006, 012	892, 457
Gasoline [14]	423, 302	445, 268	401, 488	366, 572
Lubricating oil, etc	18, 933	18, 950	16, 210	15, 903
Tires (wholly or in part of rubber), inner tubes, and tread rubber [14]	71, 453	71, 310	58, 035	59, 022
Motor vehicles, chassis, bodies, parts, and accessories [14]	424, 334	365, 804	405, 378	347, 311
Radio and television sets, phonographs, components, etc	27, 987	44, 688	44, 702	29, 046
Refrigerators, freezers, air-conditioners, etc.; electric, gas, and oil appliances	27, 701	25, 589	22, 197	25, 291
Other [15]	52, 023	58, 325	58, 003	49, 311

Footnotes on p. 106.

Table 2.—Internal revenue collections by sources and by quarters—Continued

[In thousands of dollars]

Source of revenue	Quarter ended— Sept. 30, 1957 (1)	Dec. 31, 1957 (2)	Mar. 31, 1958 (3)	June 30, 1958 (4)
Excise taxes—Continued				
Retailers' excise taxes, total	78, 044	72, 468	122, 588	68, 521
Luggage, etc	14, 954	12, 314	21, 108	10, 408
Jewelry, etc	36, 007	32, 054	57, 770	30, 303
Furs	4, 041	5, 675	12, 044	6, 784
Toilet preparations	23, 041	22, 425	31, 666	21, 026
Miscellaneous excise taxes, total	467, 760	441, 557	422, 930	409, 079
Admissions:				
Theaters, concerts, athletic contests, etc.[16]	13, 918	16, 031	10, 783	13, 950
Roof gardens, cabarets, etc	11, 029	11, 102	10, 761	10, 027
Club dues and initiation fees	16, 745	12, 969	12, 960	17, 665
Long-distance telephone, telegraph, cable, radio, etc.; leased wires, wire and equipment service	71, 117	68, 391	70, 692	69, 175
Local telephone service	88, 637	92, 060	94, 341	95, 772
Transportation of—				
Oil by pipeline	9, 167	7, 445	10, 194	8, 337
Persons	58, 280	61, 956	54, 968	50, 604
Property	118, 333	124, 297	118, 374	101, 985
Use of safe deposit boxes	1, 476	1, 492	1, 425	1, 744
Coconut and other vegetable oils processed [17]	4, 398	4, 159	383	443
Sugar	22, 948	23, 957	20, 321	18, 686
Diesel and special motor fuels [14]	11, 566	10, 712	12, 780	11, 003
Narcotics and marihuana, including occupational taxes	300	197	172	369
Coin-operated amusement and gaming devices	11, 603	1, 055	583	4, 272
Bowling alleys, pool tables, etc	1, 932	348	114	744
Wagering taxes:				
Occupational	277	98	84	169
Wagers	1, 653	1, 532	1, 552	1, 574
Use tax on certain vehicles [14]	24, 366	3, 747	2, 450	2, 554
Other [18]	12	12	(−6)	6
Unclassified excise taxes:				
Unapplied collections	3, 600	(−1, 202)	771	209
Undistributed depositary receipts [4]	24, 587	(−42, 941)	(−7, 798)	(−9, 975)
Taxes not otherwise classified [19]	2, 740	(−2, 090)	2, 287	4, 087

Footnotes on p. 106.

Table 3.—Internal revenue collections by sources

[In thousands of dollars]

Source of revenue	1958	1957
Grand total, all sources	79,978,476	80,171,971
Corporation income and profits taxes, total	20,533,316	21,530,653
Regular [20] [21]	20,531,116	21,528,031
Exempt organization business income tax [20]	2,199	2,622
Individual income and employment taxes, total	47,212,944	46,610,293
Income tax not withheld [3] [22]	12,091,789	12,799,067
Income tax withheld and old-age and disability insurance, total [3] [23]	34,209,992	32,865,172
Received with returns [5]	34,302,512	32,068,363
Undistributed depositary receipts [4]	(−92,520)	796,810
Railroad retirement, total	575,282	616,020
Railroad employment compensation tax; employers' tax 6¼ percent, employees' tax 6¼ percent, both imposed on taxable portion of wages:		
Received with returns	600,716	615,799
Undistributed depositary receipts [4]	(−25,456)	192
Railroad employees' representative tax, 12½ percent of taxable portion of wages	22	29
Unemployment insurance, employers of 4 or more persons taxed 3 percent on taxable portion of wages; credit allowed up to 90 percent of tax for contributions to State unemployment funds	335,880	330,034
Estate tax, graduated rates from 3 percent on first $5,000 of net estate in excess of $60,000 exemption to 77 percent on portion over $10,000,000; credit allowed for State death taxes	1,277,052	1,253,071
Gift tax, graduated rates from 2¼ percent on first $5,000 of net gifts in excess of $30,000 exemption to 57¾ percent on portion over $10,000,000; $3,000 annual exclusion for each donee	133,873	124,928
Excise taxes, total	10,814,268	10,637,544
Alcohol taxes, total	2,946,461	2,973,195
Distilled spirits taxes, total	2,092,183	2,118,957
Imported (collected by Customs), $10.50 per gallon	307,338	290,297
Domestic, $10.50 per gallon [7]	1,745,317	1,788,715
Rectification, 30 cents per proof gallon [7]	22,103	23,511
Occupational taxes:		
Nonbeverage manufacturers of spirits, $25, $50, $100 per year	109	102
Rectifiers:		
Less than 500 barrels, $110 per year	6	6
500 barrels or more, $220 per year	23	21
Retail dealers in liquor or medicinal spirits, $50 per year	14,297	13,972
Wholesale liquor dealers, $200 per year	1,450	1,226
Manufacturers of stills, $55 per year	7	6
Seizures, penalties, etc	1,528	1,098
Stills or worms manufactured, $22 each	4	5
Wines, cordials, etc., taxes, total	91,617	88,672
Imported (collected by Customs, rates same as domestic)	5,773	5,479
Domestic [7]	84,530	81,949
(Still wines 17 cents, 67 cents, $2.25 per gallon; sparkling wines, $3.40; artificially carbonated wines, $2.40; liqueurs, cordials, $1.92)		
Occupational taxes:		
Retail dealers in wines or in wines and beer, $50 per year	1,183	1,126
Wholesale dealers in wines or in wines and beer, $200 per year	131	118
Beer taxes, total	762,660	765,565
Imported (collected by Customs), $9 per barrel of 31 gallons	2,894	2,453
Domestic, $9 per barrel of 31 gallons [7]	754,704	758,067
Occupational taxes:		
Brewers:		
Less than 500 barrels, $55 per year	(*)	(*)
500 barrels or more, $110 per year	30	28
Retail dealers in beer, $22 per year	3,855	3,866
Wholesale dealers in beer, $100 per year	1,177	1,151

Footnotes on p. 106.

Table 3.—Internal revenue collections by sources—Continued

[In thousands of dollars]

Source of revenue	1958	1957
Excise taxes—Continued		
Tobacco taxes, total	1,734,021	1,674,050
Cigarettes, total	1,668,208	1,610,908
Class A (small), $4 per thousand	1,668,201	1,610,901
Class B (large), $8.40 per thousand	8	7
Cigars, total	47,247	44,859
Large cigars, classified by intended retail prices, total [7]	47,208	44,816
Class A (Retailing at not over 2½ cents each), $2.50 per thousand	92	88
Class B (Over 2½ cents, not over 4 cents each), $3 per thousand	687	614
Class C (Over 4 cents, not over 6 cents each), $4 per thousand	8,851	8,826
Class D (Over 6 cents, not over 8 cents each), $7 per thousand	6,089	4,020
Class E (Over 8 cents, not over 15 cents each), $10 per thousand	24,636	24,585
Class F (Over 15 cents, not over 20 cents each), $15 per thousand	3,117	3,025
Class G (Over 20 cents each), $20 per thousand	3,735	3,659
Small cigars, 75 cents per thousand	39	43
Manufactured tobacco (chewing, smoking, and snuff), 10 cents per pound [7]	17,862	17,685
Cigarette papers and tubes, papers ½ cent per 50; tubes 1 cent per 50	700	590
Court fines, penalties, and taxes on leaf tobacco sold or removed in violation of sec. 5731, Internal Revenue Code of 1954	4	8
Stamp taxes on documents, other instruments, and playing cards, total	109,452	107,546
Issues and transfers of bonds of indebtedness or capital stock, foreign insurance policies, and deeds of conveyance:		
Sales by postmasters	30,460	31,243
Sales by directors	71,681	69,401
Silver bullion transfers, 50 percent of profit	25	20
Playing cards, 13 cents per pack	7,286	6,882
Manufacturers' excise taxes, total	3,974,135	3,761,925
Gasoline:		
Gasoline, 3 cents per gallon [14]	1,636,629	1,455,952
Floor stocks tax, 1 cent per gallon on tax-paid stocks on hand as of June 30, 1956 [14]		2,265
Lubricating oil, etc., 6 cents per gallon; cutting oil 3 cents	69,996	73,601
Tires (wholly or in part of rubber), inner tubes, and tread rubber:		
Tires, highway type, 8 cents per pound; other, 5 cents [14]	231,747	213,749
Floor stocks tax, 3 cents per pound on tax-paid stocks of highway type tires on hand as of June 30, 1956 [14]		12,019
Inner tubes, 9 cents per pound	15,434	15,221
Tread rubber, 3 cents per pound [14]	12,639	8,893
Floor stocks tax, 3 cents per pound on stocks of tread rubber on hand as of June 30, 1956 [14]		1,572
Motor vehicles, chassis, bodies, parts, and accessories:		
Passenger automobiles, chassis, bodies, etc., 10 percent	1,170,003	1,144,233
Trucks and buses, chassis, bodies, etc., 10 percent [14]	206,104	196,002
Floor stocks tax on trucks and buses in dealers' hands as of June 30, 1956, 2 percent [14]		3,297
Parts and accessories for automobiles, trucks, etc., 8 percent	166,720	157,291
Radio and television sets, phonographs, components, etc., 10 percent	146,422	149,192
Refrigerators, freezers, air-conditioners, etc.; electric, gas, and oil appliances:		
Refrigerators, freezers, air-conditioners, etc., 5 percent except self-contained air-conditioning units which are taxed at 10 percent	39,379	46,894
Electric, gas, and oil appliances, 5 percent	61,400	75,196
Pistols and revolvers, 10 percent	1,568	1,417
Phonograph records, 10 percent	18,282	16,450
Musical instruments, 10 percent	14,635	14,781
Sporting goods (other than fishing rods, creels, etc.), 10 percent	11,255	9,897
Fishing rods, creels, etc., 10 percent	4,995	4,717
Business and store machines, 10 percent	90,658	83,175
Cameras, lenses, film, and projectors, 10 percent except projectors which are taxed at 5 percent	22,546	19,901
Electric light bulbs and tubes, 10 percent	24,936	26,080
Firearms (other than pistols and revolvers), shells, and cartridges, 11 percent	14,617	15,149
Mechanical pencils, pens, and lighters, 10 percent	9,060	9,114
Matches, 2 cents per thousand; fancy wooden or colored stems, 5½ cents	5,111	5,865

Footnotes on p. 106.

Table 3.—Internal revenue collections by sources—Continued

[In thousands of dollars]

Source of revenue	1958	1957
Excise taxes—Continued		
Retailers' excise taxes, total	341, 621	336, 081
Luggage, etc., 10 percent	58, 785	57, 116
Jewelry, etc., 10 percent	156, 134	156, 604
Furs, 10 percent	28, 544	29, 494
Toilet preparations, 10 percent	98, 158	92, 868
Miscellaneous excise taxes, total	1, 741, 327	1, 718, 509
Admissions taxes, total	97, 602	119, 089
Theaters, concerts, athletic contests, etc.:		
Admissions, 1 cent for each 10 cents or major fraction thereof of the amount paid [24]; no tax where amount is 90 cents or less (50 cents or less prior to September 1, 1956)	53, 647	74, 777
Ticket brokers' sales, 10 percent of amounts in excess of box office price [24]	568	452
Leases of boxes or seats, 10 percent of the amount for which similar accommodations are sold [24]	413	526
Admissions sold by proprietors in excess of established price, 50 percent of such excess	54	92
Roof gardens, cabarets, etc., 20 percent of total paid for admissions, services, etc	42, 919	43, 241
Club dues and initiation fees, 20 percent	60, 338	54, 236
Long-distance telephone, telegraph, cable, radio, etc., 10 percent	256, 143	244, 251
Leased wires, 10 percent; wire and equipment service, 8 percent	23, 233	21, 934
Local telephone service, 10 percent	370, 810	347, 024
Transportation of—		
Oil by pipeline, 4½ percent	35, 143	37, 159
Persons, 10 percent	225, 809	222, 158
Property, 3 percent of amount paid, except coal which is 4 cents per ton	462, 989	467, 978
Use of safe deposit boxes, 10 percent	6, 137	5, 826
Coconut and other vegetable oils processed, total [17]	9, 383	19, 652
Coconut oil from the Philippines, 3 cents per pound	7, 837	18, 050
Coconut oil from Trust Territory, 3 cents per pound	12	35
Coconut oil from other United States possessions, 3 cents per pound	4	14
Coconut oil (and combinations containing coconut oil) from other sources, 5 cents per pound	3	14
Other vegetable oils, 3 cents per pound	1, 527	1, 539
Sugar, approximately ½ cent per pound	85, 911	86, 091
Diesel and special motor fuels, 3 cents per gallon [14]	46, 061	39, 454
Narcotics and marihuana, total [25]	1, 038	972
Narcotics	992	930
Marihuana	46	42
Coin-operated amusement and gaming devices, $10 and $250 per device	17, 513	15, 044
Bowling alleys, pool tables, etc., $20 per alley or table	3, 139	3, 122
Wagering taxes:		
Occupational tax, $50 per year	628	759
Wagers, 10 percent of amount wagered	6, 311	6, 566
Use tax on highway motor vehicles weighing over 26,000 pounds, $1.50 per 1,000 pounds [14]	33, 117	27, 163
Adulterated and process or renovated butter, filled cheese, and imported oleomargarine [26]	3	12
Firearms transfer and occupational taxes [27]	22	18
Other receipts (including repealed taxes)	----------	(*)
Unclassified excise taxes:		
Unapplied collections	3, 378	1, 833
Undistributed depositary receipts [4]	(−36, 127)	64, 404
Taxes not otherwise classified [10]	7, 024	15, 482

Footnotes on p. 106.

Table 4.—Internal revenue collections by principal sources, fiscal years 1940 through 1958

[In thousands of dollars]

Fiscal year ended June 30—	Total internal revenue collections	Income, profits, and employment taxes			Estate and gift taxes	Alcohol taxes [7]	Tobacco taxes [7]	Manufacturers' excise taxes	All other taxes
		Total	Corporation income and profits taxes [2] [21]	Individual income and employment taxes [3] [28]					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1958	79, 978, 476	67, 746, 260	20, 533, 316	47, 212, 944	1, 410, 925	2, 946, 461	1, 734, 021	3, 974, 135	2, 166, 675
1957	80, 171, 971	68, 140, 946	21, 530, 653	46, 610, 293	1, 377, 999	2, 973, 195	1, 674, 050	3, 761, 925	2, 243, 856
1956	75, 112, 649	63, 931, 948	21, 298, 522	42, 633, 426	1, 171, 237	2, 920, 574	1, 613, 497	3, 456, 013	2, 019, 380
1955	66, 288, 692	56, 134, 490	18, 264, 720	37, 869, 770	936, 267	2, 742, 840	1, 571, 213	2, 885, 016	2, 018, 866
1954	69, 919, 991	59, 467, 637	21, 546, 322	37, 921, 314	935, 121	2, 783, 012	1, 580, 229	2, 689, 133	2, 464, 859
1953	69, 686, 535	58, 849, 134	21, 594, 515	37, 254, 619	891, 284	2, 780, 925	1, 654, 911	2, 862, 788	2, 647, 492
1952	65, 009, 586	55, 205, 280	21, 466, 910	33, 738, 370	833, 147	2, 549, 120	1, 565, 162	2, 348, 943	2, 507, 933
1951	50, 445, 686	41, 012, 357	14, 387, 569	26, 624, 788	729, 730	2, 546, 808	1, 380, 396	2, 383, 677	2, 392, 719
1950	38, 957, 132	30, 652, 234	10, 854, 351	19, 797, 883	706, 227	2, 219, 202	1, 328, 464	1, 836, 053	2, 214, 951
1949	40, 463, 125	32, 081, 604	11, 553, 669	20, 527, 935	796, 538	2, 210, 607	1, 321, 875	1, 771, 533	2, 280, 969
1948	41, 864, 542	33, 553, 533	10, 174, 410	23, 379, 123	899, 345	2, 255, 327	1, 300, 280	1, 649, 234	2, 206, 823
1947	39, 108, 386	31, 044, 121	9, 676, 459	21, 367, 662	779, 291	2, 474, 762	1, 237, 768	1, 425, 260	2, 147, 184
1946	40, 672, 097	32, 958, 966	12, 553, 602	20, 405, 364	676, 832	2, 526, 165	1, 165, 519	922, 671	2, 421, 944
1945	43, 800, 388	36, 840, 704	16, 027, 213	20, 813, 491	643, 055	2, 309, 866	932, 145	782, 511	2, 292, 108
1944	40, 121, 760	34, 766, 174	14, 766, 796	19, 999, 378	511, 210	1, 618, 775	988, 483	503, 462	1, 733, 655
1943	22, 371, 386	17, 797, 593	9, 668, 956	8, 128, 637	447, 496	1, 423, 646	923, 857	504, 746	1, 274, 048
1942	13, 047, 869	9, 192, 245	4, 744, 083	4, 448, 162	432, 540	1, 048, 517	780, 982	771, 902	821, 682
1941	7, 370, 108	4, 396, 980	2, 053, 469	2, 343, 512	407, 058	820, 056	698, 077	617, 373	430, 564
1940	5, 340, 452	2, 963, 130	1, 147, 592	1, 815, 538	360, 071	624, 253	608, 518	447, 088	337, 392

Footnotes on p. 106.

Footnotes for tables 1–4

Note.—Calendar year figures, by regions, districts, States, and Territories, for selected types of taxes, may be obtained from the Public Information Division, Internal Revenue Service, Washington 25, D. C.

Floor stocks taxes are reported separately only during the periods in which the collections are of significant amounts. Relatively small amounts collected in subsequent periods are merged with the amounts shown for the related class of tax.

*Less than $500.

[1] The receipts in the various States do not indicate the Federal tax burden of the respective States, since the taxes collected in one State are, in many instances, borne by residents of other States. For example, the withholding taxes reported by employers situated in metropolitan areas near State boundaries include substantial amounts withheld from salaries of employees who reside in neighboring States.

[2] Includes tax on business income of exempt organizations.

[3] Collections of individual income tax not withheld are inclusive of old-age and disability insurance taxes on self-employment income. Similarly, the collections of income tax withheld are reported in combined amount with old-age and disability insurance taxes on salaries and wages. Estimated separate national totals for individual income tax and for old-age and disability insurance taxes are shown in the text table on p. 3 of this report. Amounts of old-age and disability insurance tax collections, classified by States, are compiled by the Social Security Administration as a byproduct of its wage and income record-keeping operations and are published periodically in the Social Security Bulletin.

[4] Tax payments made to banks, under the depositary receipts system, are included in internal revenue collections for the period in which the depositary receipts are issued. However, such payments are not classified by internal revenue districts (nor by tax subclasses to which excise tax payments relate) until the depositary receipts are received in internal revenue offices with tax returns. Accordingly, the items shown as "Undistributed depositary receipts" represent the amount of depositary receipts issued, less the amount of depositary receipts received with returns and distributed by district and tax class.

[5] Beginning with fiscal year 1957, the United States total for individual income tax withheld is adjusted to exclude withheld individual income taxes transferred to the Government of Guam in accordance with the provisions of Public Law 630, approved Aug. 1, 1950 (64 Stat. 392). This adjustment amounted to $3,500,000 for 1958 and $3,363,000 for 1957.

[6] Includes railroad employment compensation tax and tax on railroad employee representatives.

[7] Amounts of taxes collected in Puerto Rico on tobacco and liquor manufactures coming into the United States are covered into the Treasury of Puerto Rico under the provisions of sec. 7652(a)(3) of the Internal Revenue Code of 1954. Such amounts are included in overall collections results (tables 1 through 4), beginning with 1955, and are shown separately in table 6.

[8] Includes occupational taxes on manufacturers of stills, rectifiers, wholesale liquor dealers, retail dealers in liquor or medicinal spirits, and nonbeverage manufacturers of spirits.

[9] Includes seizures, penalties, etc., and tax on stills or worms manufactured.

[10] Includes occupational taxes on wholesale and retail dealers in wines or in wines and beer.

[11] Includes occupational taxes on brewers and wholesale and retail dealers in beer.

[12] Includes taxes on large cigars, classes A through G, and on small cigars.

[13] Includes taxes on cigarette papers and tubes, court fines, penalties, and taxes on leaf tobacco sold or removed in violation of sec. 5731, Internal Revenue Code of 1954.

[14] Collections affected by provisions of the Highway Revenue Act of 1956. Amounts of floor stocks taxes collected under such act are included in the amount for the related tax class in the 1958 collection results (tables 1 through 3).

[15] Includes taxes on pistols and revolvers; phonograph records; musical instruments; sporting goods; fishing rods, creels, etc.; business and store machines; cameras, lenses, film, and film projectors; electric light bulbs and tubes; firearms, shells, and cartridges; mechanical pencils, pens, and lighters; and matches.

Footnotes for tables 1-4 (Continued)

[16] Includes taxes on ticket brokers' sales, on leases of boxes or seats, and on admissions sold by proprietors in excess of established prices, as well as general admissions tax.

[17] Includes taxes on coconut oil from the Philippines, the Trust Territory, and United States possessions as well as other coconut and vegetable oils processed. Under Public Law 85–235, the 3 cents per pound tax imposed by Code Sec. 4511(a) on the first domestic processing of coconut oil, fatty acids, or salts derived therefrom, or any mixtures or combinations containing such oil, acids, or salts, is suspended from Oct. 1, 1957, to June 30, 1960.

[18] Includes taxes on adulterated and process or renovated butter, filled cheese and imported oleomargarine; firearms transfer and occupational taxes; and other receipts.

[19] Includes amounts of unidentified and excess collections and profit from sale of acquired property. For the fiscal year 1957 this item also included depositary receipts outstanding 6 months or more for which no tax accounts were found.

[20] Corporation income and profits tax rates: First $25,000 of net income, normal tax of 30 percent; net income in excess of $25,000, combined normal tax and surtax of 52 percent. Normal tax and surtax rates also apply to net income derived by certain exempt organizations from unrelated trade or business.

[21] The United States total of corporation income and profits taxes collected in fiscal year 1957 excludes $404,000 originally deposited in the U. S. Treasury and subsequently transferred to the Government of Guam.

[22] Rates of tax are as follows:

Individual income tax: Graduated rates from 20 percent on first $2,000 of net income in excess of exemption to 91 percent on amount over $200,000.

Old-age and disability insurance taxes on self-employment income: 3 percent of self-employment income; increased to 3⅜ percent for taxable years beginning after December 31, 1956.

[23] Rates of tax are as follows:

Income tax withheld: Wages in excess of exemptions taxed at 18 percent.

Old-age and disability insurance taxes on salaries and wages: Employers' tax 2 percent, employees' tax 2 percent, both imposed on taxable portion of wages; both increased to 2¼ percent effective Jan. 1, 1957.

[24] In the case of certain racetracks the following rates apply:

Admissions—1 cent for each 5 cents of amount paid.

Ticket brokers' sales—20 percent.

Leases of boxes or seats—20 percent.

[25] Narcotics, 1 cent per ounce; narcotics order blanks, $1 per hundred. Marihuana, $1 per ounce; marihuana order blanks, 2 cents each. Amounts shown also include occupational taxes levied on manufacturers, dealers, and practitioners. For classes and rates of occupational taxes see table 13.

[26] Adulterated butter, 10 cents per pound; process or renovated butter, ¼ cent; domestic filled cheese, 1 cent; imported filled cheese, 8 cents; imported oleomargarine, 15 cents. Occupational taxes are levied on manufacturers or dealers in these products and are included in the amounts shown.

[27] Transfers of machineguns, short-barreled firearms, silencers, etc., $200 each; transfers of certain double-barreled guns, $1 each. Occupational taxes are levied on manufacturers, importers, or dealers in firearms and are included in the amounts shown.

[28] Beginning January 1951, withheld income taxes and old-age and disability insurance taxes on employees and employers are paid into the Treasury in combined amounts without separation as to type of tax. The figures for prior periods have been combined accordingly in this table for purposes of comparison, but are shown separately in the annual reports for those periods.

Table 5.—Number of returns filed by internal revenue regions, districts, States, and Territories

Internal revenue regions and districts; States and Territories (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Total returns filed (1)	Individual income tax (2)	Corporation income tax (3)	Partnership income (4)	Declarations of estimated tax and all other income taxes (5)	Employment taxes (6)	Estate tax (7)	Gift tax (8)	Excise taxes (9)
United States, total	**93,539,436**	**60,006,780**	**970,761**	**1,046,696**	**7,178,040**	**19,856,078**	**54,237**	**79,520**	**4,347,324**
Atlanta region	**10,082,670**	**6,441,187**	**92,164**	**106,333**	**572,836**	**2,400,159**	**4,484**	**8,206**	**457,301**
Atlanta (Georgia)	1,555,292	1,013,464	12,705	15,337	73,084	378,105	635	1,305	60,657
Birmingham (Alabama)	1,206,639	780,550	6,997	11,957	52,713	298,784	475	1,300	53,863
Columbia (South Carolina)	897,008	580,499	6,816	7,692	40,314	216,937	305	481	43,964
Greensboro (North Carolina)	1,881,512	1,257,661	16,673	18,461	87,223	429,477	675	1,462	69,880
Jackson (Mississippi)	691,268	419,644	5,039	8,372	36,478	173,387	248	379	47,721
Jacksonville (Florida)	2,331,003	1,387,966	34,305	25,462	202,276	569,964	1,670	2,453	106,907
Nashville (Tennessee)	1,519,948	1,001,403	9,629	19,052	80,748	333,505	476	826	74,309
Boston region	**6,232,197**	**3,991,202**	**77,092**	**42,399**	**573,001**	**1,279,059**	**3,290**	**6,320**	**259,834**
Augusta (Maine)	550,998	343,314	5,140	3,944	39,803	128,313	261	350	29,873
Boston (Massachusetts)	3,076,502	2,014,289	40,596	16,700	285,878	600,575	1,832	2,601	114,031
Burlington (Vermont)	222,028	132,878	2,429	2,274	15,449	54,108	113	64	14,713
Hartford (Connecticut)	1,537,897	964,097	16,803	12,940	163,811	314,406	543	2,445	62,852
Portsmouth (New Hampshire)	357,647	220,288	4,015	2,732	29,964	80,618	236	415	19,379
Providence (Rhode Island)	487,125	316,336	8,109	3,809	38,096	101,039	305	445	18,986
Chicago region	**11,884,124**	**7,879,564**	**102,969**	**137,017**	**903,943**	**2,314,186**	**6,800**	**8,537**	**531,108**
Chicago (See (b) below)	4,170,215	2,823,758	44,486	50,909	317,128	772,058	2,671	3,791	155,414
Detroit (Michigan)	3,918,042	2,665,852	27,769	41,559	262,388	757,212	1,466	2,377	159,419
Milwaukee (Wisconsin)	2,229,166	1,391,742	21,839	23,533	204,606	454,598	1,136	1,364	130,348
Springfield (See (b) below)	1,566,701	998,212	8,875	21,016	119,821	330,318	1,527	1,005	85,927
Cincinnati region	**11,489,012**	**7,688,442**	**104,239**	**115,109**	**751,505**	**2,269,019**	**5,785**	**7,421**	**547,492**
Cincinnati (See (f) below)	1,168,538	760,792	11,834	13,653	105,034	223,103	753	1,031	52,338
Cleveland (See (f) below)	2,305,659	1,592,607	27,606	18,802	150,597	408,377	1,295	1,521	104,854
Columbus (See (f) below)	864,072	584,275	6,728	7,915	53,649	162,229	375	403	48,498
Indianapolis (Indiana)	2,332,685	1,556,164	19,436	22,143	158,624	463,213	1,228	1,568	110,309
Louisville (Kentucky)	1,328,889	876,037	8,121	17,699	75,508	283,882	547	795	66,300
Parkersburg (West Virginia)	886,414	595,254	9,254	9,556	52,195	173,989	294	470	45,402
Richmond (Virginia)	1,827,349	1,212,411	14,931	17,022	105,144	397,526	837	1,095	78,383
Toledo (See (f) below)	775,406	510,902	6,329	8,319	50,754	156,700	456	538	41,408
Dallas region	**8,095,650**	**5,035,784**	**61,439**	**104,322**	**525,549**	**1,916,000**	**3,566**	**5,286**	**443,704**
Albuquerque (New Mexico)	400,653	259,113	2,660	5,182	26,401	85,747	121	354	21,075
Austin (See (h) below)	2,361,788	1,480,665	19,580	27,176	152,942	547,719	994	2,091	130,621
Dallas (See (h) below)	2,167,209	1,322,482	13,567	29,578	147,753	548,564	578	170	104,517
Little Rock (Arkansas)	742,948	452,840	5,982	13,415	44,040	179,175	884	775	45,837
New Orleans (Louisiana)	1,303,774	823,605	11,430	13,145	79,194	298,541	391	785	76,683
Oklahoma City (Oklahoma)	1,119,278	697,079	8,220	15,826	75,219	256,254	598	1,111	64,971
New York City region	**10,621,240**	**6,462,850**	**202,178**	**113,959**	**980,737**	**2,422,531**	**7,291**	**14,121**	**417,573**
Albany (See (e) below)	907,779	593,488	8,380	9,661	59,252	190,902	677	496	44,923
Brooklyn (See (e) below)	3,405,917	2,285,355	56,498	35,449	218,282	689,797	2,115	2,541	115,880
Buffalo (See (e) below)	1,405,756	944,584	16,576	13,430	109,137	257,014	955	931	63,129
Lower Manhattan (See (e) below)	955,619	372,933	43,767	15,746	146,731	328,637	512	4,609	42,684
Syracuse (See (e) below)	973,935	638,004	8,120	9,825	67,738	194,479	575	507	54,687
Upper Manhattan (See (e) below)	2,972,234	1,628,486	68,837	29,848	379,597	761,702	2,457	5,037	96,270
Omaha region	**9,599,862**	**5,969,878**	**80,673**	**142,496**	**725,200**	**2,116,325**	**6,780**	**8,896**	**549,614**
Aberdeen (South Dakota)	372,245	225,538	2,773	6,578	17,409	93,063	226	271	26,387
Cheyenne (Wyoming)	193,566	114,591	1,677	3,376	13,154	45,865	114	261	14,528
Denver (Colorado)	926,154	571,360	8,927	15,058	84,499	198,077	588	988	46,657
Des Moines (Iowa)	1,612,950	962,206	10,045	30,768	140,992	360,905	1,808	1,309	104,917
Fargo (North Dakota)	338,035	208,004	2,310	4,873	16,293	85,716	198	353	20,288
Kansas City (See (c) below)	998,830	631,231	8,490	14,135	64,595	223,040	390	664	56,285
Omaha (Nebraska)	823,616	502,673	6,331	14,167	56,328	190,870	772	903	51,572
St. Louis (See (c) below)	1,312,689	823,800	15,802	13,854	105,774	290,105	696	1,230	61,428
St. Paul (Minnesota)	1,817,444	1,182,352	16,555	24,519	129,659	364,218	1,009	1,338	97,794
Wichita (Kansas)	1,204,333	748,123	7,763	15,168	96,497	264,466	979	1,579	69,758
Philadelphia region	**12,184,869**	**8,134,031**	**128,709**	**108,400**	**944,525**	**2,385,468**	**6,543**	**10,176**	**467,017**
Baltimore (Maryland and District of Columbia)	2,289,126	1,524,072	23,631	16,012	179,486	455,498	1,104	2,307	87,016
Camden (See (d) below)	964,232	629,839	12,051	9,237	63,470	209,901	594	827	38,313
Newark (See (d) below)	2,498,397	1,636,971	44,330	24,920	203,193	499,162	1,572	2,218	86,031
Philadelphia (See (g) below)	3,196,707	2,136,260	25,784	27,899	246,477	631,535	1,961	2,685	124,106
Pittsburgh (See (g) below)	2,138,827	1,490,207	13,310	20,761	160,551	376,812	944	1,288	74,954
Scranton (See (g) below)	849,100	561,892	5,187	7,907	70,153	154,457	232	438	48,834
Wilmington (Delaware)	248,480	154,790	4,416	1,664	21,195	58,103	136	413	7,763
San Francisco region	**13,080,240**	**8,308,236**	**120,617**	**176,625**	**1,109,048**	**2,673,483**	**8,347**	**10,432**	**673,452**
Boise (Idaho)	345,995	213,754	2,979	5,414	22,036	80,142	171	221	21,278
Helena (Montana)	377,185	230,853	3,325	6,074	23,800	90,744	299	246	21,844
Honolulu (Hawaii)	326,330	215,449	2,238	2,835	30,916	57,073	90	231	17,498
Los Angeles (See (a) below)	4,957,605	3,229,373	52,519	62,930	416,050	992,093	3,337	3,741	197,562
Phoenix (Arizona)	520,276	331,168	4,482	6,122	38,416	109,951	211	320	29,606
Portland (Oregon)	967,688	595,535	7,972	15,802	72,237	218,034	448	883	56,777
Reno (Nevada)	158,352	99,718	1,939	2,276	8,227	34,017	62	75	12,038
Salt Lake City (Utah)	413,927	270,474	5,465	5,491	27,150	80,165	82	90	25,010
San Francisco (See (a) below)	3,397,839	2,104,820	23,392	49,081	344,265	681,231	2,719	3,559	188,772
Seattle (Washington and Alaska)	1,615,043	1,017,092	16,306	20,600	125,951	330,033	928	1,066	103,067
International Operations Division	**269,572**	**95,606**	**681**	**36**	**91,696**	**79,848**	**1,351**	**125**	**229**
Puerto Rico	144,765	24,521	18	4	40,292	79,695	-------	6	229
Other	124,807	71,085	663	32	51,404	153	1,351	119	-------
Totals for States not shown above									
(a) California	8,355,444	5,334,193	75,911	112,011	760,315	1,673,324	6,056,	7,300	386,334
(b) Illinois	5,736,916	3,821,970	53,361	71,925	436,949	1,102,376	4,198	4,796	241,341
(c) Missouri	2,311,519	1,455,031	24,292	27,989	170,369	513,145	1,086	1,894	117,713
(d) New Jersey	3,462,629	2,266,810	56,381	34,157	266,663	709,063	2,166	3,045	124,344
(e) New York	10,621,240	6,462,850	202,178	113,959	980,737	2,422,531	7,291	14,121	417,573
(f) Ohio	5,113,675	3,448,576	52,497	48,689	360,034	950,409	2,879	3,493	247,098
(g) Pennsylvania	6,184,634	4,188,359	44,281	56,567	477,181	1,162,804	3,137	4,411	247,894
(h) Texas	4,528,997	2,803,147	33,147	56,754	300,695	1,096,283	1,572	2,261	235,138

Table 6.—Internal revenue tax collected in Puerto Rico on manufactured products coming into the United States, by objects of taxation [1]

[In thousands of dollars]

Objects of taxation	1958	1957
Total	18,533	19,261
Distilled spirits	16,708	17,726
Distilled spirits, rectification tax	482	511
Wine	(*)	(*)
Beer	3	14
Cigars, large:		
Class A	(*)	(*)
Class B	(*)	1
Class C	1	3
Class D	1,334	1,000
Class E	2	2
Class F	(*)	1
Class G		
Cigars, small		
Cigarettes, small		
Chewing and smoking tobacco	2	3

*Less than $500.

[1] Amounts of taxes collected in Puerto Rico on tobacco and liquor manufactures coming into the United States are covered into the Treasury of Puerto Rico under the provisions of sec. 7652(a)(3) of the Internal Revenue Code of 1954. Such amounts are included in overall collections results (tables 1 through 4), beginning with 1955.

Table 7.—Establishments qualified to engage in the production, distribution, storage, or use of alcohol and alcoholic liquors

Class of establishment	As of June 30— 1958	1957
Industrial alcohol:		
Industrial alcohol plants	33	36
Industrial alcohol bonded warehouses	45	44
Industrial alcohol denaturing plants	48	47
Dealers in specially denatured alcohol	38	35
Users of specially denatured alcohol and rum	3,936	3,966
Reprocessors, rebottlers, etc., of specially denatured alcohol articles	1,192	1,240
Users of tax-free alcohol	7,484	7,470
Distilled spirits:		
Fruit distilleries	96	98
Registered distilleries	84	86
Internal revenue bonded warehouses	211	209
Distillery denaturing bonded warehouses	2	2
Taxpaid bottling houses	48	54
Rectifying plants	132	132
Beer: Breweries	246	255
Wines:		
Bonded wine cellars	533	546
Taxpaid wine-bottling houses	121	125
Vinegar: Vinegar factories using vaporizing process	6	6
Beverage dealers:		
Importers	1,383	1,362
Wholesale dealers in liquors	7,403	7,570
Wholesale dealers in beer	10,928	11,393
Retail dealers in liquors	270,697	275,876
Retail dealers in beer	157,184	162,057
Other:		
Manufacturers of nonbeverage products (drawback)	1,014	1,038
Bottle manufacturers	93	91
Carriers	454	453
Fruit-flavor concentrate plants	25	21

Table 8.—Establishments qualified to engage in the production or distribution of tobacco products

Class of establishment	As of June 30— 1958	1957
Manufacturers of tobacco	190	201
Manufacturers of cigars and cigarettes	667	707
Manufacturers of cigarette papers and tubes	3	4
Dealers in tobacco materials	2,357	2,390
Bonded sea stores warehouses	57	58
Bonded export warehouses	27	21

Table 9.—Permits relating to industrial alcohol, under Chapter 51, Internal Revenue Code, 1954

Status	Total	Industrial alcohol plants, bonded warehouses, and denaturing plants	Dealers in specially denatured alcohol	Users of—			Carriers of specially denatured alcohol
				Specially denatured alcohol	Specially denatured rum	Tax-free alcohol	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
In effect July 1, 1957	11,996	73	35	3,915	48	7,472	453
Issued during year	588	2	4	297	1	251	33
Terminated during year, total	603	6	1	321	4	239	32
Revoked							
Otherwise terminated	603	6	1	321	4	239	32
In effect June 30, 1958	11,981	69	38	3,891	45	7,484	454
Renewals approved during year	11,337	58	36	3,693	43	7,115	392
Amended during year	1,538	20	11	740	2	716	49

Table 10.—Permits for operations relating to alcoholic beverages under the Federal Alcohol Administration Act

Status	Total	Distillers	Warehousing and bottling	Rectifiers	Wine producers and blenders	Wine blenders	Importers	Wholesalers
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
In effect July 1, 1957	14,737	239	279	175	480	67	1,362	12,135
Issued during year	1,670	23	30	25	23	12	205	1,352
Terminated during year, total	2,071	30	44	26	40	15	184	1,732
Revoked	7							7
Otherwise terminated	2,064	30	44	26	40	15	184	1,725
In effect June 30, 1958	14,336	232	265	174	463	64	1,383	11,755
Amended during year	1,597	43	126	79	76	15	188	1,070

Table 11.—Permits relating to tobacco, under Chapter 52, Internal Revenue Code, 1954

Status	Total	Manufacturers of—			Dealers in tobacco materials
		Cigars and cigarettes	Tobacco	Cigarette papers and tubes	
	(1)	(2)	(3)	(4)	(5)
In effect July 1, 1957	3,301	707	201	3	2,390
Issued during year	263	40	9		214
Terminated during year, total	348	80	20	1	247
Revoked					
Otherwise terminated	348	80	20	1	247
In effect June 30, 1958	3,216	667	190	2	2,357
Amended during year	168	52	17		99

Table 12.—Label activity under Federal Alcohol Administration Act

Type of label	Applications received			Applications acted upon			
	Total	For approval	For exemption	Total	Certificates issued		Disapproved
					Approvals	Exemptions	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Grand total	33,383	33,162	221	32,008	31,700	222	86
Distilled spirits, total	14,994	14,934	60	14,274	14,205	25	44
Domestic	13,449	13,389	60	12,800	12,732	25	43
Imported	1,545	1,545		1,474	1,473		1
Wines, total	17,192	17,031	161	16,521	16,291	197	33
Domestic	5,513	5,352	161	5,172	4,972	197	3
Imported	11,679	11,679		11,349	11,319		30
Malt beverages, total	1,197	1,197		1,213	1,204		9
Domestic	902	902		951	944		7
Imported	295	295		262	260		2

Table 13.—Number of occupational tax stamps issued, covering the fiscal year 1958, or portion thereof, by class of tax and by internal revenue regions, districts, States, and Territories

Internal revenue regions and districts; States and Territories (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Total number of occupational tax stamps issued	Distilled spirits									
		Manufacturers of stills, $55	Rectifiers		Wholesale dealers, $200	Retail dealers			Manufacturers of nonbeverage products		
			Less than 500 barrels, $110	500 barrels or more, $220		Retail dealers, $50	At large, $50	Medicinal spirits, $50	Less than 25 gallons, $25	Not exceeding 50 gallons, $50	50 gallons or more, $100
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
United States, total	**1,164,284**	**98**	**52**	**93**	**6,255**	**262,928**	**722**	**1,624**	**88**	**73**	**888**
Atlanta region	**108,115**		**1**	**1**	**324**	**9,318**	**1**	**14**	**12**	**1**	**57**
Atlanta (Georgia)	14,246		1		44	1,427			3	1	12
Birmingham (Alabama)	10,691				23	640		4			7
Columbia (South Carolina)	11,626				14	934					2
Greensboro (North Carolina)	15,034				57	300	1	7	4		6
Jackson (Mississippi)	11,090				33	996		1	1		4
Jacksonville (Florida)	28,050			1	95	4,330					3
Nashville (Tennessee)	17,378				58	691		2	4		23
Boston region	**68,731**	**9**	**8**	**9**	**434**	**16,694**	**8**	**759**	**5**	**7**	**78**
Augusta (Maine)	6,249		1	1	6	353					3
Boston (Massachusetts)	29,757	7	5	6	236	8,166	6	704	2	3	57
Burlington (Vermont)	3,124				5	480					
Hartford (Connecticut)	19,238	2	2	2	146	5,307	1		1	3	10
Portsmouth (New Hampshire)	4,737				2	513				1	2
Providence (Rhode Island)	5,626				39	1,875	1	55	2		6
Chicago region	**158,907**	**6**	**7**	**9**	**976**	**53,119**	**11**	**457**	**9**	**12**	**132**
Chicago (See (c) below)	46,541	4		4	268	16,734		5	7	7	79
Detroit (Michigan)	48,694	1	5	3	511	17,663	10	1		2	33
Milwaukee (Wisconsin)	43,625		2		105	13,429	1	448	1	1	12
Springfield (See (c) below)	20,047	1		2	92	5,293		3	1	2	8
Cincinnati region	**135,980**	**16**	**6**	**26**	**643**	**29,599**	**23**	**3**	**13**	**6**	**87**
Cincinnati (See (g) below)	13,225	5		2	83	4,320	4		3		23
Cleveland (See (g) below)	28,670	5		2	212	11,173			3		16
Columbus (See (g) below)	9,498				94	2,557	1		2	1	6
Indianapolis (Indiana)	26,616		2	3	27	5,234			1	1	20
Louisville (Kentucky)	15,690	3	4	19	132	2,079	18	1	1	1	5
Parkersburg (West Virginia)	13,688	2			1	570					1
Richmond (Virginia)	18,494	1			6	419		2		2	12
Toledo (See (g) below)	10,099				88	3,247			3	1	4
Dallas region	**111,094**	**5**	**1**	**1**	**300**	**12,196**	**10**	**1**	**7**	**5**	**31**
Albuquerque (New Mexico)	4,634		1		33	1,395					
Austin (See (i) below)	40,611	2			60	2,338			1	1	10
Dallas (See (i) below)	180	2			130	1,683	10		3	1	11
Little Rock						746		1	2	2	
New Orleans (Louisiana)	24,946			1	68	5,329			1	1	8
Oklahoma City (Oklahoma)	14,348	1			1	705					2
New York City region	**133,941**	**13**	**3**	**3**	**510**	**30,735**	**161**		**10**	**12**	**156**
Albany (See (f) below)	17,514	2		1	14	5,134	1				10
Brooklyn (See (f) below)	39,279	3	2	1	151	7,704	19		3	5	51
Buffalo (See (f) below)	21,557	5	1		25	5,734			2	1	17
Lower Manhattan (See (f) below)	7,395	1			92	1,985	141		3	1	39
Syracuse (See (f) below)	16,207	1			16	4,243			2	2	10
Upper Manhattan (See (f) below)	31,989	1		1	212	5,935				3	29
Omaha region	**124,941**	**3**	**2**	**2**	**440**	**18,826**	**267**	**331**	**11**	**5**	**79**
Aberdeen (South Dakota)	5,421				6	927					1
Cheyenne (Wyoming)	2,931				2	672					
Denver (Colorado)	10,968		1		63	2,404		258			9
Des Moines (Iowa)	18,135				3	1,659			2		9
Fargo (North Dakota)	4,431				10	1,037					
Kansas City (See (d) below)	12,292		1		110	2,273	151	2	3		6
Omaha (Nebraska)	10,339				19	1,737	66	11			2
St. Louis (See (d) below)	20,554	3		1	72	4,101	50	5		4	37
St. Paul (Minnesota)	25,455			1	121	2,747		53	5		13
Wichita (Kansas)	14,415				34	1,269		2	1	1	2
Philadelphia region	**152,115**	**36**	**7**	**23**	**1,188**	**42,092**	**241**	**3**	**8**	**13**	**168**
Baltimore (Maryland and District of Columbia)	29,422	1	3	6	249	5,823	203	2	1	1	20
Camden (See (e) below)	11,542	6		3	49	3,864			1		8
Newark (See (e) below)	28,359	12	1	6	174	10,178	17		2	6	62
Philadelphia (See (h) below)	37,105	12	3	7	330	8,778	16	1	2	4	60
Pittsburgh (See (h) below)	29,202	3		1	252	8,253	4		2	2	14
Scranton (See (h) below)	14,422	2			118	4,460					4
Wilmington (Delaware)	2,063				16	736	1				
San Francisco region	**170,460**	**10**	**17**	**19**	**1,440**	**50,349**		**56**	**13**	**12**	**100**
Boise (Idaho)	5,247				6	694					
Helena (Montana)	6,390				39	1,842					1
Honolulu (Hawaii)	3,486		1		34	1,046				1	1
Los Angeles (See (b) below)	52,237	5	7	8	385	16,352			4	6	44
Phoenix (Arizona)	7,742				69	2,867					
Portland (Oregon)	13,041				136	2,954			1		4
Reno (Nevada)	4,741				22	1,205		55			
Salt Lake City (Utah)	5,163				1	181					1
San Francisco (See (b) below)	49,920	3	8	11	497	16,946		1	6	5	45
Seattle (See (a) and (j) below)	22,493	2	1		251	6,262			2		4
Totals for States and Territories not shown above											
(a) Alaska	1,888				8	629					
(b) California	102,157	8	15	19	882	33,298		1	10	11	89
(c) Illinois	66,588	5		6	360	22,027		8	8	9	87
(d) Missouri	32,846	3	1	1	182	6,374	201	7	3	4	43
(e) New Jersey	39,901	18	1	9	223	14,042	17		3	6	70
(f) New York	133,941	13	3	3	510	30,735	161		10	12	156
(g) Ohio	61,492	10		4	477	21,297	5		11	2	49
(h) Pennsylvania	80,729	17	3	8	700	21,491	20	1	4	6	78
(i) Texas	58,791	4			190	4,021	10		4	2	21
(j) Washington	20,605	2	1		243	5,633			2		4

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Table 13.—Number of occupational tax stamps issued, covering the fiscal year 1958, or portion thereof, by class of tax and by internal revenue regions, districts, States, and Territories—Continued

Internal revenue regions and districts; States and Territories (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Wines				Beer					
	Wholesale dealers		Retail dealers		Brewers		Wholesale dealers, $100	Retail dealers, $22	Retail dealers at large, $22	Temporary dealers in liquors (beer or wine), $2.20 per month
	Wines, $200	Wines and beer, $200	Wines, $50	Wines and beer, $50	Less than 500 barrels, $55	500 barrels or more, $110				
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
United States, total	**198**	**391**	**320**	**21,426**	**2**	**253**	**11,088**	**161,041**	**169**	**8,875**
Atlanta region	**13**	**118**	**96**	**7,227**		**8**	**552**	**24,811**		**74**
Atlanta (Georgia)	6	23	39	940		1	53	1,824		
Birmingham (Alabama)	1			1			63	2,909		
Columbia (South Carolina)	1	21	1	1,112			38	3,387		39
Greensboro (North Carolina)	3	30	55	1,378			84	3,597		
Jackson (Mississippi)	2		1	142			69	3,173		6
Jacksonville (Florida)		44		3,654		7	139	5,064		
Nashville (Tennessee)							106	4,857		29
Boston region		**31**		**925**		**10**	**731**	**7,336**	**1**	**592**
Augusta (Maine)							59	2,433		2
Boston (Massachusetts)		1		4		7	384	201	1	287
Burlington (Vermont)		26		912			19	243		4
Hartford (Connecticut)		3		5		1	185	2,730		295
Portsmouth (New Hampshire)							35	1,672		
Providence (Rhode Island)		1		4		2	49	57		4
Chicago region	**13**	**62**	**16**	**1,389**		**67**	**1,830**	**6,587**	**1**	**2,543**
Chicago (See (c) below)	1	5	4	30		13	532	501		699
Detroit (Michigan)	10	54	10	1,346		12	268	353		532
Milwaukee (Wisconsin)		2		2		38	809	5,233	1	825
Springfield (See (c) below)	2	1	2	11		4	221	500		487
Cincinnati region	**15**	**72**	**16**	**6,629**		**32**	**762**	**12,695**	**1**	**1,031**
Cincinnati (See (g) below)	5	3	5	140		6	42	612		348
Cleveland (See (g) below)						7	61	330		288
Columbus (See (g) below)		3	1	327		1	26	364	1	56
Indianapolis (Indiana)	2	16	3	2,516		6	211	640		76
Louisville (Kentucky)	3		3			5	154	2,644		75
Parkersburg (West Virginia)	1			397		1	118	3,898		
Richmond (Virginia)	4	50	4	3,249		4	108	3,782		4
Toledo (See (g) below)						2	42	425		184
Dallas region	**3**	**34**	**31**	**3,601**	**2**	**10**	**975**	**29,022**	**15**	**410**
Albuquerque (New Mexico)	2	1	2	2			25	26		
Austin (See (i) below)		7	25	2,959		6	489	15,211		72
Dallas (See (i) below)		2		351	1		170	3,298	15	43
Little Rock (Arkansas)	1	24	4	269			55	1,997		4
New Orleans (Louisiana)					1	3	120	3,765		275
Oklahoma City (Oklahoma)				20		1	116	4,725		16
New York City region	**84**	**1**	**85**	**179**		**23**	**762**	**27,988**	**31**	**1,014**
Albany (See (f) below)	2		1			3	108	3,625		124
Brooklyn (See (f) below)	14		11	74		4	296	9,239	29	43
Buffalo (See (f) below)	10		9	1		9	149	4,431		365
Lower Manhattan (See (f) below)	33	1	35	43		1	28	1,409	2	23
Syracuse (See (f) below)				2		3	95	3,179		382
Upper Manhattan (See (f) below)	25		29	59		3	86	6,105		77
Omaha region	**10**	**12**	**9**	**169**		**29**	**1,519**	**27,995**	**17**	**571**
Aberdeen (South Dakota)							38	1,224		12
Cheyenne (Wyoming)							50	140		22
Denver (Colorado)		6		26		3	97	1,154		11
Des Moines (Iowa)				133		2	220	5,256	1	13
Fargo (North Dakota)		1		2			46	412		13
Kansas City (See (d) below)	3	2	4	2		2	111	1,850	6	16
Omaha (Nebraska)	3					3	160	1,346		6
St. Louis (See (d) below)	4	1	4			6	259	3,544	9	253
St. Paul (Minnesota)		1	1	4		13	411	9,153	1	193
Wichita (Kansas)		1		2			127	3,916		32
Philadelphia region	**16**	**9**	**11**	**483**		**43**	**3,052**	**6,602**	**103**	**1,752**
Baltimore (Maryland and District of Columbia)	1	1	1	477		6	176	2,423	15	962
Camden (See (e) below)	2		4	1		3	247	130	88	244
Newark (See (e) below)	9	6	5			6	382	347		526
Philadelphia (See (h) below)						16	1,006	1,734		4
Pittsburgh (See (h) below)	3		1	5		8	966	1,402		1
Scranton (See (h) below)	1					4	263	540		8
Wilmington (Delaware)		2					12	26		7
San Francisco region	**44**	**52**	**56**	**824**		**31**	**905**	**18,005**		**888**
Boise (Idaho)						1	77	1,613		10
Helena (Montana)						5	77	465		31
Honolulu (Hawaii)		1		25		4	20	44		1
Los Angeles (See (b) below)	2					7	260	5,698		148
Phoenix (Arizona)		2				1	19	325		
Portland (Oregon)						1	61	2,226		70
Reno (Nevada)							23	187		5
Salt Lake City (Utah)				1			43	1,367		19
San Francisco (See (b) below)	42	49	56	798		8	222	4,719		576
Seattle (See (a) and (j) below)						4	103	1,361		28
Totals for States and Territories not shown above										
(a) Alaska							2	30		
(b) California	44	49	56	798		15	482	10,417		724
(c) Illinois	3	6	6	41		17	753	1,001		1,186
(d) Missouri	7	3	8	2		8	370	5,394	15	269
(e) New Jersey	11	6	9	1		9	629	477	88	770
(f) New York	84	1	85	179		23	762	27,988	31	1,014
(g) Ohio	5	6	6	467		16	171	1,731	1	876
(h) Pennsylvania	4		1	5		28	2,235	3,676		13
(i) Texas		9	25	3,310	1	6	659	18,509	15	115
(j) Washington						4	101	1,331		28

Table 13.—Number of occupational tax stamps issued, covering the fiscal year 1958, or portion thereof, by class of tax and by internal revenue regions, districts, States, and Territories—Continued

Internal revenue regions and districts; States and Territories (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Narcotics						Marihuana				
	Manufacturers, importers, and compounders of opium, etc., $24 (22)	Wholesale dealers, $12 (23)	Retail dealers, $3 (24)	Practitioners, $1 (25)	Dealers in untaxed preparations, $1 (26)	Laboratories, etc., $1 (27)	Manufacturers, $24 (28)	Dealers, $3 (29)	Producers, $1 (30)	Practitioners, $1 (31)	Laboratories, $1 (32)
United States, total	**150**	**1,183**	**54,994**	**265,163**	**2,326**	**316**	**5**	**21**	**76**	**121**	**16**
Atlanta region	**7**	**140**	**6,406**	**25,793**	**222**	**33**		**1**		**3**	
Atlanta (Georgia)	1	38	1,149	4,121	20	7					
Birmingham (Alabama)	1	18	824	2,912	14	3		1		2	
Columbia (South Carolina)	1	10	646	2,121	2	1					
Greensboro (North Carolina)		17	967	4,395	132	6					
Jackson (Mississippi)		5	556	2,019	28						
Jacksonville (Florida)		23	1,302	5,962		12					
Nashville (Tennessee)	4	29	962	4,263	26	4				1	
Boston region	**7**	**71**	**4,593**	**18,619**	**275**	**33**		**1**		**8**	**3**
Augusta (Maine)		4	265	1,395	3	1					
Boston (Massachusetts)	6	38	2,063	10,262	28	17				7	3
Burlington (Vermont)		3	114	628	79	2					
Hartford (Connecticut)		16	934	4,804	131	11				1	
Portsmouth (New Hampshire)	1	3	877	171	2	1					
Providence (Rhode Island)		7	340	1,359	32	1					
Chicago region	**17**	**157**	**6,677**	**30,698**	**198**	**29**	**1**	**3**	**63**	**7**	**3**
Chicago (See (c) below)	3	48	2,362	11,795	58	14		1		3	2
Detroit (Michigan)	7	64	2,404	10,660	71	9				1	
Milwaukee (Wisconsin)	4	18	1,198	5,264	29	1	1	1	63	1	1
Springfield (See (c) below)	3	27	713	2,979	40	5		1		2	
Cincinnati region	**24**	**153**	**6,051**	**28,481**	**405**	**27**		**3**	**12**	**11**	**3**
Cincinnati (See (g) below)	3	14	642	3,029	18	2		1		1	
Cleveland (See (g) below)	6	33	1,251	6,248	15	7		1		2	
Columbus (See (g) below)	3	13	380	2,297	16	1				3	
Indianapolis (Indiana)	5	45	1,346	5,435	40	8				2	
Louisville (Kentucky)		16	881	3,183	59	3		1	12	1	2
Parkersburg (West Virginia)	1	8	378	2,088	1						1
Richmond (Virginia)	5	10	802	4,403	237	3				1	
Toledo (See (g) below)	1	14	371	1,798	19	3				1	
Dallas region	**4**	**98**	**5,472**	**21,833**	**694**	**12**		**1**		**1**	**1**
Albuquerque (New Mexico)		3	260	907	9	1					
Austin (See (i) below)	1	22	1,418	6,368	291	2					
Dallas (See (i) below)	2	31	1,323	5,626	338	2					
Little Rock (Arkansas)		5	594	1,915	10						1
New Orleans (Louisiana)	1	18	981	3,911	20	7					
Oklahoma City (Oklahoma)		19	896	3,106	26			1		1	
New York City region	**24**	**101**	**6,335**	**38,272**	**118**	**53**	**2**	**2**		**12**	**1**
Albany (See (f) below)	2	13	585	2,735	9	5				1	
Brooklyn (See (f) below)	5	21	2,512	12,573	34	11					
Buffalo (See (f) below)	4	13	775	4,655	15	8				4	
Lower Manhattan (See (f) below)	5	22	378	1,784	15	7	2				
Syracuse (See (f) below)	2	15	481	2,871	17	4				1	
Upper Manhattan (See (f) below)	6	17	1,604	13,654	28	18		2		6	1
Omaha region	**10**	**148**	**5,767**	**24,976**	**160**	**20**	**1**	**3**	**1**	**38**	**1**
Aberdeen (South Dakota)		3	240	739	4						
Cheyenne (Wyoming)		2	117	387							
Denver (Colorado)		24	631	2,984	7	1					
Des Moines (Iowa)		37	799	3,638	62	4				8	
Fargo (North Dakota)		3	191	681							
Kansas City (See (d) below)		21	667	2,895	30	2				2	
Omaha (Nebraska)	1	6	529	2,114	7	2	1	2	1	28	1
St. Louis (See (d) below)	7	17	816	3,781	29	10					
St. Paul (Minnesota)	1	22	973	5,017	13	1		1			
Wichita (Kansas)	1	13	804	2,740	8						
Philadelphia region	**33**	**148**	**6,948**	**34,592**	**140**	**68**	**1**	**6**		**26**	**3**
Baltimore (Maryland and District of Columbia	3	30	1,056	6,509	15	4				3	
Camden (See (e) below)		2	500	2,423	3	1		1		1	
Newark (See (e) below)	9	21	1,351	6,924	35	31				4	
Philadelphia (See (h) below)	20	67	2,142	10,559	66	24	1	4		6	3
Pittsburgh (See (h) below)	1	17	1,292	5,595	12	7				2	
Scranton (See (h) below)		10	479	2,014	4			1		9	
Wilmington (Delaware)		1	128	568	5	1				1	
San Francisco region	**24**	**167**	**6,745**	**41,899**	**114**	**41**		**1**		**15**	**1**
Boise (Idaho)		1	191	741	1						
Helena (Montana)		4	248	907		1					
Honolulu (Hawaii)		7	56	627	30	1				1	
Los Angeles (See (b) below)	10	51	2,266	17,009	44	25				13	
Phoenix (Arizona)	8	10	364	1,427	7	1					
Portland (Oregon)	1	17	552	2,957	4	2				1	
Reno (Nevada)		1	107	394	1						
Salt Lake City (Utah)		10	262	1,228	2	1					
San Francisco (See (h) below)	3	36	1,703	12,113	18	6		1			1
Seattle (See (a) and (j) below)	2	30	996	4,496	7	4					
Totals for States and Territories not shown above											
(a) Alaska			35	136							
(b) California	13	87	3,969	29,122	62	31		1		13	1
(c) Illinois	6	75	3,075	14,774	98	19		2		5	2
(d) Missouri	7	38	1,483	6,676	59	12				2	
(e) New Jersey	9	23	1,851	9,347	38	32		1		5	
(f) New York	24	101	6,335	38,272	118	53	2	2		12	1
(g) Ohio	13	74	2,644	13,372	68	13		2		7	
(h) Pennsylvania	21	94	3,913	18,168	82	31	1	5		17	3
(i) Texas	3	53	2,741	11,994	629	4					1
(j) Washington	2	30	961	4,360	7	4					

Table 13.—Number of occupational tax stamps issued, covering the fiscal year 1958, or portion thereof, by class of tax and by internal revenue regions, districts, States, and Territories—Continued

Internal revenue regions and districts; States and Territories (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	National Firearms Act: Manufacturers or importers, Class 1, $500 (33)	National Firearms Act: Manufacturers or importers, Class 2, $25 (34)	National Firearms Act: Pawnbrokers, Class 3, $300 (35)	National Firearms Act: Dealers other than pawnbrokers, Class 4, $200 (36)	National Firearms Act: Dealers, Class 5, $1 (37)	Coin-operated devices, billiard, pool, and bowling alley premises: Billiard or pool room and bowling alley premises, $20 per table or alley (38)	Coin-operated devices, billiard, pool, and bowling alley premises: Amusement device premises, $10 per device (39)	Coin-operated devices, billiard, pool, and bowling alley premises: Gaming device premises, $250 per device (40)	Adulterated, process or renovated butter, and filled cheese (41)	Wagering, $50 (42)
United States, total	**15**	**4**	**1**	**65**	**208**	**34,067**	**304,044**	**16,771**	**33**	**8,121**
Atlanta region	**1**			**1**	**40**	**3,235**	**27,282**	**1,957**	**1**	**365**
Atlanta (Georgia)					1	427	3,243	785		80
Birmingham (Alabama)						311	2,914	1	1	41
Columbia (South Carolina)						370	2,563	338		25
Greensboro (North Carolina)					8	805	3,107	35		40
Jackson (Mississippi)					1	304	3,425	239		85
Jacksonville (Florida)					18	548	6,783	4		59
Nashville (Tennessee)	1			1	12	470	5,247	555		35
Boston region	**2**			**1**	**5**	**2,355**	**14,885**	**72**		**164**
Augusta (Maine)					5	312	1,405			1
Boston (Massachusetts)	1					1,012	6,068	58		117
Burlington (Vermont)						186	411			12
Hartford (Connecticut)	1			1		457	4,163	5		21
Portsmouth (New Hampshire)						233	1,207	9		8
Providence (Rhode Island)						155	1,631			5
Chicago region	**1**			**6**	**16**	**4,531**	**46,868**	**1,679**	**11**	**696**
Chicago (See (c) below)				1	3	1,092	11,124	840	8	294
Detroit (Michigan)					10	1,293	13,267	63		31
Milwaukee (Wisconsin)	1			1		1,131	14,996	2		4
Springfield (See (c) below)				4	3	1,015	7,481	774	3	367
Cincinnati region	**2**			**7**	**100**	**4,481**	**40,343**	**2,851**		**1,351**
Cincinnati (See (g) below)					2	383	3,480			49
Cleveland (See (g) below)				1	75	805	7,956	31		142
Columbus (See (g) below)					3	328	2,993			21
Indianapolis (Indiana)				3	12	928	8,123	1,390		521
Louisville (Kentucky)				1	2	595	4,552	946		289
Parkersburg (West Virginia)					1	520	5,101	366		234
Richmond (Virginia)	2			2	5	511	4,839	9		18
Toledo (See (g) below)						411	3,299	109		77
Dallas region				**5**	**8**	**3,293**	**30,588**	**1,573**	**11**	**840**
Albuquerque (New Mexico)					2	176	1,775	8		6
Austin (See (i) below)				1		1,315	9,713	34	4	261
Dallas (See (i) below)					1	436	4,649	17	2	32
Little Rock (Arkansas)						405	2,773	453	3	104
New Orleans (Louisiana)				2	1	465	8,013	691		262
Oklahoma City (Oklahoma)				2	4	496	3,665	370	2	175
New York City region	**1**	**3**		**6**	**5**	**2,052**	**25,160**	**6**		**18**
Albany (See (f) below)	1				2	309	4,826			1
Brooklyn (See (f) below)		3				409	6,061			1
Buffalo (See (f) below)				1		509	4,808			6
Lower Manhattan (See (f) below)				3	1	96	1,245			
Syracuse (See (f) below)						440	4,427	6		8
Upper Manhattan (See (f) below)				2	2	289	3,793			2
Omaha region					**12**	**6,137**	**36,459**	**605**	**7**	**299**
Aberdeen (South Dakota)						349	1,595	261		22
Cheyenne (Wyoming)						121	1,158	98		162
Denver (Colorado)						414	2,875			
Des Moines (Iowa)					2	1,176	5,101	10		
Fargo (North Dakota)						439	1,581			15
Kansas City (See (d) below)					3	479	3,587	28	2	34
Omaha (Nebraska)					3	802	3,455	10		24
St. Louis (See (d) below)					1	681	6,813	28	5	13
St. Paul (Minnesota)						821	5,871	9		9
Wichita (Kansas)					3	855	4,423	161		20
Philadelphia region	**3**	**1**		**4**	**8**	**4,215**	**46,396**	**3,431**		**242**
Baltimore (Maryland and District of Columbia				2	5	558	7,687	3,175		4
Camden (See (e) below)						286	3,659	15		1
Newark (See (e) below)	1			1		690	7,541	3		9
Philadelphia (See (h) below)	1			1		975	10,982	221		60
Pittsburgh (See (h) below)	1				3	1,131	10,125	7		92
Scranton (See (h) below)						518	5,928	9		50
Wilmington (Delaware)		1				57	474	1		26
San Francisco region	**5**		**1**	**35**	**14**	**3,768**	**36,063**	**4,597**	**3**	**4,146**
Boise (Idaho)					2	215	1,688		2	5
Helena (Montana)						225	2,232	16		297
Honolulu (Hawaii)						236	1,316	33		1
Los Angeles (See (b) below)	4			32	3	865	8,959	18	1	11
Phoenix (Arizona)			1			171	2,389	78		3
Portland (Oregon)				1		415	3,033	477		128
Reno (Nevada)	1			1	2	52	1,165	1,353		167
Salt Lake City (Utah)					1	190	1,149	91		616
San Francisco (See (b) below)				1	2	858	11,115	64		7
Seattle (See (a) and (j) below)					4	541	3,017	2,467		2,911
Totals for States and Territories not shown above										
(a) Alaska					2	57	576	224		189
(b) California	4			33	5	1,723	20,074	82	1	18
(c) Illinois				5	6	2,107	18,605	1,614	11	661
(d) Missouri					4	1,160	10,400	56	7	47
(e) New Jersey	1			1		976	11,200	18		10
(f) New York	1	3		6	5	2,052	25,160	6		18
(g) Ohio				1	80	1,927	17,728	140		289
(h) Pennsylvania	2			1	3	2,624	27,035	237		202
(i) Texas				1	1	1,751	14,362	51	6	293
(j) Washington					2	484	2,441	2,243		2,722

Table 14.—Appellate Division processing of protested income, profits, estate, and gift tax cases prior to issuance of statutory notice of deficiency (pre-90-day cases)

A. Progress of work

Status	Number of cases	Amount stated in revenue agent's report (thousand dollars)		
		Deficiency in tax	Penalty	Overassessment
	(1)	(2)	(3)	(4)
Pending in pre-90-day status July 1, 1957	11, 123	532, 585	34, 837	182, 847
Net receipts from district directors during year	16, 512	407, 779	29, 720	117, 502
Processed during year, total	15, 241	455, 711	32, 023	129, 126
Agreed	10, 109	311, 562	17, 592	123, 105
Unagreed overassessments and claim rejections	604	59	1	4, 274
Statutory notices issued—transferred to 90-day status	4, 528	144, 089	14, 430	1, 747
Pending in pre-90-day status June 30, 1958	12, 394	484, 653	32, 534	171, 223

B. Results obtained in cases processed

Method	Number of cases	Appellate determination (thousand dollars)		
		Deficiency in tax	Penalty	Overassessment
	(1)	(2)	(3)	(4)
Processed during year, total	15, 241	333, 736	18, 536	135, 878
Agreed	10, 109	172, 983	5, 560	132, 853
Unagreed overassessments and claim rejections	604	12	1	2, 821
Statutory notices issued—transferred to 90-day status	4, 528	160, 741	12, 976	204

Table 15.—Appellate Division processing of protested income, profits, estate, and gift tax cases in which statutory notices of deficiency were outstanding (90-day cases)

A. Progress of work

Status	Number of cases	Amount stated in statutory notice (thousand dollars)		
		Deficiency in tax	Penalty	Overassessment
	(1)	(2)	(3)	(4)
Pending in 90-day status July 1, 1957	1, 453	85, 993	9, 684	168
Net receipts during year, total	4, 945	180, 233	13, 567	194
Statutory notices issued by Appellate Division [1]	4, 469	167, 546	13, 026	194
Cases resulting from district directors' statutory notices	476	12, 686	541	(*)
Processed during year, total	4, 524	219, 812	19, 245	357
Agreed	728	9, 927	240	9
Defaulted	1, 095	15, 956	1, 932	293
Petitioned to the Tax Court—transferred to docketed status	2, 701	193, 929	17, 073	55
Pending in 90-day status June 30, 1958	1, 874	46, 414	4, 006	5

* Less than $500.

[1] Difference from table 14—transferred to 90-day status—is caused by cases being combined or split for the purpose of issuing the statutory notice, cases in transit, etc.

B. Results obtained in cases processed

Method	Number of cases	Appellate determination (thousand dollars)		
		Deficiency in tax	Penalty	Overassessment
	(1)	(2)	(3)	(4)
Processed during year, total	4, 524	215, 001	19, 120	377
Agreed	728	5, 116	115	29
Defaulted	1, 095	15, 956	1, 932	293
Petitioned to the Tax Court—transferred to docketed status	2, 701	193, 929	17, 073	55

Table 16.—Appellate Division processing of income, profits, estate, and gift tax cases petitioned to the Tax Court (docketed cases)

A. Progress of work

Status	Number of cases	Amount petitioned (thousand dollars)		
		Deficiency in tax	Penalty	Overassessment
	(1)	(2)	(3)	(4)
Pending in docketed status July 1, 1957	8,761	542,082	99,717	8,224
Net receipts during year, total	6,272	343,490	34,408	[2] (−221)
Petitions filed in response to—				
District directors' statutory notices	3,677	167,421	19,392	10
Appellate Division's statutory notices [1]	2,546	173,311	14,590	[2] (−232)
Cases reconsidered after trial	49	2,758	425	
Processed during year, total	4,638	200,657	28,178	1,444
Agreed—stipulated	3,478	149,137	21,155	1,319
Dismissed or defaulted	353	7,900	801	30
Tried before the Tax Court on merits	807	43,621	6,223	95
Pending in docketed status June 30, 1958	10,395	684,914	105,947	6,559

[1] Difference from table 15—transferred to docketed status—is caused by excluding district directors' statutory notices considered by appellate in 90-day status, cases in transit, etc.
[2] Includes net reduction of $264,062 in amount pending July 1, 1957, due primarily to reclassification of cases.

B. Results obtained in cases processed

Method	Number of cases	Appellate determination (thousand dollars)		
		Deficiency in tax	Penalty	Overassessment
	(1)	(2)	(3)	(4)
Processed during year, total	4,638	116,514	16,791	12,879
Agreed—stipulated	3,478	64,994	9,783	12,754
Dismissed or defaulted	353	7,899	786	30
Tried before the Tax Court on merits [1]	807	43,621	6,223	95

[1] Represents amounts petitioned. Results as to decisions rendered by the Tax Court during the year are shown in table 18.

Table 17.—Receipt and disposal of income, profits, estate, and gift tax cases in the Tax Court

Status	Number of cases	Amount in dispute (thousand dollars)		
		Deficiency in tax	Penalty	Overpayment
	(1)	(2)	(3)	(4)
Pending July 1, 1957	9,682	613,806	99,717	992,971
Filed or reopened during year	6,250	351,615	28,185	22,831
Disposed of during year	4,599	199,010	21,955	326,355
Pending June 30, 1958	11,333	766,411	105,947	689,448

Table 18.—Results obtained in income, profits, estate, and gift tax cases disposed of in the Tax Court

Basis of closing	Number	Amount in dispute		Amount approved		Saved or recovered	
		Deficiency and penalty	Overpayment	Deficiency and penalty	Overpayment	Amount	Percent of amount in dispute
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		(Thousand dollars)					
Total	4,599	220,965	326,355	102,612	3,254	425,713	77.8
Dismissed	353	8,700	14,607	8,685	(*)	23,292	99.9
Decision on merits	768	41,974	28,333	19,151	3,249	44,234	62.9
Agreed settlement	3,478	170,291	283,415	74,776	4	358,187	78.9

*Less than $500.

Table 19.—Receipt and disposal of Tax Court cases in courts of appeals or in Supreme Court

Status	In courts of appeals		In Supreme Court	
	Number of cases	Amount (thousand dollars)	Number of cases	Amount (thousand dollars)
	(1)	(2)	(3)	(4)
Pending July 1, 1957, total	420	39,263	11	472
Appealed by Commissioner	32	1,521	10	460
Appealed by taxpayers	371	29,279	1	12
Appealed by both	17	8,463		
Appealed during year, total	275	29,977	6	55
By Commissioner	45	8,079	1	33
By taxpayers	223	21,724	5	22
By both	7	174		
Disposed of during year, total [1]	324	23,864	4	56
Favorable to Commissioner	168	9,645	1	12
Favorable to taxpayers	63	7,521	3	43
Modified	51	2,961		
Settled	16	2,914		
Dismissed	26	824		
Pending June 30, 1958, total	371	45,376	13	471
Appealed by Commissioner	48	8,392	8	449
Appealed by taxpayers	313	36,550	5	22
Appealed by both	10	435		

[1] The number of cases disposed of does not agree with the number of cases in which decisions were rendered by these courts during the year, due to the time required for retrial, recomputation of tax, etc. For the number of decisions, see table 21.

Table 20.—Receipt and disposal of suits filed by taxpayers in Federal courts

Status	Total (1)	Court of Claims (2)	District courts (3)
Pending July 1, 1957: [1]			
Cases ... number	2,799	468	2,331
Amount in dispute ... thousand dollars	459,437	272,210	187,227
Received during year:			
Cases ... number	1,325	185	1,140
Amount in dispute ... thousand dollars	104,097	46,230	57,867
Disposed of during year: [2]			
Cases ... number	1,311	166	1,145
Amount in dispute ... thousand dollars	98,411	35,657	62,754
Refunded during year:			
Amount ... thousand dollars	32,764	13,813	18,951
Percent of amount disposed of	33.29	38.74	30.20
Pending June 30, 1958: [1]			
Cases ... number	2,813	487	2,326
Amount in dispute ... thousand dollars	465,123	282,782	182,341

Note.—Suits filed by taxpayers are primarily suits for refund of taxes (other than those relating to alcohol, tobacco, and firearms taxes).

[1] Inventories at beginning and close of year included 3 processing tax cases involving $108,136.83.

[2] The number of cases disposed of does not agree with the number of cases in which decisions were rendered by these courts during the year, due to settlements by stipulation, dismissals, and the time required for retrial, recomputation of tax, etc. In the Court of Claims the number of decisions was 55, of which 17 were for the Government, 31 against the Government, and 7 partly for and partly against the Government. In the district courts 472 decisions were rendered, of which 173 were for the Government, 265 against the Government, and 34 partly for and partly against the Government. For decisions by courts of appeals and the Supreme Court, see table 21.

Table 21.—Civil tax cases decided by courts of appeals and Supreme Court

Court	Total (1)	For the Government (2)	Against the Government (3)	Partly for and partly against the Government (4)
Total	384	240	118	26
By courts of appeals, total	365	228	112	25
Originally tried in—				
Tax Court	258	167	69	22
District courts	107	61	43	3
By Supreme Court, total	19	12	6	1
Originally tried in—				
Tax Court	12	7	5	
District courts	7	5	1	1
Court of Claims				

Note.—Except for Supreme Court cases, the cases covered by tables 24 and 25 are not included.

Table 22.—Receipt and disposal of claims pending and suits filed by the United States in Federal and State courts

Status	Number			Amount (thousand dollars)		Percent recovered
	Total (1)	In suit (2)	Not in suit (3)	In dispute (4)	Recovered (5)	(6)
Pending July 1, 1957	484	451	33	14,585		
Received during year in suit and for institution of suit	41	26	15	2,611		
Total		477	48			
Suits instituted during year		17	17			
Total to be accounted for	525	494	31	17,196		
Disposed of during year	434	422	12	14,218	7,284	51.23
Pending June 30, 1958	91	72	19	2,978		

Note.—This table includes primarily cases pertaining to the perpetuation of testimony; subpoenas, summonses, and personnel (other than those relating to alcohol, tobacco, and firearms taxes).

Table 23.—Receipt and disposal by the Office of the Chief Counsel of collection, erroneous refund, subpoena, and injunction cases

Status	Number of cases
Pending July 1, 1957	729
Received	1,475
Total	2,204
Disposed of	1,059
Pending June 30, 1958	1,145

Note.—This table inclu des cases handled at national and regional levels which are under consideration for suit or are in suit in Federal and State courts. It does not include cases relating to alcohol, tobacco, and firearms taxes, neither does it pertain to insolvency and debtor proceedings or lien cases which are included in tables 24 and 25.

Table 24.—Receipt and disposal by the Office of the Chief Counsel of insolvency and debtor proceedings

Status	Total (1)	Reorganization proceedings [1] (2)	Bankruptcy and receivership proceedings [2] (3)	Miscellaneous insolvency proceedings [3] (4)
Pending July 1, 1957	1,601	752	339	510
Received	2,393	979	761	653
Total	3,994	1,731	1,100	1,163
Disposed of	2,251	940	675	636
Pending June 30, 1958	1,743	791	425	527

Note.—Includes cases handled at national and regional levels.

[1] Proceedings instituted under the following sections or chapters of the Bankruptcy Act: Secs. 75 (agricultural compositions and extensions) and 77 (railroad reorganizations) and chs. X (corporate reorganizations), XI (arrangements as to unsecured indebtedness), XII (real property arrangements), and XIII (wage earners' plans), which involve tax claims and other rights and interests of the United States, and also require action by lawyers.

[2] Bankruptcy liquidation proceedings and Federal or State receivership proceedings which involve tax claims of the United States, and also require action by lawyers.

[3] Proceedings relating to corporate dissolutions, insolvent banks, assignments for the benefit of creditors or administration of estates of decedents, which involve tax claims of the United States, and also require action by lawyers.

Table 25.—Receipt and disposal by the Office of the Chief Counsel of lien cases and noncourt civil advisory cases

Status	Total	Lien cases		Noncourt civil advisory cases [3]
		In court [1]	Not in court [2]	
	(1)	(2)	(3)	(4)
Pending July 1, 1957	1, 290	633	194	463
Received	6, 580	2, 307	2, 187	2, 086
Total	7, 870	2, 940	2, 381	2, 549
Disposed of	6, 260	2, 134	2, 162	1, 964
Pending June 30, 1958	1, 610	806	219	585

Note.—Includes cases handled at national and regional levels.

[1] Primarily suits for foreclosure by mortgagees or other secured creditors and suits to quiet title to which the United States is made a party.

[2] Primarily applications for discharge of property from tax liens.

[3] Primarily memorandums on civil advisory matters from regional counsel to district directors which are not related to court proceedings or lien cases.

Table 26.—Obligations incurred by the Internal Revenue Service

[In thousands of dollars]

Internal Revenue office, district, or region	Total	Salaries	Travel	Communication services	Rent and utility services	Supplies and equipment	Other
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
A. National Office and regional totals (including district directors' offices and service centers)							
Total, Internal Revenue Service	337, 429	285, 838	8, 137	5, 967	1, 914	4, 962	30, 611
National Office	32, 439	17, 312	840	3, 408	104	1, 125	9, 650
Atlanta region	28, 231	24, 301	1, 035	208	86	464	2, 137
Boston region	21, 717	18, 738	358	186	622	357	1, 456
Chicago region	34, 726	30, 961	649	282	59	375	2, 400
Cincinnati region	39, 080	34, 243	905	326	449	496	2, 661
Dallas region	22, 567	19, 704	824	165	15	304	1, 555
New York City region	39, 090	35, 398	352	407	27	351	2, 555
Omaha region	27, 129	23, 910	932	163	52	311	1, 761
Philadelphia region	41, 936	37, 647	620	360	65	416	2, 828
San Francisco region	40, 301	35, 044	950	340	400	597	2, 970
Regional counsel	4, 940	4, 295	98	80	14	121	332
Regional inspection	3, 618	2, 856	506	37	----------	18	201
International Operations Division	1, 654	1, 429	68	4	21	27	105
B. Regional commissioners' offices							
Atlanta region	5, 531	4, 362	308	50	14	218	579
Boston region	2, 405	2, 080	49	26	6	58	186
Chicago region	4, 322	3, 764	85	44	4	96	329
Cincinnati region	6, 758	5, 854	201	42	6	147	508
Dallas region	3, 040	2, 547	122	27	6	76	262
New York City region	6, 145	5, 455	92	69	2	101	426
Omaha region	3, 390	2, 804	198	29	28	82	249
Philadelphia region	6, 124	5, 306	163	52	10	112	481
San Francisco region	4, 862	4, 118	228	43	15	98	360
C. District directors' offices and service centers							
Atlanta:							
Atlanta	3, 832	3, 372	121	24	1	41	273
Birmingham	2, 838	2, 521	85	20	----------	27	185
Columbia	2, 048	1, 737	66	13	68	22	142
Greensboro	3, 997	3, 525	145	27	----------	34	266
Jackson	1, 596	1, 389	70	16	----------	18	103
Jacksonville	4, 887	4, 271	149	35	3	74	355
Nashville	3, 503	3, 124	91	24	----------	30	234

Table 26.—Obligations incurred by the Internal Revenue Service—Continued

[In thousands of dollars]

Internal Revenue office, district, or region	Total	Salaries	Travel	Communication services	Rent and utility services	Supplies and equipment	Other
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
C. District directors' offices and service centers—Continued							
Boston:							
Augusta	1, 331	1, 177	47	12	1	14	80
Boston	7, 526	6, 830	109	76	5	47	459
Burlington	630	548	27	7	----------	10	38
Hartford	4, 115	3, 703	75	29	9	38	261
Portsmouth	931	817	34	9	1	13	57
Providence	1, 566	1, 422	15	18	1	13	97
Northeast Service Center	3, 213	2, 161	2	9	599	164	278
Chicago:							
Chicago	11, 734	10, 592	104	113	20	104	801
Detroit	9, 543	8, 569	161	64	25	87	637
Milwaukee	4, 953	4, 387	113	36	4	49	364
Springfield	4, 174	3, 649	186	25	6	39	269
Cincinnati:							
Cincinnati	3, 278	2, 934	51	18	8	47	220
Cleveland	6, 273	5, 654	75	66	20	58	400
Columbus	2, 035	1, 824	47	14	1	19	130
Indianapolis	5, 354	4, 805	121	29	11	48	340
Louisville	3, 267	2, 862	109	29	2	36	229
Parkersburg	2, 196	1, 889	87	20	19	28	153
Richmond	4, 155	3, 645	158	42	1	42	267
Toledo	2, 079	1, 860	53	14	1	21	130
Midwest Service Center	3, 685	2, 916	3	52	380	50	284
Dallas:							
Albuquerque	1, 009	866	45	9	5	17	67
Austin	5, 465	4, 808	191	38	----------	64	364
Dallas	5, 403	4, 745	204	36	3	57	358
Little Rock	1, 683	1, 448	87	12	1	23	112
New Orleans	3, 169	2, 813	98	21	----------	32	205
Oklahoma City	2, 798	2, 477	77	22	----------	35	187
New York City:							
Albany	2, 447	2, 187	52	26	3	22	157
Brooklyn	7, 644	6, 960	39	93	7	64	481
Buffalo	3, 511	3, 185	52	26	3	25	220
Lower Manhattan	6, 944	6, 356	25	60	4	46	453
Upper Manhattan	10, 211	9, 315	30	116	6	67	677
Syracuse	2, 188	1, 940	62	17	2	26	141
Omaha:							
Aberdeen	932	801	57	4	----------	11	59
Cheyenne	620	530	36	4	----------	12	38
Denver	2, 553	2, 276	60	22	1	27	167
Des Moines	3, 363	2, 991	115	19	3	26	209
Fargo	880	753	55	5	4	10	53
Kansas City	2, 521	2, 273	56	10	1	23	158
Omaha	2, 107	1, 868	63	10	1	21	144
St. Louis	3, 497	3, 162	64	14	3	33	221
St. Paul	4, 251	3, 798	112	25	4	40	272
Wichita	3, 015	2, 654	116	21	7	26	191
Philadelphia:							
Baltimore	7, 435	6, 751	81	67	5	53	478
Camden	2, 730	2, 429	53	17	28	24	179
Newark	7, 548	6, 822	63	95	11	65	492
Philadelphia	9, 056	8, 178	118	68	3	75	614
Pittsburgh	5, 876	5, 306	85	44	7	52	382
Scranton	2, 148	1, 931	42	13	1	26	135
Wilmington	1, 019	924	15	4	----------	9	67
San Francisco:							
Boise	1, 011	874	47	9	----------	14	67
Helena	1, 041	898	51	8	----------	14	70
Honolulu	1, 212	1, 102	18	10	----------	10	72
Los Angeles	11, 779	10, 580	152	112	21	136	778
Phoenix	1, 340	1, 178	41	13	1	20	87
Portland	2, 558	2, 254	82	18	8	26	170
Reno	801	705	19	6	5	9	57
Salt Lake City	1, 190	1, 061	29	7	----------	14	79
San Francisco	8, 220	7, 360	154	74	5	77	550
Seattle	4, 087	3, 584	125	37	3	46	292
Western Service Center	2, 200	1, 330	4	3	342	133	388

Table 27.—Cost of printing and binding

Class of work	1958			1957		
	Quantity (thousands)		Cost (thousand dollars)	Quantity (thousands)		Cost (thousand dollars)
	Items or sets	Packages		Items or sets	Packages	
	(1)	(2)	(3)	(4)	(5)	(6)
Total	1, 662, 537	----------	7, 312	r 1, 663, 253	----------	r 7, 517
Packages of tax returns and instructions for major mailings to taxpayers, total	400, 502	67, 700	1, 035	281, 890	60, 356	1, 035
Package 1 (Form 1040 nonbusiness)	131, 700	26, 340	431	142, 630	28, 526	521
Package 2 (Form 1040 nonbusiness with estimated tax)	29, 718	4, 953	94	21, 600	3, 600	78
Package 3 (Form 1040 business)	48, 944	6, 118	183	53, 600	6, 700	239
Package 4 (Form 1040 farm)	26, 776	3, 347	101	28, 000	3, 500	127
Form 1040A	38, 244	19, 122	67	36, 060	18, 030	70
Employment tax package [1]	125, 120	7, 820	159	----------	----------	----------
Other tax returns, instructions, public-use forms, and pamphlets	826, 458	----------	2, 547	1, 002, 139	----------	2, 721
Administrative forms and pamphlets	374, 365	----------	981	325, 575	----------	1, 285
Field printing	61, 212	----------	202	53, 649	----------	171
Excise tax stamps	(2)	----------	2, 547	(2)	----------	2, 305

r Revised.

[1] Employment tax returns and instructions were prepared in package form for the first time in 1958; includes purchases for both 1957 and 1958 tax years.

[2] Excise tax stamps numbered 23,808,601,690 in 1958 and 23,795,722,400 in 1957. These figures are not included in the total.

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