

COMMISSIONER OF
**INTERNAL
REVENUE**



annual report
for the fiscal year
ended June 30, 1957

Internal Revenue Service
United States Treasury Department
Publication Number 55

Summary and Transmittal

TREASURY DEPARTMENT,
OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE,
Washington, D. C., December 12, 1957.

DEAR MR. SECRETARY:

The employees of the Internal Revenue Service established new high records in work performance in nearly every major category last year. Thereby they provided a sound basis for our new program to create a "Blue Ribbon" career service.

The demands of the Revenue Service for integrity, ability, and diligence can only be met by a corps of employees who are proud of their work and confident of their future. To assure this attitude we have established procedures to make sure that we hire only fully qualified persons, that we train them thoroughly, that we promote the deserving promptly and on a strict merit basis, that we pay them salaries commensurate with the work they perform, and that we provide the facilities and equipment necessary to their offices.

First fruits of this program were the establishment of higher work standards for revenue agents and collection officers, bringing with them positive assurance of correspondingly higher salaries. With the help of special committees, composed both of expert outsiders and topnotch veterans of our Service, tremendous strides also were made in improving the training materials and schedules for these employees. Of course, all branches of the Revenue Service are to be included in the program as soon as possible.

In the report that follows will be found comprehensive information on the work of the Revenue Service in the last fiscal year. This record is one of increased numbers of returns and collections, of expanded audit and delinquent account activity, of larger additional assessments, and of more prosecutions as the result of income and excise tax enforcement efforts.

For the second straight year, backlogs of delinquent accounts have been reduced somewhat. In the appellate area, however, there has been some increase in the number of appeals and in the inventory of pending appeal cases. This is the inevitable result of the increased number and effectiveness of our audits.

The report also describes the increasing mechanization of our returns processing system and the renewed vigor of the alcohol tax enforcement program.

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—	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	D 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. Masen	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 Burnell	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	

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 Deik, of Virginia, from Nov. 1 to Dec. 5, 1955.

PRINCIPAL OFFICERS OF THE INTERNAL REVENUE SERVICE AS OF JUNE 30, 1957

NATIONAL OFFICERS

Office of the Commissioner

Commissioner	Russell C. Harrington
Deputy Commissioner	O. Gordon Deik
Assistant to the Commissioner	Richard W. Nelson
Division Directors:	
Planning Staff	James R. Turner
Administrative Assistant to the Commissioner	Ernest J. Engquist, Jr.
Division Directors:	
Operating Facilities	Bruce McNair
Personnel	Amos N. Latham, Jr.
Fiscal Management Officer	Gray W. Hume, Jr.
Technical Advisor to the Commissioner	Leo Speer
Director, Public Information Division	James C. Rivers
Director of Practice	George C. Lea

Operations

Assistant Commissioner	Clifford W. Slowe
Executive Assistant to Assistant Commissioner	Arthur H. Kleiz
Division Directors:	
Alcohol and Tobacco Tax	Dwight E. Avis
Appellate	H. J. Denny, Jr.
Audit	Ernest H. Vaughn
Collection	Robert L. Jack
Intelligence	J. Perry August
International Operations	L. Harold Moss

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

Inspection

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

Office of the Chief Counsel

Chief Counsel	Nelsen P. Rose
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	Elison C. Palmer
Assistant Regional Commissioners:	
Administration	Burton M. Graham
Alcohol and Tobacco Tax	Louis E. Howell
Appellate	Norman C. Bailey
District Directors:	
Atlanta, Ga.	William J. Bookholt
Birmingham, Ala.	George D. Patterson, Jr.
Columbia, S. C.	Robert C. Pitts
Greensboro, N. C.	Philip K. Sanders
Jackson, Miss.	James L. Enoch
Jacksonville, Fla.	Laurie W. Tomlinson
Nashville, Tenn.	James M. Reuntree
Regional Counsel	William H. Loeb
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
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. Emler
Providence, R. I.	John A. D'Connell
Regional Counsel	John W. Edwards
Regional Inspector	Emanuel M. Schuster
Director, Northeast Service Center, Lawrence, Mass.	William H. Weaver

Chicago Region

Regional Commissioner	William N. Woodruff ¹
Assistant Regional Commissioners:	
Administration	Milton T. Houghton
Alcohol and Tobacco Tax	William N. Woodruff
Appellate	Clarence W. Sebring
District Directors:	
Chicago, Ill.	H. Alan Long
Detroit, Mich.	Albert M. Menninger
Milwaukee, Wis.	Emil J. Nelson
Springfield, Ill.	Hezzie J. White
Regional Counsel	John D. Kiley
Regional Inspector	Raphael I. Nixen

¹ Acting.

Cincinnati Region

Regional Commissioner.....	Norman B. Eshleman
Assistant Regional Commissioners:	
Administration.....	Alvin M. Kelley
Alcohol and Tobacco Tax.....	Henry R. Petersen
Appellate.....	G. Waldron Snyder
District Directors:	
Cincinnati, Ohio.....	Russell A. Welch
Cleveland, Ohio.....	Parker C. Williams
Columbus, Ohio.....	Nathaniel Looker
Indianapolis, Ind.....	Sterling M. Dietrich
Regional Counsel.....	
Regional Inspector.....	Gordon M. Anderson
Audit.....	Meivin Burton
Collection.....	William J. Grabo
Intelligence.....	Thomas P. McGovern
Louisville, Ky.....	William M. Gray
Parkersburg, W. Va.....	Philip L. Charles
Richmond, Va.....	Clifford W. Grotzbach
Toledo, Ohio.....	Gilbert C. Hoaks
	Clarence E. Price
	Gordon M. Anderson

Dallas Region

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

New York City Region

Regional Commissioner.....	Alfred W. Fleming
Assistant Regional Commissioners:	
Administration.....	Norman D. Nowak
Alcohol and Tobacco Tax.....	William E. Dunigan
Appellate.....	Ralph M. Hoine
District Directors:	
Albany, N. Y.....	Riley J. Ratterree
Brooklyn, N. Y.....	Thomas E. Scanlon
Buffalo, N. Y.....	Eugene C. Coyle, Jr.
Regional Counsel.....	
Regional Inspector.....	Frank S. Turbett, Jr.
Audit.....	Richard D. Donoghue
Collection.....	Raymond A. Hennessy
Intelligence.....	Francis J. Kennedy
Lower Manhattan.....	Raphael Meisels
Upper Manhattan.....	Kenneth W. Moe
Syracuse, N. Y.....	Alva M. Meyers
	Elmer T. Kemper
	Frank S. Turbett, Jr.

Omaha Region

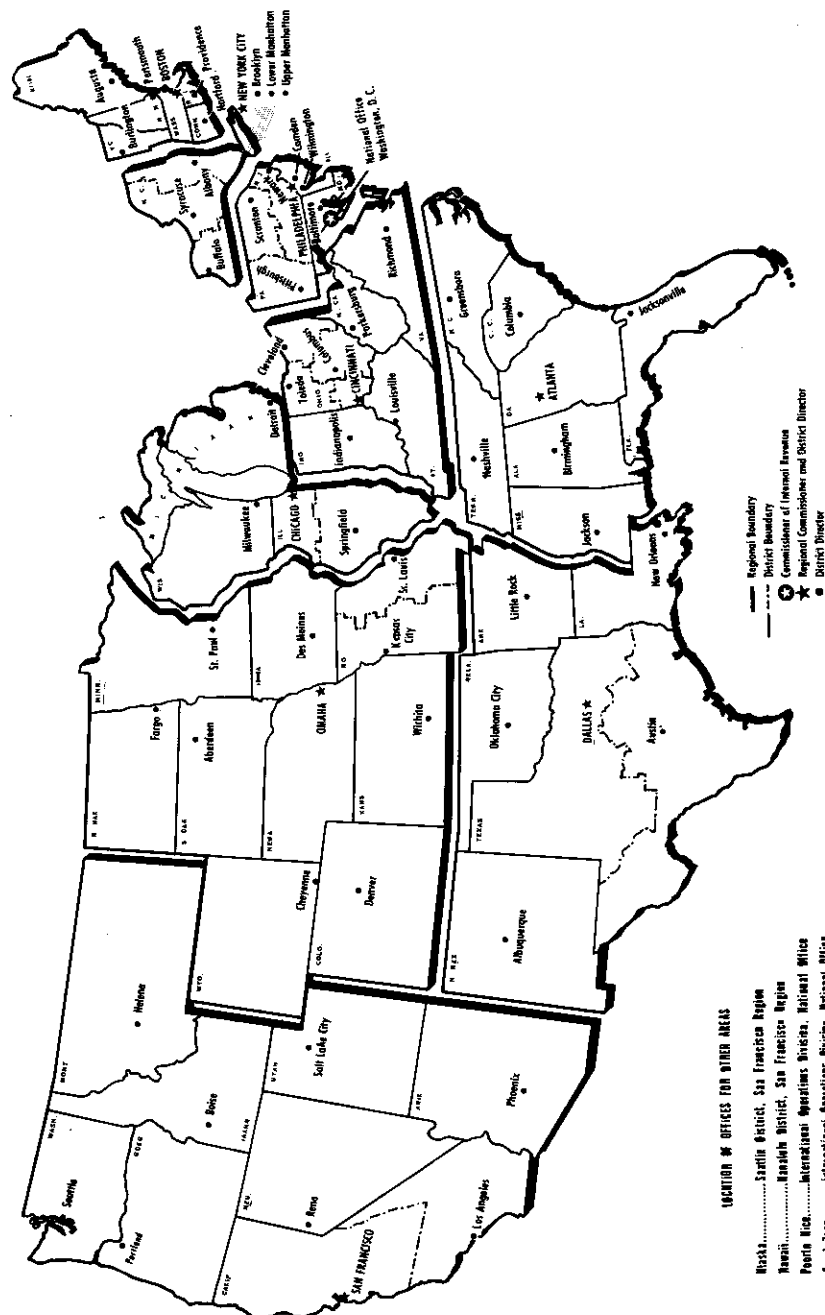
Regional Commissioner.....	Harold Hawkins
Assistant Regional Commissioners:	
Administration.....	Orland V. Steele
Alcohol and Tobacco Tax.....	William K. Lilley
Appellate.....	Vance N. Bates
District Directors:	
Aberdeen, S. Dak.....	William C. Welsh
Cheyenne, Wyo.....	Frank G. Clark
Denver, Colo.....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

Philadelphia Region

Regional Commissioner.....	L. Alfred Chamberlin
Assistant Regional Commissioners:	
Administration.....	Robert D. McDowell
Alcohol and Tobacco Tax.....	Louis DeCarlo
Appellate.....	William E. Steynen
District Directors:	
Baltimore, Md.....	Clarence I. Fox, Jr.
Camden, N. J.....	Chris L. Gross
Newark, N. J.....	Joseph F. J. Mayer
Philadelphia, Pa.....	Edgar A. McGinnis
Regional Counsel.....	
Regional Inspector.....	William A. Costello
Audit.....	Joseph M. Sheltz
Collection.....	Edward J. Manning
Intelligence.....	Wesley E. Craig
Pittsburgh, Pa.....	John H. Bingle
Scranton, Pa.....	Richard P. Brownell
Wilmington, Del.....	Horace L. Brown
	Cecil H. Haas
	William A. Costello

San Francisco Region

Regional Commissioner.....	Ernest C. Wright
Assistant Regional Commissioners:	
Administration.....	Homer C. Gant
Alcohol and Tobacco Tax.....	Henry G. Northorst
Appellate.....	Joseph B. Harlacher
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
Regional Counsel.....	
Regional Inspector.....	Frederick W. Bearman
Director, Western Service Center, Ogden, Utah.....	
Audit.....	Joseph M. Cullen
Collection.....	Homer O. Crossman
Intelligence.....	Walter H. Thomas
Portland, Ore.....	Ralph C. Granquist
Reno, Nev.....	Vaughn W. Evans
Salt Lake City, Utah.....	Charles I. Fox
San Francisco, Calif.....	Vacant
Seattle, Wash.....	William E. Frank
	Molvin L. Sears
	Scott C. McCari
	Frederick W. Bearman



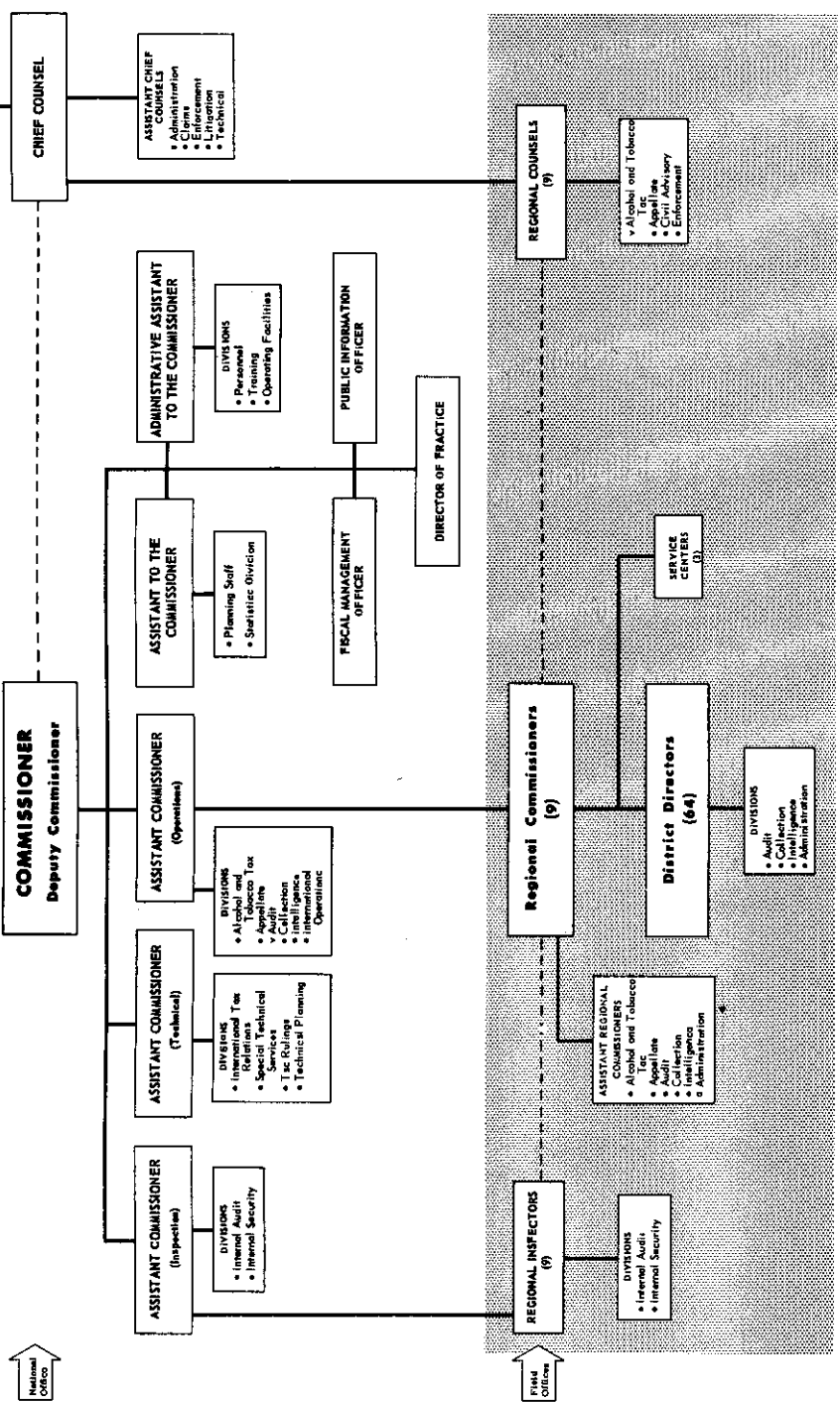


Chart of Internal Revenue Service Organization (as of June 30, 1957).

REPORT ON OPERATIONS

Note.—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 rose to a total of \$80,171,971,000 in the fiscal year 1957. This represents an increase of more than \$5,000,000,000, or almost 7 percent, over the \$75,112,649,000 collected in the fiscal year 1956.

All major classes of taxes contributed to the overall increase in collections. Income taxes of all types rose by 6.9 percent. The additional \$3,924,261,000 collected from income taxes accounted for over three-fourths of the rise in grand total internal revenue collections. Employment tax collections increased by \$284,738,000, or 3.9 percent. Excise tax collections (including alcohol and tobacco taxes) in fiscal year 1957 increased by \$633,349,000, or 6.3 percent more than collections in the preceding year. Estate and gift taxes rose by \$206,762,000, or 17.7 percent.

A comparison of collections by major categories follows:

Internal revenue collections

[In thousands of dollars. For details, see appendix table 3, pp. 96-98]

Source	Fiscal year—	
	1957	1956
Grand total	80,171,971	75,112,649
Income taxes, total	60,560,425	56,636,164
Corporation	21,530,653	21,298,522
Individual, total	39,029,772	35,337,642
Withheld by employers ¹	26,727,543	24,015,676
Other ²	12,302,229	11,321,966
Employment taxes, total	7,580,522	7,295,784
Old-age insurance ²	6,634,467	6,336,805
Unemployment insurance	330,034	324,656
Carriers taxes—old-age benefits	616,020	634,323
Estate and gift taxes	1,377,999	1,171,237
Alcohol taxes	2,973,195	2,920,574
Tobacco taxes	1,674,050	1,613,497
Other excise taxes	5,990,299	5,470,124
Taxes not otherwise classified ³	15,482	5,269

¹ Collections during fiscal year 1957 are adjusted to exclude \$3,767,000 transferred to the Government of Guam. For details, see appendix Table 1 and footnotes 3 and 6.

² Estimated. Collections of individual income tax withheld are not reported separately from old-age insurance taxes on wages and salaries. Similarly, collections of individual income tax not withheld are not reported separately from old-age insurance tax on self-employment income. The amount of old-age insurance tax collections shown is based on estimates made by the Secretary of the Treasury pursuant to the provisions of sec. 109(a)(2) of the Social Security Act Amendments of 1950 and includes both classes of old-age insurance taxes mentioned above. The estimates shown for the 2 classes of individual income taxes were derived by subtracting the old-age insurance tax estimates from the combined totals reported.

³ Includes amounts of unidentified and excess collections, depositary receipts outstanding 6 months or more for which no tax account can be found, and profit from sale of acquired property.

Individual Income Taxes

The continued rise in personal incomes was reflected in the collections of individual income taxes during fiscal year 1957. Total individual income taxes, including those withheld and those not withheld, rose by over 10 percent, from \$35,337,642,000 in fiscal year 1956 to \$39,029,772,000 in fiscal year 1957. These taxes accounted for almost one-half of the total internal revenue. Withheld taxes rose by 11.3 percent from the preceding year, and accounted for more than two-thirds of all individual income taxes. Nonwithheld taxes, accounting for less than one-third of all individual income taxes, increased by 8.7 percent.

Corporation Income Taxes

Corporation income taxes collected during fiscal year 1957 aggregated \$21,530,653,000, and accounted for almost 27 percent of total internal revenue. These collections were \$232,131,000, or 1.1 percent, more than collections in fiscal year 1956.

Employment Taxes

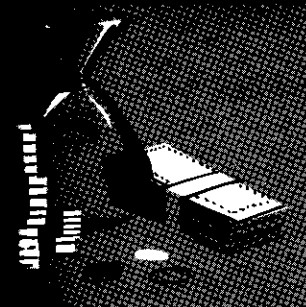
Employment taxes collected during fiscal year 1957 totaled \$7,580,522,000, an increase of \$284,738,000, or 3.9 percent, over the preceding year. The increase in employment taxes was the net result of an increase of almost \$300,000,000 in Federal old-age insurance taxes, and a moderate increase in taxes collected under the Federal Unemployment Tax Act, offset in small part by a decline in taxes collected under the Railroad Retirement Act.

Other Internal Revenue Collections

Other internal revenue collections, including estate and gift taxes, alcohol and tobacco taxes, and other excise taxes, amounted to \$12,031,025,000 during fiscal year 1957. This represents an increase of \$850,324,000, or 7.6 percent, over similar collections during fiscal year 1956. The largest relative increase occurred for estate and gift taxes which rose by 17.7 percent. Alcohol and tobacco tax collections rose by 2.5 percent, and other excise taxes increased by 9.5 percent.

internal revenue collection

fiscal years 1956 and 1957



billions of dollars

CORPORATION
INCOME AND
PROFITS TAXES

21.3

21.5

INDIVIDUAL
INCOME TAXES

35.3

39.0

EMPLOYMENT
TAXES

7.3

7.6

ALL OTHER
(ESTATE, GIFT,
AND EXCISE)

11.2

12.0

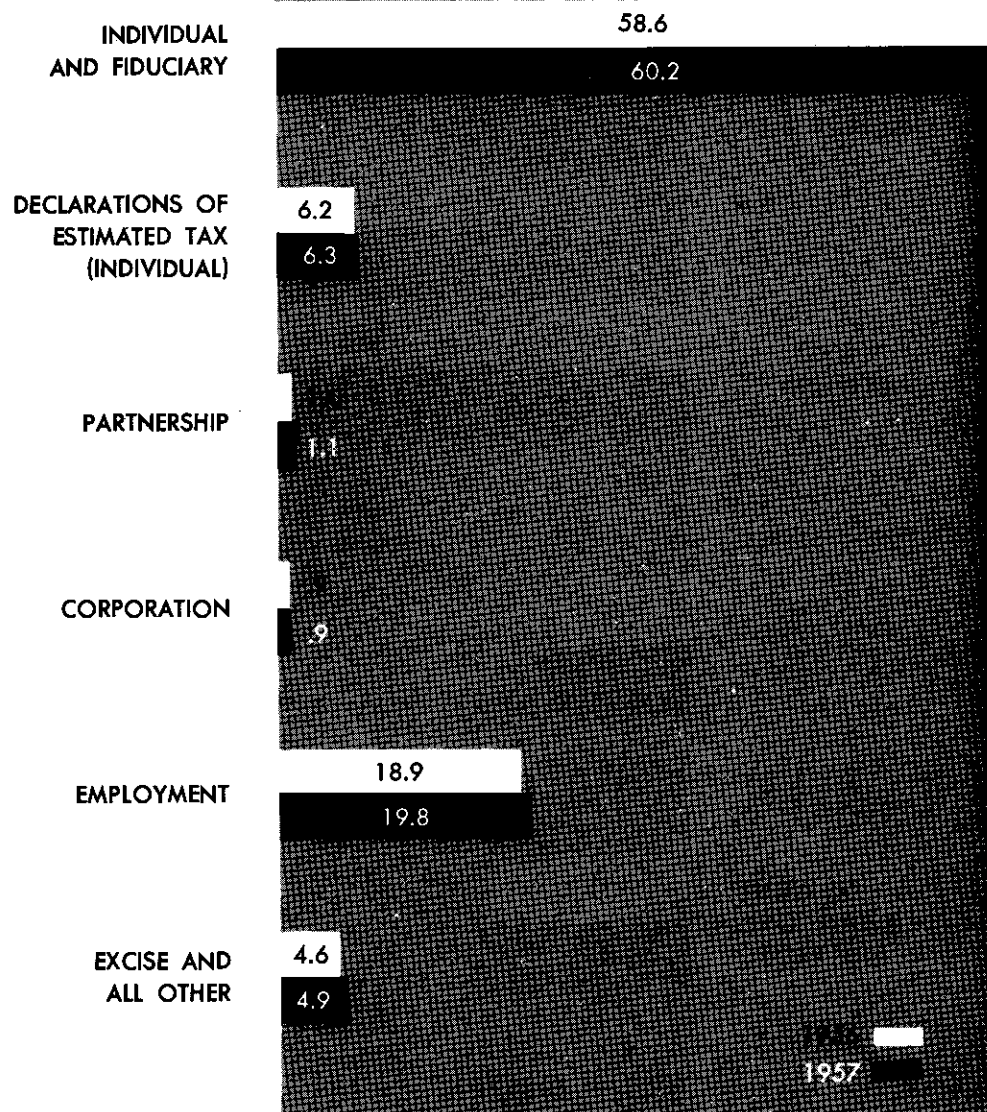
1957

TOTALS: 1956 — \$75.1 BILLION

number of returns filed

fiscal years 1956 and 1957

(millions)



TOTALS: 1956—90.2 MILLION

RECEIPT AND PROCESSING OF RETURNS

Number of Tax Returns

A total of 93,160,000 tax returns of all kinds was filed during the year. This represents an increase of 2,964,000 returns, or 3.3 percent, over the number filed in the previous year.

Generally, the increase was spread throughout the various categories of returns. However, a significant shift of individual income tax returns from Form 1040 to Form 1040A occurred as the result of new Revenue Service policies encouraging the use of the punchcard Form 1040A so as to facilitate mechanical processing in regional service centers (see page 8). The combined number of individual income tax returns was 59,427,000, an increase of 2.6 percent. However, the 45,323,000 filed on Form 1040 were 79,000 fewer than the number filed in the previous year, while the 14,105,000 filed on Form 1040A represented an increase of 1,566,000 for the year.

An extension of coverage under the Federal Unemployment Tax Act was the principal factor in a 4.7 percent increase in employment tax returns from 18,892,000 in fiscal 1956 to 19,776,000 in fiscal 1957. Effective with returns for 1956, the unemployment tax applied to employers of four or more persons, instead of eight or more as in prior years. This change resulted from Public Law 767, approved September 1, 1954.

Excise tax returns, other than those relating to special occupational taxes, increased by almost 10 percent, from 2,922,000 in fiscal year 1956 to 3,205,000 in fiscal year 1957. This increase was principally due to the Highway Revenue Act of 1956. During the fiscal year 1957, there were filed over 100,000 floor stocks tax returns and 75,000 use tax (trucks and buses) returns required by that Act.

A new tobacco tax return, required to be filed monthly by manufacturers and importers of cigars, became effective July 1, 1956. During the fiscal year 1957 slightly over 10,000 such returns were filed.

A comparison of the number of returns filed in fiscal 1957 with the number filed in fiscal 1956, by principal types of returns, follows:

Number of returns filed, by principal type of return

[Figures in thousands]

Type of return	Fiscal year—	
	1957	1956
Grand total.....	93, 160	* 90, 196
Income tax returns, total.....	68, 841	* 67, 064
Individual and fiduciary, total.....	60, 186	58, 640
Individual—citizens and resident aliens, total.....	59, 427	57, 941
Form 1040.....	45, 323	45, 402
Form 1040A.....	14, 105	12, 539
All other individual and fiduciary.....	758	699
Declarations of estimated tax, total.....	6, 291	* 6, 238
Individual.....	6, 271	* 6, 221
Corporation.....	20	* 17
Partnership.....	1, 120	1, 028
Withholding agents.....	11	10
Corporation.....	911	869
Other ¹	324	280
Employment tax returns, total.....	19, 776	18, 892
Withheld income tax and old-age insurance.....	18, 550	18, 265
Railroad retirement and unemployment insurance.....	1, 227	628
Estate tax.....	49	44
Gift tax.....	77	68
Special occupational taxes.....	1, 212	* 1, 205
All other excise taxes.....	3, 205	* 2, 922

* Revised.

¹ Includes exempt organization income tax returns, 34,000 Form 1040PR returns filed for 1957 in Puerto Rico with respect to self-employment tax only, and 24,000 Form 1040PR returns filed for 1956.

Income tax returns of all classes—individual, fiduciary, corporation, and other—accounted for 74 percent of all tax returns filed in the fiscal year 1957. Employment tax returns represented 21 percent of all returns filed. Almost 5 percent of the returns related to special occupational taxes and all other excise taxes. The distribution by major categories reflects a relatively negligible shift from income taxes to employment and excise taxes as compared with the fiscal year 1956.

The latter half of the fiscal year 1957 showed a continued shift in filing of individual income tax returns from March to the postponed filing date of April 15 introduced in the Internal Revenue Code of 1954. January 1957 receipts of returns were somewhat in excess of those in January 1956. However, February and March receipts showed a drop of about 1,000,000 from the preceding year, while April 1957 receipts were 2,000,000 in excess of those in April 1956.

Service Centers

Three service centers were in operation during the year, utilizing large-scale tabulating equipment and servicing a total of 38 districts in 29 states for the processing of individual income tax returns, and declarations of estimated tax.



Electric Typewriter and Sorting Rack Used to Prepare Tax Bills at Upper Manhattan District Director's Office, New York.



Example of Machine Methods Used in Processing Income Tax Returns at Western Service Center, Ogden, Utah.

The Midwest Service Center, located at Kansas City, Mo., continued to service the nine Middle Western States in the Omaha Region and Illinois, and, in addition, undertook processing for Michigan and Wisconsin. The Northeast Service Center, located at Lawrence, Mass., in its second year of operation, serviced the six New England States, New York, New Jersey, and the Cleveland District in Ohio. The Western Service Center, located at Ogden, Utah, went into operation in fiscal year 1957 and serviced eight states in the San Francisco Region.

The principal functions of the service centers involved the processing, including mathematical verification, of all Forms 1040A filed in the districts which were serviced and of those Forms 1040 which were readily adaptable to the tabulating machine program; the processing of taxable declarations of estimated tax filed by individuals; the establishment and subsequent processing of accounts receivable originating from the returns processed in the centers; the matching of information documents; and the mailing of returns.

The growth of the service center program is indicated by the fact that the number of income tax returns processed in these locations has increased from 1,100,000 in the fiscal year 1955, to 11,000,000 in 1956, and to 22,000,000 in 1957. Some of this increase was due to the addition of more centers and more districts covered by centers, and some was due to broadening of the program to take in more classes of returns.

In addition, the programs of the Midwest and the Northeast Service Centers included the processing of all claims for refund of federal tax on gasoline used on a farm, which were filed throughout all district offices.

The service center program is being expanded in the fiscal year 1958 to provide for machine processing of tax returns for 50 of the Internal Revenue districts, located in 36 states. There will also be a shift of some districts to different centers than the ones which serviced them last year. The Midwest Service Center will continue to service Illinois, Michigan, and Wisconsin and will undertake processing for the four districts in Ohio, as well as for Indiana, Kentucky, Virginia, and West Virginia. The Northeast Service Center will service the New England States, New York, and New Jersey, and in addition, Pennsylvania, Delaware, and Maryland. The Western Service Center will expand its operations to include the nine states in the Omaha Region as well as the eight states in the San Francisco Region.

Mathematical Verification

During the year, 56,000,000 income tax returns were mathematically verified. This represents an increase of 11,400,000 over the number verified in the fiscal year 1956. Most of the increase in 1957 was due to the 8,000,000 Forms 1040A filed for the tax year 1956, on which the taxpayers took the new option of figuring their own tax. These returns

were included for the first time in the mathematical verification operation. The verification process does not cover those returns on which the tax is computed by the Revenue Service in the first instance.

The number of error cases as disclosed in the mathematical verification operation increased 29 percent over the preceding year, which is fairly consistent with the 26 percent increase in the number of returns verified. Similarly, the gross amount of tax change, including both tax increases and decreases, rose by almost 30 percent. The tax increase component of gross tax change rose by 29 percent, while the tax decrease rose by 32 percent.

The average amount of tax change, regardless of direction, remained at \$83 for each of the last two fiscal years. For the fiscal year 1956, data are not available distributing number of error cases into number with tax increase and number with tax decrease as a result of mathematical verification. For the fiscal year 1957, these data show that 64 percent of the error cases resulted in tax increase, averaging \$90, and that 36 percent of the error cases resulted in tax decrease, averaging \$70.

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, fiscal year—		Individual and fiduciary, fiscal year—		Corporation, fiscal year—	
	1957	1956	1957	1956	1957	1956
Number of returns verified.....thousands	55,983	44,582	55,069	43,758	914	825
Number of returns on which changes were made.....do	1,705	1,317	1,702	1,314	3	3
Returns with increase:						
Number.....do	1,090	n. a.	1,087	n. a.	2	n. a.
Amount.....thousand dollars	98,123	76,266	96,363	74,855	1,760	1,411
Returns with decrease:						
Number.....thousands	615	n. a.	615	n. a.	1	n. a.
Amount.....thousand dollars	42,979	32,601	42,375	32,147	604	454

n. a. Not available.

Information Returns

A total of almost 245,000,000 information returns was received and processed by the Internal Revenue Service during 1957. The majority of these, numbering 155,000,000, consisted of Forms W-2 (employers' statements of wages paid and tax withheld) which were filed by employers and employees. Forms 1099 (information returns on payments of dividends, interest, and various other items) totaled over 83,000,000, whereas other types of information documents aggregated over 6,000,000.

New procedures were installed to assure appropriate checking of information returns against tax returns.

ENFORCEMENT WORK

Audit of Returns

General.—The enforcement program was substantially expanded during the year as indicated by a 10 percent increase in the number of returns examined. Due to the ever-increasing number of returns filed, the Revenue Service is constantly surveying its audit techniques and procedures in order to realize its enforcement objectives.

Significant improvements were made in the informal conference procedures. In connection with the selection, training, and promotion of revenue agents, new policies were introduced to assure higher levels of competence and performance. A new plan was adopted to permit taxpayers to appeal unagreed excise and employment tax cases prior to assessment. Audit operations were also benefited through savings in clerical manpower as a result of expanded use of area service centers in the mechanical processing of low income returns. A further expansion of these facilities is anticipated in future years. Many other policy and procedural changes were effected during the year which should benefit the enforcement program.

Revision of informal conference procedures.—After a special survey of the views and experiences of taxpayers, tax practitioners, and personnel of the Revenue Service concerned with the examination of returns, the informal conference procedures were strengthened during the year. Under the new procedures, basic responsibility for the effective direction and control of this function has been vested in the new position of "conference coordinator." By centralizing this responsibility, improvements are anticipated in the uniform application of the tax laws and regulations.

Expansion of excise tax audit program.—The program adopted in 1956 to develop a balanced excise tax program was virtually completed this year. Regional and district staffing and organization changes were carried out, and there were increases in the numbers of excise tax returns examined and in the additional assessments resulting from this type of enforcement activity. Under the program, the number of full-time excise tax group supervisors has more than tripled.

Promotional policies.—As a part of a plan to develop a "Blue Ribbon" Revenue Service a planned promotion program for revenue agents and office auditors was initiated. This program is designed to recruit the best available individuals for these positions, to give them necessary training to qualify them for assignments of a high professional nature, and to encourage the best of them to remain in the Revenue Service by assuring prompt promotion upon reaching prescribed standards of achievement and experi-

ence. Under the program, a junior (newly recruited) revenue agent may progress to a semisenior technical employee within three and one-half years.

Training program.—As a result of a study made by a special committee on the training of audit technicians, an entirely new training program was adopted during the year. The program provides for basic and advanced training for income tax agents and office auditors, as well as specialized training for excise, estate, and gift tax agents. Training courses for the basic program have been completed and are in use in classes currently being held in all regions. Materials for the advanced phases of the program are being developed and are progressing on schedule. When fully implemented, the program will provide the Revenue Service with the most complete and forward-looking training program in its history and will provide specific training at each grade level.

Handbooks were distributed for use of regional analysts in discharging the management responsibilities of their regions and for revenue agents engaged in field examinations of offers in compromise. These handbooks will provide for better management through a more thorough understanding of the duties and responsibilities connected with these functions.

In addition, orientation films have been made for use in the training program to acquaint new employees with the operations of the Revenue Service. These presentations follow the return through the filing, processing, and examining stages, including the appeal procedures.

Returns examined.—There were 2,622,000 returns examined by the district audit divisions in this fiscal year. This is an increase of 233,000, or 10 percent, over the number of returns closed by examination of taxpayers' books and records in the preceding year. Improvements in auditing procedures and techniques and effective utilization of available manpower, as well as the reduction in the number of technical personnel assigned to the taxpayer assistance program, are responsible for the increase.

Also considered by the audit divisions were some 1,747,000 returns which were scrutinized and closed without taxpayer contact. This was a reduction of 195,000 in the number of returns closed by this method in this year, indicating improved selection of returns. This is attributable, for the most part, to improvements in the classification program (selection of returns for examination) brought about by the establishment of the chief classifying officer position, and by information developed from continuing analysis of the results being obtained from audit programs.

A two-year comparison of the number of examinations by type of returns follows:

Number of tax returns examined

[Figures in thousands]

Type of return	Fiscal year—	
	1957	1956
Grand total.....	2,622	2,389
Income and profits tax, total.....	2,310	2,117
Corporation.....	170	166
Individual and fiduciary.....	2,140	1,951
Estate and gift tax.....	28	27
Excise and employment tax ¹	284	245

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 941,000 for fiscal year 1957 and 964,000 for 1956.

During the year, 6,923 offer-in-compromise cases were disposed of after field examinations. These cases involved income, profits, estate, gift, employment, and withholding taxes, and required the expenditure of 143 man-years by technical personnel of the audit divisions.

Fraud Investigations

In fraud investigation activities, emphasis was placed on selecting better cases—from the standpoint of serious tax consequences and from the standpoint of deterring other would-be violators. The result was that, although the number of full-scale investigations was about the same as the year before, the additional taxes and penalties involved in these cases were 23 percent above the previous year. The number of prosecutions recommended in tax cases (other than tax on wagering and coin-operated gaming devices) rose from 1,368 in the fiscal year 1956 to 1,399 in the current year, establishing an all-time high. This record was accomplished in spite of the fact that 18 fewer technical personnel were engaged in this work.

There was also a substantial gain in the number of investigations of original applications for enrollment of practitioners. In addition, more than 31,000 applications for renewal of enrollment cards issued in 1952 were processed.

The number of all types of investigations completed by the special agents decreased from 34,886 to 30,438 due principally to the decreases in unnumbered (preliminary) investigations and numbered (full-scale extensive) investigations of wagering tax violations.

Unnumbered (preliminary) investigations represent inquiries to determine whether prospective cases warrant full-scale numbered investigations. The decrease in this case category is not significant because the number is subject to wide fluctuations dictated by whether agents can be spared from work on numbered cases, and also by the varying seriousness of the allegations to be evaluated. A more effective screening of such allegations was emphasized during the year, which permitted earlier dis-



seizures and arrests for liquor law violations

fiscal years 1956 and 1957

STILLS SEIZED
(NUMBER)

11,820

ILLEGAL
LIQUOR SEIZED
(WINE GALLONS)

253,912

235,903

MASH SEIZED
(WINE GALLONS)

8,643,208

6,756,563

ARRESTS
(NUMBER)

11,513

1957

position of matters having questionable prosecution potential, thereby eliminating the need for unnumbered investigations in many instances. In emphasizing better initial selectivity of cases, recognition has been given to the continuing necessity for individual inquiries and surveys to broaden the enforcement area.

The full effect of a policy change in the wagering tax program adopted in the latter part of fiscal 1956 was not felt until the current year. This change, which resulted in fewer wagering cases during this year, was aimed at the independent initiation and development of wagering cases by the Revenue Service against important violators and in situations involving widespread noncompliance. Basically, the change voided the policy of adopting wagering violation cases made by local enforcement agencies, thus eliminating an area of enforcement duplication and affording a broader coverage in the wagering field, and promoting the initiation and completion of more significant wagering cases.

Greater uniformity in the application of investigative techniques and in the processing of Intelligence cases has been stressed in meetings of Intelligence group supervisors with National Office technicians which were initiated during the year. This emphasis will be continued in the future.

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

Tax fraud and other investigations completed by Intelligence Division

Type	Fiscal year—	
	1957	1956
Grand total.....	30,438	34,886
Suspected fraud and miscellaneous type cases investigated:		
Unnumbered (preliminary) investigations, total.....	17,759	24,121
Fraud.....	14,888	19,874
Wagering.....	2,082	2,474
Coin-operated gaming devices.....	620	1,631
Miscellaneous.....	169	142
Numbered (full-scale) investigations, total.....	4,538	4,650
Prosecution recommended:		
Fraud.....	1,399	1,368
Wagering.....	603	734
Coin-operated gaming devices.....	241	235
Miscellaneous.....	28	42
Prosecution not recommended:		
Fraud.....	1,290	1,346
Wagering.....	73	99
Coin-operated gaming devices.....	141	55
Miscellaneous.....	24	10
Investigations discontinued:		
Fraud.....	701	689
Wagering.....	30	65
Coin-operated gaming devices.....	8	7
Other investigations, total.....	8,141	6,115
Applications for admission to practice before the Treasury Department.....	18,081	6,039
Charges against enrollees to practice.....	60	76

¹ In addition to the applications for admission to practice before the Treasury Department, there were more than 31,000 renewal applications processed and renewal cards issued during fiscal year 1957.

Processing practitioner applications.—During the year, in cooperation with the Director of Practice, the procedures for the renewal of enrollments of practitioners before the Treasury Department were revised. This revision was necessitated by changes in Treasury Department regulations pertaining to enrollees. The revised procedures placed upon the Intelligence Division the responsibility for processing applications for the renewal of enrollment cards. As a result of changes in the enrollment program in 1952, which limited the validity of enrollment cards to a five-year period, a peak workload in the renewal of such cards was anticipated in calendar year 1957. (For further details on enrollment of practitioners, see p. 68.)

Alcohol and Tobacco Tax Program

Fundamental improvements in the strategy of the alcohol tax enforcement program were made during the year. Formerly, the program relied primarily on a persistent search for and seizure of individual stills and operators. Although this work continues, the new program places primary emphasis on (1) a concerted drive to detect and prosecute organized groups of large-scale operators, (2) the extension of investigations and the planning of raids so as to capture groups of violators together (more arrests per seizure), and (3) an intensified raw materials preventive program.

Substantial progress has been made in devising and perfecting new investigative techniques and in developing and using the most modern crime detection devices and equipment in order to more effectively combat the operations of major liquor law violators. There has been a steady reduction in no-defendant still seizures and an overall increase in the number of arrests in 1957 over 1956.

In addition, there are indications that violators are being driven to the purchase of sugar (the usual raw material), in five- and ten-pound bags, and to the use of sugar substitutes. Contributing to the success of the program has been the support and cooperation of dealers in sugar and other essential raw materials, who refuse to make sales to known or suspected violators, and the general mobilization of public opinion through the support of newspapers and trade publications and the wide distribution of pamphlets, posters, and other displays.

Seizures for violations of alcohol, tobacco, and firearms tax laws decreased, except for wines and vehicles. Arrests increased during the year. As compared with the preceding fiscal year, the seizure of stills decreased by 18 percent; wine gallons of nontaxpaid distilled spirits decreased by 8 percent; and the appraised value of property seized decreased 8 percent, from \$3,851,035 to \$3,529,274. The number of vehicles seized increased 4 percent from 3,229 to 3,355. Seizures of nontaxpaid wines increased from 6,635 to 9,329. The number of arrests, including 4 arrests for tobacco tax violations and 415 arrests for firearms violations, rose from 11,380 to 11,513.

A comparison of seizures and arrests follows:

Seizures and arrests for alcohol, tobacco, and firearms violations

Item	Fiscal year—	
	1957	1956
Seizures:		
Stills.....number.....	11,820	14,499
Nontaxpaid distilled spirits.....wine gallons.....	226,574	247,277
Nontaxpaid wines.....do.....	9,329	6,635
Mash.....do.....	6,756,563	8,643,208
Vehicles.....number.....	3,355	3,229
Property (appraised value).....dollars.....	3,529,274	3,851,035
Arrests.....number.....	11,513	11,380

¹ Includes 4 arrests for tobacco tax violations and 415 arrests for firearms violations during 1957, and 18 arrests for tobacco tax violations and 429 arrests for firearms violations during 1956.

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

Action under the Liquor Enforcement Act of 1936 against persons attempting to import liquor into the State of Oklahoma resulted in 38 arrests and the seizure of 1,515 wine gallons of taxpaid liquor and 29 vehicles (the liquor and property being valued at \$59,987).

Firearms Program

Investigative work under the National and Federal Firearms Acts and the Act of August 9, 1939 (49 U. S. C. 781) resulted in 415 arrests, the seizure of 97 vehicles, and the making of 367 cases. Registrations of firearms during the year totaled 154,874. The increase in registrations from 2,358 in the preceding year reflected an increase in the manufacture of firearms requiring registration.

Rewards to Informers

Claims were filed by 3,938 individuals for rewards as informers during the year. Of the total claims available, 624 were approved, resulting in recommended payments of \$518,437. A total of 3,732 claims was disallowed for lack of substantiation or failure to fulfill eligibility requirements under the regulations.

The following table shows the claims for reward activity during the last two years:

Receipt and disposal of claims for informers' rewards

Status	Fiscal year—	
	1957	1956
Pending July 1.....number.....	7,494	6,624
Received during year.....do.....	3,938	3,908
Disposed of during year, total.....do.....	4,356	3,038
Rejected.....do.....	3,732	2,560
Allowed.....do.....	624	478
Pending June 30.....do.....	7,076	7,494
Amount allowed on claims disposed of during year.....dollars.....	518,437	563,979

Cases Involving Criminal Prosecution

The number of income and excise tax cases prosecuted increased sharply last year, in line with the trend of recent years. The number of indictments in wagering, alcohol, tobacco, and firearms cases, however, declined.

A total of 1,825 cases of all kinds was forwarded to the Department of Justice with recommendations for criminal proceedings against 1,919 prospective defendants. This represents a reduction of about 7 percent from the number of cases referred during the preceding year, and such decrease was confined primarily to the number of wagering tax cases.

Indictments in wagering tax cases dropped during the year about 26 percent from the prior year. However, indictments in income, estate, gift, and miscellaneous excise tax cases, exclusive of wagering, alcohol, tobacco, and firearms tax cases, rose from 831 to 1,104, an increase of 33 percent.

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	Fiscal year—	
	1957	1956
Pending July 1 ¹	3,140	3,377
Received during year, total	2,174	2,318
With recommendation for prosecution	2,106	2,215
With requests for opinion	68	103
Disposed of during year, total	2,174	2,555
Prosecution not warranted	230	208
Department of Justice declined to prosecute ²	257	336
Prosecutions	1,412	1,769
Opinions delivered	72	114
All other closings	203	128
Pending June 30 ¹	3,140	3,140

¹ Includes cases awaiting action in Department of Justice.

² Includes 137 wagering tax cases during 1957 and 191 during 1956.

In income, excise, and wagering tax cases reaching the courtroom, 1,118 defendants pleaded guilty or nolo contendere, 138 were convicted after trial, 64 were acquitted, and 289 were dismissed. In alcohol, tobacco, and firearms tax cases, 4,873 pleaded guilty, 880 were convicted after trial, 365 were acquitted, and 643 were dismissed.

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

Results of criminal action

Action	Number of defendants, fiscal year—	
	1957	1956
Total		
Indictments returned ¹	7,831	8,380
Disposals, total	8,370	9,162
Plea—guilty or nolo contendere	5,991	6,586
Convicted after trial	1,018	1,062
Acquitted	429	535
Not pressed or dismissed	932	979
Income tax and miscellaneous cases²		
Indictments returned ¹	1,104	831
Disposals, total	1,028	995
Plea—guilty or nolo contendere	769	705
Convicted after trial	88	132
Acquitted	48	46
Not pressed or dismissed	123	112
Wagering tax		
Indictments returned ¹	562	762
Disposals, total	581	848
Plea—guilty or nolo contendere	349	667
Convicted after trial	50	68
Acquitted	16	14
Not pressed or dismissed	166	99
Alcohol, tobacco, and firearms taxes		
Indictments returned	6,165	6,787
Disposals, total	6,761	7,319
Plea of guilty	4,873	5,214
Convicted after trial	880	862
Acquitted	365	475
Not pressed or dismissed	643	768

¹ Includes defendants prosecuted on the basis of informants.

² Includes cases dismissed for the following reasons: 16 because of death of principal defendant, 7 because of serious illness of principal defendant, 181 because defendant had pleaded guilty or had been convicted in a related case, and 16 because of the Supreme Court's decision in the *Achilli* case, described below.

³ Includes income, estate, gift, and excise taxes other than wagering, alcohol, tobacco, and firearms taxes.

Actions by the Supreme Court.—The Supreme Court affirmed the conviction in *Achilli v. United States*, 353 U. S. 373, and disposed of an issue not answered in the Court's decision in the *Berra* case noted in last year's report. The taxpayer, having been convicted for the attempted evasion of his income taxes, appealed on the contention that the conduct for which he was convicted was also an offense under the misdemeanor provisions of section 3616(a) of the 1939 Code. The Supreme Court held that such section was not applicable to income taxes.

In *United States v. Korpan*, 354 U. S. 271, the Court held that the \$250 tax on gaming devices applied to coin-operated pinball machines when the player receives cash, premiums, merchandise, or tokens and such machines are not operated solely for amusement. In *United States v. Calamaro*, 354 U. S. 351, the Court held that salaried employees who pick up wagers placed with lottery writers and transport the wagers to the "banker" are not subject to the \$50 tax imposed on persons engaged in receiving wagers.

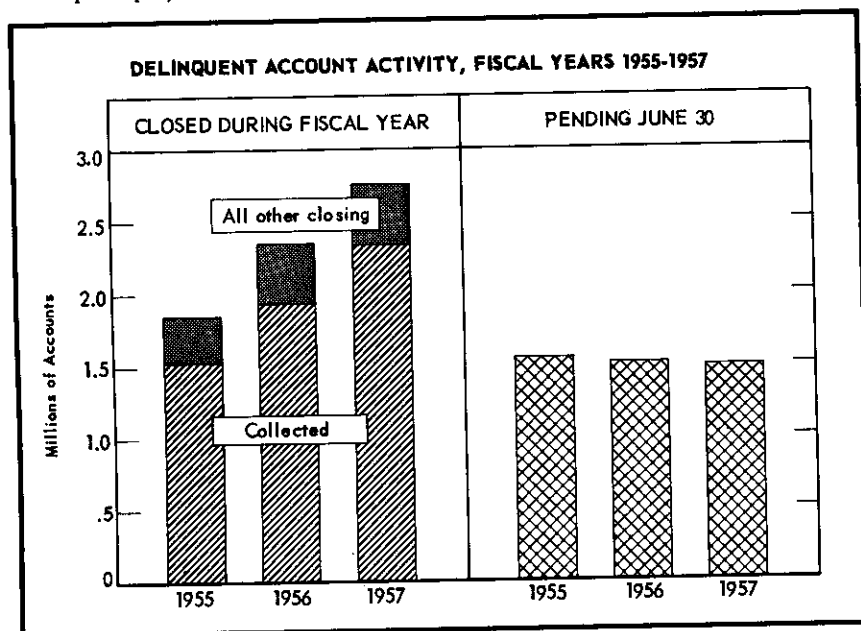
The Supreme Court reversed and remanded the *Grunwald* and *Bolich* cases, 353 U. S. 391, because of error in the charge to the jury under which the verdict of guilty might have rested on impermissible ground.

Collection of Delinquent Accounts

For the second straight year, inventories of delinquent accounts were reduced. Although the reductions were small, they were of major significance in contrast to decades of steadily rising backlogs of overdue taxes.

The reductions were the result of a top priority program calling for concentrated and vigorous action in the delinquent accounts area. At the end of June 1957, the inventory of delinquent accounts comprised 1,488,000 cases, or a drop of 1.1 percent from the 1,505,000 cases on hand on June 30, 1956. Dollarwise, inventory dropped by 1.7 percent from \$1,588,008,000 to \$1,560,530,000.

The decrease in inventory during 1957 was achieved despite the fact that there was a marked increase in issuances of delinquent account notices during the year as compared with the preceding fiscal year. During 1957 a total of 2,744,000 delinquent account assemblies was issued. An "assembly" is a set of form notices used in following up and recording a delinquent account. There were 437,000, or 19 percent, more assemblies issued than during 1956. The amount of tax in these cases aggregated \$1,299,176,000, an increase of \$217,063,000, or 20 percent, over the amount during 1956. The increase continued to reflect an accelerated program aimed at earlier contact with the delinquent taxpayer. In prior years, the Revenue Service's policy called for the issuance of a first notice, followed by a second notice, and subsequent assignment of the case to the field collection force if payment was not forthcoming as a result of the notices. During 1956 the second notice was discontinued. First notices were promptly issued on accounts which showed tax payments to be due.



If such payments were not made within the prescribed period, the delinquent accounts were assigned for special collection action.

An important factor in the 1957 achievements was the program instituted throughout the Revenue Service calling for a strengthened office collection force to handle the newer and relatively simpler accounts, thus permitting the collection officers to concentrate on the more difficult and the older cases. A total of 2,762,000 delinquent accounts involving \$1,321,108,000 was closed during the year, as compared with 2,360,000 accounts aggregating \$1,152,531,000 which were closed in 1956.

During 1957, 85 percent of all accounts closed were by collections. This method accounted for 82 percent of closings in 1956. Dollarwise, collections continued to represent over 71 percent of all closings.

The following table presents the data on collection of delinquent accounts:

Taxpayer delinquent accounts

Status	Number, fiscal year (thousands)		Amount, fiscal year (thousand dollars)	
	1957	1956	1957	1956
Assemblies issued ¹	2,744	2,307	1,299,176	1,082,113
Closed, total	2,762	2,360	1,321,108	1,152,531
Collected	2,342	1,943	943,249	824,504
Returned as uncollectible	206	200	179,617	160,085
Abatements and other	214	216	196,242	167,942
Pending June 30, total	1,488	1,505	1,560,530	1,588,008
Active	1,321	1,321	935,519	922,287
Inactive ²	166	185	625,010	665,722

¹ Revised.

² 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.

³ Consists of inactive accounts on which collection has been deferred, such as cases involving military personnel, offers in compromise, etc.

Delinquent Returns

An increase in the number of delinquent returns obtained and in the amount of tax from such returns was achieved in 1957 in spite of the fact that it was still necessary to give first priority on the time of collection officers to the collection of delinquent accounts, as described in the preceding section.

However, as district offices improved the condition of their delinquent account inventories, it was possible for them to devote somewhat more effort to the constant lookout for occasional persons or firms who have failed to file required returns.

A total of 888,627 delinquent returns was secured by all regions in 1957, representing an increase of 6 percent over the 838,284 secured in the preceding year. The amounts of tax, interest, and penalty with respect to the delinquent returns secured during the fiscal year 1957 aggregated \$111,557,000, or 29 percent more than the \$86,689,000 secured during 1956.

The vast majority of these delinquent returns were quarterly payroll and excise tax returns. Only a small percentage were annual income tax returns.

appeals

(INCOME, PROFITS, ESTATE,
AND GIFT TAXES)

fiscal years 1956 and 1957

METHOD OF DISPOSAL OF APPEALS

AGREEMENT REACHED
BEFORE ISSUANCE OF
STATUTORY NOTICE

8,062

8,807

UNAGREED
OVERASSESSMENT ON
CLAIM REJECTION

781

693

AGREEMENT REACHED
WHILE STATUTORY
NOTICE WAS PENDING

833

1,133

TAXPAYER DEFAULTED
AFTER ISSUANCE OF
STATUTORY NOTICE

936

1,116

SETTLEMENT REACHED
AFTER PETITION TO
TAX COURT BUT
BEFORE TRIAL

3,523

3,496

DISMISSED BY TAX
COURT OR TAXPAYER
DEFAULTED AFTER
PETITION

190

TRIED IN TAX
COURT

801

850

1957

APPEALS AND CIVIL LITIGATION

General

For the fourth consecutive year the number of protested income, profits, estate, and gift tax cases received by the nine regional appellate divisions showed an increase. This appeared to be the natural result of the expanded audit program.

The 1957 receipts of income, profits, estate, and gift tax cases were 122 percent of the receipts for 1956. In addition, 1957 receipts of excise and employment tax cases substantially exceeded those for 1956.

In the face of these increases in workload, appellate offices nevertheless were able to consider protested cases about as rapidly as taxpayers and their representatives were prepared to proceed with them. As the result, workload at the close of the year was in a substantially current condition even though the number of pending cases had increased.

Despite the increases in receipts and disposals of protested income, profits, estate, and gift tax cases, taxpayer petitions to the Tax Court showed a slight decrease in 1957 as compared with 1956. Disposals of petitioned cases slightly exceeded those for the previous year with the result that the number of petitioned cases pending increased only nominally.

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	
	1957	1956
Pending in pre-90-day status July 1	8,750	8,029
Net receipts from District Director during year	15,786	13,028
Processed during year, total	13,413	12,307
Agreed	8,807	8,062
Unagreed overassessments and claim rejections	693	781
Statutory notice issued—transferred to 90-day status	3,913	3,464
Pending in pre-90-day status June 30	11,123	8,750

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	
	1957	1956
Pending in 90-day status July 1	1,089	1,082
Net receipts during year, total	4,927	4,252
By transfer from pre-90-day status ¹	3,945	3,516
Received from Director in 90-day status	982	736
Processed during year, total	4,563	4,245
Agreed	1,133	833
Defaulted	1,116	936
Petitioned to the Tax Court—transferred to docketed status	2,314	2,476
Pending in 90-day status June 30	1,453	1,089

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	
	1957	1956
Pending in docketed status July 1	8,422	7,961
Net receipts during year, total	4,875	4,971
Petitions filed in response to—		
District Director's statutory notice	2,613	2,697
Appellate Division's statutory notice ¹	2,184	2,211
Cases reconsidered after trial	78	63
Processed during year, total	4,536	4,510
Agreed—stipulated	3,496	3,523
Dismissed or defaulted	190	186
Tried before the Tax Court on merits	850	801
Pending in docketed status June 30	8,761	8,422

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

Excise and Employment Taxes

During the latter part of the year, a new policy was adopted for administrative appeals in unagreed excise and employment tax cases so that now taxpayers ordinarily obtain Appellate Division review of such cases prior to the assessment of additional tax. These changes make uniform the appeal procedures for all taxes over which the Appellate Division has jurisdiction. Previously, excise and employment taxpayers could not appeal directly to the Appellate Division prior to assessment of the unagreed tax, but could obtain a hearing after assessment of tax by filing a claim for abatement or refund.

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	
	1957	1956
Pending July 1	286	240
Received during year	1,093	662
Processed during year, total	751	616
Settled by agreement	380	354
Unagreed partial allowances and claim rejections	371	262
Pending June 30	620	286

Claims for Relief from Excess Profits Tax

Further reduction was made during the year in the claims for relief from the World War II excess profits tax (section 722, Internal Revenue Code of 1939).

By the close of the year, all nondocketed cases had been disposed of except for two cases pending before the Excess Profits Tax Council and one case which is still being considered by a field office. The number of cases pending in the Tax Court was reduced from 357 to 239.

The results in cases before the Council and the Tax Court were as follows:

Claims for relief from excess profits tax

Status	Council cases		Tax Court cases	
	Number of cases	Amount claimed (thousand dollars)	Number of cases	Amount claimed (thousand dollars)
Pending July 1, 1956	3	29,994	357	815,494
Received	2	436	11	45,155
Total	5	30,430	368	860,649
Closed	3	28,591	129	152,987
Pending June 30, 1957	2	1,840	239	707,662

Compromise and Closing Agreement Cases

Results of Appellate Division consideration of offers in compromise and of closing agreement cases are shown in the following table:

Appellate Division processing of compromise and final closing agreement cases

Status	Compromise cases		Final closing agreement cases	
	1957	1956	1957	1956
Pending July 1.....	235	283	7	27
Received during year.....	422	442	49	73
Processed during year, total.....	447	490	41	93
Accepted, granted, or approved.....	112	158		
Rejected.....	269	270		
Withdrawn.....	66	62		
Pending June 30.....	210	235	15	7

The closing agreement cases referred to above relate to completed transactions by taxpayers. Rulings on proposed closing agreements involving prospective transactions are discussed on page 47.

Although the offer-in-compromise cases shown in the above table are included with similar cases in the material on pages 37 and 38, this table is intended to show the number of such cases in which taxpayers appealed to the Appellate Division, and the results of such appeals.

Other Courts

Results in other courts.—In courts other than the Tax Court, disposals of pending tax cases generally exceeded new cases, and backlogs were reduced correspondingly.

The Supreme Court decided six cases which originated in the Tax Court and four tax cases from other courts. The Commissioner's position was sustained in all of the Tax Court cases and in three of the other cases.

The circuit courts of appeals disposed of 360 Tax Court cases and 190 other tax cases (exclusive of bankruptcy, receivership, insolvency, compromise, and liquor cases).

In cases outside the jurisdiction of the Tax Court and in most cases within the Tax Court jurisdiction, 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 193 cases for the government, 219 for the taxpayer, and 62 cases were decided partly for the government and partly for the taxpayer. The Court of Claims decided 28 cases for the government, 36 cases for the taxpayer, and 4 cases partly for each.

As of June 30, 1957, there were 2,758 civil cases (principally suits for refund and for collection of taxes) involving tax questions pending in district and State courts, 57 pending in courts of appeals, and 468 pending in the Court of Claims.

For details of the cases in courts other than the Tax Court, see tables 17-20, on pages 116 and 117.

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

The case of *Allen-Bradley Company v. United States*, 352 U. S. 306, was decided January 22, 1957, in favor of the government. The Court, in reversing the Court of Claims, sustained the government and held that the authorized executive body had authority to issue certificates certifying that only a part of the cost of essential wartime improvements was necessary to the national defense. The basis for computing the amortization deduction under section 124(f) of the 1939 Code was limited to only such amount that constituted the adjusted basis as the certifying authority had certified as necessary in the interest of national defense during the emergency period.

The case of *Ohio Power Company v. United States*, 353 U. S. 98, was decided on April 1, 1957. The government was upheld on the merits of a \$5,885,300 tax liability, turning upon whether the taxpayer was entitled to deduct the entire cost of emergency facilities over the accelerated five-year period provided in section 124, 1939 Code, or whether it was limited to 35 percent of such cost, as contended by the government and as verified by the War Production Board. This decision was significant not so much because cases involving over \$90,000,000 in revenue were at stake, as because of the Court's action in reopening the case after denying certiorari and after denying two subsequent petitions for rehearing on its denial. When certiorari was granted in the *Allen Bradley* case, the Court reopened this case on its own motion. The opinion discusses solely this procedural issue, being an exception to the Court's own rule and its "deep-rooted policy that adjudication must at some time become final."

The case of *Libson Shops, Inc. v. Koehler*, 77 S. Ct. 990, was decided in favor of the government on May 27, 1957. It involved the right of a corporation, succeeding 16 separate corporations by state statutory merger, to carry over and deduct from its postmerger income the net operating losses of three of the old corporations incurred in the premerger year. Under sections 23(s) and 122(b)(2)(c), 1939 Code, the question was whether succession by operation of law (merger) made the petitioner "the taxpayer," but the Court found it unnecessary to answer this. It concluded that the relief was intended by Congress to be applicable only in the case of continuity of a business enterprise where the income and loss

were produced by the same business, that the statute granted no special privilege to be acquired through a merger, and that on the facts the carry-over was to be denied.

The case of *Haynes v. United States*, 353 U. S. 81, was decided on April 1, 1957, in favor of the taxpayer. The Court held that sickness disability benefits received from taxpayer's employer, Southern Bell Telephone and Telegraph Company, under a "Plan for Employees' Pension, Disability Benefits and Death Benefits," constituted amounts received through health insurance within the meaning of section 22(b)(5) of the 1939 Code. The government contended that the plan did not have the essential characteristics of health insurance in that there were no definable premium payments by the employee, no separate fund established out of which benefits were paid, and the amounts and duration of the benefits varied with the length of service. It was also contended that the payments represented "fringe benefits" taxable as compensation for services. However, the Court decided that the term "health insurance" as used in section 22(b)(5) should be given its broad general meaning since legislative history did not indicate that Congress had intended to restrict the exemption to conventional modes of insurance and not to include employer disability plans. This decision provided the basis for concluding litigation in approximately 44 cases which were pending in the courts. In addition, this decision allowed the processing of an estimated total of 66,000 claims for refund involving approximately \$6,620,000 which were pending throughout the nation on this issue.

In *Putnam v. Commissioner of Internal Revenue*, 352 U. S. 82, decided on December 3, 1956, the taxpayer, the controlling stockholder of a corporation, guaranteed payment of promissory notes which the corporation executed in obtaining bank loans. The corporation became insolvent and the taxpayer, as guarantor, was required to pay the bank. The Supreme Court held that the corporation being unable to repay him upon his payment as guarantor, taxpayer, by subrogation, acquired a debt; the loss resulting from the worthlessness of which is deductible as a short-term capital loss for nonbusiness bad debt under section 23(k)(4) of the 1939 Code, and not as an ordinary nonbusiness loss deduction under section 23(e)(2).

In *National Lead Company v. Commissioner of Internal Revenue*, 352 U. S. 313, decided on January 22, 1957, it was held that the War Production Board was empowered under section 124 of the Internal Revenue Code of 1939 to issue certificates covering only a part of the cost of petitioner's wartime improvements. Accordingly, petitioner was not entitled to accelerate the amortization of the full cost of those facilities covered by the Board's "partial certifications."

In *Automobile Club of Michigan v. Commissioner of Internal Revenue*, 353 U. S. 180, decided on April 22, 1957, it was held that the Commissioner was not estopped from revoking a ruling holding that an automobile club was exempt from income tax where such ruling was based on a mistake of law. The action of the Commissioner retroactively revoking taxpayer's exemption was not an abuse of discretion.

Statements on adverse Tax Court decisions.—There were published in the Internal Revenue Bulletin acquiescences of the Commissioner in 464 adverse decisions of the Tax Court and nonacquiescences in 94 adverse decisions.



tax, interest, and penalties from enforcement efforts

fiscal years 1956 and 1957

(millions)

ADDITIONAL TAX,
INTEREST,
AND PENALTIES
FROM AUDIT

1,250

1,452

INCREASE IN TAX
FROM MATHEMATICAL
VERIFICATION

76

98

TAX, INTEREST,
AND PENALTY ON
DELINQUENT RETURNS
SECURED BY
COLLECTION DIVISION

87

112

1956
1957

TOTALS: 1956—\$1,413 MILLION

CHANGES IN TAX LIABILITY

Additional Taxes

Assessments of additional taxes, interest, and penalties as the result of enforcement activities totaled \$1,661,354,000 for 1957, an increase of 18 percent over the preceding year. This was the highest total for any year since the enforcement activities were reorganized along present lines.

The policies and programs adopted in recent years were contributing factors to the increased tax results in this fiscal year. Among these were improved methods for selecting returns for investigation and audit, the training of audit technicians, and less diversion of enforcement personnel to other assignments.

About half of the dollar increase in additional assessments resulted from the examination of corporation income tax returns. Regular audits, as distinguished from prerefund audits, of individual and fiduciary returns also resulted in a dollar increase in additional assessments. These increases reversed the trend of last year.

Prerefund audits continue to show improvement. The additional tax resulting from this program increased from \$73,759,000 during the preceding fiscal year to \$79,064,000. The growth of this program is attributable to improved selection procedures and audit techniques.

There was also a substantial increase in certain other types of enforcement activity such as the securing of delinquent returns and mathematical verification. Delinquent returns secured by collection divisions produced assessments of tax, interest, and penalty in the amount of \$111,557,000, or an increase of 29 percent over the previous fiscal year. In addition, as a byproduct of the audit of returns, the audit divisions secured \$10,424,000 on delinquent returns during the period January through June, 1957 (audit figures not available for prior periods). Additional tax resulting from mathematical verification increased 29 percent.

Following is a comparison of results for the last two years:

Tax, interest, and penalties resulting from enforcement efforts

(In thousands of dollars)

Item	Fiscal year—	
	1957	1956
Total	2,159,007	1,964,869
Additional tax, interest, and penalties assessed	1,661,354	1,412,823
Claims disallowed	497,653	552,046
Analysis of additional tax, interest, and penalties		
From audit, total	1,451,674	1,249,868
Income and profits taxes, total	1,292,278	1,120,723
Corporation income and profits	678,268	566,074
Individual and fiduciary:		
Prerefund audit	79,064	73,759
Regular audit	534,945	480,889
Employment taxes ¹	8,174	5,700
Estate and gift taxes	123,446	108,063
All other taxes	27,776	15,381
From mathematical verification, total	98,123	76,266
Individual	96,363	74,855
Corporation	1,760	1,411
From delinquent returns secured by:		
Collection Division	111,557	86,689
Audit Division	210,424	n. a.

n. a.—Not available.

¹ Includes withheld income tax.

² 6 months only; not included in grand total or subtotal.

Overassessments and Overpayments

Refunds and repayments.—The total amount of refunds and repayments, including interest, drawbacks, and stamp redemptions, rose from \$3,772,359,000 during fiscal year 1956 to \$4,009,335,000 during fiscal year 1957, an increase of more than 6 percent. There were corresponding increases of more than 6 percent each in number of refunds and in amount of interest allowed.

Over half of the increase in number of refunds occurred among the manufacturers' and retailers' excise taxes. For fiscal year 1957 these included over 1,200,000 claims by farmers for refund of gasoline tax, aggregating about \$25,000,000, which were filed under the provisions of Public Law 466, approved April 2, 1956.

The following table shows by class of tax the number and amount of refunds and interest allowed during the last two 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)	
	Fiscal year 1957	Fiscal year 1956	Fiscal year 1957	Fiscal year 1956	Fiscal year 1957	Fiscal year 1956
Total refunds of internal revenue	36,403,197	34,313,911	4,009,335	3,772,359	57,009	53,747
Corporation income and profits taxes	58,741	64,081	399,563	453,659	35,983	35,549
Individual income and employment taxes, total	35,084,969	34,186,668	3,487,887	3,230,492	16,887	15,741
Excessive prepayment income tax	34,125,607	33,514,687	3,315,690	3,106,728	6,413	6,768
Other income tax and old-age in- surance ¹	939,838	655,019	169,533	121,416	10,390	8,890
Railroad retirement	103	91	100	61	8	16
Unemployment insurance	19,421	16,871	2,563	2,287	75	68
Estate tax	3,965	3,219	13,809	10,728	1,496	1,336
Gift tax	594	445	1,125	1,014	187	165
Alcohol taxes ²	9,234	8,382	57,462	52,063	73	1
Tobacco taxes ²	354	398	187	2,028	(*)	(*)
Manufacturers' and retailers' excise taxes	1,217,901	2,084	27,766	2,303	310	76
Redemption of stamps, total	4,566	5,175	8,495	7,768	32	307
Alcohol	1,032	1,323	2,293	2,031	(*)	9
Tobacco	1,887	2,012	4,842	4,023	—	1
Other ³	1,647	1,840	2,359	1,713	32	297
Other ⁴	22,873	43,459	13,041	12,303	2,042	572

* Revised.

¹ Less than \$500.

² Figures have not been reduced by amounts of \$58,190,000 in 1957 and \$66,000,000 in 1956 reimbursed from the Federal old-age and survivors insurance trust fund.

³ Includes drawbacks.

⁴ Includes narcotics, silver, and wagering stamps previously reported separately.

⁵ Includes capital stock tax, wagering tax (excise) and other excise refunds previously reported separately.

Excessive prepayments of individual income tax.—The great majority of refunds to taxpayers result from excessive prepayments of the individual income tax through withholding by employers and from overpayment of estimated tax.

During the period January through June 1957, almost 33,100,000 refunds were scheduled on individual income tax returns filed for the tax year 1956. This represents an increase of 886,000 over those scheduled in the comparable period of the preceding year. The excess is due partly to accelerated scheduling during 1957 and partly to an expected increase in volume for the year, consistent with the increase in number of individual income tax returns filed. The average refund scheduled through June 1957 with respect to the tax year 1956 returns was \$94, as compared with an average of over \$90 scheduled through June 1956 with respect to the year 1955 returns.

The following table shows the number and amount of refunds and credits, and interest paid, as a result of excessive prepayments of tax for

returns filed for the tax years 1952 through 1956 (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)
1956 ¹	233,096	3,122,256	506	1,016	347,548
1955	233,274	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
1952	30,152	2,373,989	1,626	1,020	396,081

¹ Figures are preliminary and reflect refunds or credits to June 30, 1957. Revised figures to Dec. 31, 1957, will appear in next year's report.

² Includes 180,000 returns requiring split between credit to ensuing tax year or prior year and current year refund.

³ Includes 271,000 returns requiring split between credit to ensuing tax year or prior year and current year refund.

Carryback allowances.—Fewer applications were received during this fiscal year requesting tentative adjustments of prior years' taxes as the result of net operating losses. However, the dollar amount involved in these claims was slightly higher than the amount claimed in the previous fiscal year. Applications filed by individuals declined at a greater rate than those filed by corporations.

Of the total applications available 86.2 percent were adjusted this fiscal year. The amount claimed in the applications adjusted was \$259,325,000, of which \$241,162,000 was allowed.

The number of applications pending at the end of this fiscal year was 12.8 percent less than at the end of the prior year.

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

Receipt and disposal of tentative carryback applications

Status	Number		Amount (thousand dollars)			
	1957	1956	Claimed		Adjusted	
			1957	1956	1957	1956
Pending July 1	8,152	15,213	41,078	101,396		
Applications received	43,401	45,972	261,518	259,696		
Applications adjusted, total	44,446	53,033	259,325	320,014		
Allowed	n. a.	n. a.	n. a.	n. a.	241,162	297,920
Disallowed	n. a.	n. a.	n. a.	n. a.	26,388	22,537
Pending June 30	7,107	8,152	43,271	41,078		

n. a.—Net available.

Claims for refund.—District audit divisions closed 300,870 claims for refund in this fiscal year. These claims involved \$406,377,000, of which \$235,122,000 was disallowed.

As in the preceding year, individual income tax claims accounted for the largest number of cases, while the major portion of the total dollar amount involved corporation income and profits taxes.

About 65 percent of the amount claimed by corporations was disallowed, compared with 36 percent claimed by individuals.

An analysis of the action taken on these claims for refund follows:

Claims for refund closed by district Audit Divisions, fiscal year 1957

Class of tax	Number	Amount (thousand dollars)		
		Claimed by taxpayer	Allowed	Disallowed
Total	300,870	406,377	171,255	235,122
Individual income taxes	249,279	88,144	56,444	31,701
Corporation income and profits taxes	21,157	262,498	92,615	169,884
Estate tax	867	14,190	7,646	6,544
Gift tax	180	478	184	293
Excise taxes	7,644	34,793	11,249	23,544
Employment taxes	21,743	6,273	3,118	3,155

Review of overassessments exceeding \$100,000.—A total of 277 cases involving overassessments of \$266,419,941 was reported to the Joint Committee on Internal Revenue Taxation in accordance with the provisions 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 205 cases involving \$160,420,683 reported in the preceding year.

Offers in Compromise

The inventory of offer-in-compromise cases on hand was reduced during the year to the lowest level in many years.

This was the result of a campaign during the last few years to expedite consideration of cases. The work has now reached what appears to be as current a condition as can be expected in view of the technical and administrative problems entailed. The continuance of this condition, however, depends on economic and other factors.

Noteworthy measures were taken to improve evaluation techniques and stabilize compromise operations at the district level. Of particular significance were procedures established to implement the collateral agreement functions. These agreements are an integral part of the compromise activity—they represent a method for the recovery of additional sums not obtainable in any other manner. Recoupments from this source are attained by prevailing upon taxpayers, in exchange for remission of their liabilities, to give up tax benefits, present or potential, or agree to make additional payment from annual income contingent upon their financial success in future years. The resultant sums obtained through this medium

represent substantive revenue not reflected in the offer amounts shown in the accompanying statistical table.

During the year, district audit divisions received for consideration 6,294 tax offers, 7,731 delinquency penalty offers, and 3,601 specific penalty offers. The district offices, together with the National Office's Compromise Branch and regional appellate divisions, disposed of 18,448 offers, leaving 6,980 on hand as of June 30, 1957.

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 310 offers, disposed of 314, and had 264 offers on hand as of June 30, 1957.

In the alcohol, tobacco, and firearms categories, the alcohol and tobacco tax divisions, both national and regional, received 580 offers and disposed of 622 offers, leaving a total of 66 cases on hand as of June 30, 1957.

The overall compromise workload as of June 30, 1957, consisted of 7,310 cases awaiting consideration at all Revenue Service levels. This represents a major accomplishment when compared with the inventory of approximately 21,000 unprocessed compromise cases on hand July 1, 1953.

A summary of cases closed for the last two years follows:

Offers in compromise disposed of

Type of tax or penalty	Number, fiscal year—		Amount, fiscal year—(thousand dollars)			
			Liabilities		Offers	
	1957	1956	1957	1956	1957	1956
Offers accepted, total.....	13,494	14,515	46,107	47,973	14,093	13,753
Income, profits, estate, and gift taxes.....	1,329	1,712	36,572	38,323	11,232	10,836
Employment and withholding taxes.....	1,303	1,524	4,686	3,688	1,562	1,430
Alcohol taxes.....	170	115	683	338	153	50
Other excise taxes.....	269	366	1,839	3,375	570	851
Delinquency penalties on all taxes.....	6,498	6,992	2,327	2,249	476	481
Specific penalties.....	3,925	3,806			100	105
Offers rejected or withdrawn, total.....	5,890	6,965	90,285	95,022	12,545	14,829
Income, profits, estate, and gift taxes.....	2,264	2,643	78,600	82,749	10,186	12,437
Employment and withholding taxes.....	1,371	1,611	5,837	6,248	1,396	1,318
Alcohol taxes.....	205	195	891	768	65	59
Other excise taxes.....	387	434	3,736	3,865	671	683
Delinquency penalties on all taxes.....	1,630	2,052	1,221	1,392	218	320
Specific penalties.....	33	30			9	12

SUPERVISION OF THE ALCOHOL AND TOBACCO INDUSTRIES

General

Further progress was made this year in the legislative program for simplifying and bringing up to date the system of alcohol and tobacco tax administration.

H. R. 7125, which was passed by the House of Representatives on June 20, 1957, incorporates, with minor modifications, the proposals of the Revenue Service for extensive revision of the distilled spirits provisions of the Code.

In the fields of tobacco, wine, and beer, this goal was largely accomplished through recommendations to the Congress which were embodied in the 1954 Code.

In general, the purposes of the changes relating to distilled spirits are to modernize the laws and to provide greater uniformity in the provisions relating to production, warehousing, processing, removal, and use of all types of distilled spirits. Additional purposes are to facilitate utilization of plants and equipment for national emergency purposes, to eliminate artificial statutory distinctions between similar operations, and to establish a more efficient system of liquor tax administration.

In effectuating these purposes, the responsibility of proprietors for the proper conduct and control of their operations has been recognized. It has also been recognized that qualified proprietors of distilled spirits plants should be free to conduct their operations and to utilize their facilities in an efficient and businesslike manner, subject only to such controls as are reasonably necessary to protect the government's interests.

Detailed tabulations relating to the production of alcohol, distilled spirits, beer, wine, and tobacco manufactures during the fiscal year 1957 (corresponding to the tables which appear in the appendix of issues of this report for the fiscal year 1952 and earlier years) 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.

Authorization of Operations

The 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 appendix tables 7-9 on page 104, and the totals of all liquor and tobacco establishments qualified under the Internal Revenue Code are shown in appendix tables 6a and 6b

on page 103. One hundred twenty-five applications for approval of interlocking directorates under section 8 of the Federal Alcohol Administration Act were acted on. Table 10, 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 in the appendix on page 105.

On-Premises Supervision

During the fiscal year 1957, storekeeper-gauger supervision was provided at distilleries, warehouses, denaturing and rectifying plants, bottling houses, and other facilities which accounted for the production of 425,418,101 proof gallons of ethyl alcohol, the denaturation of 436,469,185 proof gallons of ethyl alcohol, the warehousing of 26,590,971 proof gallons of ethyl alcohol, the production of 224,947,755 tax gallons of distilled spirits of various kinds, the warehousing of 853,012,351 tax gallons of distilled spirits, the tax payment on 169,857,035 tax gallons of distilled spirits, including alcohol, the rectification of 84,400,486 proof gallons of distilled spirits and wines, and the bottling of 191,106,135 wine gallons of distilled spirits.

Inspection of Establishments

Inspections of establishments for the fiscal year aggregated 52,336, of which 38,449 related to plants and permittees other than dealers. During the previous fiscal year total inspections numbered 52,072, of which 37,922 related to plants and permittees other than dealers.

During the year, the plants and permittees (other than dealers), which were inspected and had no on-premises supervision, produced alcoholic beverages and tobacco products as follow: 89,881,935 barrels (of 31 gallons each) of beer, 148,791,596 wine gallons of still wines, 2,478,512 wine gallons of effervescent wines, 3,741,991 wine gallons of vermouth, and 1,197,878 wine gallons of special natural wines other than vermouth. The inspected tobacco plants, in the calendar year 1956, produced 5,830,151,293 cigars, 424,246,872,839 cigarettes, and 184,910,128 pounds of other tobacco products (including smoking and plug tobacco, and snuff).

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 119,440 inspections of retail liquor dealers and 507 inspections of nonpermittee wholesale liquor dealers.

Chemical Analyses and Research

The National Office laboratory and the laboratories in each of the regions are primarily concerned with the examination of samples submitted in connection with the regulatory and enforcement functions of the Internal Revenue Service and the Bureau of Narcotics.

Of approximately 40,000 samples received, 29 percent were submitted by the Enforcement Branch of the Alcohol and Tobacco Tax Division, and approximately 19 percent were submitted by the Bureau of Narcotics. The remaining samples related to the administration of labeling and denaturing regulations, and to the identification of articles subject to miscellaneous excise taxes. The samples submitted by the Enforcement Branch were principally "moonshine" and mash. The National Office laboratory tested and certified 519 gauging instruments, tested 122 beer meters, repaired 47 beer meters, and ran 564 tests in the evaluation of a new type of beer meter.

A study of the proofing techniques and gauging instruments demonstrated that increased accuracy in proofing can be obtained by better training of personnel and the issuance of more precise instructions for the use of gauging instruments.

A research program carried out in the laboratories during the year resulted in the development and publication of 21 new and improved methods of analysis and the compilation of 5 comprehensive tables for reference use, the development of a simple method for determining the obscuration of proof in straight whiskies, and the designing of a marking device for hydrometers that will substantially reduce manpower requirements in testing the accuracy of hydrometers. The publication "Methods of Analysis for Alkaloids, Opiates and Synthetic Drugs" was revised and published as IRS Publication No. 341.

TECHNICAL SERVICES

General

In the fiscal year 1957, the Revenue Service's technical offices were busily engaged on two principal fronts. On the one hand there was the continuous task of preparing regulations, designing and revising tax return forms, issuing and publishing rulings, and developing tax guide material under the 1954 Code. On the other hand, a substantial volume of work was devoted to assisting congressional subcommittees studying the need for revision of the Internal Revenue Code of 1954. (See p. 55.)

Regulations Program

Regulations under the Internal Revenue Code of 1954.—Twenty-six notices of proposed rulemaking and 29 Treasury Decisions relating to regulations under the 1954 Code were published during the year. In the case of subtitle B, relating to estate and gift taxes, publication of regulations in proposed form was completed. Of the total of 139 separate Treasury Decisions; not including alcohol and tobacco tax provisions; scheduled for preparation and issuance under the 1954 Code to date, 60 have been published in final form and an additional 34 in "proposed" form. Most of the remaining 45 Treasury Decisions have been drafted and are in various stages of review. Publication of regulations under subtitle D, relating to excise taxes, continued to lag during the year because of manpower limitations and the need to give priority to regulations under other provisions of the Code. Some of the more important regulations published were:

Regulations under sections 401 to 404 inclusive, and section 6033(a) of the 1954 Code, relating to pension, profit sharing, and stock bonus plans (T. D. 6203).

Regulations under sections 4261 to 4264 inclusive, and sections 4291 to 4293 inclusive, of the 1954 Code, as amended by Public Laws 796 and 1015, 84th Congress, relating to the tax on transportation of persons (T. D. 6206).

Regulations under sections 72, 1021, and 1035 of the 1954 Code, relating to annuities and certain proceeds of life insurance contracts (T. D. 6211).

Regulations under subparts A-E inclusive, part I, subchapter J, chapter 1 of the 1954 Code, relating to income taxation of estates and trusts (T. D. 6217).

Regulations under sections 441, 442, and 443 of the 1954 Code relating to accounting periods (T. D. 6226).

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. One notice of proposed rulemaking and 5 Treasury Decisions were published during the fiscal year under such laws. Most noteworthy of these were regulations under the Highway Revenue Act of 1956, relating to

floor stocks taxes (T. D. 6204), and relating to the tax on use of certain highway motor vehicles (T. D. 6216).

Also processed to completion were 11 other Treasury Decisions, 3 notices of proposed rulemaking, and 5 related executive orders. These Treasury Decisions conformed existing regulations to subsequent court decisions or administrative determinations that the rules in existing regulations should be changed or clarified.

Alcohol and tobacco tax.—Of the 29 regulations required to implement the alcohol and tobacco tax provisions of the 1954 Code, 27 have been issued. One of these, 26 CFR Part 245, "Beer," effective January 1, 1957, was completely rewritten during the year to eliminate most of the detailed requirements of the 1955 edition. A new regulation, 26 CFR Part 212, "Formulas for Denatured Alcohol," effective May 1, 1957, was issued to supersede the appendixes to 26 CFR Part 182. 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. 6221, effective March 1, 1957, which reduced the requirements for record keeping and submission of reports by liquor dealers, distillers, warehousemen, and bottlers.

T. D. 6224, effective April 1, 1957, which similarly reduced requirements for record keeping and submission of reports by importers and persons bringing liquor into the United States from Puerto Rico.

T. D. 6241, effective June 29, 1957, which permits the consolidation of certain types of spirits for further warehousing or withdrawal from bond.

Tax Return Forms Program

Numerous improvements in forms and instructions were made during the year under a continuous program of seeking designs which balance the needs of taxpayers for clarity and simplicity, the needs of revenue officials for efficient processing and audit, and the overall necessity for legal accuracy.

A total of 186 tax return forms and instructions were reviewed and revised. Noteworthy among the changes were:

Form 1040A, U. S. Individual Tax Return 1956, was revised to give the taxpayer a choice between computing his own tax or having the Revenue Service do it for him.

Form 1040 instructions were rearranged so that the instruction items follow the sequence of the pages and lines of Form 1040 and the related schedules.

Form 720, Quarterly Federal Excise Tax Return, was revised to eliminate columns for the reporting of gross sales, exemptions, and adjustments. These columns were introduced in 1953 when Form 720 was developed, and their need had been questioned by taxpayers in view of the reporting burden involved.

Form 755, Application for Exemption from Admissions Tax, was revised so that the taxpayer files it in duplicate. If the application is approved, the district director so indicates on the duplicate copy, and returns it to the applicant. The revision

eliminates a typing operation in the district director's office and expedites the processing of applications.

Form 1042 and related forms used in connection with the withholding of income tax from nonresident aliens were revised to carry out the change in reporting methods effected by Treasury Decision 6213.

Form 2240, Claim for Refund of Federal Tax on Gasoline Used on a Farm, was changed from a folded form to a single punchcard with a separate sheet containing instructions with claimant's retained copy. This will permit the mailing each year of a pre-addressed form and instruction sheet to each person who had filed a claim for the previous year.

Tax Rulings

A total of 40,157 requests for tax rulings and technical advice was⁸ processed in the National Office during the year. Of these requests, 30,874 related to income and excess profits taxes. The requests included 35,672 from taxpayers and 4,485 from field offices of the Revenue Service. In addition, 16,515 technical conferences with taxpayers and their representatives were held on these and related matters.

An analysis of the cases processed, by subject matter, is as follows:

Requests for tax rulings and technical advice processed, fiscal year 1957

Subject	Total	Taxpayers' requests	Field requests
Total.....	40,157	35,672	4,485
Income and excess profits taxes.....	30,874	29,623	1,251
Employment and self-employment taxes.....	1,831	1,360	471
Estate and gift taxes.....	912	717	195
Alcohol and tobacco taxes.....	2,328	842	1,486
Other excise taxes.....	3,430	2,560	870
Engineering questions (depreciation, etc.).....	782	570	212

Determination Letters

The audit divisions of the district offices issue determination letters where a reply can be made on the basis of clearly established rulings and regulations. If a request for a ruling involves a novel or difficult issue, it must be referred to the National Office.

Nine appeals were processed under the procedure instituted in fiscal 1956 permitting taxpayers to appeal to the National Office in connection with adverse determination letters relating to pension and profit-sharing plans. Four of the adverse determinations were sustained, three were overruled, and two others were modified.

An analysis of the scope of the determination letter program as applied to employee benefit plans and to exempt organizations during the past year follows:

Pension trust and exempt organization determination letters issued, fiscal year 1957

Item	Pension trust plans			Exempt organizations
	Profit-sharing	Pension or annuity	Stock bonus	
Initial qualifications:				
Approved.....	2,549	3,483	10	5,015
Employees participating under plan.....	145,638	584,396	2,511	
Total number employed.....	973,643	1,459,441	15,703	
Disapproved.....	22	21		371
Terminations.....	126	181	1	
Closed without issuance of determination letter.....	70	88	1	1,723

Technical Publication Program

During the year, there was a 10 percent increase in the number of Revenue Rulings and Revenue Procedures published in the Internal Revenue Bulletin. Most significant was the 78 percent increase in the number of excise tax rulings published—from 116 in fiscal 1956 to 207.

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

Amounts incurred or paid by a corporation as contributions to an independently controlled trust fund for the purpose of furnishing unemployment benefits to eligible employees under a supplemental unemployment benefit plan constitute proper accruals during the taxable year deductible from gross income; excluding, however, amounts computed as a contingent liability for contributions to such fund (Rev. Rul. 56-671, C. B. 1956-2, 117).

Credits to a "dealers reserve" by banks or finance companies upon the purchase of notes from "dealers" constitute income to the dealers employing the accrual method of accounting at the time such credits are made (Rev. Rul. 57-2, I. R. B. 57-1, 12).

An organization qualifying for exemption from income tax as a club organized and operated for pleasure, recreation, etc. is considered to be a social, athletic, or sporting club for purposes of the excise tax on dues (Rev. Rul. 56-334, C. B. 1956-2, 831).

Retirement age is defined, for the purpose of determining the termination of the exclusion provided with respect to disability pensions received by employees while absent from work on account of personal injuries or sickness (Rev. Rul. 57-76, I. R. B. 57-9, 10).

A compilation of guides for the qualification of stock bonus, pension and profit-sharing, and annuity plans under the 1954 Code appear in Rev. Rul. 57-163, I. R. B. 57-16, 10.

Procedures for the issuance of rulings as to whether certain exempt organizations, and exempt employees' trusts, will be held to have engaged in a prohibited transaction are set forth in Rev. Proc. 56-33, C. B. 1956-2, 1394.

Procedures as to the issuance of notification letters and the granting of conferences in the National Office with respect to cases involving prohibited transactions appear in Rev. Proc. 57-5, I. R. B. 57-6, 30.

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

Revenue rulings and procedures published

Type	Fiscal year—	
	1957	1956
Total.....	737	672
Income tax.....	264	279
Employment taxes.....	64	72
Estate and gift taxes.....	15	32
Alcohol and tobacco taxes.....	138	122
Other excise taxes.....	207	116
Excess profits tax.....	3	2
Firearms.....	8	15
Engineering issues.....	12	15
Administrative and miscellaneous.....	26	19

The program of issuing separate pamphlets containing key Treasury Decisions under the 1954 Code was continued. Following is a list of the additional pamphlets issued during the year:

Publication No.	T. D. No.	Subject matter
311.....	6182	Depreciation.
337.....	6203	Employee pension, annuity, profit-sharing, and stock bonus plans.
350.....	6206	Excise tax on the transportation of persons.
76 (Rev. 11-56).....	6211	Annuities.
352.....	6216	Complete highway motor vehicle use tax regulations.

During the year, a cumulative pamphlet containing all portions of the Income Tax Regulations under the 1954 Code issued as of May 31, 1956, was published as Internal Revenue Service Publication No. 329-1. An additional pamphlet in this series, No. 329-2, which will contain the portions of the Income Tax Regulations issued during June-December, 1956, was in the hands of the printer as the year ended.

An advisory group was appointed to undertake a study and make recommendations with respect to the schedule of useful lives of depreciable property contained in the 1942 edition of Bulletin "F". This group consists of three government representatives and two outside consultants. The study will include types of property not previously included, as well as those previously listed.

Interested taxpayers and representatives of industries and trade associations were invited to submit suggestions as to the types of depreciable property to be included, and their experiences regarding useful lives, including operating conditions, technological improvements, and economic changes. The advisory group has received considerable data to date.

In addition to the Internal Revenue Bulletin, which is the Service's technical journal, many other publications for the assistance of taxpayers are published. They are described on page 51.

Closing Agreement Cases

Work was kept current on closing agreements involving prospective transactions. (For action on cases involving completed transactions see p. 28.)

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

Tax Rulings Division receipt and disposal of closing agreement cases

Status	Number of cases
Pending July 1, 1956.....	4
Received during year.....	8
Disposed of during year.....	9
Pending June 30, 1957.....	3

Civil Advisory Legal Services

During the year, the regional counsels generally expanded their civil advisory activities to meet local needs by assisting district directors in the training of collection and other personnel who deal with the administrative matters which give rise to the legal problems comprising the civil advisory field of legal work.

There was a substantial increase in the number of cases received. A total of 8,704 new cases (3,911 being noncourt cases) was received, whereas during the previous year, 7,903 cases (3,492 being noncourt cases) were received. This increase of 801 cases received is especially meaningful in that 382 cases represent court proceedings.

These cases relate to proceedings under the Bankruptcy Act, receiverships, and other insolvencies, Federal tax liens in quiet title actions 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 appendix tables 21 and 22), and the handling of offers in compromise, as well as to collection and injunction cases.

Several decisions by United States Courts of Appeals brought into sharper focus the much-litigated question frequently arising in civil advisory cases involving the extent to which the proceeds of an insolvent taxpayer's life insurance may be reached by proceeding against the beneficiary as a transferee. In *United States of America v. Nelle A. Hoper, et al.* (C. A. 7th, 1957) 242 F. 2d 468, it was 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 values of the taxpayer's life insurance policies which could be enforced after the taxpayer's death. In the case of *United States v. Bess* (C. A. 3rd, 1957) 243 F. 2d 675, the court held Mrs. Bess liable for her deceased husband's income taxes as a transferee,

in the absence of a lien, but only to the extent of the cash-surrender value of the decedent's life insurance at date of death. The *Bess* case is in direct conflict with the case of *Stern v. Commissioner of Internal Revenue* (C. A. 6th, 1957) 242 F. 2d 322, in which the Court of Appeals (reversing the Tax Court of the United States) held that a life insurance beneficiary is not liable for the deceased taxpayer's income taxes as a transferee either with respect to the proceeds or the cash-surrender value of the decedent's life insurance. Petitions for certiorari in the *Stern* and *Bess* cases have been filed on behalf of the government, so that a final solution of the problems involved may be obtained.

Each regional counsel has continued and emphasized the program under which legal personnel who handle civil advisory matters make regular periodic visits to the offices of district directors within the region. During each visit the civil advisory legal personnel are able to resolve a substantial number of problems relating to civil law as distinguished from criminal law. In this way district directors are able to secure immediate answers to many of their questions without being required to reduce their inquiries to writing.

AIDS FOR TAXPAYERS

General

Further progress was made last year in the Revenue Service's long-range program to increase the quantity and quality of assistance to taxpayers but to reduce the cost.

Better techniques in handling direct taxpayer requests during the income tax filing season—such as expanded telephone service—and a better supply of indirect aids—such as booklets, television films, and school texts—contributed to these goals.

Direct Taxpayer Assistance

Approximately 11,000,000 taxpayers were assisted in the preparation of their income tax returns during the annual filing period. This was a 7 percent decrease from the prior year and is due to the success of the publicity and educational programs of the Revenue Service to encourage taxpayers in "do-it-yourself" methods.

More significant from the enforcement viewpoint were the savings in manpower effected during this year's filing period. Over 38,000 fewer man-days were required in the 1957 program than in the prior year's program, automatically increasing the personnel engaged in audit and other enforcement work by that amount.

The cost of the assistance program this year was \$3,260,000, considerably less than that of \$4,040,000 in the preceding year.

The results of the publicity and educational programs are indicated by the changing pattern in the type of assistance furnished. Although 6,000,000 taxpayers found it necessary to come to the field offices for help, this direct assistance decreased about 12 percent in the current program. On the other hand, the telephone question-answering service, which accounted for the remaining number of taxpayers assisted, increased slightly over the prior year. Continued expansion of the telephone service is expected since this type of assistance is the most convenient to taxpayers and the most economical to the government. During 1957, there were 117 taxpayers assisted per man-day by this method as compared to 108 taxpayers per man-day in the previous year.

Fewer taxpayers received individual assistance in the preparation of their returns during the annual filing period than in the prior year's program. Personal assistance is given whenever necessary. However, expansion of the self-help methods is being encouraged.



"Self-help" Plan for Assisting Taxpayers in Preparing Income Tax Returns at District Director's Office, San Francisco, Calif.

The self-help methods of assisting taxpayers in the completion of their returns have resulted in large savings of time and money to the Revenue Service. During 1957, 5 out of every 6 taxpayers assisted received this type of help as compared to 5 out of 7 in 1956.

Taxpayer Publications

Significant progress was made in the extension and improvement of the Taxpayer Publications Program.

"*Your Federal Income Tax*," IRS Publication No. 17, was revised, expanded, and improved. This 112-page booklet is the Revenue Service's comprehensive income tax manual for individual taxpayers. Improvements effected in the 1955 edition were continued in the 1956 edition with greater emphasis on plain layman's language and more examples. The expanded subject matter in the 1956 edition resulted in part from suggestions received from taxpayers and field personnel. Approximately 587,000 copies were sold this year, representing an increase of about 190,000 over the previous year.

"*Tax Guide for Small Business*," IRS Publication No. 334, is a 128-page booklet which was issued for the first time this year. The booklet is a comprehensive tax reference tool for the small businessman. It covers most of the tax problems of the sole proprietor, the partnership, and the corporation. It includes a detailed explanation of the tax results of the establishment, operation, and disposition of a business. Federal income, excise, employment, and withholding taxes are discussed. Also included is a complete Federal Tax Calendar for 1957, together with a detailed Federal Tax Check List, which is of special interest to new businesses. Approximately 117,000 copies were sold.

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

"*Federal Use Tax on Highway Motor Vehicles*," IRS Publication No. 349, was issued to explain this new tax on heavy trucks, buses, etc., under the Highway Revenue Act of 1956.

"*Social Security Information for Crew Leaders and Farmers*," IRS Publication No. 365, was issued jointly with the Social Security Administration to explain certain provisions of the Social Security Amendments of 1956.

"*Federal Gas Tax Refund for Nonhighway and Transit Users*," IRS Publication No. 378, was issued to explain the refunds allowable under the Highway Revenue Act of 1956 for fiscal year 1957 and subsequent fiscal years.

Other Publications.—Eight separate chapters of "Your Federal Income Tax" were modified and printed as six separate pamphlets for free distri-

bution to taxpayers during the Taxpayer Assistance Program and as inserts in replies to requests for determination letters, advice, and other information. The six pamphlets contained a detailed explanation of:

- Personal Exemptions and Dependents.
- Sick Pay.
- Employee and Travel Expenses.
- Retirement Income and Credit.
- Sale of a Residence.
- Medical and Dental Expenses.

Information Program

The Revenue Service expanded its program of distributing tax information to the public. Over 80 releases for dissemination by the press, radio, television, magazines, and other communications media were prepared and distributed by the National Office, and all field offices supplemented this material with additional programs according to local needs.

During the year, the National Office also continued its practice of preparing suggested releases for use by field offices. This Field Information Program was expanded during the filing period by the use of a "Taxpayer Assistance Kit" containing news and technical releases, and scripts for radio and television shows and spot announcements.

A series of 18 "spot" announcements and "station-break" slides for public-service use by television stations was prepared. A short film, in which the Commissioner asked taxpayers to remember certain filing requirements and to file early, also was produced.

School Program

The National Office distributed well over 3,000,000 student handbooks and more than 43,000 teacher kits in 32,650 junior and senior high schools, both public and private. In addition, 517 colleges and universities requested these teaching aids, which were designed to help students understand basic tax problems and to acquaint them with the tax forms in preparation for the time when they will enter business or professions.

These materials are also being used by colleges and universities in training future teachers for teaching tax subjects and by business and civic organizations as a part of their employee- and member-training activities.

INTERNATIONAL ACTIVITIES

International Operations

This was the International Operations Division's first full year of existence and it witnessed the establishment of a full program of collection, audit, and other activities at its headquarters in Washington, D. C., and in its permanent field offices in Paris, France; Frankfurt, Germany; Ottawa, Canada; Manila, Philippines; San Juan, Puerto Rico; and Balboa, Canal Zone.

In addition, brief visits were made by revenue agents to 30 other countries to assist persons (both United States citizens and others) to file returns during the usual filing period, and also to hold conferences on disputed tax cases; and to assist in other matters.

The extensive tax assistance required by military forces overseas was provided primarily in the form of special tax schools conducted by the division in Europe and the Far East. Approximately 450 military tax assistance officers attended the six 1-week intensive schools, and thus became qualified to render, upon return to their respective units, direct tax assistance to the many thousand uniformed and civilian personnel stationed throughout the world.

The division began enforcement work notwithstanding difficulties in recruiting and training personnel suitable to its specialized work. Basic policies and procedures were developed for filing, auditing, and otherwise handling of returns under its jurisdiction. Improved liaison arrangements were initiated with several foreign governments for the exchange of information on specific tax cases.

Approximately 100 audit, intelligence, and other investigations were conducted for the various district directors and other offices in the United States. Some of these matters required extensive work abroad. Also it acted on several thousand requests to help in collection matters.

A unique feature of the division's operations has been its abnormally high percentage of refund cases. During the year, for example, 53 percent of the cases closed resulted in refunds. These were made principally to nonresident citizens and aliens who filed claims for refund of income tax withheld. This percentage should drop somewhat as the division is able to give more attention to selected audit cases.

International Tax Conventions

Honduras.—An income tax convention between the United States and Honduras, the first such convention between the United States and a Latin-American country, became effective as of January 1, 1957, upon an exchange of ratifications on February 6, 1957.

Pakistan.—After extended negotiations, an income tax convention between the United States and Pakistan was completed in final form and signed in Washington by the Secretary of State and the Pakistani Ambassador on July 1, 1957. This is the first convention to provide for the crediting against United States income tax of income tax forgiven or "spared" by Pakistan to encourage industrial development; a type of provision which was publicly mentioned with favor by Secretary Humphrey in October 1954, and subsequently in messages of the President to Congress.

Italy.—On October 26, 1956, instruments of ratification of an income tax convention between the United States and Italy were exchanged in Rome, and the convention became effective as of January 1, 1956. Instruments of ratification of an estate tax convention between the two countries were also exchanged in Rome, and the convention became effective with respect to estates of persons dying on or after October 26, 1956.

France.—On June 13, 1957, ratifications were exchanged in Paris of the supplemental income tax convention between the United States and France. Besides provisions relating to income tax, the convention also provides for the exemption from French stamp taxes of security transactions executed in this country; and, by an exchange of notes, it was agreed that United States inventors be entitled to the same right of claiming exemption of royalties from French turnover tax as is available to French inventors.

Austria.—On January 17, 1957, President Eisenhower transmitted to the Senate for approval the income tax convention with Austria, which was signed October 25, 1956. This convention awaits ratification.

Canada.—On August 8, 1956, there was signed, at Ottawa, a convention modifying and supplementing the income tax convention between the United States and Canada. This convention awaits ratification by the United States.

Japan.—Negotiations which were begun in Washington in September 1956, led to the signing, on March 23, 1957, of a protocol to the income tax convention with Japan. This protocol awaits ratification by both countries. It provides reciprocal tax exemption by each country of interest paid to the Export-Import Bank of the other.

Foreign visitors.—During the year a marked increase was noted in the number of foreign officials who visited the National Office to study the administration and operation of the United States tax laws. A total of 106 foreign officials from 60 countries was received, compared with 67 officials from 24 countries received in the previous year.

LEGISLATIVE DEVELOPMENTS

Legislative Preparations

The Subcommittee on Excise Taxes of the House Ways and Means Committee undertook a revision of the excise tax provisions of the 1954 Code. In July 1956, a bill, H. R. 12298, containing amendments agreed upon up to that time, was introduced. Revenue Service technicians made a detailed analysis of H. R. 12298 and recommended many changes and additions.

Later in the year the subcommittee held further public hearings on excise tax revision and agreed upon substantial changes and additions to H. R. 12298. This activity culminated in the introduction of H. R. 7125, the Excise Tax Technical Changes Act of 1957. H. R. 7125 was passed by the House of Representatives on June 20, 1957, and was pending in the Senate at the close of the fiscal year.

The Subcommittee on Internal Revenue Taxation was active on the following projects:

1. A bill to correct technical defects and unintended benefits and hardships in the 1954 Code.
2. A study of tax forms.
3. A study of the administration of tax laws.
4. Proposed revision of subchapters C (Corporate Distributions and Adjustments), J (Estates, Trusts, etc.), and K (Partnerships) of chapter 1 of the 1954 Code.

The first project resulted in the preparation and introduction of H. R. 8381, the Technical Amendments Act of 1957. The other studies are continuing.

Service representatives attended the public hearings and executive sessions of these subcommittees and the full committee. They also performed services in connection with the drafting of the bills and the committee reports.

During the year, 49 reports on bills were prepared and forwarded to the office of the Deputy to the Secretary. 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.

Legislation Enacted

During July 1956, Congress passed H. R. 7225, the Social Security Act Amendments of 1956. Some of the more important provisions of the Act are the following:

1. The rate of tax on self-employment income was increased by $\frac{3}{8}$ of 1 percent and the rates of the employee tax and the employer tax were each increased by $\frac{1}{4}$ of 1 percent.
2. Coverage was extended to self-employed lawyers, dentists, veterinarians, chiropractors, naturopaths, optometrists, and osteopaths.
3. A new optional method of computing self-employment income by farmers was provided.
4. It was provided that rental income from a farm under certain share-farming arrangements is not excluded from net earnings from self-employment, thereby extending coverage to many farm owners previously excluded.

Of the eleven other tax bills enacted, the following are of particular interest:

P. L. 784 (84th Cong.) extended the 1955 formula for taxing the income of life insurance companies to taxable years beginning in 1956.

P. L. 796 (84th Cong.) exempted certain additional foreign travel from the tax on the transportation of persons.

P. L. 1010 (84th Cong.) increased the maximum price of admission which is exempt from the admissions tax from 50 cents to 90 cents.

Before the close of the fiscal year, the first session of the 85th Congress passed the Tax Rate Extension Act of 1957, extending until July 1, 1958, the present corporation income tax rate and the rates of certain excise taxes which otherwise would have been reduced on April 1, 1957.

INTERNAL CONTROLS

Internal Audit

The effectiveness of the internal audit function was increased materially during the year. In order to assure that maximum benefits are derived from it, procedures were revised to make the internal audit function a completely integrated part of the management control system of the Revenue Service. These procedures require prompt and effective action on all deficiencies reported by the Internal Audit Division and district directors and regional commissioners have been made personally responsible for the adequacy of the actions taken.

A policy statement also was issued to clarify the function of Internal Audit in the review of closed tax cases. This statement makes it clear that Internal Audit's review of closed tax cases is not for the purpose of questioning the judgment of technical personnel on technical issues, but rather to assure management that the prescribed policies and procedures are adequate and are being followed. In addition it was pointed out that Internal Audit has no authority to reopen or require the reopening of any closed tax case.

There were 319 internal audits completed during the year as compared with 272 during the preceding fiscal year. This increase, which gave management more timely information concerning the condition of offices examined, was made possible to a large extent by a better understanding of the internal audit function by operating personnel.

Statistics covering the internal audit activity of the nine regional inspection offices for fiscal year 1957 follow:

Internal audit activity

Activity	In process July 1, 1956	Started	Completed	In process June 30, 1957
Grand total	50	297	319	28
Regional offices, total	6	55	54	7
Regional counsels' offices	3	7	9	1
Regional commissioners' offices:				
Collection		7	7	
Audit		8	8	
Intelligence		7	6	
Alcohol and Tobacco Tax	2	9	7	4
Appellate	1	8	8	1
Administrative		9	9	
District directors' divisions, total	44	240	263	21
Collection	12	59	66	5
Audit	14	60	62	12
Intelligence	10	59	67	2
Administrative	8	62	68	2
Service centers		2	2	

In addition to conducting regular audits, the Internal Audit Division participated in a number of other assignments. These included: the participation in a factfinding study of the organizational structure of the regional offices; a special survey of the internal management document system; a survey of the work of the regional analysts (audit); an internal audit of the Accounting Branch of the National Office's Fiscal Management Division, and the completion of a survey of the National Office's Alcohol and Tobacco Tax Division. Internal Audit also participated in the special study and investigation of a scheme to defraud the government of over \$267,000 through fraudulent tax refund claims.

In another special assignment, the efforts of the Internal Audit Division and the Internal Security Division were coordinated in a joint investigation and audit of one of the large district offices. Members of the staff participated in the audit of the Treasury Department's Exchange Stabilization Fund, as well as the Treasury review of bureau inspection programs. Assistance also was rendered to the General Accounting Office in its audit of the reporting requirements prescribed by section 1311 of the Supplemental Appropriation Act of 1955.

Internal Security

A substantial stride toward bringing its workload to a current status was made during the year by the Internal Security Division.

There were 7,512 personnel investigations closed during fiscal year 1957 compared with 7,063 in fiscal year 1956. This increase of 6 percent was accomplished with no increase in personnel during the year. As a result, the number of unassigned character investigation cases was reduced by 48 percent during the year, and there was an overall reduction of 34 percent in the number of pending personnel investigations.

Eleven Internal Security Division inspectors attended the Treasury Law Enforcement School during the year, and five inspectors attended the Enforcement Technical School. In addition, on-the-job training programs were conducted on a continuing basis in the regional inspectors' offices.

Confidential Defense Clearance Letters were issued to 828 employees during the year.

A comparison of personnel cases in the last two years follows:

Personnel investigations and disciplinary actions

Type of investigation and action	Fiscal year—	
	1957	1956
Personnel investigations		
Number of cases closed, total	7,512	7,063
Character and security investigations	4,949	4,868
Conduct investigations	785	1,003
Special inquiries	1,778	1,192
Disciplinary actions against employees as a result of personnel investigations		
Disciplinary actions, total	821	681
Separations, total ¹	355	308
Bribery, extortion, or collusion	5	7
Embezzlement or theft of government funds or property	13	8
Failure of employee to pay proper tax	34	26
Falsification or distortion of government reports, records, etc.	101	145
Unauthorized outside activity	13	12
Failure to discharge duties properly	13	9
Personal misconduct unrelated to tax cases	68	50
Refusal to cooperate	4	1
Divulgence of confidential information	4	6
Acceptance of fees or gratuities	5	13
Other misconduct	95	31
Suspensions from duty and pay	23	47
Reprimands, warnings, transfers, and demotions	443	326

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.

In addition to the personnel investigations reflected in the above table, the Inspection Service completed 83 tort claim investigations and conducted police checks on 2,637 employees who received temporary appointments for 90 days or less.



personnel on rolls

fiscal years 1956 and 1957

NATIONAL OFFICE	2,832
REGIONAL AND DISTRICT OFFICES	47,993 48,532
distributi	
COLLECTION OFFICERS	5,660 5,782
OFFICE AUDITORS	2,137
RETURNS EXAMINERS	1,466
REVENUE AGENTS	10,862 10,822
SPECIAL AGENTS	1,542
ALCOHOL TAX PERSONNEL	2,252
ALL OTHER	26,826 27,363

1957

ADMINISTRATIVE FUNCTIONS

Personnel

Attention was focused during the year on the development of a "Blue Ribbon" career service to attract and retain the highest possible caliber of people for Revenue Service work.

This program consists of seeking better qualified individuals for employment, providing more extensive and more professional training for both new employees and for those who are about to enter upon more difficult assignments, setting salary grades for positions which are consistent with high professional requirements, assuring prompt promotion of individuals who have demonstrated qualifications for more responsible work, and selecting executive and supervisory officials on a strictly merit basis.

The labor market was exceedingly tight for most classes of jobs, particularly professional accountants. However, through its second all-out college recruitment campaign, the Revenue Service appointed 757 internal revenue agent trainees. Approximately 91 percent of these recruits are recent college graduates with 24 or more semester hours in accounting subjects.

The first full-scale campaign to recruit trainee collection officers from college campuses was launched in the spring. Despite the late start, 225 trainee collection officers were appointed. Approximately 76 percent of these recruits are college graduates.

Keeping employees carefully informed on matters of interest to their careers in the Revenue Service was a key feature of the increased emphasis placed on maintaining effective employee relations.

The increasing concern with maintaining a capable, satisfied, and productive work force was further spotlighted by the publishing of policies and procedures for the fair and equitable handling of employee complaints and grievances. These policies and procedures emphasized the responsibility of management and employees alike for working together in a manner that will minimize the situations from which grievances and complaints arise.

New qualification standards were developed by the Revenue Service and approved by the Civil Service Commission for the positions of chief and assistant chief, collection division; assistant chief (trainee), collection division; and director and assistant director, service center. The new standards stress managerial ability in contrast to technical knowledge.

Another major move in the qualifications area was the completion of an agreement with the Civil Service Commission which would permit the Revenue Service noncompetitively to select employees for the internal revenue agent training program, provided such employees have had experience of Grade GS-5 or better in the Revenue Service, and at least 24 semester hours in accounting.

As an essential part of the "Blue Ribbon" program, plans have been drawn for classification guides and standards covering every major type of Revenue Service job. These guides and standards are designed to set classifications which will enable the recruitment and retention of well-qualified people, and permit employees to look up to opportunities for higher paying jobs along well-defined promotional ladders.

Completed, during fiscal year 1957, were new standards for collection officers and guides covering regional appellate positions, collection division chiefs, and audit conference coordinators. Nearing completion or awaiting approval are guides covering classification of alcohol and tobacco tax inspectors, supervisory intelligence positions, attorney positions under the regional counsel, inspection internal audit positions, district personnel officer, and regional operating facilities positions.

Progress was made also in the Revenue Service's Incentive Awards Program. A significant development was the increase in Superior Work Performance and Special Acts or Services Awards. There were approximately 618 of these approved in fiscal year 1957, as compared with 140 in fiscal year 1956.

The previous year's alltime participation record for employee suggestions was surpassed. A total of 4,500 suggestions for operational improvements was received during fiscal year 1957, of which nearly 1,000 were adopted.

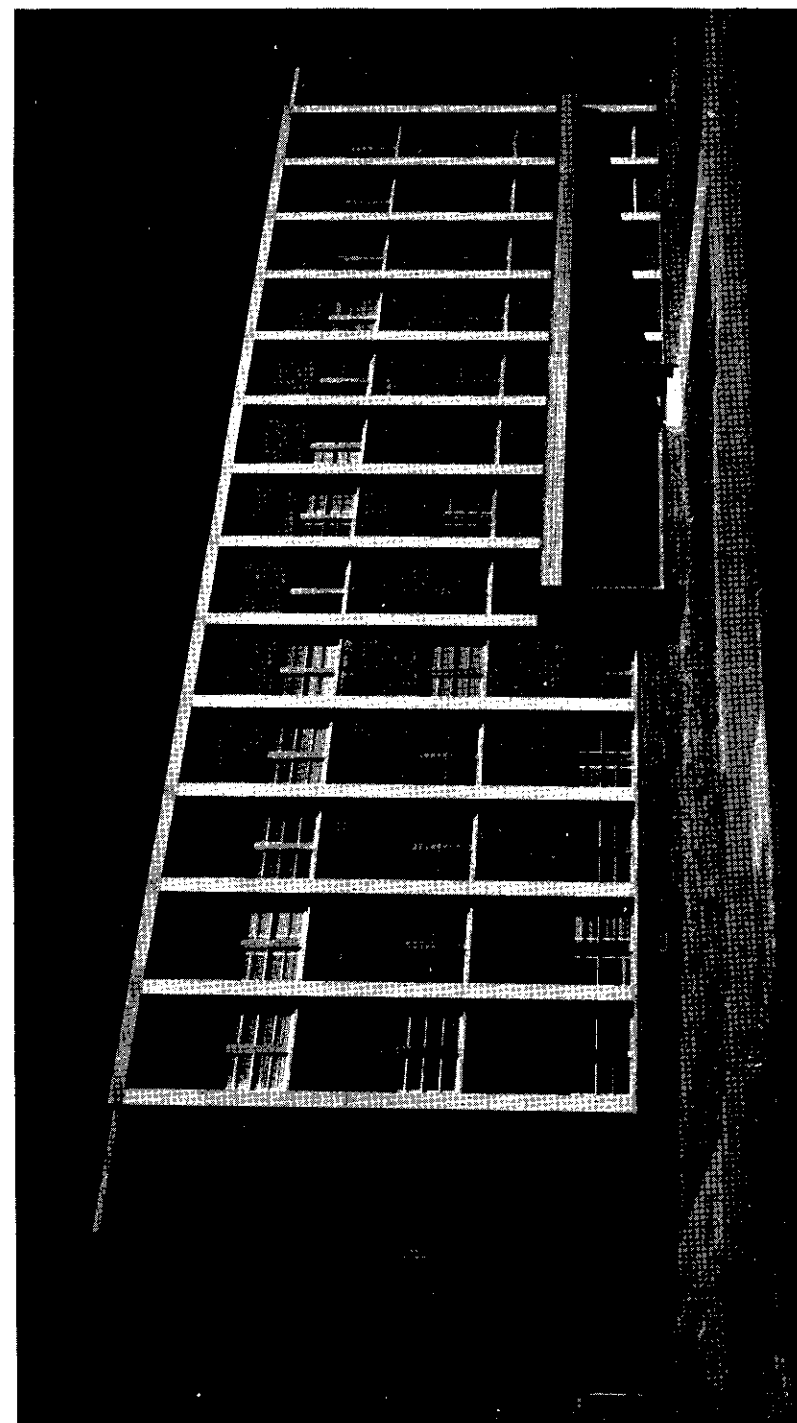
The total number of employees and the number in each major category remained approximately the same as the year before. A comparison follows:

Personnel on the rolls

Location and type	Number on rolls at close of fiscal year—	
	1957	1956
Grand total	51,364	50,682
By location		
National Office ¹	2,832	* 2,689
Regional and district offices	48,532	* 47,993
By type		
Permanent personnel, total	50,797	50,308
Supervisory personnel	523	511
Enforcement personnel, total	24,001	23,856
Collection officers	5,782	5,660
Office auditors	2,137	2,127
Returns examiners	1,466	1,361
Revenue agents	10,822	10,862
Special agents	1,542	1,549
Alcohol tax inspectors	465	481
Alcohol tax investigators	954	922
Storekeeper-gaugers	833	894
Legal personnel	501	467
Other technical personnel	3,978	4,057
Clerical personnel, messengers, and laborers	21,794	21,417
Temporary personnel	567	374

* Revised.

¹ National Office figures include Internal Revenue Operations Division personnel (headquarters and field offices) numbering 106 for 1956 and 230 for 1957. This group was included with regional and district office personnel in the 1956 report.



New Building for Consolidation of District Director's Office in Albany, New York.

Training

During the year the training function was separated from the personnel function and established as a separate division in the National Office.

Developmental work on basic agent training was completed and preparation of advance agent training material was begun. Progress in the development of the new alcohol and tobacco tax program continued with additional new courses added. A committee was appointed to study and recommend with regard to training in the collection function. This committee consists of a regional commissioner (chairman), the dean of a college of business administration, a former officer of the National Association of Credit Men, and the training officer of a large bank. It is expected that this committee will report early in the next fiscal year and that a revised plan and new training procedures will be installed almost immediately after consideration of the report.

A class of 13 completed the 6-month Executive Development Course. All members of the original class of 1956 have been placed in assistant district director positions. Management institutes using recognized authorities as instructors were conducted for directors, assistant directors, assistant regional commissioners, district division chiefs, various levels of alcohol and tobacco tax supervisors, and district group supervisors. In all about 550 supervisors received this type of training. In-service supervisory training was continued in the National Office, regions, and districts.

To inaugurate training in effective writing and in secretarial development, workshops were run in each region by a member of the National Office's Training Division. A comprehensive instructor kit was developed as a training aid in teaching effective writing.

The first training films produced by the Revenue Service were completed. Enrollment in correspondence courses remained at normal levels. The law courses are still undergoing revision to bring them into conformity with the Internal Revenue Code of 1954 and recent regulations promulgated under that Code.

In the alcohol and tobacco tax area, work was completed on the preparation of a 13-text in-service training course for storekeeper-gaugers, a 4-text special accounting course for inspectors, and 11 texts of a projected 15-text course on the subject of inspections. A 6-week training course at the Treasury Law Enforcement Officer Training School in Washington, D. C., was completed by 159 alcohol and tobacco tax investigators during the same period.

Operating Facilities

Space and equipment.—Upgrading and consolidation of space were accomplished at six major offices. These were the district offices at Albany, Lower Manhattan, Newark, Atlanta, Oklahoma City, and Richmond.

Similar projects are in progress at Camden, Pittsburgh, Columbia, Jacksonville, Baltimore, and Brooklyn. Twenty-nine emergency space improvements were also approved.

Procurement authority was decentralized, property accounting was streamlined, and stock control procedures were simplified. A survey showed a need for \$14,000,000 for upgrading our equipment and furniture to a reasonable standard. Of the items needed, production equipment (typewriters, calculators, bookkeeping machines, etc.) accounts for \$3,800,000.

Safety.—Thirteen districts received safety awards for completing the calendar year 1956 without a lost-time accident as compared with eight districts receiving awards in 1955. The Internal Revenue Service Annual Regional Safety Award was presented to the Philadelphia Region for having the lowest accident frequency rate: 2.5 lost-time accidents per million man-hours worked.

Records administration.—The records administration program has led to a substantial improvement and reduction of paperwork and the release of manpower and equipment for other types of work. To assist in rooting out extraneous paperwork, additional guidelines and techniques were developed for improving the creation, processing, maintenance, and disposition of records; studies were conducted to demonstrate what could be accomplished; all proposed new and revised forms were reviewed, and the development and installation of more efficient records handling equipment were facilitated.

Emphasis was placed on developing standardized forms which are more economical to use and which insure greater uniformity in dealing with taxpayers. As part of this program, all field offices were asked to submit all new forms for coordination with regional and national forms. As a result, there has been a 25 percent increase in the number of regionally standardized forms, and a 14 percent decrease in local district office forms.

	Inventory July 1, 1956	New forms added dur- ing year	Forms eliminated	Inventory June 30, 1957	Net reduc- tion or increase
All regional forms.....	3, 789	1, 210	182	4, 817	+1, 028
All district forms.....	28, 470	3, 729	7, 692	24, 507	-3, 963
Total.....	32, 259	4, 939	7, 874	29, 324	-2, 935

Substantial progress is being made in eliminating mail-inserting problems in district offices by the redesign of some forms as self-mailers. Not only do the self-mailers result in savings of manpower, but they also eliminate the need for millions of envelopes each year and for expensive inserting and mailing equipment.

In the past year, the emphasis in the correspondence management program has been to develop guides for more effective preparation of typed letters, and to effect greater standardization of field form letters. Part I of an Internal Revenue Service Correspondence Handbook has been drafted



Filing Tax Returns in Cartons on Open Racks Saves Cost of Filing Cabinets—Typical Installations in Boston and Philadelphia.



and should be released during the next fiscal year. This will greatly simplify the problem of training new Revenue Service employees and facilitate the shifting of stenographic personnel by providing standardized correspondence practices. Form letter design standards have been drafted to provide field offices with techniques for designing form letters which can be prepared with minimum typing effort.

The emphasis in files management has been on developing and installing shelf-filing equipment to improve the handling of Revenue Service records. Equipment has been installed in all regions to handle individual income tax returns. One region has reported that this project increased production by 8 man-years, released for office use about 51,000 square feet of space, and released about \$82,000 worth of filing equipment for use elsewhere in the government. At present, standards are being prepared for equipment to house the smaller tax forms and other documents. A series of projects has been started on improved methods of filing tax returns to facilitate the segregation of these records according to disposal date. This will result in eliminating costly screening to select permanent preservation records and will insure better preservation of important documents.

Disposal of inactive records by destruction or transfer to Federal Records Centers has continued at the same high rate. To further reduce the volume of retained records, one new records disposal schedule was issued and five existing schedules were greatly revised to provide better coverage. A major survey of records in the National Office covered 29,000 cubic feet of record material, of which 4,500 cubic feet were destroyed and 11,500 cubic feet transferred to the records center.

Fiscal Management

Emphasis continued on improved financial planning for the Revenue Service. The increased production shown elsewhere in this report is, in part, due to the more stable operation which results from such advance planning.

In addition, the program for regular analysis and review of performance against the plan contributed towards more effective utilization of appropriated funds. For example, after a thorough midyear review, it was possible to reprogram funds to provide for employment of a number of additional temporary employees to assist with peak filing-period operations. As a result, field offices were able to clean up much of the heavy load of clerical work which usually is carried over from the filing period, and to begin the new fiscal year in better shape.

In continuation of the effort to do a better fiscal management job with fewer personnel, a survey of regional fiscal management branches was begun. The objectives of these surveys are to learn just what each region is doing in the fiscal management area, to evaluate these functions in the light of performance and Revenue Service policies, and to make suggestions

and recommendations to improve operations, streamline procedures, and reduce manpower. Surveys of four regions were completed during 1957, and the remainder are planned for the first part of 1958.

In the accounting area, a long-range program was inaugurated for the application of improved mechanical and electronic techniques to fiscal accounting, payroll, budget, and related operations. A pilot payroll installation in the Northeast Service Center is the first step in this program.

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

Obligations Incurred by the Internal Revenue Service

(In thousands of dollars)

Activity	Total, fiscal year—		Salaries, fiscal year—		Other, fiscal year—	
	1957	1956	1957	1956	1957	1956
Total	305,538	299,895	270,853	266,572	34,685	33,323
Rulings, technical planning, and special technical services	4,633	4,368	4,282	4,060	351	300
Collection of revenue	128,866	125,609	110,078	106,855	18,788	18,754
Audit of tax returns	106,702	106,186	99,376	98,831	7,326	7,355
Tax fraud and special investigations	15,739	15,154	14,071	13,692	1,668	1,462
Alcohol and tobacco tax regulatory work	23,200	23,050	19,966	20,246	3,234	2,804
Taxpayer conferences and appeals	9,771	9,782	9,289	9,329	482	453
Legal services	7,044	6,705	6,405	6,193	639	512
Inspection	4,097	3,899	3,427	3,347	670	552
Statistical reporting	1,735	1,905	1,475	1,553	260	352
Executive direction	3,751	3,245	2,484	2,466	1,267	779

Enrollment of Practitioners

The first 5-year enrollment cards expired this year. Of the cards issued in 1952 which expired in 1957, 29,673 were renewed between January 1 and June 30, 1957. In addition, 1,365 other cards that terminated in 1952, for which no renewal had been requested previously, were renewed as a result of belated applications, making a total of 31,038 renewals issued to practitioners during the year.

Prior to 1952, the regulations prescribed no expiration time for enrollments, with the result that the enrollment roster was badly out of date. Action was taken in November of 1951 to purge the roster by eliminating those proved to have been dishonest or otherwise delinquent and to bring it up to date by eliminating those who had died after enrollment.

To accomplish those ends, the regulations were amended to terminate all enrollments as of March 31, 1952, subject to renewal prior to June 30, 1952, under a prescribed procedure designed to screen applicants. This amendment provided that enrollments thereafter would be for a 5-year period only.

A total of 55,632 renewal cards was issued as a result of renewal applications filed between January 1 and June 30, 1952. In addition, about 6,000 cards were issued as a result of original applications received during

that fiscal year. Inasmuch as all of those cards issued in 1952 became void five years later, they were subject to renewal beginning January 1, 1957.

In October 1956, the regulations were revised to provide for a renewal procedure which followed substantially that which was adopted for the renewals in 1952, except that under the latest amendment an application for a renewal may be submitted at any time during a 24-month period commencing 12 months before and ending 12 months after the expiration of an enrollment card. The purpose of providing for this 24-month period is to stagger the renewal of enrollments on a voluntary basis.

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	Fiscal year—	
	1957	1956
General enrollment—attorneys and agents:		
Applications for enrollment approved	6,987	4,522
Applications for enrollment disapproved	27	28
Applications withdrawn on advice of the Director	192	138
Applications abandoned	20	25
Special enrollment to practice before the Internal Revenue Service:		
Applications approved by reason of examination	2	
Applications approved pursuant to standards and procedures based upon former service with the Treasury Department. (Sec. 12, Department Circular No. 230, revised)	220	139
Applications approved by reason of having passed CPA examination though CPA certificates not issued	35	19
Applications of former employees denied	9	15
Applications withdrawn	14	15
Applications abandoned	4	35
Renewal of enrollment cases:		
Applications for renewal approved	31,038	710
Applications for renewal disapproved	4	7
Applications for renewal withdrawn	27	41
Applications for renewal abandoned	2	4
Disbarment cases:		
Disbarments	1	11
Resignations accepted	2	6
Resignations accepted with prejudice		
Reprimands issued	33	19
Suspensions	3	6
Closed without action	27	21
Formal complaints pending against enrolled persons	9	34

¹ Of the 31,038 applications for renewal approved, 29,673 were renewed since January 1, 1957, due to the fact that the renewed cards issued to those enrollees in 1952 had expired.

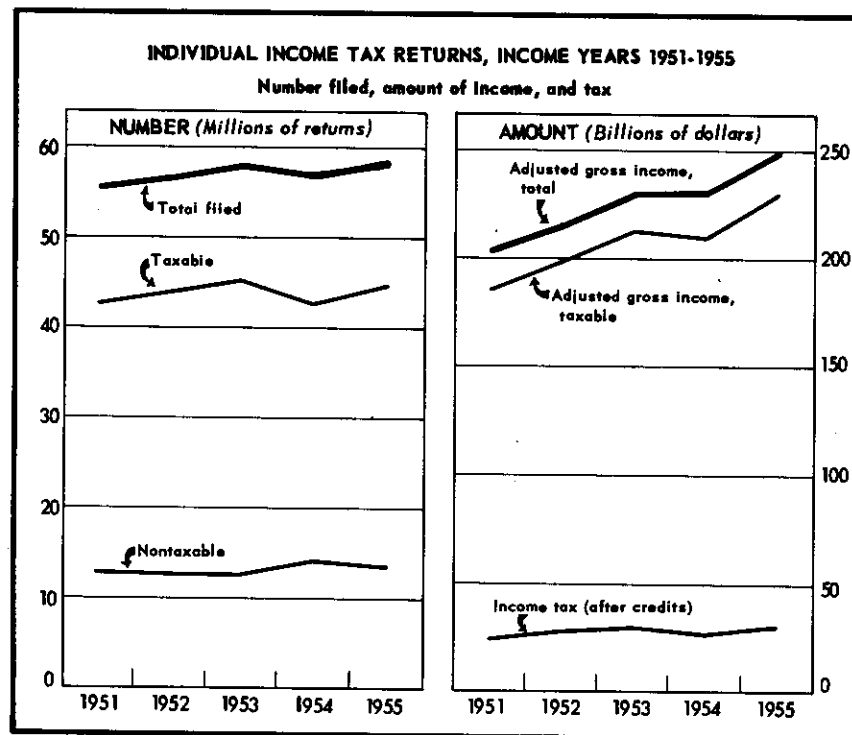
Statistics of Income

Expedited release of publications.—Substantial progress was made during the year in expediting the release of the several publications of "Statistics of Income"—the detailed presentations of data compiled from income tax returns. This information is used extensively by the Congress, the Treasury Department, other federal and state agencies, and business organizations in charting and forecasting tax revenues, national income, business profits, and other important factors.

Since the program for accelerating the release of these publications was instituted a few years ago, the time between the filing of individual income tax returns and the publication of the complete statistics has been reduced from 75 months (for statistics relating to 1946) to 36 months (for 1953). In the case of corporation income tax returns, the interval has been reduced from 52 to 29 months. This is a long-range program which is expected to cut these schedules further in the coming years.

The speedup has been made possible partly by the introduction of high-speed electronic computers and partly by improved procedures in both the National Office and the district offices. Last year was the first in which the entire "Statistics of Income" tabulations were made by the new computers.

The various printed reports may be obtained from the Superintendent of Documents, Government Printing Office, Washington 25, D. C. All of them carry the main title "Statistics of Income" and are subtitled to indicate scope: data from individual, fiduciary, estate, and gift tax returns; data from corporation income tax returns; data from partnership returns and other special classes when they occur.



Business Indicator data initiated.—To provide an improved statistical basis for the national income accounts produced by the Department of Commerce and to assist the Council of Economic Advisers, plans and procedures were

completed for a new accelerated tabulation of certain business indicator information taken from the tax returns. Beginning with the income year 1956, key items, including business earnings, depreciation, and inventory, are being tabulated by industry groups for nonmanufacturing corporations as well as for both partnerships and sole proprietorships. These data taken from the 1956 tax returns filed during 1957, should be available in the spring of 1958.

Plans for tax analysis series.—A second accelerated tabulation of a few items of information from the tax returns was recommended by the Joint Committee on Internal Revenue Taxation in its Staff Study dated January 15, 1957. Statistics included in this tabulation are needed by the tax committees of the Congress and the Treasury Department for analysis of operations of the income tax laws at a comparatively early date after the tax returns are filed. Late in fiscal 1957 plans were completed and provision was made in the budget for fiscal 1958 to initiate this tabulation with 1957 individual returns.

A comparison of major classifications of data in the "Statistics of Income" for the five latest available years follows:

Major characteristics of individual income tax returns, 1951-55

Items	Income year—				
	1955 (preliminary)	1954	1953	1952	1951
Number of individual returns, total	58,250,188	56,747,008	57,838,184	56,528,817	55,447,009
Taxable	44,689,065	42,633,060	45,223,151	43,876,273	42,648,610
Nontaxable	13,561,123	14,113,948	12,615,033	12,652,544	12,798,399
Returns with itemized deductions, total	16,891,084	15,701,595	14,426,417	12,835,776	11,581,696
Taxable	15,434,733	13,711,830	12,932,132	11,462,609	10,212,822
Nontaxable	1,456,351	1,989,765	1,494,285	1,373,167	1,368,874
Returns with standard deduction, total	41,359,104	41,045,413	43,411,767	43,693,041	43,865,313
Taxable	29,254,332	28,921,230	32,291,019	32,413,664	32,435,788
Nontaxable	12,104,772	12,124,183	11,120,748	11,279,377	11,429,525
(Thousand dollars)					
Amount of adjusted gross income, total	249,429,182	230,235,855	229,863,409	216,087,449	203,097,033
Taxable returns	229,595,449	209,668,830	212,421,184	198,531,784	185,171,964
Nontaxable returns	19,833,733	20,567,025	17,442,225	17,555,665	17,925,069
Adjusted gross deficit	898,865	1,014,480	1,155,153	797,541	760,548
Taxable income	128,020,111	115,331,301	115,331,301	115,331,301	115,331,301
Income tax (after credits)	29,613,722	26,665,753	29,430,659	27,802,831	24,227,780
Self-employment tax	463,213	301,498	226,614	217,457	211,293

Note: The classification of taxable and nontaxable returns for 1954-55 was based only on the income tax (after credits); for the years 1951-53 it was based on the combined income tax (after credits) and self-employment tax. For 1955, 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. Taxable income shown for 1954-55 was not tabulated for prior years.

Major characteristics of corporation income tax returns, 1950-54

Items	Income year—				
	1954	1953	1952	1951	1950
Active and inactive corporations					
Number of corporation returns, total	754,019	730,974	705,497	687,310	665,992
Active corporations	722,805	697,975	672,071	652,376	629,314
With net income	441,177	441,767	442,577	439,047	426,283
Without net income	281,628	256,208	229,494	213,329	203,031
Inactive corporations	31,214	32,999	33,426	34,934	36,678
Active corporations					
(Thousand dollars)					
Total compiled receipts	554,822,450	558,242,262	531,307,298	517,039,183	458,130,069
Gross sales	443,636,814	452,060,604	429,513,705	421,922,320	374,406,271
Gross receipts from operations	85,268,894	82,506,914	79,804,962	75,280,590	65,475,261
Other income	25,916,742	23,674,744	21,988,631	19,836,273	18,248,537
Compiled net profit or net loss	36,720,838	39,801,471	38,735,375	43,799,526	42,831,310
Income and excess profits taxes, total ¹	16,860,952	19,869,049	19,147,694	22,082,117	17,316,932
Income	16,823,241	18,255,625	17,596,969	19,623,441	15,929,488
Excess profits ¹	37,711	1,613,424	1,550,725	2,458,676	1,387,444

¹ Excess profits tax law expired Dec. 31, 1953, and does not apply to income earned after that date.

General Management Improvements and Policy Changes

Headlining the continued effort to improve management practices and procedures during the year were the "Blue Ribbon" policy for raising professional standards among employees, a reorganization of the Commissioner's staff offices, the expansion of the service center program, and the establishment of a more effective "Office Collection Force" as part of the program for collecting delinquent accounts.

The "Blue Ribbon," service center, and "Office Collection Force" programs are discussed elsewhere in this report in connection with the functional activities of which they are a part. Among other items were the following:

Several components of the National Office were reorganized in order to clarify their staff functions and to enable them to give more direct assistance to the Commissioner. The former position of Assistant Commissioner (Administration) was changed to Administrative Assistant to the Commissioner and made a part of the Commissioner's personal staff. The former position of Assistant Commissioner (Planning) was changed to Assistant to the Commissioner, was transferred to the Commissioner's personal staff, and was given additional duties in the management planning and reporting field. The Fiscal Management (budgeting) Division was separated from other administrative offices so that it, too, reports directly to the Commissioner as part of his personal staff.

A milestone in improving federal-state tax cooperation was reached with the signing of a formal agreement between the Commissioner and the

Governor of Minnesota covering the exchange of enforcement information and other reciprocal activities. The Minnesota agreement differs from previous understandings with five other states in that the Minnesota agreement covers the whole field of tax administration and is not limited to audit reports.

Specific bills were introduced in the Congress covering the plan for modernizing the laws regulating the alcoholic beverage industry (H. R. 7125) and the plan for simplifying employer reporting of wages to the Internal Revenue Service and the Social Security Administration (H. R. 8309 and H. R. 8602).

Following a pilot study in three regions extending over a period of nine months, a realignment of authority and of frontline permissive functions between regional and branch office levels of the Alcohol and Tobacco Tax Division was authorized to provide a more effective organizational structure. This involved the establishment of an analysis and control section in the permissive branch of each alcohol and tobacco tax regional office to promote uniformity and effectiveness of permissive operations throughout the region and to conduct regionwide projects, studies, or surveys touching on permissive procedures. As regards management of inspection and on-premises supervisory activities, it also involved a transfer of operating responsibilities from regional to combination (enforcement and permissive) branch offices in the six largest regions, and in those regions the permissive branch retained only staff responsibilities.

The accounting for tax payments received through banks under the depositary receipt system was improved, and operating economies were effected as a result of a new system, effective January 2, 1957, under which the Bureau of Accounts of the Treasury Department performs centralized accounting for these payments instead of having it done piecemeal through the 64 district offices of the Revenue Service. The Bureau of Accounts reports these receipts monthly to the Revenue Service for inclusion in its consolidated reports of tax receipts.

Several economies in the printing and shipping of tax forms and stamps were effected. Form 941, the quarterly employer's return, formerly inserted and mailed in envelopes, was converted into a form requiring no envelope, thereby saving both the cost of the envelopes and of inserting. Historic methods of shipping revenue stamps were revised to save substantial amounts of money, usually substituting truck shipments for registered mail handling.

Substantial savings also were made by eliminating the procedure for stamping "received" dates on tax returns which are received within the proper time limits. The new plan eliminates date-stamping for many millions of returns and confines it only to the relatively small number of returns which arrive late.

The cost of typing agents' reports was reduced by the adoption of modern photocopying equipment.

APPENDIX

STATISTICAL

TABLES

Note

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 and 11. A map of the districts appears on page XIII.

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories, fiscal year 1957

(In thousands of dollars. See table 3, p. 96, for tax rates and further breakdown of national totals by sources)

Internal revenue regions and districts	Key to State or Territory totals ¹	Total internal revenue collections	Corporation income and profits taxes ²	Individual income and employment taxes				
				Total	Income tax not withheld ⁴	Income tax withheld and old-age insurance ⁵	Railroad retirement ³	Unemployment insurance
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
United States, total		80,171,971	21,530,663	46,618,293	12,799,057	32,865,172	616,820	338,034
Atlanta region		5,180,576	1,051,315	2,873,258	985,115	1,837,318	26,357	24,468
Atlanta	Georgia	801,371	192,800	512,250	144,893	358,479	4,376	4,503
Birmingham	Alabama	491,671	127,627	341,970	108,318	225,904	4,857	2,890
Columbia	South Carolina	283,455	196,031	196,031	57,054	136,804	117	2,056
Greensboro	North Carolina	1,788,949	287,622	528,729	148,822	364,441	9,988	5,478
Jackson	Mississippi	177,098	30,456	134,051	52,136	80,324	374	1,216
Jacksonville	Florida	1,032,891	201,104	736,011	337,220	391,426	2,618	4,747
Nashville	Tennessee	605,142	139,480	424,208	136,672	279,933	4,026	3,577
Boston region		4,336,918	1,039,317	2,832,595	787,873	2,004,946	16,227	21,549
Augusta	Maine	195,192	49,107	135,754	42,436	89,422	2,729	1,166
Boston	Massachusetts	2,179,828	529,629	1,422,244	369,170	1,036,426	5,611	11,036
Burlington	Vermont	79,543	14,603	58,085	17,391	39,702	1,142	451
Hartford	Connecticut	1,402,068	340,027	882,138	265,709	601,670	8,691	6,068
Portsmouth	New Hampshire	149,539	29,919	110,697	33,590	76,168	44	895
Providence	Rhode Island	330,741	75,031	223,677	59,576	162,158	9	1,933
Chicago region		14,238,708	4,254,475	7,425,424	1,610,692	5,465,876	92,765	56,979
Chicago	See (c) below	5,586,829	1,683,523	3,363,124	808,105	2,444,245	85,077	25,697
Detroit	Michigan	6,211,255	1,926,447	2,710,000	579,866	2,102,113	6,585	21,436
Milwaukee	Wisconsin	1,455,149	428,757	853,682	228,035	618,701	329	6,617
Springfield	See (c) below	985,476	215,748	498,618	194,596	300,020	774	3,229
Cincinnati region		10,557,955	2,782,820	5,369,573	1,402,855	3,859,775	70,650	36,293
Cincinnati	See (f) below	1,370,304	437,909	721,863	188,202	527,434	1,011	5,215
Cleveland	See (f) below	3,222,938	1,181,808	1,702,429	363,880	1,293,820	33,557	11,172
Columbus	See (f) below	435,611	102,488	311,943	95,960	213,786	14	2,183
Indianapolis	Indiana	1,774,948	346,331	1,084,729	271,896	806,086	829	5,918
Louisville	Kentucky	1,530,329	169,954	361,898	129,536	218,167	11,644	2,551
Parkersburg	West Virginia	340,695	82,656	238,958	76,962	159,821	108	2,074
Richmond	Virginia	1,237,035	238,464	582,328	172,939	382,295	22,759	4,335
Toledo	See (f) below	646,096	222,411	365,426	103,479	258,366	736	2,844
Dallas region		4,346,856	1,002,752	2,788,091	1,872,629	1,665,829	30,248	19,385
Albuquerque	New Mexico	139,139	15,474	115,331	44,511	70,150	2	667
Austin	See (h) below	1,383,474	365,352	875,504	344,500	511,226	13,998	5,780
Dallas	See (h) below	1,184,265	250,174	820,784	318,043	483,222	13,947	5,573
Little Rock	Arkansas	184,033	31,706	143,171	63,520	78,366	155	1,131
New Orleans	Louisiana	671,589	151,421	431,341	175,096	251,350	1,699	3,196
Oklahoma City	Oklahoma	784,356	188,625	401,960	126,960	271,515	447	3,038
New York City region		15,095,197	5,612,540	7,762,247	1,854,884	5,765,961	80,580	61,622
Albany	New York	811,327	228,391	553,194	83,589	462,214	2,961	4,390
Brooklyn	See State total above	1,405,897	226,482	1,053,785	354,535	687,828	3,747	7,675
Buffalo	See State total above	1,018,873	321,575	613,133	164,389	444,090	51	4,603
Lower Manhattan	See State total above	5,590,609	2,795,658	2,747,424	534,545	1,687,025	7,587	18,267
Syracuse	See State total above	519,797	120,358	341,850	82,993	255,935	38	2,884
Upper Manhattan	See State total above	5,748,685	1,920,078	2,952,862	634,033	2,228,829	66,197	23,803
Omaha region		5,680,764	1,306,799	3,769,489	1,092,743	2,548,244	125,223	23,279
Aberdeen	South Dakota	81,578	9,900	67,016	29,993	36,641	11	371
Cheyenne	Wyoming	65,688	6,610	51,561	23,540	27,749	5	267
Denver	Colorado	838,209	133,479	626,392	120,453	498,871	4,613	2,455
Des Moines	Iowa	586,455	134,244	418,845	165,720	249,724	597	2,805
Fargo	North Dakota	78,869	8,100	67,817	34,156	33,396	18	348
Kansas City	See (d) below	600,685	174,047	372,969	108,519	257,906	3,571	2,873
Omaha	See (d) below	431,518	69,396	308,256	91,406	190,941	24,094	1,815
St. Louis	See (d) below	1,244,732	314,235	751,433	194,254	518,200	33,579	5,400
St. Paul	See (d) below	1,215,593	334,363	761,698	197,411	524,213	34,980	5,094
Wichita	See (d) below	537,436	122,425	363,502	127,290	210,602	23,756	1,853
Philadelphia region		10,737,581	2,737,977	8,569,963	1,663,163	4,727,750	127,638	47,401
Baltimore	Maryland and District of Columbia	1,852,346	282,133	1,274,737	292,748	930,527	45,332	6,131
Camden	See (e) below	447,900	104,114	316,515	103,205	211,025	7	2,279
Newark	See (e) below	1,908,448	447,946	1,192,476	344,806	833,971	4,123	9,576
Philadelphia	See (e) below	2,789,129	622,768	1,744,652	452,493	1,213,419	66,424	12,316
Pittsburgh	See (e) below	2,395,730	621,979	1,400,877	300,961	1,078,918	8,666	11,832
Scranton	See (e) below	583,613	203,974	348,580	68,160	273,970	3,078	3,372
Wilmington	See (e) below	760,415	455,063	288,626	100,810	185,920	1	1,895
San Francisco region		9,016,624	1,744,588	6,311,575	2,047,577	4,180,793	44,149	39,056
Boise	Idaho	131,203	20,619	106,065	35,922	69,120	259	764
Helene	Montana	136,374	23,510	105,005	46,174	57,950	335	546
Honolulu	Hawaii	154,274	33,621	111,612	33,651	77,062	233	665
Los Angeles	See (b) below	3,641,645	662,225	2,636,393	861,051	1,795,498	2,123	16,721
Phoenix	See (b) below	212,696	32,680	167,462	67,283	99,086	76	1,016
Portland	See (b) below	514,746	92,242	397,792	139,975	252,783	2,434	2,600
Reno	See (b) below	97,099	14,597	72,819	26,938	44,925	(*)	454
Salt Lake City	See (b) below	192,655	42,135	132,920	42,538	88,434	1,072	876
San Francisco	See (b) below	3,002,135	638,330	1,907,632	591,035	1,268,543	36,886	11,167
Seattle	See (a) and (f) below	935,797	184,629	674,374	203,009	466,390	730	4,246
International Operations Division		121,161	273	98,448	82,405	16,040		3
Puerto Rico	Puerto Rico	38,229	60	16,717	1,979	14,735		3
All other		82,932	213	81,732	80,427	1,305		
Collections not distributed by region and district:								
Undistributed depositary receipts		861,405		797,002		796,810	192	
Transferred to Government of Guam		(-3,767)	(-404)	(-3,363)		(-3,363)		
Totals for States and Territories not shown above								
(a) Alaska		36,431	3,122	31,085	8,418	22,510		156
(b) California		6,643,780	1,300,555	4,544,025	1,452,087	3,025,042	39,008	27,889
(c) Illinois		6,572,305	1,899,271	3,861,742	1,002,701	2,744,265	85,851	28,926
(d) Missouri		1,845,418	488,282	1,124,302	302,774	776,106	37,149	8,272
(e) New Jersey		2,356,348	552,060	1,508,991	448,011	1,044,996	4,130	11,855
(f) Ohio		5,674,949	1,944,616	3,101,660	751,522	2,293,406	35,318	21,414
(g) Pennsylvania		5,768,472	1,448,721	3,493,609	821,614	2,566,307	78,168	27,521
(h) Texas		2,567,739	615,527	1,696,288	662,543	994,448	27,945	11,353
(i) Washington		899,366	181,507	643,290	194,591	443,880	730	4,089

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories, fiscal year 1957—Continued

(In thousands of dollars. See table 3, p. 96, for tax rates and further breakdown of national totals by sources)

Internal revenue regions and districts	Key to State or Territory totals	Estate tax (8)	Gift tax (9)	Excise taxes, total (sum of columns 11, 25, 30, 34, 42, 47, and 68) (10)	Alcohol taxes						
					Total (11)	Distilled spirits taxes					
						Total (12)	Imported (collected by Customs) (13)	Domestic ^a (14)	Rectification ^b (15)	Occupational taxes ^c (16)	Other ^d (17)
United States, total		1,253,071	124,928	18,637,544	2,973,195	2,121,411	292,750	1,788,715	23,511	15,332	1,104
Atlanta region		75,983	7,260	1,171,315	21,855	15,525	9,100	5,195	2	604	625
Atlanta	Georgia	11,127	1,228	83,320	947	699	511	(*)		98	90
Birmingham	Alabama	6,331	572	15,107	442	365	249	81		42	42
Columbia	South Carolina	7,100	430	7,628	696	324	229			48	47
Greensboro	North Carolina	12,292	1,328	958,961	847	436	108	27		33	268
Jackson	Mississippi	2,889	261	9,393	223	140				67	73
Jacksonville	Florida	29,814	2,899	62,239	12,957	7,911	7,586	(*)	1	276	49
Nashville	Tennessee	6,430	541	34,467	5,742	5,651	417	5,137	1	41	55
Boston region		145,748	10,517	309,665	135,555	114,991	11,172	101,878	908	1,022	11
Augusta	Maine	5,318	614	4,390	286	27	6		5	16	
Boston	Massachusetts	63,598	5,838	158,628	73,795	63,233	6,900	55,055	721	549	7
Burlington	Vermont	3,157	81	3,613	1,641	1,578	1,552			26	
Hartford	Connecticut	50,673	2,962	126,147	50,894	49,352	2,033	46,822	183	310	3
Portsmouth	New Hampshire	6,062	187	2,637	68	24				24	(*)
Providence	Rhode Island	16,940	836	14,250	8,871	777	681			97	
Chicago region		122,205	17,065	2,415,937	489,247	309,071	74,500	227,591	3,927	3,002	53
Chicago	See (c) below	61,209	7,404	469,115	51,865	30,637	23,341	6,288	69	930	8
Detroit	Michigan	33,941	6,958	1,532,990	103,342	58,247	50,249	6,699	186	1,071	42
Milwaukee	Wisconsin	14,538	1,921	156,113	103,632	1,595	910		5	679	1
Springfield	See (c) below	12,517	782	257,719	230,408	218,593		214,604	3,666	322	2
Cincinnati region		103,461	9,484	2,250,575	1,026,926	941,787	11,528	918,117	10,242	1,782	118
Cincinnati	See (f) below	19,030	1,306	109,949	139,256	125,414		123,926	1,247	241	1
Cleveland		18,399	3,990	314,543	28,994	5,539	4,556	262	36	678	7
Columbus		7,476	708	12,969	1,824	155				154	2
Indianapolis	Indiana	17,944	1,623	323,956	267,092	247,603	4,414	237,509	5,356	323	2
Louisville	Kentucky	11,178	823	986,421	579,115	559,542	2,491	553,260	3,603	144	44
Parkersburg	West Virginia	4,495	386	14,170	660	90		29		39	22
Richmond	Virginia	17,446	362	398,194	6,088	3,263	67	3,131		24	41
Teledo	See (f) below	1,493	287	50,372	3,097	180				179	1
Dallas region		80,824	11,460	463,267	60,735	16,421	9,391	6,267	1	709	53
Albuquerque	New Mexico	2,573	266	5,450	84	79	(*)			79	(*)
Austin	See (h) below	24,413	5,069	112,939	28,259	6,742	6,614	2		125	1
Dallas		31,179	2,850	79,218	439	114				109	4
Little Rock	Arkansas	3,088	601	5,422	232	49		5		37	8
New Orleans	Louisiana	9,968	1,348	77,415	31,229	9,372	2,777	6,256	1	326	12
Oklahoma City	Oklahoma	9,603	1,327	182,824	492	65		4		33	28
New York City region	New York	246,269	27,864	1,442,736	287,867	173,802	119,801	51,379	803	1,740	80
Albany		9,957	1,437	18,033	8,675	417		59	16	311	31
Brooklyn		37,907	46	86,818	53,004	1,562		1,075	52	425	10
Buffalo	See State total above	19,166	1,316	63,634	26,662	5,418	5,090	3		321	4
Lower Manhattan		11,956	8,197	527,317	100,622	91,858	91,730	(*)	(*)	128	(*)
Syracuse		11,007	339	46,052	28,509	23,200	22,981	(*)	(*)	219	(*)
Upper Manhattan		156,277	16,530	700,882	70,395	51,347		50,241	735	536	34
Omaha region		78,244	6,444	498,936	130,536	20,420	5,277	13,901	122	1,071	49
Aberdeen	South Dakota	1,803	29	2,826	94	52				50	3
Cheyenne	Wyoming	1,531	296	5,636	45					32	1
Denver	Colorado	13,005	570	64,197	12,485	790	637	(*)	2	145	1
Des Moines	Iowa	9,816	495	23,050	791	85		(*)	(*)	83	2
Fargo	North Dakota	764	35	2,047	53	42	1		(*)	41	
Kansas City	See (d) below	7,430	837	45,475	6,342	2,084		1,940	1	141	2
Omaha	Nebraska	6,000	306	47,530	9,029	124				120	4
St. Louis	See (d) below	16,217	1,419	161,369	56,787	5,308	2,917	2,090	74	214	13
St. Paul	Minnesota	13,188	1,558	104,702	38,036	5,130	1,722	3,178	46	175	9
Wichita	Kansas	8,491	899	42,103	6,873	6,771		6,693	(*)	70	8
Philadelphia region		219,995	22,859	1,109,580	538,767	381,719	11,215	361,816	6,116	2,479	93
Baltimore	Maryland and District of Columbia	35,089	3,815	256,569	142,284	121,428	5,236	112,786	3,017	367	22
Camden	See (e) below	9,834	1,013	16,288	4,710	1,379		1,100	72	198	8
Newark		34,227	1,628	231,869	141,846	77,197		76,512	147	529	9
Philadelphia		56,958	5,370	358,793	125,906	88,860	4,548	82,572	1,059	635	46
Pittsburgh	See (g) below	70,351	4,517	298,346	118,100	92,621	1,430	88,846	1,821	517	7
Scranton		6,362	234	24,452	5,881	197				187	
Wilmington	Delaware	7,174	6,281	3,263	38	37				36	1
San Francisco region		179,394	11,938	769,681	263,440	129,422	48,767	84,829	579	2,924	23
Boise	Idaho	1,097	250	3,160	348	34		(*)		34	
Helena	Montana	2,201	56	5,553	2,347	121	1			119	
Honolulu	Hawaii	1,762	480	6,786	1,440	814	744	13		116	1
Los Angeles	See (b) below	09,215	4,151	249,362	66,893	35,945	16,915	17,957	120	951	2
Phoenix	Arizona	5,124	530	6,838	1,938	205	1	(*)		202	2
Portland	Oregon	6,166	953	17,520	3,370	1,562	1,295	110		157	1
Reno	Nevada	1,811	136	8,231	87	64		(*)		63	(*)
Salt Lake City	Utah	2,054	182	15,335	1,396	9		(*)		9	
San Francisco	See (b) below	54,607	3,712	397,297	153,290	80,434	11,971	66,746	759	952	7
Seattle	See (a) and (i) below	15,357	1,487	59,599	32,331	10,234	9,841	2		380	11
International Operations Division		948	38	21,450	18,268	18,253		17,742	511		
Puerto Rico	Puerto Rico			21,450	18,268	18,253		17,742	511		
All other		948	38	(*)							
Collections not distributed by region and district: Undistributed depositary receipts				64,404							
Totals for States and Territories not shown above											
(a) Alaska		65	(*)	2,086	47	43	2			41	
(b) California		143,821	7,863	646,659	220,184	116,379	28,885	84,703	879	1,903	9
(c) Illinois		73,726	8,186	726,834	282,273	249,230	23,341	220,892	3,735	1,252	10
(d) Missouri		23,647	2,256	206,844	63,129	7,392	2,917	4,030	75	355	15
(e) New Jersey		44,061	2,641	249,157	143,556	78,576		77,613	219	727	17
(f) Ohio		52,398	6,290	567,833	173,971	131,288	4,556	124,188	1,283	1,252	10
(g) Pennsylvania		133,671	10,121	681,591	249,887	181,678	5,879	171,417	2,880	1,949	53
(h) Texas		55,592	7,918	192,156	28,698	6,855	6,614	2		234	5
(i) Washington		15,292	1,487	57,512	32,283	10,191	9,839	2		340	11

Footnotes on p. 101.

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories, fiscal year 1957—Continued

[In thousands of dollars. See table 3, p. 96, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts	Key to State or Territory totals	Alcohol taxes—Continued						
		Wines, cordials, etc., taxes				Beer taxes		
		Total (18)	Imported (collected by Customs) (19)	Domestic ⁸ (20)	Occupational taxes ¹¹ (21)	Total (22)	Domestic ⁸ (23)	Occupational taxes ¹² (24)
United States, total		88,672	5,479	81,949	1,244	763,112	758,067	5,045
Atlanta region		1,297	158	722	417	5,033	4,404	629
Atlanta	Georgia	188	3	125	61	60	60	60
Birmingham	Alabama	2			(*)	76		76
Columbia	South Carolina	282	3	217	62	90		90
Greensboro	North Carolina	78	(*)	(*)	78	333	238	95
Jackson	Mississippi	7			7	76	(*)	76
Jacksonville	Florida	736	148	379	209	4,309	4,166	143
Nashville	Tennessee	3	3			88		88
Boston region		1,837	308	1,472	56	18,728	18,482	246
Augusta	Maine	201	(*)	201		58	(*)	58
Boston	Massachusetts	973	211	762		9,589	9,541	48
Burlington	Vermont	55	(*)		55	8		8
Hartford	Connecticut	576	66	509	1	967	884	83
Portsmouth	New Hampshire					45		45
Providence	Rhode Island	32	31		(*)	8,062	8,056	5
Chicago region		6,658	698	5,886	74	173,517	173,165	352
Chicago	See (c) below	5,005	534	4,469	2	16,223	16,147	76
Detroit	Michigan	1,468	101	1,297	71	43,627	43,583	44
Milwaukee	Wisconsin	181	64	117	(*)	101,855	101,667	189
Springfield	See (c) below	3	3		1	11,812	11,769	43
Cincinnati region		4,290	91	3,809	390	80,849	80,459	390
Cincinnati	See (f) below	376		370	7	13,465	13,444	21
Cleveland		465	70	394	1	22,990	22,973	17
Columbus		130		119	11	1,540	1,529	11
Indianapolis	Indiana	165	10		155	19,324	19,281	43
Louisville	Kentucky	1,577	8	1,568	1	17,995	17,926	69
Parkersburg	West Virginia	22			22	548	542	105
Richmond	Virginia	1,435	2	1,238	194	3,397	3,382	108
Toledo	See (f) below	120		120		3,597	3,582	15
Dallas region		1,398	197	1,027	174	42,916	42,143	773
Albuquerque	New Mexico	3	(*)	2	1	21,252	20,856	396
Austin	See (h) below	266	121	6	139	99		99
Dallas		227		209	17	51		51
Little Rock	Arkansas	133		116	17	21,087	20,963	124
New Orleans	Louisiana	770	76	694		426	324	101
Oklahoma City	Oklahoma	1			1			
New York City region	New York	13,193	3,012	10,137	44	100,872	100,072	800
Albany		164		163	1	8,094	7,985	108
Brooklyn		2,397		2,379	17	49,045	48,795	250
Buffalo	See State total above	4,765	33	4,731	1	16,479	16,351	127
Lower Manhattan		3,727	2,979	737	11	5,037	5,003	33
Syracuse		162	(*)	162	(*)	5,147	5,062	85
Upper Manhattan		1,978		1,964	13	17,070	16,874	196
Omaha region		1,574	92	1,470	12	108,542	107,716	826
Aberdeen	South Dakota				42			42
Cheyenne	Wyoming	1		1	(*)	11	2	9
Denver	Colorado	313	22	289	2	11,382	11,344	38
Des Moines	Iowa	132		126	7	574	396	178
Fargo	North Dakota	(*)	(*)		(*)	11		11
Kansas City	See (d) below	636		635	1	3,621	3,573	48
Omaha	Nebraska	(*)			(*)	8,905	8,848	57
St. Louis	See (d) below	181	47	132	1	51,298	51,199	99
St. Paul	Minnesota	311	23	287	1	32,595	32,353	242
Wichita	Kansas	(*)			(*)	102		102
Philadelphia region		9,638	330	9,281	27	147,409	146,941	468
Baltimore	Maryland and District of Columbia	1,899	188	1,690	22	18,957	18,877	80
Camden	See (e) below	591		590	1	2,741	2,712	30
Newark		3,550		3,545	4	61,099	61,043	56
Philadelphia		3,434	142	3,292		33,611	33,457	154
Pittsburgh	See (g) below	156	(*)	156	(*)	25,323	25,215	108
Scranton		8		8	(*)	5,676	5,637	39
Wilmington	Delaware	(*)			(*)	1		1
San Francisco region		48,787	593	48,145	49	85,232	84,671	561
Boise	Idaho				313		270	44
Helena	Montana	(*)	(*)	(*)		2,226	2,204	22
Honolulu	Hawaii	10	8		2	615	611	4
Los Angeles	See (b) below	5,725	295	5,430		25,224	25,063	161
Phoenix	Arizona	(*)		(*)	(*)	1,733	1,723	10
Portland	Oregon	92	17	74		1,716	1,635	82
Reno	Nevada	(*)		(*)		24	17	7
Salt Lake City	Utah	(*)		(*)		1,387	1,351	36
San Francisco	See (b) below	42,075	246	41,782	47	30,781	30,639	142
Seattle	See (a) and (i) below	884	26	858		21,213	21,159	54
International Operations Division		(*)		(*)		14	14	
Puerto Rico	Puerto Rico	(*)		(*)		14	14	
All other								
Totals for States and Territories not shown above								
(a) Alaska		(*)	(*)			5		5
(b) California		47,800	541	47,212	47	56,005	55,702	303
(c) Illinois		5,009	534	4,472	3	28,034	27,915	119
(d) Missouri		817	47	767	2	54,920	54,772	147
(e) New Jersey		4,140		4,135	5	63,841	63,755	86
(f) Ohio		1,091	70	1,002	18	41,592	41,528	64
(g) Pennsylvania		3,599	142	3,456	1	64,610	64,309	301
(h) Texas		492	121	215	156	21,351	20,856	495
(i) Washington		884	26	858		21,208	21,159	49

Footnotes on p. 101.

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories, fiscal year 1957—Continued
(In thousands of dollars. See table 3, p. 96, for tax rates and further breakdown of national totals by sources)

Internal revenue regions and districts	Key to State or Territory totals	Tobacco taxes					Stamp taxes on documents, other instruments, and playing cards			
		Total	Cigarettes	Cigars ¹³	Manu- factured tobacco ¹⁴	Other ¹⁴	Total	Issues and transfers of bonds of indebtedness or capital stock, foreign insurance policies, and deeds of con- veyance		Other ¹⁵
								Sales by postmasters (31)	Sales by directors (32)	
		(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
United States, total		1,674,050	1,610,908	44,859	17,685	598	107,546	31,243	69,401	6,903
Atlanta region		948,905	928,638	12,174	7,548	562	6,185	4,842	1,342	1
Atlanta	Georgia	787	(*)	786		1	1,078	622	455	(*)
Birmingham	Alabama	739	(*)	739			521	439	82	(*)
Columbia	South Carolina	1,698	(*)	1,698			285	241	44	(*)
Greensboro	North Carolina	934,791	928,628	(*)	5,649	513	667	573	95	(*)
Jackson	Mississippi						248	180	68	(*)
Jacksonville	Florida	8,807	1	8,806	(*)		2,710	2,300	410	(*)
Nashville	Tennessee	2,084	145	145	1,891	48	676	487	189	(*)
Boston region		841	1	824	14	3	4,224	1,838	2,391	2
Augusta	Maine						165	157	8	
Boston	Massachusetts	377	1	363	13	(*)	2,541	813	1,727	1
Burlington	Vermont						99	63	37	(*)
Hartford	Connecticut	184	(*)	181	1	3	1,010	609	400	(*)
Portsmouth	New Hampshire	275		275			138	97	41	
Providence	Rhode Island	6		6	(*)		270	90	178	2
Chicago region		2,827	(*)	787	2,039	(*)	11,957	2,681	8,682	1,194
Chicago	See (c) below	1,249	(*)	51	1,198		7,781	1,134	5,894	754
Detroit	Michigan	1,448	(*)	625	823	(*)	2,490	896	1,593	1
Milwaukee	Wisconsin	122	(*)	106	16		1,544	652	453	439
Springfield	See (c) below	8		5	3		142		142	
Cincinnati region		689,972	679,610	4,648	5,714	(*)	11,453	3,593	2,795	5,065
Cincinnati	See (f) below	129	(*)	99	30		7,194	1,414	720	5,060
Cleveland		6		1	5		952		951	
Columbus		(*)	(*)	(*)			318		313	5
Indianapolis	Indiana	788		786	2		1,017	703	314	(*)
Louisville	Kentucky	326,282	323,204	535	2,543	(*)	617	427	190	
Parkersburg	West Virginia	1,497	1	470	1,026		269	223	46	
Richmond	Virginia	359,193	356,405	1,035	1,752		940	826	114	(*)
Toledo	See (f) below	2,077	(*)	1,722	356		147		147	(*)
Dallas region		1,139	1	1,138	1		6,459	2,963	3,487	10
Albuquerque	New Mexico						203	119	84	(*)
Austin	See (h) below	99	1	97	1	1	1,638		1,638	(*)
Dallas		1	(*)				2,587	1,424	1,153	9
Little Rock	Arkansas	(*)	(*)	(*)			274	190	84	(*)
New Orleans	Louisiana	1,040	(*)	1,040			998	681	317	(*)
Oklahoma City	Oklahoma	(*)	(*)	(*)			759	549	211	(*)

New York City region	New York	2,058	647	1,302	101	7	38,204	1,356	36,723	124
Albany		423	(*)	423	(*)		164		78	86
Brooklyn		967	(*)	380	29	(*)	386		385	1
Buffalo		6	(*)	2	3		630		630	1
Lower Manhattan	See State total above	544	86	429	22	7	36,683	1,356	35,303	24
Syracuse		38		2	35		231		231	
Upper Manhattan		80	5	65	11	(*)	110		98	12
Omaha region		1,297	(*)	22	1,275		6,197	3,253	2,453	491
Aberdeen	South Dakota						108	100	9	
Cheyenne	Wyoming		(*)				78	68	10	
Denver	Colorado	(*)	(*)	(*)	(*)		931	392	539	(*)
Des Moines	Iowa	2		1			620	610	10	
Fargo	North Dakota						106	92	14	
Kansas City	See (d) below	1		1			479		478	(*)
Omaha	Nebraska	(*)	(*)	(*)	1,274		377	223	154	
St. Louis	See (d) below	1,293	(*)	19			1,326	980	345	(*)
St. Paul	Minnesota	1	(*)	1	(*)		1,649	422	737	490
Wichita	Kansas	(*)	(*)	(*)	(*)		523	365	158	
Philadelphia region		25,908	2,015	22,888	980	26	8,878	3,359	5,517	2
Baltimore	Maryland and District of Columbia	51	(*)	51			1,480	777	702	(*)
Camden	See (e) below	1,720	(*)	1,720			197		197	
Newark		1,500	228	458	788	26	2,011	1,461	548	2
Philadelphia		12,472	1,784	10,497	190		2,700	2,699	2,699	(*)
Pittsburgh	See (g) below	26	(*)	24	2		2,143	1,099	1,044	(*)
Scranton		10,140	3	10,137			123		122	(*)
Wilkes-Barre	Delaware						225	21	204	
San Francisco region		93	4	78	19	(*)	13,989	7,366	6,610	14
Boise	Idaho						154	139	15	
Helena	Montana		(*)		(*)	(*)	169	150	19	
Honolulu	Hawaii						160	6	151	4
Los Angeles	See (b) below	39	1	35	2		3,626		3,623	3
Phoenix	Arizona	(*)		(*)	(*)		452	155	293	4
Portland	Oregon	(*)		(*)	(*)		637	336	301	(*)
Reno	Nevada						136	62	74	
Salt Lake City	Utah						238	63	175	
San Francisco	See (b) below	39	3	20	16		7,234	6,066	1,166	2
Seattle	See (a) and (i) below	(*)	(*)	(*)			1,181	388	793	(*)
International Operations Division		1,010		1,007	3					
Puerto Rico	Puerto Rico	1,010		1,007	3					
All other		(*)	(*)	(*)						

Totals for States and Territories not shown above

(a) Alaska							20	20		
(b) California		78	4	55	19		10,861	6,066	4,790	5
(c) Illinois		1,257	(*)	56	1,201		7,923	1,134	6,036	754
(d) Missouri		1,294	(*)	20	1,274		1,805	980	824	1
(e) New Jersey		3,219	228	2,178	788	26	2,208	1,461	745	2
(f) Ohio		2,212	(*)	1,821	391		8,611	1,414	2,131	5,065
(g) Pennsylvania		22,637	1,787	20,659	192		4,965	1,099	3,866	(*)
(h) Texas		99	1	97	1		4,225	1,424	2,792	10
(i) Washington		(*)	(*)	(*)			1,160	367	793	(*)

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories, fiscal year 1957—Continued

[in thousands of dollars. See table 3, p. 96, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts	Key to State or Territory totals	Manufacturers' excise taxes							
		Total	Gasoline ¹⁶	Lubricating oil, etc.	Tires (wholly or in part of rubber), inner tubes, and tread rubber ¹⁶	Motor vehicles, chassis, bodies, parts, and accessories ¹⁶	Radio and television sets, phonographs, components, etc.	Refrigerators, freezers, air conditioners, etc.; electric, gas, and oil appliances	Other ¹⁷
		(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)
United States, total		3,761,925	1,458,217	73,601	251,454	1,500,822	149,132	122,090	206,549
Atlanta region		35,864	11,537	166	6,467	8,896	4,829	3,767	2,203
Atlanta	Georgia	4,278	685	56	528	1,721	(*)	184	1,105
Birmingham	Alabama	2,769	39	2	1,858	1,431	(*)	137	1,101
Columbia	South Carolina	413	21		96	134		1	162
Graensboro	North Carolina	1,906	49	7	234	1,190	(*)	247	179
Jackson	Mississippi	5,447	632		4,178	244		400	1
Jacksonville	Florida	8,196	6,898		1,81	1,044	3	132	139
Nashville	Tennessee	12,855	3,413	182	201	1,133	4,826	2,664	516
Boston region		65,273	6,271	93	3,682	5,351	11,672	16,451	21,834
Augusta	Maine	291	29		76	61		6	119
Boston	Massachusetts	17,135	4,866	83	167	1,724	(*)	593	6,267
Burlington	Vermont	1,207	4		18		3,436		175
Hartford	Connecticut	45,898	882	(*)	10	3,212		15,848	14,587
Portsmouth	New Hampshire	492	7		61	42	8,235		379
Providence	Rhode Island	2,050	485	(*)	68	1,209		(*)	286
Chicago region		1,626,964	138,105	6,676	4,309	1,347,752	50,155	49,042	39,866
Chicago	See (c) below	233,564	118,123	6,066	2,078	41,766	41,096	17,167	15,277
Detroit	Michigan	1,353,381	13,302	278	1,875	1,296,778	9,037	23,635	8,475
Milwaukee	Wisconsin	25,471	9,457	278		8,230		5,658	1,618
Springfield	See (c) below	14,549	5,223	54	141	1,019	3	2,581	5,524
Cincinnati region		366,509	90,793	4,756	158,637	57,658	9,062	15,490	26,315
Cincinnati	See (f) below	21,737	1,393	55	4,299	5,689	1,018	2,236	5,646
Cleveland		221,028	27,204	1,849	151,043	20,318	68	3,161	17,392
Columbus		2,862	86	15	68	1,033		1,511	149
Indianapolis	Indiana	21,518	8,337	181	205	8,228	(*)	1,648	1,359
Louisville	Kentucky	63,587	42,808	2,215	218	829	6,327	18,934	264
Parkersburg	West Virginia	1,327	967	128	101	114	(*)	23	2
Richmond	Virginia	1,266	52	29	177	753	(*)	58	249
Toledo	See (f) below	33,186	9,946	291	2,534	20,301	(*)	87	55
Dallas region		264,262	246,012	9,667	1,601	5,621	87	349	725
Albuquerque	New Mexico	1,839	1,724	(*)	46	58	3	2	4
Austin	See (h) below	45,252	42,987	978	268	853	16	78	80
Dallas		33,147	27,800	1,039	724	3,186	60	215	124
Little Rock	Arkansas	598	207	52	103	189	(*)	10	37
New Orleans	Louisiana	19,916	18,155	848	163	592	8	34	124
Oklahoma City	Oklahoma	163,518	155,139	6,766	298	942	(*)	9	356

New York City region	New York	731,352	491,091	26,768	51,796	14,785	43,311	7,879	95,721
Albany		1,825	218		58	603	8	20	117
Brooklyn		16,408	992	183	515	2,973	5,115	4,112	2,398
Buffalo	See State total above	23,279	2,330	57	4,438	2,138	199	446	13,678
Lower Manhattan		289,389	189,825	9,715	305	245	754	1,725	8,621
Syracuse		9,277	380		91	1,168	2,499	1,503	3,643
Upper Manhattan		471,975	298,147	16,892	46,397	7,666	34,736	1,073	67,064
Omaha region		91,631	50,120	2,275	10,187	14,377	1,702	7,645	5,326
Aberdeen	South Dakota	277	154	2	60	19	(*)	(*)	1
Cheyenne	Wyoming	3,658	3,602	33	33	19	2	4	143
Denver	Colorado	8,000	2,010	133	4,009	1,700			1,735
Des Moines	Iowa	10,127	240	113	4,103	886	817	2,234	
Fargo	North Dakota	383	250	9	75	48			49
Kansas City	See (d) below	9,461	6,139	363	455	1,574	6	874	10
Omaha	Nebraska	1,728	180	141	92	268	11	37	973
St. Louis	See (d) below	16,811	9,203	500	828	3,863	773	2,063	2,392
St. Paul	Minnesota	28,004	16,265	816	394	5,301	91	991	20
Wichita	Kansas	14,181	12,877	198	146	657		12,718	14,182
Philadelphia region		362,669	252,627	14,337	12,578	31,185	24,849	12,718	14,182
Baltimore	Maryland and District of Columbia	51,222	40,813	1,126	6,713	396	1,678	116	380
Camden	See (e) below	2,893	67	8	61	805	252	132	769
Newark		39,284	7,610	740	264	18,526	6,162	932	5,051
Philadelphia		117,257	84,463	4,064	4,463	7,432	10,906	4,575	1,353
Pittsburgh	See (g) below	151,706	119,184	8,393	986	4,725	5,039	6,833	6,546
Scranton		553	31	(*)	65	271	13	124	49
Wilmington	Delaware	555	459	7	18	30		6	35
San Francisco region		217,400	171,662	8,864	2,284	15,958	4,326	4,749	9,857
Boise	Idaho	169	15		41	62	(*)	(*)	51
Helena	Montana	217	91		62	59			5
Honolulu	Hawaii	201	6	(*)	60		2		39
Los Angeles	See (b) below	110,522	84,878	4,373	844	7,528	4,267	3,068	5,564
Phoenix	Arizona	322	189	1	40	102	(*)	9	67
Portland	Oregon	1,815	11		189	1,512		108	66
Reno	Nevada	42	4		21	17			(*)
Salt Lake City	Utah	4,789	3,547	182	56	201	2	1	801
San Francisco	See (b) below	93,293	80,628	4,365	904	3,276	43	1,459	2,618
Seattle	See (a) and (f) below	6,108	2,372	22	147	3,106	3	110	346
International Operations Division									
Puerto Rico	Puerto Rico								
All other									

Totals for States and Territories not shown above

(a) Alaska	5	(*)		4	1			
(b) California	203,814	165,506	8,738	1,748	10,805	4,310	4,526	8,181
(c) Illinois	248,113	115,345	6,119	2,210	42,785	41,104	19,748	28,801
(d) Missouri	26,272	15,342	862	1,276	5,437	17	2,316	1,022
(e) New Jersey	41,377	7,676	748	324	19,331	6,414	1,064	5,819
(f) Ohio	278,812	38,629	2,210	157,945	47,733	1,087	6,967	24,241
(g) Pennsylvania	269,516	203,678	12,457	5,514	12,429	15,958	11,532	7,948
(h) Texas	78,399	78,787	2,008	992	4,038	76	294	204
(i) Washington	6,103	2,372	22	144	3,105	3	110	346

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories, fiscal year 1957—Continued
[In thousands of dollars. See table 3, p. 96, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts	Key to State or Territory totals	Retailers' excise taxes					Miscellaneous excise taxes			
		Total	Luggage, etc.	Jewelry, etc.	Furs	Toilet preparations	Total	Admissions		Club dues and initiation fees
								Theaters, concerts, athletic contests, etc. ¹⁸	Roof gardens, cabarets, etc.	
		(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)
United States, total		336,081	57,116	156,604	29,494	92,868	1,718,509	75,847	43,241	54,236
Atlanta region		26,943	4,454	14,448	1,133	6,909	131,423	4,704	3,656	4,498
Atlanta	Georgia	5,131	1,010	2,825	212	1,085	71,281	1,030	257	803
Birmingham	Alabama	3,013	420	1,662	147	784	7,608	171	178	521
Columbia	South Carolina	1,771	227	865	51	629	2,750	128	56	234
Greensboro	North Carolina	4,373	610	2,405	207	1,151	16,351	321	99	768
Jackson	Mississippi	1,298	201	640	53	403	2,158	38	57	189
Jacksonville	Florida	7,240	1,310	3,888	213	1,829	22,305	2,620	2,855	1,242
Nashville	Tennessee	4,118	675	2,163	251	1,028	8,970	396	154	738
Boston region		19,280	3,624	8,966	1,947	4,743	84,453	4,592	1,926	3,286
Augusta	Maine	892	122	490	64	216	2,739	116	125	97
Boston	Massachusetts	10,889	2,499	5,374	1,254	1,762	53,886	3,089	1,208	1,517
Burlington	Vermont	280	41	169	16	55	1,382	54	22	47
Hartford	Connecticut	5,299	597	1,975	446	2,281	23,655	654	353	1,293
Portsmouth	New Hampshire	521	81	289	33	119	1,140	251	13	76
Providence	Rhode Island	1,399	283	669	135	311	1,651	428	204	256
Chicago region		48,283	9,042	22,052	5,281	11,908	236,207	8,945	6,382	7,475
Chicago	See (c) below	25,992	5,466	11,740	3,146	5,639	148,300	4,592	3,734	3,730
Detroit	Michigan	13,538	2,121	6,136	1,386	3,895	58,719	2,746	1,707	2,491
Milwaukee	Wisconsin	5,860	1,060	2,645	605	1,549	19,476	1,192	365	774
Springfield	See (c) below	2,894	395	1,531	144	824	9,711	415	575	510
Cincinnati region		32,489	4,692	17,003	2,277	8,517	163,078	5,346	3,107	5,899
Cincinnati	See (f) below	5,437	868	2,532	384	1,653	16,190	761	302	765
Cleveland	See (f) below	7,420	991	3,656	643	2,130	56,077	1,632	1,075	1,728
Columbus	See (f) below	2,450	488	1,245	171	546	5,509	314	263	390
Indianapolis	Indiana	6,150	819	3,629	378	1,324	27,370	992	549	591
Louisville	Kentucky	2,719	374	1,590	145	610	14,094	458	874	874
Parkersburg	West Virginia	1,889	276	989	140	485	8,525	237	93	304
Richmond	Virginia	4,096	552	2,177	288	1,079	26,580	657	84	868
Teleda	See (f) below	2,328	324	1,185	129	690	8,734	286	365	379
Dallas region		25,664	3,536	14,132	1,590	6,405	104,942	3,224	1,857	6,047
Albuquerque	New Mexico	946	101	511	26	309	2,373	211	164	146
Austin	See (h) below	7,423	1,058	4,042	383	1,840	30,249	1,458	599	2,112
Dallas	See (h) below	8,639	1,105	5,194	612	1,728	34,396	1,458	319	1,979
Little Rock	Arkansas	1,390	211	738	62	378	2,908	116	65	207
New Orleans	Louisiana	3,945	585	1,949	342	1,068	20,283	514	626	752
Oklahoma City	Oklahoma	3,321	474	1,699	165	983	14,731	365	83	851

New York City region	New York	72,782	14,131	26,829	8,104	23,718	310,248	23,174	6,697	7,967
Albany	See State total above	1,656	257	853	183	363	6,087	828	373	433
Brooklyn	See State total above	5,936	1,179	2,434	494	1,830	10,065	2,353	781	1,684
Buffalo	See State total above	4,434	709	2,127	517	1,082	8,604	740	650	926
Lower Manhattan	See State total above	23,554	6,468	8,637	3,168	5,281	156,397	639	612	760
Syracuse	See State total above	3,687	385	2,316	235	752	4,289	371	236	371
Upper Manhattan	See State total above	33,515	5,133	10,463	3,507	14,411	124,807	18,242	4,045	3,792
Omaha region		28,650	5,557	13,238	2,237	7,618	240,193	4,903	3,307	4,507
Aberdeen	South Dakota	600	71	306	27	197	1,746	139	36	51
Cheyenne	Wyoming	398	46	230	10	111	1,457	79	96	34
Denver	Colorado	2,387	316	1,178	261	632	40,149	914	741	685
Des Moines	Iowa	3,254	498	1,606	162	988	8,222	592	162	452
Fargo	North Dakota	601	72	314	38	177	898	55	52	34
Kansas City	See (d) below	3,613	512	1,672	271	1,158	25,533	841	518	640
Omaha	See (d) below	1,826	273	839	125	590	35,568	307	198	286
St. Louis	See (d) below	7,552	2,530	2,709	750	1,564	77,560	743	409	804
St. Paul	Minnesota	6,163	951	3,220	535	1,457	30,799	872	961	921
Wichita	Kansas	2,256	289	1,165	59	743	18,261	362	133	601
Philadelphia region		33,084	5,599	16,061	3,714	7,710	220,115	8,115	4,640	7,239
Baltimore	Maryland and District of Columbia	8,202	1,542	3,802	871	1,987	53,330	2,317	1,076	1,654
Camden	See (e) below	1,953	277	976	205	496	5,601	1,682	1,305	450
Newark	See (e) below	5,386	916	2,438	617	1,414	41,797	1,016	825	1,336
Philadelphia	See (g) below	9,159	1,492	4,359	1,344	1,964	91,279	1,708	562	1,886
Pittsburgh	See (g) below	6,099	1,003	3,236	484	1,375	20,196	956	639	1,328
Scranton	See (g) below	1,789	300	967	144	378	5,963	196	192	345
Wilmington	See (g) below	1,496	69	283	49	96	1,949	240	43	240
San Francisco region		48,906	6,481	23,875	3,211	15,339	225,678	12,845	11,670	7,320
Beise	Idaho	714	88	379	11	236	1,775	112	137	69
Helena	Montana	792	103	447	50	192	2,026	208	188	72
Honolulu	Hawaii	995	179	582	2	232	3,970	229	867	123
Los Angeles	See (b) below	21,106	2,855	9,538	1,402	7,311	47,089	7,250	3,878	3,057
Phoenix	Arizona	1,540	186	855	42	458	2,584	233	399	373
Portland	Oregon	2,713	387	1,318	106	902	8,974	573	558	570
Reno	Nevada	1,581	67	332	24	159	7,383	110	2,604	28
Salt Lake City	Utah	1,335	146	706	69	413	7,633	294	78	245
San Francisco	See (b) below	14,577	1,880	7,235	1,255	4,207	128,834	2,879	2,367	2,027
Seattle	See (a) and (f) below	4,553	592	2,483	250	1,229	15,410	956	593	755
International Operations Division		(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Puerto Rico	Puerto Rico	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
All other		(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)

Totals for States and Territories not shown above

(a) Alaska	286	27	170	27	61	1,728	131	105	(*)	5,085
(b) California	35,684	4,735	16,773	2,657	11,518	175,923	10,129	6,245	4,240	4,240
(c) Illinois	28,886	5,861	13,270	3,290	6,463	158,011	5,007	4,309	1,444	1,786
(d) Missouri	11,165	3,042	4,381	1,021	2,722	103,093	1,584	928	3,262	3,559
(e) New Jersey	7,339	1,199	3,414	822	1,910	47,399	2,698	2,130	918	4,091
(f) Ohio	17,635	2,671	8,617	1,327	5,020	86,510	2,992	2,005	755	755
(g) Pennsylvania	17,047	2,795	8,563	1,971	3,718	117,438	2,859	1,392	488	488
(h) Texas	16,062	2,164	9,235	995	3,668	64,646	2,018	918	488	488
(i) Washington	4,268	564	2,313	223	1,168	15,683	825	488	488	488

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories, fiscal year 1957—Continued

[In thousands of dollars. See table 3, p. 96, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts	Key to State or Territory totals	Miscellaneous excise taxes—Continued									
		Long-distance telephone, telegraph, cable, radio, etc.	Leased wires	Local telephone service	Transportation of—			Use of safe deposit boxes	Coconut and other vegetable oils processed ¹³	Sugar	Diesel and special motor fuels ¹⁴
					Oil by pipeline	Persons	Property				
		(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
United States, total		244,251	21,934	347,024	37,159	222,158	467,978	5,826	19,652	86,091	39,454
Atlanta region		27,213	833	34,148	1,339	15,427	29,174	353	72	4,014	1,532
Atlanta	Georgia	22,512	651	29,518	1,327	5,976	4,202	49	10	3,933	180
Birmingham	Alabama	334	30	277		594	4,797	40			203
Columbia	South Carolina	384	8	377		89	872	20			161
Greensboro	North Carolina	1,641	32	1,668		2,192	8,434	47	3	12	281
Jackson	Mississippi	49	21	43	12	10	1,288	23			151
Jacksonville	Florida	1,777	66	1,612		6,284	4,586	125	(*)	68	294
Nashville	Tennessee	516	26	652		281	5,076	49	60		263
Boston region		15,183	1,136	26,977		7,066	17,479	488	36	2,841	459
Augusta	Maine	91	7	80		309	1,688	30			37
Boston	Massachusetts	12,063	460	21,794		2,199	7,316	219	29	2,841	179
Burlington	Vermont	62	34	53		95	886	10	(*)		53
Hartford	Connecticut	3,933	583	5,021		4,384	6,567	96	5		162
Portsmouth	New Hampshire	33	22	28		37	528	19			15
Providence	Rhode Island	(*)	30	1		43	494	35	2		13
Chicago region		27,147	2,140	47,630	1,578	39,368	81,318	896	1,224	2,111	2,857
Chicago	See (c) below	13,398	1,148	23,853	1,309	36,793	53,110	459	1,211	23	1,910
Detroit	Michigan	8,727	795	15,528	164	2,229	19,890	219	6	1,991	355
Milwaukee	Wisconsin	3,610	174	6,339	101	236	5,235	122	7	98	301
Springfield	See (c) below	1,412	24	1,911	3	130	3,084	96			291
Cincinnati region		21,753	924	33,979	2,380	13,361	56,029	576	8,014	222	3,352
Cincinnati	See (f) below	1,509	101	2,619		155	2,358	58	6,320		107
Cleveland		8,363	276	13,549	496	4,957	19,819	148	1,509		1,075
Columbus		733	12	1,157		84	1,844	40	183		133
Indianapolis	Indiana	4,740	153	7,176	49	694	9,059	126	1	123	519
Louisville	Kentucky	559	43	911	239	3,382	5,314	59	(*)		674
Parkersburg	West Virginia	1,647	241	2,394	60	1,219	1,247	33			189
Richmond	Virginia	3,279	87	4,935	(*)	2,730	12,867	68	(*)		397
Toledo	See (f) below	921	10	1,238	1,536	139	2,922	44	(*)	99	287
Dallas region		3,326	350	2,779	18,274	10,276	30,853	362	597	13,338	8,652
Albuquerque	New Mexico	72	55	55	32	139	650	17	(*)		675
Austin	See (h) below	361	61	262	6,958	1,376	9,593	100	(*)	2,920	3,485
Dallas		2,402	134	2,017	2,795	7,522	12,157	100			2,071
Little Rock	Arkansas	200	29	183	68	111	1,227	26			245
New Orleans	Louisiana	134	16	79	1,306	785	3,744	53	597	10,418	339
Oklahoma City	Oklahoma	156	54	183	7,114	342	2,681	56			1,837
New York City region	New York	47,050	11,120	51,927	1,815	57,368	59,922	923	2,552	38,885	5,427
Albany		453	35	487		218	2,515	51	27	(*)	220
Brooklyn		20	94	13	(*)	894	3,010	183			352
Buffalo	See State total above	898	94	1,783	1	135	2,361	92	202		221
Lower Manhattan		45,369	10,714	49,329	860	1,315	17,143	395	22	26,939	1,843
Syracuse		258	49	310		593	1,621	51	2,297	3,946	2,726
Upper Manhattan		32	134	5	954	54,212	33,273	151	1,073	10,765	3,528
Omaha region		39,945	1,630	56,153	4,914	34,725	69,642	615			94
Aberdeen	South Dakota	85	5	167		78	860	22			517
Cheyenne	Wyoming	20	55	11	81	19	385	9			696
Denver	Colorado	7,483	288	10,281	1	2,369	5,600	54		10,555	280
Des Moines	Iowa	710	38	1,097	(*)	56	4,154	109			99
Fargo	North Dakota	78	100	100	(*)	26	339	15			232
Kansas City	See (d) below	202	43	226	2,352	14,773	5,083	65	27		443
Omaha	Nebraska	8,448	218	12,281	1	3,216	9,634	59		149	441
St. Louis	See (d) below	21,619	931	30,299	39	2,830	17,642	96	868		353
St. Paul	Minnesota	610	30	859	108	8,111	16,933	110	177		371
Wichita	Kansas	687	21	832	2,332	3,247	9,013	75		61	3,460
Philadelphia region		29,482	2,053	44,326	3,553	27,745	74,033	801	3,104	4,117	482
Baltimore	Maryland and District of Columbia	4,606	172	8,468		11,167	20,637	110	10	(*)	74
Camden	See (e) below	10	7	5	1	205	1,402	59	2,553	4,117	604
Newark		11,456	496	13,734	1,486	13,880	31,640	231	112		573
Philadelphia		11,948	884	20,505	2,066	655	8,969	154			1,700
Pittsburgh	See (g) below	1,159	297	1,241		215	3,578	48		(*)	75
Scranton		299	198	373		95	709	17	426		31
Wilmington	Delaware	(*)	(*)	(*)	3,305	16,800	58,329	893	2,979	15,626	10,159
San Francisco region		32,154	1,748	49,105	3,305	16,800	58,329	893	2,979	15,626	10,159
Boise	Idaho	49	31	41		33	819	18		(*)	221
Helena	Montana	54	45	82	64	104	771	25			215
Honolulu	Hawaii	273	26	1,022	2	835	417	10		22	25
Los Angeles	See (b) below	4,907	212	4,955	1,452	3,731	11,973	194	1,252		2,809
Phoenix	Arizona	377	38	28	1	81	630	25			460
Portland	Oregon	57	186	297		526	4,419	78	32		574
Reno	Nevada	377	10	187		197	163	11			345
Salt Lake City	Utah	276	7	42	613	82	1,006	18		4,512	336
San Francisco	See (b) below	24,848	1,034	40,855	1,129	8,837	24,932	380	1,693	11,042	4,807
Seattle	See (a) and (i) below	1,252	158	1,594	43	2,374	5,200	135	2		367
International Operations Division										2,173	
Puerto Rico	Puerto Rico									2,173	
All other											
Totals for States and Territories not shown above											
(a) Alaska		142	14	178		478	526	4	(*)		2
(b) California		29,755	1,246	45,811	2,581	12,568	36,904	574	2,945	11,042	7,616
(c) Illinois		14,810	1,171	25,763	1,312	36,923	56,194	555	1,211	23	2,201
(d) Missouri		21,821	974	30,525	2,391	17,603	22,725	161	869	149	673
(e) New Jersey		11,466	503	13,738	1	1,733	8,498	241	2,553		679
(f) Ohio		11,527	401	18,562	2,032	5,336	27,542	290	8,012	99	1,603
(g) Pennsylvania		13,406	1,379	22,120	3,552	14,750	44,188	432	115	4,117	2,348
(h) Texas		2,763	195	2,279	9,753	8,898	21,751	209	(*)	2,920	5,555
(i) Washington		1,110	144	1,416	43	1,897	4,674	131	2		365

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories, fiscal year 1957—Continued

[In thousands of dollars. See table 3, p. 96, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts	Key to State or Territory totals	Miscellaneous excise taxes—Continued							Unclassified excise taxes ²	Taxes not otherwise classified ²¹
		Narcotics and marihuana, including occupational taxes (61)	Coin-operated amusement and gaming devices (62)	Bowling alleys, pool tables, etc. (63)	Wagering taxes		Use tax on certain vehicles ¹⁸ (66)	Other ²⁰ (67)		
					Occupational (64)	Wagers (65)				
United States, total		972	15,044	3,122	759	6,566	27,163	39	66,237	15,482
Atlanta region		61	1,215	283	37	387	2,479	3	141	1,454
Atlanta	Georgia	9	445	46	6	60	269	(*)	19	446
Birmingham	Alabama	9	45	32	3	94	277	2	15	65
Columbia	South Carolina	5	194	22	2	9	189	(*)	15	40
Greensboro	North Carolina	10	97	73	10	37	627	(*)	26	15
Jackson	Mississippi	4	113	21	5	62	152		18	49
Jacksonville	Florida	12	143	51	7	49	512	1	25	825
Nashville	Tennessee	12	178	37	4	75	452	(*)	23	15
Boston region		38	335	207	87	63	1,339	3	39	69
Augusta	Maine	2	28	19	(*)	(*)	109	(*)	17	9
Boston	Massachusetts	23	151	102	48	42	604	1	5	(-109)
Burlington	Vermont	1	8	9	(*)		49		3	4
Hartford	Connecticut	8	89	45	36	15	410	2	7	120
Portsmouth	New Hampshire	2	31	15	3	5	63		2	38
Providence	Rhode Island	2	28	16	1	2	95		5	7
Chicago region		68	1,660	503	174	1,035	3,675	1	452	3,693
Chicago	See (c) below	25	505	160	132	749	1,460	(*)	365	2,452
Detroit	Michigan	26	246	169	6	53	1,371	(*)	71	919
Milwaukee	Wisconsin	10	288	97	5	2	550	1	9	137
Springfield	See (c) below	7	620	77	31	231	294	(*)	7	94
Cincinnati region		115	1,532	412	101	2,470	3,475	2	147	2,841
Cincinnati	See (f) below	10	79	35	4	70	337	(*)	6	248
Cleveland		12	200	102	16	283	838	(*)	67	1,768
Columbus		5	61	27	1	68	192	(*)	6	27
Indianapolis	Indiana	56	455	78	34	958	907	(*)	22	365
Louisville	Kentucky	7	256	47	18	741	245	(*)	8	55
Parkersburg	West Virginia	3	306	35	18	260	238	(*)	4	30
Richmond	Virginia	19	94	51	4	24	405	1	32	241
Toledo	See (f) below	3	82	37	6	66	314		3	108
Dallas region		63	1,150	246	63	889	3,395	2	65	462
Albuquerque	New Mexico	3	41	17	1	1	91	(*)	4	46
Austin	See (h) below	21	356	85	27	517	847	(*)	19	196
Dallas		12	83	44	3	17	1,282	(*)	7	61
Little Rock	Arkansas	5	98	27	10	92	197	1	19	46
New Orleans	Louisiana	15	380	29	14	179	303	(*)	4	96
Oklahoma City	Oklahoma	6	192	44	8	82	675	(*)	11	17

New York City region	New York	297	517	272	21	44	2,265	5	224	3,541
Albany		99	107	36	1	1	228	1	3	315
Brooklyn		98	131	81	()	33	307	2	51	859
Buffalo		13	86	58	()	5	338	()	20	50
Lower Manhattan	See State total above	5	20	14	1	()	395	2	129	57
Syracuse		6	97	42	2	1	212	1	21	192
Upper Manhattan		77	75	40	16	3	785	()	21	2,067
Omaha region		84	819	457	23	149	2,947	6	431	852
Aberdeen	South Dakota	1	62	22	()	1	121	()		53
Cheyenne	Wyoming	2	37	9	8	15	79	()		566
Denver	Colorado	10	61	36	1	4	371	()	245	4
Des Moines	Iowa	8	96	88	()		380	()	34	7
Fargo	North Dakota	1	32	17	1	10	38	()	5	28
Kansas City	See (d) below	5	69	35	4	29	409	5	46	59
Omaha	Nebraska	6	63	61	1	40	288	()	40	84
St. Louis	See (d) below	37	140	48	3	4	455	1	50	16
St. Paul	Minnesota	8	124	77	4	36	506	()	9	3
Wichita	Kansas	6	135	64	1	9	301	()		
Philadelphia region		165	3,008	382	46	307	3,541	3	160	1,206
Baltimore	Maryland and District of Columbia	15	2,079	68	2	43	583	2		
Camden	See (e) below	4	128	28	2	5	234	1	14	136
Newark		83	143	82	10	6	645	()	46	302
Philadelphia		44	289	86	14	151	1,163	()	21	588
Pittsburgh	See (g) below	14	240	84	15	57	618	()	76	159
Scranton		4	114	29	2	12	284	()	3	11
Wilmington	Delaware	1	10	6	2	32	95	()		8
San Francisco region		81	4,813	360	208	1,223	4,054	6	174	1,449
Boise	Idaho	2	35	12	()	9	140	()	3	49
Helena	Montana	3	57	16	9	19	92	()	5	13
Honolulu	Hawaii	3	34	22	1	()	57	()	86	298
Los Angeles	See (b) below	30	199	101	2	8	1,075	5	1	61
Phoenix	Arizona	4	120	17	()	2	116	()	11	74
Portland	Oregon	5	255	27	3	17	475	()	1	5
Reno	Nevada	1	2,977	16	31	429	157	()	24	29
Salt Lake City	Utah	2	47	98	5	28	1,506	()	29	557
San Francisco	See (b) below	22	344	48	150	625	402	()	15	352
Seattle	See (a) and (i) below	9	746					()		3
International Operations Division										
Puerto Rico	Puerto Rico									2
All other										
Collections not distributed by region and district: Undistributed depositary receipts.									64,404	

Totals for States and Territories not shown above

(a) Alaska	()	117	6	6	11	7				74
(b) California	51	543	199	7	36	2,581	5	115	856	
(c) Illinois	32	1,125	237	162	980	1,754	1	371	2,546	
(d) Missouri	42	209	83	34	864		6	86	87	
(e) New Jersey	87	272	110	12	11	879	1	60	438	
(f) Ohio	31	423	200	27	487	1,681	()	82	2,151	
(g) Pennsylvania	62	643	198	31	221	2,065	1	100	757	
(h) Texas	33	439	129	30	534	2,129	1	26	257	
(i) Washington	9	629	42	144	613	395	()	15	278	

Table 2.—Internal revenue collections by sources and by quarters, fiscal year 1957

[in thousands of dollars]

Sources of revenue	Quarter ended—			
	Sept. 30, 1956 (1)	Dec. 31, 1956 (2)	Mar. 31, 1957 (3)	June 30, 1957 (4)
Grand total, all sources	16,088,591	14,291,109	24,107,590	25,684,681
Corporation income and profits taxes ¹	2,896,977	2,655,932	8,232,976	7,744,769
Individual income and employment taxes, total	18,322,676	8,577,140	12,870,424	14,840,054
Income tax not withheld ²	2,346,050	672,109	3,818,971	5,961,936
Income tax withheld and old-age insurance ³	7,815,310	7,749,025	8,577,337	8,723,501
Railroad retirement ⁴	158,233	153,845	153,822	150,120
Unemployment insurance	3,083	2,161	320,294	4,496
Estate tax	296,110	274,399	322,020	360,543
Gift tax	3,486	3,423	21,524	96,495
Excise taxes, total	2,542,036	2,783,357	2,661,065	2,651,885
Alcohol taxes, total	735,412	911,713	613,096	712,974
Distilled spirits ⁵	489,578	714,189	434,354	483,290
Wines, cordials, etc. ⁶	20,207	26,450	19,859	22,156
Beer ⁷	225,627	171,074	158,883	207,528
Tobacco taxes, total	411,769	405,564	421,416	435,301
Cigarettes	396,861	388,072	407,026	418,948
Cigars ⁸	18,272	12,887	9,992	11,788
Other ⁹	4,635	4,605	4,398	4,645
Stamp taxes on documents, other instruments, and playing cards, total	24,090	28,888	26,266	28,302
Issues and transfers of bonds of indebtedness or capital stock, foreign insurance policies, and deeds of conveyance:				
Sales by postmasters	5,477	9,536	6,839	9,391
Sales by directors	17,234	17,399	17,459	17,309
Other ¹⁰	1,379	1,953	1,969	1,602
Manufacturers' excise taxes, total	817,191	915,881	996,881	1,031,972
Gasoline ¹¹	283,883	417,452	396,450	360,512
Lubricating oil, etc.	19,362	18,287	19,033	16,919
Tires (wholly or in part of rubber), inner tubes, and tread rubber ¹²	47,154	75,750	60,360	68,190
Motor vehicles, chassis, bodies, parts, and accessories ¹³	357,101	282,596	393,878	467,255
Radio and television sets, phonographs, components, etc.	26,602	42,865	45,250	34,475
Refrigerators, freezers, air conditioners, etc.; electric, gas, and oil appliances	33,983	28,859	24,795	34,453
Other ¹⁴	49,186	50,072	57,124	50,167

Footnotes on pp. 101-102.

Table 2.—Internal revenue collections by sources and by quarters, fiscal year 1957—Con.

[in thousands of dollars]

Sources of revenue	Quarter ended—			
	Sept. 30, 1956 (1)	Dec. 31, 1956 (2)	Mar. 31, 1957 (3)	June 30, 1957 (4)
Excise taxes, total—Continued				
Retailers' excise taxes, total	73,179	70,296	122,517	70,090
Luggage, etc.	13,472	11,873	21,572	10,199
Jewelry, etc.	35,068	31,542	59,040	30,954
Furs	3,691	5,585	12,863	7,355
Toilet preparations	20,948	21,296	29,042	21,582
Miscellaneous excise taxes, total	443,043	417,158	442,005	416,303
Admissions:				
Theaters, concerts, athletic contests, etc. ¹⁵	26,451	26,005	11,238	12,154
Roof gardens, cabarets, etc.	10,394	11,209	10,556	11,081
Club dues and initiation fees	15,294	11,444	11,388	16,110
Long-distance telephone, telegraph, cable, radio, etc., and leased wires	67,624	62,506	68,153	67,903
Local telephone service	88,581	79,315	90,425	88,704
Transportation of—				
Oil by pipeline	8,976	9,313	9,616	9,253
Persons	57,237	61,525	52,565	50,832
Property	118,567	113,893	121,763	113,754
Use of safe deposit boxes	1,461	1,240	1,360	1,766
Coconut and other vegetable oils processed ¹⁶	5,260	4,668	4,349	5,376
Sugar	21,842	21,614	24,868	17,766
Diesel and special motor fuels ¹⁷	7,031	9,652	9,755	13,017
Narcotics and marihuana, including occupational taxes	312	170	136	354
Coin-operated amusement and gaming devices	10,008	926	478	3,632
Bowling alleys, pool tables, etc.	2,016	313	112	681
Wagering taxes:				
Occupational	337	113	112	197
Wagers	1,631	1,737	1,526	1,672
Use tax on certain vehicles ¹⁸		1,513	23,587	2,063
Other ¹⁹	23	2	17	(-12)
Unclassified excise taxes:				
Unapplied collections	1,700	424	(-135)	(-156)
Undistributed depositary receipts ²⁰	35,652	33,433	39,020	(-43,701)
Taxes not otherwise classified ²¹	27,307	(-3,141)	(-420)	(-8,264)

Footnotes on pp. 101-102.

Table 3.—Internal revenue collections by sources

[In thousands of dollars]

Sources of revenue	Fiscal year—	
	1957	1956
Grand total, all sources.....	80,171,971	75,112,649
Corporation income and profits taxes, total.....	21,530,653	21,298,522
Regular ²²	21,528,031	21,297,167
Exempt organization business income tax ²²	2,622	1,355
Individual income and employment taxes, total.....	46,610,293	42,633,426
Income tax not withheld ⁴	12,799,067	11,830,260
Income tax withheld and old-age insurance, total ²³	32,865,172	29,844,187
Received with returns ⁶	32,068,363	29,280,756
Undistributed depositary receipts ⁵	796,810	563,431
Railroad retirement, total.....	616,020	634,323
Railroad employment compensation tax, 12½ percent of taxable portion of payrolls: Received with returns.....	615,799	628,610
Undistributed depositary receipts ⁵	192	5,580
Railroad employees' representative tax, 12½ percent of taxable portion of payrolls.....	29	133
Unemployment insurance, 3 percent of taxable portion of payrolls.....	330,034	324,656
Estate tax ²⁴	1,253,071	1,053,867
Gift tax.....	124,928	117,370
Excise taxes, total.....	10,637,544	10,004,195
Alcohol taxes, total.....	2,973,195	2,920,574
Distilled spirits taxes, total.....	2,121,411	2,062,242
Imported (collected by Customs), \$10.50 per gallon.....	292,750	267,037
Domestic, \$10.50 per gallon ⁸	1,788,715	1,754,687
Rectification, 30 cents per proof gallon ⁸	23,511	24,384
Occupational taxes: Nonbeverage manufacturers of spirits, \$25, \$50, \$100 per year.....	102	94
Rectifiers: Less than 500 barrels, \$110 per year.....	6	6
500 barrels or more, \$220 per year.....	21	28
Retail dealers in liquor or medicinal spirits, \$50 per year.....	13,972	13,069
Wholesale liquor dealers, \$200 per year.....	1,226	1,272
Manufacturers of stills, \$55 per year.....	6	6
Seizures, penalties, etc.....	1,098	1,654
Stills or worms manufactured, \$22 each.....	5	5
Wine, cordials, etc., taxes, total.....	88,672	87,751
Imported (collected by Customs).....	5,479	5,259
Domestic ⁸	81,949	81,321
(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.....	1,126	1,056
Wholesale dealers in wines or in wines and beer, \$200 per year.....	118	115
Beer taxes, total.....	763,112	770,581
Domestic, \$9 per barrel of 31 gallons ⁸	758,067	765,447
Occupational taxes: Brewers, 500 barrels or more, \$110 per year; less than 500 barrels, \$55 per year.....	28	31
Retail dealers in beer, \$22 per year.....	3,866	3,949
Wholesale dealers in beer, \$100 per year.....	1,151	1,155
Tobacco taxes, total.....	1,674,050	1,613,497
Cigarettes, class A (small) \$4 per thousand, class B (large) \$8.40 per thousand ⁸	1,610,908	1,549,133
Cigars: Large cigars classified by intended retail prices: ⁸ Class A (Retailing at not over 2½ cents each), \$2.50 per thousand.....	88	88
Class B (Over 2½ cents, not over 4 cents each), \$3 per thousand.....	614	628
Class C (Over 4 cents, not over 6 cents each), \$4 per thousand.....	8,826	8,881
Class D (Over 6 cents, not over 8 cents each), \$7 per thousand.....	4,020	4,148
Class E (Over 8 cents, not over 15 cents each), \$10 per thousand.....	24,585	24,477
Class F (Over 15 cents, not over 20 cents each), \$15 per thousand.....	3,025	3,053
Class G (Over 20 cents each), \$20 per thousand.....	3,659	3,710
Small cigars, 75 cents per thousand.....	43	58

Footnotes on pp. 101-102.

Table 3.—Internal revenue collections by sources—Continued

[In thousands of dollars]

Sources of revenue	Fiscal year—	
	1957	1956
Excise taxes, total—Continued		
Tobacco taxes, total—Continued		
Manufactured tobacco (chewing, smoking, and snuff), 10 cents per pound ⁸	17,685	18,693
Cigarette papers and tubes, papers ½ cent per 50; tubes 1 cent per 50.....	590	622
Court fines, penalties, and taxes on leaf tobacco sold or removed in violation of sec. 5731, Internal Revenue Code of 1954.....	8	7
Stamp taxes on documents, other instruments, and playing cards, total.....	107,546	114,927
Issues and transfers of bonds of indebtedness or capital stock, foreign insurance policies, and deeds of conveyance: Sales by postmasters.....	31,243	30,961
Sales by directors.....	69,401	77,069
Silver bullion transfers, 50 percent of profit.....	20	53
Playing cards, 13 cents per pack.....	6,882	6,843
Manufacturers' excise taxes, total.....	3,761,925	3,456,013
Gasoline: Gasoline, 2 cents per gallon to June 30, 1956, 3 cents thereafter ¹⁰	1,455,952	1,030,397
Floor stocks tax, 1 cent per gallon on tax-paid stocks on hand as of June 30, 1956 ¹⁰	2,265	
Lubricating oil, etc., 6 cents per gallon; cutting oil 6 cents to Sept. 30, 1955, 3 cents thereafter.....	73,601	74,584
Tires (wholly or in part of rubber), inner tubes, and tread rubber: Tires, 5 cents per pound; highway type increased to 8 cents, effective July 1, 1956 ¹⁰	213,749	159,733
Floor stocks tax, 3 cents per pound on tax-paid stocks of highway type tires on hand as of June 30, 1956 ¹⁰	12,019	
Inner tubes, 9 cents per pound.....	15,221	18,139
Tread rubber, 3 cents per pound, effective July 1, 1956 ¹⁰	8,893	
Floor stocks tax, 3 cents per pound on stocks of tread rubber on hand as of June 30, 1956 ¹⁰	1,572	
Motor vehicles, chassis, bodies, parts, and accessories: Passenger automobiles, chassis, bodies, etc., 10 percent.....	1,144,233	1,376,372
Trucks and buses, chassis, bodies, etc., 8 percent to June 30, 1956, 10 percent thereafter ¹⁰	196,002	189,434
Floor stocks tax on trucks and buses in dealers' hands as of June 30, 1956, 2 percent ¹⁰	3,297	
Parts and accessories for automobiles, trucks, etc., 10 percent.....	157,291	145,797
Radio and television sets, phonographs, components, etc., 10 percent.....	149,192	161,098
Refrigerators, freezers, air conditioners, etc.; electric, gas, and oil appliances: Refrigerators, freezers, air conditioners, etc., 5 percent except for self-contained air-conditioning units which are 10 percent.....	46,894	49,078
Electric, gas, and oil appliances, 5 percent.....	75,196	71,064
Pistols and revolvers, 10 percent.....	1,417	1,153
Phonograph records, 10 percent.....	16,450	12,324
Musical instruments, 10 percent.....	14,781	12,776
Sporting goods (other than fishing rods, creels, etc.), 10 percent.....	9,897	8,503
Fishing rods, creels, etc., 10 percent.....	4,717	5,150
Business and store machines, 10 percent.....	83,175	70,146
Cameras, lenses, film, and projectors, 10 percent except projectors which are taxed at 5 percent.....	19,901	17,373
Electric light bulbs and tubes, 10 percent.....	26,080	22,854
Firearms (other than pistols and revolvers), shells, and cartridges, 11 percent.....	15,149	14,302
Mechanical pencils, pens, and lighters, 10 percent.....	9,114	9,576
Matches, 2 cents per thousand, and fancy wood on or colored stems, 5½ cents.....	5,865	6,160
Retailers' excise taxes, total.....	336,081	321,896
Luggage, etc., 10 percent.....	57,116	57,519
Jewelry, etc., 10 percent.....	156,604	152,340
Furs, 10 percent.....	29,494	28,261
Toilet preparations, 10 percent.....	92,868	83,776

Footnotes on pp. 101-102.

Table 3.—Internal revenue collections by sources—Continued

[In thousands of dollars]

Sources of revenue	Fiscal year	
	1957	1956
Excise taxes, total—Continued		
Retailers' excise taxes, total—Continued	1,718,509	1,608,497
Miscellaneous excise taxes, total	119,089	146,272
Admissions taxes, total		
Theaters, concerts, athletic contests, etc.		
Admissions, 1 cent for each 18 cents or major fraction thereof of the amount paid ²¹	74,777	102,979
Ticket brokers' sales, 10 percent of amounts in excess of box office price ²¹	452	482
Leases of boxes or seats, 10 percent of the amount for which similar accommodations are sold ²¹	526	490
Admissions sold by proprietors in excess of established price, 50 percent of such excess	92	67
Roof gardens, cabarets, etc., 20 percent of total paid for admissions, services, etc.	43,241	42,255
Club dues and initiation fees, 20 percent	54,236	47,171
Long-distance telephone, telegraph, cable, radio, etc., 18 percent	244,251	222,449
Leased wires, 18 percent; wire and equipment service, 8 percent	21,934	19,094
Local telephone service, 18 percent	347,024	315,690
Transportation of—		
Oil by pipeline, 4½ percent	37,159	35,681
Persons, 10 percent	222,158	214,903
Property, 3 percent of amount paid, except coal which is 4 cents per ton	467,978	450,579
Use of safe deposit boxes, 18 percent	5,826	5,512
Coconut and other vegetable oils processed, total	19,652	18,535
Coconut oil from the Philippines, 3 cents per pound	18,050	16,542
Coconut oil from Trust Territory, 3 cents per pound	35	35
Coconut oil from other United States possessions, 3 cents per pound	14	132
Coconut oil (and combinations containing coconut oil) from other sources, 5 cents per pound	14	32
Other vegetable oils, 3 cents per pound	1,539	1,795
Sugar, approximately ½ cent per pound	86,091	82,894
Diesel and special motor fuels, 2 cents per gallon to 6/30/56, 3 cents thereafter ¹⁶	39,454	24,464
Narcotics and marihuana, including occupational taxes, total ²²	972	1,002
Narcotics	930	957
Marihuana	42	45
Coin-operated amusement and gaming devices, \$10 and \$250 per device	15,044	14,246
Bowling alleys, pool tables, etc., \$20 per alley or table	3,122	2,955
Wagering taxes:		
Occupational tax, \$50 per year	759	639
Wagers, 10 percent of amount wagered	6,566	6,385
Use tax on highway motor vehicles weighing over 26,000 pounds, \$1.50 per 1,000 pounds, effective 7/1/56 ¹⁶	27,163	
Adulterated and process or renewed butter, filled cheese, and imported oleomargarine ²⁷	12	15
Firearms transfer and occupational taxes ²⁸	18	11
Other receipts (including repealed taxes)	(*)	(*)
Unclassified excise taxes:		
Unapplied collections	1,833	567
Undistributed depositary receipts ²	64,404	(-31,776)
Taxes not otherwise classified ²¹	15,482	5,269

Footnotes on pp. 181-182.

Table 4.—Internal revenue collections by principal sources, fiscal years 1940 through 1957

[In thousands of dollars]

Fiscal year ended June 30—	Income, profits, and employment taxes						Estate and gift taxes	Alcohol taxes	Tobacco taxes	Manu- facturers' excise taxes	All other taxes
	Total internal revenue collections	Total	Corporation income and profits taxes ¹	Individual income and employment taxes ²	(4)	(5)					
1957	80,171,971	68,140,946	21,530,653	46,610,293	1,377,999	1,377,999	2,973,195	1,674,050	3,761,925	2,243,856	
1956	75,112,849	63,931,948	21,298,522	42,633,426	1,171,237	1,171,237	2,920,374	1,613,497	3,456,013	2,819,360	
1955	66,288,632	55,134,490	18,764,720	37,869,770	936,267	936,267	2,742,840	1,571,213	3,485,016	2,818,866	
1954	69,919,991	59,467,637	21,548,372	37,921,314	935,121	935,121	2,783,812	1,590,229	2,689,133	2,464,859	
1953	69,686,535	58,849,134	21,594,515	37,254,619	891,284	891,284	2,780,925	1,694,911	2,862,788	2,647,492	
1952	65,009,586	55,205,280	21,466,910	33,738,370	833,147	833,147	2,549,120	1,585,162	2,348,943	2,507,933	
1951	50,445,686	41,012,357	14,387,569	26,624,788	729,730	729,730	2,546,808	1,300,396	2,383,677	2,392,719	
1950	38,957,152	30,652,234	18,854,351	19,797,883	706,227	706,227	2,219,202	1,328,484	1,836,053	2,214,951	
1949	40,483,123	32,553,533	11,553,669	20,527,935	796,538	796,538	2,210,607	1,327,875	1,649,234	2,280,969	
1948	41,864,542	32,553,533	10,174,410	23,379,123	895,345	895,345	2,235,327	1,300,280	1,649,234	2,206,823	
1947	39,108,386	31,044,121	9,676,459	21,367,662	779,291	779,291	2,474,762	1,237,768	1,425,260	2,147,184	
1946	40,672,087	32,053,956	12,583,602	20,405,364	676,832	676,832	2,526,165	1,165,519	1,922,671	2,421,944	
1945	43,800,388	32,840,704	16,027,213	20,813,491	643,055	643,055	2,309,956	1,036,145	1,782,511	2,292,108	
1944	40,121,760	34,756,174	14,766,796	19,999,378	511,210	511,210	1,618,775	988,483	1,711,533	1,733,655	
1943	22,371,386	17,797,593	9,568,956	8,128,637	447,496	447,496	1,423,646	523,746	504,746	1,274,048	
1942	13,047,869	9,192,245	4,744,083	4,448,162	432,540	432,540	1,048,517	780,982	771,902	821,682	
1941	7,370,108	4,836,680	2,053,469	2,783,512	407,058	407,058	1,820,056	686,077	617,373	436,564	
1940	5,340,452	2,963,130	1,147,532	1,815,538	360,071	360,071	624,253	608,518	447,088	337,392	

Footnotes on pp. 101-102.

Table 5.—Internal revenue tax collected in Puerto Rico on manufactured products coming into the United States, by objects of taxation³

(In thousands of dollars)

Articles taxed	Fiscal year—	
	1957	1956
Total.....	19,261	18,204
Distilled spirits.....	17,726	16,795
Distilled spirits, rectification tax.....	511	488
Wine.....	(*)	
Beer.....	14	
Cigars, large:		
Class A.....	(*)	
Class B.....		
Class C.....		
Class D.....	1	4
Class E.....	3	8
Class F.....	1,000	903
Class G.....	2	2
Cigars, small.....	1	(*)
Cigarettes, small.....		
Chewing and smoking tobacco.....	3	(*)
		2

Footnotes on p. 101.

Footnotes for tables 1-5

*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 The United States total of corporation income and profits taxes collected in fiscal year 1957 has been adjusted to exclude \$404,000 originally deposited in the U. S. Treasury and subsequently transferred to the Government of Guam.

⁴ Includes old-age insurance tax on self-employment income. Rates of tax are as follows:

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

Self-employment tax: 3 percent of self-employment income.

⁵ Under revised accounting procedures effective July 1, 1954, tax payments made to banks under the depositary receipts system are included in internal revenue collections for the month in which the depositary receipts are issued instead of the month in which tax returns supported by the depositary receipts are received in internal revenue offices. During fiscal years 1955 and 1956 the amounts of depositary receipts issued were classified by internal revenue districts, making it possible to compute for each district the amount of undistributed depositary receipts (amount of depositary receipts issued, less the amount of depositary receipts received with returns and distributed by classes of tax). Effective Jan. 2, 1957, revised accounting procedures were adopted which provide for the central reporting, by the Treasury Bureau of Accounts, of the amounts of depositary receipts issued, in national totals only. The Internal Revenue Service has continued to include these amounts in its national totals of tax collections and to report the amount of undistributed depositary receipts on a national basis, but it is not possible, under the new procedures, to show a breakdown of the undistributed depositary receipts by internal revenue districts.

⁶ 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 \$3,363,000 for 1957.

⁷ Includes railroad employment compensation tax and tax on railroad employee representatives.

⁸ 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) and are shown separately in table 5. Reports prior to 1955 included in the overall results only the amounts of such taxes collected at United States ports of entry.

⁹ Includes occupational taxes on manufacturers of stills, rectifiers, wholesale liquor dealers, retail dealers in liquor or medicinal spirits, and nonbeverage manufacturers of spirits.

¹⁰ Includes seizures, penalties, etc., and tax on stills or worms manufactured.

¹¹ Includes occupational taxes on wholesale and retail dealers in wines or in beers and beer.

¹² Includes occupational taxes on brewers and wholesale and retail dealers in beer.

¹³ Includes taxes on large cigars, classes A through G, and on small cigars.

¹⁴ 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.

¹⁵ Includes taxes on silver bullion transfers and on playing cards.

¹⁶ Collections affected by provisions of the Highway Revenue Act of 1956. Amounts shown in table 1 are inclusive of floor stocks taxes provided by such act. Changes in rates are shown in table 3.

¹⁷ 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.

¹⁸ 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.

¹⁹ Includes taxes on coconut oil from the Philippines, the Trust Territory, and United States possessions as well as other coconut and vegetable oils processed.

²⁰ Includes taxes on adulterated and process or renovated butter, filled cheese, and imported oleomargarine; firearms transfer and occupational taxes; and other receipts.

²¹ Includes amounts of unidentified and excess collections, depository receipts outstanding 6 months or more for which no tax accounts were found, and profit from sale of acquired property.

²² 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.

²³ Rates of income tax withheld and old-age insurance taxes:

Income tax withheld: Wages in excess of exemptions taxed at 18 percent.
Old-age insurance taxes: Employers' tax 2 percent, employees' tax 2 percent, both imposed on taxable portion of wages; both increased to 2½ percent effective Jan. 1, 1957.

²⁴ Advance payments of estate and gift taxes in the amount of \$19,381,000 were reported in combined amount for 1956 and are included in estate tax for that year.

²⁵ 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.

²⁶ Narcotics, 1 cent per ounce; narcotics order blanks, \$1 per hundred. Marihuana, \$1 per ounce; marihuana order blanks, 2 cents each. For classes and rates of occupational taxes, see table 11.

²⁷ 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. Special occupational taxes are levied on manufacturers or dealers in these products and are included in the amounts shown.

²⁸ Transfers of machineguns, short-barreled firearms, silencers, etc., \$200 each; transfers of certain double-barreled guns, \$1 each. Special occupational taxes are levied on manufacturers, importers, or dealers in firearms and are included in the amounts shown.

²⁹ Beginning January 1951, withheld income taxes and old-age 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 previous annual reports.

NOTE.—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.

Table 6a.—Establishments qualified to engage in the production, distribution, storage, or use of alcohol and alcoholic liquors

Class of establishment	As of June 30—	
	1957	1956
Industrial alcohol:		
Industrial alcohol plants	36	36
Industrial alcohol bonded warehouses	44	43
Industrial alcohol denaturing plants	47	44
Dealers in specially denatured alcohol	35	34
Users of specially denatured alcohol and rum	3,966	4,020
Reprocessors, rebottlers, etc., of specially denatured alcohol articles	1,240	1,424
Users of tax-free alcohol	7,470	7,504
Distilled spirits:		
Fruit distilleries	98	101
Registered distilleries	86	94
Internal revenue bonded warehouses	209	213
Distillery denaturing bonded warehouses	2	2
Taxpaid bottling houses	54	53
Rectifying plants	132	133
Beer: Breweries	255	266
Wines:		
Bonded wine cellars	546	580
Taxpaid wine-bottling houses	125	136
Vinegar: Vinegar factories using vaporizing process	6	7
Beverage dealers:		
Importers	1,362	1,309
Wholesale dealers in liquors	7,570	7,329
Wholesale dealers in beer	11,393	11,087
Retail dealers in liquors	275,876	274,877
Retail dealers in beer	162,057	168,180
Other:		
Manufacturers of nonbeverage products (drawback)	1,038	1,040
Bottle manufacturers	91	85
Carriers	453	452
Fruit-flavor concentrator plants	21	20

Table 6b.—Establishments qualified to engage in the production or distribution of tobacco products

Class of establishment	As of Dec. 31—	
	1956	1955
Manufacturers of tobacco	211	222
Manufacturers of cigars and cigarettes	769	881
Sea stores warehouses	63	58
Export warehouses	13	5

Table 7.—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 tax-free and specially denatured alcohol
				Specially denatured alcohol	Specially denatured rum	Tax-free alcohol	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(7)
In effect July 1, 1956.....	12,081	69	34	3,974	48	7,504	452
Issued during year.....	613	8	3	318	5	244	35
Terminated during year, total.....	698	4	2	377	5	276	34
Revoked.....							
Otherwise terminated.....	698	4	2	377	5	276	34
In effect June 30, 1957.....	11,996	73	35	3,915	48	7,472	453
Renewals approved during year.....	11,499	67	34	3,831	47	7,103	417
Amended during year.....	1,567	35	16	919	7	555	35

Table 8.—Permits for operations relating to alcoholic beverages, under the Federal Alcohol Administration Act

Status	Total	Dis-tillers	Ware-housing and bottling	Recli-fiers	Wine producers and blenders	Wine blenders	Importers	Whole-salers
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(8)
In effect July 1, 1956.....	15,034	249	289	178	512	63	1,309	12,434
Issued during year.....	1,820	23	28	17	32	16	218	1,486
Terminated during year, total.....	2,117	33	38	20	64	12	165	1,785
Revoked.....	14							14
Otherwise terminated.....	2,103	33	38	20	64	12	165	1,771
In effect June 30, 1957.....	14,737	239	279	175	480	67	1,362	12,135
Amended during year.....	1,525	35	109	69	63	18	151	1,080

Table 9.—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)	(5)
In effect July 1, 1956.....	3,341	817	222	2	2,300
Issued during year.....	585	43	18	1	523
Terminated during year, total.....	625	153	39		433
Revoked.....					
Otherwise terminated.....	625	153	39		433
In effect June 30, 1957.....	3,301	707	201	3	2,390
Amended during year.....	267	86	24		157

Table 10.—Label activity under Federal Alcohol Administration Act, fiscal year 1957

Type of label	Applications received			Applications acted upon		
	Total	For approval	For exemption	Total	Certificates issued	
					Approvals	Disap-proved
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Grand total.....	35,066	34,834	232	34,513	34,051	227
Distilled spirits, total.....	14,451	14,424	27	14,426	14,343	24
Domestic.....	13,194	13,167	27	13,226	13,160	24
Imported.....	1,257	1,257		1,200	1,183	
Wines, total.....	19,275	19,070	205	18,892	18,534	203
Domestic.....	7,895	7,690	205	7,698	7,426	69
Imported.....	11,380	11,380		11,194	11,108	86
Malt beverages, total.....	1,340	1,340		1,195	1,174	21
Domestic.....	1,071	1,071		982	970	12
Imported.....	269	269		213	204	9

Table 11.—Number of occupational tax stamps issued, by class of tax and by internal revenue regions, districts, States, and Territories, covering the fiscal year 1957, or portion thereof

Internal revenue regions and districts	Key to State or Territory totals	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		1,182,943	118	44	90	6,428	262,293	568	1,670	98	66	892
Atlanta region		113,738	2	1		342	9,591	1	14	7	1	62
Atlanta	Georgia	15,978				53	1,500			2		13
Birmingham	Alabama	11,035	1			22	664		4			3
Columbia	South Carolina	12,582				15	945					7
Greensboro	North Carolina	16,456				57	314	1	7	3		4
Jackson	Mississippi	11,394				37	1,057		1			2
Jacksonville	Florida	28,728		1		98	4,427		2	2		25
Nashville	Tennessee	17,565	1			60	684				9	82
Boston region		69,596	7	7	9	434	16,712	4	763	9	3	62
Augusta	Maine	6,433			1	6	345					
Boston	Massachusetts	30,418	4	5	6	243	8,252	2	707	4	4	
Burlington	Vermont	3,234				5	473			1		11
Hartford	Connecticut	18,947	3	2	2	142	5,300			1	2	3
Portsmouth	New Hampshire	4,833				1	436					6
Providence	Rhode Island	5,731				37	1,906	2	56	3	8	124
Chicago region		160,341	20	5	9	938	51,823	35	478	11	6	77
Chicago	See (c) below	47,301	4	1	3	265	16,770		4	5	6	27
Detroit	Michigan	49,192	14	2	4	479	16,871	30		2		12
Milwaukee	Wisconsin	44,222		2		111	13,506	3	472	3	1	8
Springfield	See (c) below	19,626	2		2	83	4,676	2	2	1		92
Cincinnati region		134,946	13	8	23	672	29,340	22	3	13	10	25
Cincinnati	See (f) below	13,267	4		2	95	4,277	4		2	1	19
Cleveland		28,341	4	1		221	10,945			3		6
Columbus		9,532				96	2,619			4	1	18
Indianapolis	Indiana	25,407		2		28	5,273			1	2	6
Louisville	Kentucky	15,353	2	5	21	135	2,054	18	1			2
Parkersburg	West Virginia	14,150				1	603					11
Richmond	Virginia	18,685	1			6	425		2		2	5
Toledo	See (f) below	10,211				90	3,144				2	33
Dallas region		118,256	3	2	1	302	12,583	11	2	10	4	
Albuquerque	New Mexico	4,898		1		37	1,411					12
Austin	See (h) below	44,550	1			60	2,411			2		9
Dallas		19,446				125	1,676	11	1	3		1
Little Rock	Arkansas	9,315				11	794		1	2	2	9
New Orleans	Louisiana	24,862	1	1	1	67	5,582			3		2
Oklahoma City	Oklahoma	15,185	1			2	709					2
New York City region	New York	133,744	13	1	4	518	30,662	136		12	10	152
Albany		17,852	3		1	16	5,234	4				9
Brooklyn		38,805	2	1	2	146	7,589	3		3	4	44
Buffalo	See State total above	21,601	5			25	5,749			3	2	19
Lower Manhattan		7,350	1			93	1,955	129		3	2	40
Syracuse		16,043	1			15	4,147			3	1	11
Upper Manhattan		32,093	1		1	223	5,988				1	29
Omaha region		126,043	5	2	2	392	18,450	188	351	11	4	81
Aberdeen	South Dakota	5,713				7	951					1
Cheyenne	Wyoming	2,964				1	689					
Denver	Colorado	10,924		1		37	2,336	18	265			11
Des Moines	Iowa	18,352				3	1,489		2		1	7
Fargo	North Dakota	4,528				14	1,028					
Kansas City	See (d) below	12,292		1		100	2,205	32	3	2		6
Omaha	Nebraska	9,966				19	1,684	77	12			2
St. Louis	See (d) below	20,592	4		1	72	4,094	53	6	1	2	33
St. Paul	Minnesota	26,233	1		1	107	2,776	8	61	6	1	19
Wichita	Kansas	14,479				32	1,198		2	2		2
Philadelphia region		152,635	48	5	24	1,224	43,133	169	3	13	10	170
Baltimore	Maryland and District of Columbia	28,836	2	2	6	277	5,847	133	2	2		19
Camden	See (e) below	11,558	7	1	3	50	3,920			1	2	9
Newark		28,153	19		7	185	10,131	19		2	4	62
Philadelphia		36,923	13	2	7	326	8,793	16	1	6	1	63
Pittsburgh	See (g) below	30,751	6		1	250	9,289			2	2	14
Scranton		14,333	1			119	4,436					3
Wilmington	Delaware	2,081				17	717	1			1	
San Francisco region		173,644	7	13	18	1,606	49,999	2	56	12	10	96
Boise	Idaho	5,180				6	686					
Helena	Montana	6,454				38	1,915					1
Honolulu	Hawaii	3,484				41	1,066					2
Los Angeles	See (b) below	51,871	2	5	7	385	16,230			3	5	39
Phoenix	Arizona	7,817				70	2,440	2				
Portland	Oregon	13,359				127	2,898			1		3
Reno	Nevada	4,395				24	1,162		56			
Salt Lake City	Utah	5,165				1	170					1
San Francisco	See (b) below	50,854	5	8	11	550	17,578			5	4	44
Seattle	See (a) and (i) below	25,065				364	5,854			3		6
Totals for States and Territories not shown above												
(a) Alaska		2,309			18	13	584			8		83
(b) California		102,725	7	13	5	935	33,808			6		85
(c) Illinois		66,927	6	1	1	348	21,446	2	6	3	2	39
(d) Missouri		32,884	4	1		172	6,299	85	9	3	6	71
(e) New Jersey		39,711	26	1	10	235	14,051	19		3	4	55
(f) Ohio		61,351	8	1	2	502	20,985	4		11		80
(g) Pennsylvania		82,007	20	2	8	695	22,518	16	1	8		21
(h) Texas		63,996	1			185	4,087	11	1	5		6
(i) Washington		22,756				351	5,270			3		

Table 11.—Number of occupational tax stamps issued, by class of tax and by internal revenue regions, districts, States, and Territories, covering the fiscal year 1957, or portion thereof—Continued

Internal revenue regions and districts	Key to State or Territory totals	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 mo.
		Wines \$200	Wines and beer, \$200	Wines \$50	Wines and beer, \$50	Less than 500 bbls., \$55	500 bbls. or more, \$110				
		(12)	(13)	(14)	(15)	(16)	(17)				
United States, total		172	355	394	20,940	1	277	11,328	168,394	97	9,603
Atlanta region		10	109	118	7,354		8	578	26,879		72
Atlanta	Georgia	1	16	43	1,030			65	2,138		1
Birmingham	Alabama	1						73	3,076		33
Columbia	South Carolina	2	23	3	1,091			43	3,826		3
Greensboro	North Carolina	4	28	70	1,352		1	97	3,882		11
Jackson	Mississippi	2		2	133			66	3,287		1
Jacksonville	Florida		42		3,748		7	135	5,487		23
Nashville	Tennessee							99	5,183		642
Boston region			33		911	1	13	756	7,828	2	
Augusta	Maine							60	2,607		334
Boston	Massachusetts					1	10	404	213	2	5
Burlington	Vermont		28		906			18	270		294
Hartford	Connecticut		3		4		1	189	2,756		9
Portsmouth	New Hampshire							37	1,924		2,790
Providence	Rhode Island		2		1		2	48	58		769
Chicago region		6	66	72	1,172		69	1,896	6,923		775
Chicago	See (c) below	3	3	2	27		15	563	611		808
Detroit	Michigan	3	63	70	1,131		10	303	511		438
Milwaukee	Wisconsin						39	827	5,359		1,153
Springfield	See (c) below						5	203	442		326
Cincinnati region		14	72	22	6,658		34	782	13,030	4	375
Cincinnati	See (f) below	4	2	8	112		4	38	669		72
Cleveland			3	1	179		1	51	315		92
Columbus	Indiana	2	13	4	2,567		10	216	699		68
Indianapolis	Kentucky			2			5	165	2,709	4	214
Louisville	West Virginia	3	1		466		1	128	4,021		316
Parkersburg	Virginia	1		7	3,334		3	116	3,780		1
Richmond	See (f) below	4	53				3	45	442		6
Toledo											214
Dallas region		1	24	26	3,470		18	913	31,281	15	316
Albuquerque	New Mexico	1	3	1	3			29	31		1
Austin	See (h) below		6	20	2,842		6	412	16,356		61
Dallas			2		329			173	3,877	15	43
Little Rock	Arkansas		13	5	281			60	2,034		6
New Orleans	Louisiana						3	124	4,102		183
Oklahoma City	Oklahoma				15		1	115	4,881		22

New York City region	New York	82		76	165		24	788	28,032	37	1,012
Albany		1		2			4	110	3,538		104
Brooklyn		15		7	66		4	301	9,212	35	48
Buffalo	See State total above	8		7	3		10	153	4,536		335
Lower Manhattan		32		33	39		1	30	1,390	2	30
Syracuse					4		3	98	3,136		366
Upper Manhattan		26		27	53		2	96	6,220		79
Omaha region		10	4	12	162		32	1,566	28,486	15	890
Aberdeen	South Dakota							67	1,499		11
Cheyenne	Wyoming							56	1,141		22
Denver	Colorado		1		37		3	94	1,104		7
Des Moines	Iowa				118		2	229	5,413	1	17
Fargo	North Dakota		1		2			46	413		8
Kansas City	See (d) below	4		5			4	115	1,926	8	22
Omaha	Nebraska	1					3	149	1,373		1
St. Louis	See (d) below	5	1	5	3		6	235	3,647	6	231
St. Paul	Minnesota		1	2			14	442	8,926		537
Wichita	Kansas				2			133	4,044		34
Philadelphia region		12	4	10	454		44	3,028	6,929	24	1,765
Baltimore	Maryland and District of Columbia		2		450		6	183	2,511	20	1,033
Camden	See (e) below	2		4	1		3	229	220	4	236
Newark		7		5			6	362	359		464
Philadelphia	See (g) below						17	1,011	1,786		6
Pittsburgh		2		1	3		8	979	1,410		1
Scranton		1					4	251	617		14
Wilmington	Delaware		2					13	26		11
San Francisco region		37	43	58	594		43	1,013	19,006		963
Boise	Idaho							84	1,678		8
Helena	Montana						5	70	474		21
Honolulu	Hawaii		2		13		5	33	49		6
Los Angeles	See (b) below						7	272	5,931		168
Phoenix	Arizona						1	19	351		1
Portland	Oregon						1	61	2,465		73
Reno	Nevada						1	26	202		7
Salt Lake City	Utah						2	34	1,439		9
San Francisco	See (b) below	37	41	58	581		8	296	4,849		631
Seattle	See (a) and (i) below						12	118	1,568		39

Totals for States and Territories not shown above

(a) Alaska								23	36		
(b) California	37	41	58	581		15	568	10,780			799
(c) Illinois	3	3	2	41		20	766	1,053			1,207
(d) Missouri	9	1	10			10	350	5,573		14	253
(e) New Jersey	9		9	1		9	591	5,79		4	700
(f) Ohio	4	5	9	291		15	157	1,821			987
(g) Pennsylvania	3		1	3		29	2,241	3,813			21
(h) Texas		8	20	3,171		6	585	20,233		15	104
(i) Washington						12	95	1,532			39

Table 11.—Number of occupational tax stamps issued, by class of tax and by internal revenue regions, districts, States, and Territories, covering the fiscal year 1957, or portion thereof—Continued

Internal revenue regions and districts	Key to State or Territory initials	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		145	1,206	54,512	257,478	2,489	292	6	32	83	127	21
Atlanta region		7	137	6,370	24,771	224	24		1		3	
Atlanta	Georgia	1	37	1,152	4,033	20	8				2	
Birmingham	Alabama	1	19	826	2,842	10	3		1		1	
Columbia	South Carolina	1	8	637	2,080	2	2					
Greensboro	North Carolina		16	977	4,303	129	6					
Jackson	Mississippi		6	561	1,979	30						
Jacksonville	Florida		22	1,247	5,408	4	2					
Nashville	Tennessee	4	29	970	4,126	29	5					
Boston region		7	73	3,918	18,398	273	40		1		8	4
Augusta	Maine		5	249	1,271	3	1					
Boston	Massachusetts	5	39	2,092	9,971	22	24				7	3
Burlington	Vermont		3	116	630	89	2					
Hartford	Connecticut	1	16	929	4,448	127	11				1	1
Portsmouth	New Hampshire	1	3	178	763	2	1					
Providence	Rhode Island		7	354	1,315	30	1					
Chicago region		16	185	6,835	30,343	258	32	1	8	66	9	2
Chicago	See (c) below	3	44	2,493	11,298	137	16		2		6	2
Detroit	Michigan	7	103	2,440	11,837	54	10		4		1	
Milwaukee	Wisconsin	4	16	1,202	5,086	31	1	1	1	66	1	
Springfield	See (c) below	2	22	700	2,922	36	5		1		1	
Cincinnati region		25	153	6,125	27,614	484	26		5	16	15	8
Cincinnati	See (f) below	3	13	633	2,950	19	3		1		1	
Cleveland	See (f) below	7	35	1,226	6,080	18	4		1		2	
Columbus	See (f) below	3	12	486	2,131	18	2				4	
Indianapolis	See (f) below	7	48	1,336	5,336	36	7				4	7
Louisville	Indiana		14	898	3,045	124	3		3	16	1	
Parkersburg	Kentucky		8	386	2,082	1	1					
Richmond	West Virginia	4	11	791	4,235	251	3				1	
Toledo	Virginia		12	369	1,755	17	3				2	
Dallas region	See (f) below	6	107	5,518	21,354	747	15		2		3	
Albuquerque	New Mexico		3	252	878	9	2					
Austin	See (h) below		31	1,405	6,225	307	2		1		2	
Dallas	See (h) below	2	32	1,331	5,463	385	2					
Little Rock	Arkansas		6	604	1,885	9	1					
New Orleans	Louisiana	4	16	1,000	3,785	13	8		1		1	
Oklahoma City	Oklahoma		19	926	3,118	24						
New York City region	New York	26	111	6,444	37,107	106	44	3	3		14	2
Albany	See State total above	3	14	585	2,662	7	5	1			1	1
Brooklyn	See State total above	5	19	2,596	11,902	28	5					
Buffalo	See State total above	4	25	777	4,372	9	6				4	
Lower Manhattan	See State total above	5	21	374	1,772	16	7	2				
Syracuse	See State total above	3	15	480	2,803	18	3				1	
Upper Manhattan	See State total above	6	17	1,632	13,596	28	18		3		8	
Omaha region		12	143	5,869	24,483	146	16	1	4	1	31	1
Aberdeen	South Dakota		3	256	739	2						
Cheyenne	Wyoming		2	120	387							
Denver	Colorado		22	675	2,866	10	1				1	
Des Moines	Iowa	1	33	814	3,599	67	5				7	
Fargo	North Dakota		3	192	676							
Kansas City	See (d) below		19	655	2,792	29	3					
Omaha	Nebraska	1	9	573	2,072	12	2	1	2	1	21	1
St. Louis	See (d) below	8	17	827	3,725	8	4					
St. Paul	Minnesota	1	22	987	4,986	9	1		2			
Wichita	Kansas	1	13	770	2,641	9						
Philadelphia region		33	143	7,000	33,567	119	55	1	7		27	3
Baltimore	Maryland and District of Columbia	3	27	1,072	6,370	10	5					
Camden	See (e) below		2	500	2,333	3	1		1		1	
Newark	See (e) below	10	22	1,339	6,621	28	18		1		5	
Philadelphia	See (e) below	19	62	2,184	10,345	63	22	1	4		6	3
Pittsburgh	See (g) below	1	18	1,288	5,415	5	7				4	
Scranton	See (g) below		11	493	1,937	6			1		10	
Wilmington	See (g) below		1	124	546	4	2				1	
San Francisco region		13	154	6,433	39,841	132	40		1		17	1
Boise	Idaho		1	137	684	1						
Helena	Montana		5	250	868	1	1					
Honolulu	Hawaii		7	54	590	32	1				1	
Los Angeles	See (b) below	9	48	2,071	16,259	45	26				15	
Phoenix	Arizona		9	354	1,413	7	1					
Portland	Oregon		9	559	2,847	4						
Reno	Nevada		1	103	372	1					1	
Salt Lake City	Utah		11	256	1,171	13	1					
San Francisco	See (b) below	3	35	1,670	11,238	20	5		1			
Seattle	See (a) and (f) below	1	28	979	4,399	8	5					1
Totals for States and Territories not shown above												
(a) Alaska		12		41	130							
(b) California			83	3,741	27,497	65	31				15	1
(c) Illinois		5	66	3,193	14,220	173	21		1		7	2
(d) Missouri		8	36	1,482	6,517	37	7		3		2	
(e) New Jersey		10	24	1,839	8,954	31	19				6	
(f) Ohio		14	72	2,714	12,916	72	12		2		9	
(g) Pennsylvania		20	91	3,965	17,697	74	29	1	5		20	3
(h) Texas		2	63	2,736	11,688	692	4		1		2	
(i) Washington		1	28	938	4,269	8	5					

Table 11.—Number of occupational tax stamps issued, by class of tax and by internal revenue regions, districts, States, and Territories, covering the fiscal year 1957, or portion thereof—Continued

internal revenue regions and districts	Key to State or Territory totals	National Firearms Act					Coin-operated devices, billiard, pool, and bowling alley premises			Adulterated, process or renovated butter, and filled cheese	Wagering
		Manufacturers or importers		Pawn-brokers, class 3, \$300	Dealers other than pawn-brokers, class 4, \$200	Dealers, class 5, \$1	Billiard or pool room and bowling alley premises, \$20	Amusement device premises, \$10	Gaming device premises, \$250		
		Class 1, \$500	Class 2, \$25								
United States, total		11	4		37	181	35,307	327,250	10,904	302	8,736
Atlanta region					1	76	3,557	32,096	1,000	1	321
Atlanta	Georgia						460	4,917	421		65
Birmingham	Alabama						337	3,101	1	1	42
Columbia	South Carolina					2	386	3,261	197		24
Greensboro	North Carolina				1	16	999	4,106	44		33
Jackson	Mississippi					1	331	3,606	187		93
Jacksonville	Florida					47	522	7,514	5		9
Nashville	Tennessee					10	522	5,591	145		55
Boston region		3			1	10	2,389	15,964	71		214
Augusta	Maine					4	322	1,553	2		1
Boston	Massachusetts	1					1,061	6,697	57		186
Burlington	Vermont						146	541	1		
Hartford	Connecticut	2			1	6	465	4,217	2		10
Portsmouth	New Hampshire						228	1,240	8		8
Providence	Rhode Island						167	1,716	1		9
Chicago region					1	5	4,762	49,635	957	27	754
Chicago	See (c) below						1,137	12,386	303	8	338
Detroit	Michigan					3	1,387	13,787	9		55
Milwaukee	Wisconsin						1,183	15,486	1		
Springfield	See (c) below				1	2	1,055	7,976	644	19	361
Cincinnati region		1				38	4,636	41,097	1,229		1,509
Cincinnati	See (f) below					2	337	3,676	2		54
Cleveland						19	809	7,983	9		207
Columbus						8	351	3,089	6		22
Indianapolis	Indiana						957	7,541	622		579
Louisville	Kentucky				1		628	4,919	265		235
Parkersburg	West Virginia				4		575	5,253	298		315
Richmond	Virginia	1			4		534	5,067	7		26
Tolodo	See (f) below						445	3,569	20		71
Dallas region			1			9	3,539	34,827	1,702	118	1,221
Albuquerque	New Mexico					5	183	2,033	6		9
Austin	See (h) below					2	1,463	11,501	742	21	659
Dallas							461	5,451	4	15	36
Little Rock	Arkansas		1				412	2,966	71	56	94
New Orleans	Louisiana						487	8,493	712		264
Oklahoma City	Oklahoma					2	533	4,383	247	26	159
New York City region	New York	2	3		6	7	2,128	25,995	5	2	12
Albany		1				3	319	5,224			
Brooklyn			3				426	6,334		2	3
Buffale	See State total above				1	1	520	4,972			6
Lower Manhattan					4		94	1,274			
Syracuse		1					450	4,478	5		1
Upper Manhattan					1	3	319	3,713			2
Omaha region						16	6,337	37,654	246	151	269
Aberdeen	South Dakota						364	1,738	67		8
Cheyenne	Wyoming						118	1,205	63		159
Denver	Colorado						406	3,029	1		
Des Moines	Iowa					4	1,181	5,350	8		1
Fargo	North Dakota						474	1,623	32		16
Kansas City	See (d) below				1		480	3,748	9	96	25
Omaha	Nebraska				6		695	3,225	1		23
St. Louis	See (d) below				1		842	6,664	19	55	20
St. Paul	Minnesota						862	6,447	2		9
Wichita	Kansas				4		915	4,625	44		8
Philadelphia region		2			6	7	4,103	47,966	2,277		250
Baltimore	Maryland and District of Columbia	1			3	2	537	8,170	2,129		12
Camden	See (e) below						278	3,727	14		6
Newark					2		620	7,852	3		
Philadelphia	See (g) below	1			1	5	973	11,052	109		31
Pittsburgh							1,179	10,721	8		131
Scranton							457	5,925	11		36
Wilmington	Delaware						59	519	3		34
San Francisco region		3			22	13	3,856	42,016	3,337	3	4,186
Boise	Idaho						236	1,655	1	2	
Helena	Montana						214	2,330	7		254
Honolulu	Hawaii						269	1,306	5		1
Los Angeles	See (b) below	3			21	1	879	9,399	34		7
Phoenix	Arizona					1	184	2,748	214		2
Portland	Oregon						433	3,413	394		70
Reno	Nevada				1	2	45	1,075	1,152		165
Salt Lake City	Utah						192	1,179	30		656
San Francisco	See (b) below					1	875	12,155	124	1	19
Seattle	See (a) and (f) below					8	529	6,756	1,376		3,012
Totals for States and Territories not shown above											
(a) Alaska						1	46	1,016	230		189
(b) California		3			21	2	1,754	21,554	158	1	26
(c) Illinois					1	2	2,192	20,362	947	27	699
(d) Missouri						2	1,322	10,412	28	151	45
(e) New Jersey					2		898	11,579	17		6
(f) Ohio						29	1,942	18,317	37		354
(g) Pennsylvania		1			1	5	2,609	27,698	128		198
(h) Texas						2	1,924	16,952	746	36	695
(i) Washington						7	483	5,740	1,146		2,823

Table 12.—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, 1956.....	8,750	390,286	33,773	154,121
Net receipts from District Director during year.....	15,786	448,489	25,497	127,259
Processed during year, total.....	13,413	306,190	24,433	98,533
Agreed.....	8,807	166,093	11,100	90,079
Unagreed overassessments and claim rejections.....	693	92	5	6,748
Statutory notice issued—transferred to 90-day status.....	3,913	140,005	13,328	1,707
Pending in pre-90-day status June 30, 1957.....	11,123	532,585	34,837	182,847

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.....	13,413	254,078	19,804	103,509
Agreed.....	8,807	96,555	4,756	100,058
Unagreed overassessments and claim rejections.....	693	112	(*)	2,597
Statutory notice issued—transferred to 90-day status.....	3,913	157,411	15,048	855

*Less than \$500.

Table 13.—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, 1956.....	1,089	41,873	4,401	356
Net receipts during year, total.....	4,927	168,061	17,952	574
By transfer from pre-90-day status ¹	3,945	158,447	15,390	562
Received from District Director in 90-day status.....	982	9,614	2,562	13
Processed during year, total.....	4,563	123,941	12,670	763
Agreed.....	1,133	10,269	212	274
Defaulted.....	1,116	13,070	1,435	47
Petitioned to the Tax Court—transferred to docketed status.....	2,314	100,603	11,023	441
Pending in 90-day status June 30, 1957.....	1,453	85,993	9,684	168

¹ Difference from table 12 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.....	4,563	122,215	12,607	767
Agreed.....	1,133	8,542	149	279
Defaulted.....	1,116	13,070	1,435	47
Petitioned to the Tax Court—transferred to docketed status.....	2,314	100,603	11,023	441

Table 14.—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, 1956.....	8,422	512,897	107,088	10,908
Net receipts during year, total.....	4,875	216,973	27,562	910
Petitions filed in response to—				
District Director's statutory notice.....	2,613	113,458	16,132	435
Appellate Division's statutory notice ¹	2,184	100,080	11,259	242
Cases reconsidered after trial.....	78	3,435	171	234
Processed during year, total.....	4,536	187,788	34,933	3,494
Agreed—stipulated.....	3,496	138,985	28,839	3,184
Dismissed or defaulted.....	190	2,875	419	43
Tried before the Tax Court on merits.....	850	45,928	5,674	267
Pending in docketed status June 30, 1957.....	8,761	542,082	99,717	8,224

¹ Difference from number of cases shown as petitioned in table 13 is caused by excluding District Director's statutory notices considered by appellate in 90-day status, 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.....	4,536	108,636	18,802	12,070
Agreed—stipulated.....	3,496	59,836	12,713	11,760
Dismissed or defaulted.....	190	2,872	414	43
Tried before the Tax Court on merits ¹	850	45,928	5,674	267

¹ Represents amounts petitioned. Results as to decisions rendered by the Tax Court during the year are shown in table 16.

Table 15.—Receipt and disposal of income, profits, estate, and gift tax cases in the Tax Court

Status	Number of cases (1)	Amount in dispute (thousand dollars)		
		Deficiency in tax (2)	Penalty (3)	Over-payment (4)
Pending July 1, 1956.....	9,458	609,313	107,088	1,065,186
Filed or reopened during year.....	4,737	204,968	21,888	65,164
Disposed of during year.....	4,513	200,475	29,259	137,378
Pending June 30, 1957.....	9,682	613,806	99,717	992,971

¹ Owing to differences in the time at which actions are recorded, the inventory figures shown differ from those reported by the Tax Court. Also, the figures exclude renegotiation cases which are included in those reported by the Tax Court.

Table 16.—Results obtained in income, profits, estate, and gift tax cases disposed of in the Tax Court, fiscal year 1957

Basis of closing	Number	Amount in dispute		Amount approved		Saved or recovered	
		Deficiency and penalty	Overpay-ment	Deficiency and penalty	Overpay-ment	Amount	Percent of amount in dispute
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		(Thousand dollars)					
Total.....	4, 513	229, 733	137, 378	106, 227	2, 670	240, 935	65. 6
Dismissed.....	190	3, 294	3, 032	3, 287		6, 319	99. 9
Decision on merits.....	827	58, 615	13, 072	30, 391	1, 936	41, 526	57. 9
Agreed settlement.....	3, 496	167, 824	121, 274	72, 549	733	193, 090	66. 8

Table 17.—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 (1)	Amount (thousand dollars) (2)	Number of cases (3)	Amount (thousand dollars) (4)
Pending July 1, 1956, total.....	440	36,343	4	977
Appealed by Commissioner.....	51	5,445	2	178
Appealed by taxpayers.....	375	30,326	2	799
Appealed by both.....	14	571	—	—
Appealed during year, total.....	340	28,427	13	1,390
By Commissioner.....	51	1,511	9	456
By taxpayers.....	275	18,487	4	934
By both.....	14	8,429	—	—
Disposed of during year, total.....	360	25,507	6	1,895
Favorable to Commissioner.....	183	8,514	6	1,895
Favorable to taxpayers.....	71	7,167	—	—
Modified.....	50	7,251	—	—
Settled.....	8	1,312	—	—
Dismissed.....	48	1,262	—	—
Pending June 30, 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	—	—

Table 18.—Receipt and disposal of suits filed by taxpayers in Federal courts

Status	Total ¹ (1)	Court of Claims (2)	District courts (3)
Pending July 1, 1956:			
Cases.....	2,951	492	2,459
Amount in dispute.....	366,528	228,582	137,946
Received during year:			
Cases.....	1,152	149	1,003
Amount in dispute.....	152,863	66,887	85,976
Disposed of during year:			
Cases.....	1,304	173	1,131
Amount in dispute.....	59,954	23,259	36,695
Refunded during year:			
Amount.....	22,512	6,727	15,786
Percent of amount disposed of.....	37.55	28.92	43.02
Pending June 30, 1957:			
Cases.....	2,799	468	2,331
Amount in dispute.....	459,437	272,210	187,227

¹ 4 processing tax cases, \$244,162.66 in dispute, were pending July 1, 1956; 1 case involving \$136,025.83, no part of which was refunded, was disposed of during year; 3 cases, \$108,136.83 in dispute, were pending July 1, 1957.

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

Table 19.—Cases involving tax issues decided by Federal civil courts, fiscal year 1957

Type of court	Total (1)	For the Government (2)	Against the Government (3)	Partly for and partly against the Government (4)
Total.....	736	320	347	69
District courts.....	474	193	219	62
Courts of appeals.....	190	96	91	3
Court of Claims.....	68	28	36	4
Supreme Court.....	4	3	1	—

Table 20.—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)	
Pending July 1, 1956.....	602	518	84	22,573	—	—
Received during year in suit and for institution of suit.....	44	29	15	253	—	—
Total.....	—	547	99	—	—	—
Suits instituted during year.....	—	39	39	—	—	—
Total to be accounted for.....	646	586	60	22,826	—	—
Disposed of during year.....	162	135	27	8,241	1,658	20.12
Pending June 30, 1957.....	484	451	33	14,585	—	—

Note.—This table pertains primarily to suits to collect taxes or to recover erroneous refunds (other than those relating to alcohol, tobacco, and firearms taxes). However, it does not include insolvency and debtor proceedings or lien cases in court which are included in tables 21 and 22.

Table 21.—Receipt and disposal by the Office of the Chief Counsel of insolvency and debtor proceedings ¹

Status	Total (1)	Reorganization proceedings ² (2)	Bankruptcy and receivership proceedings ³ (3)	Miscellaneous insolvency proceedings ⁴ (4)
Pending July 1, 1956.....	1,628	702	385	533
Received.....	2,090	879	624	587
Total cases.....	3,710	1,581	1,009	1,120
Disposed of.....	2,109	829	670	610
Pending June 30, 1957.....	1,601	752	339	510

¹ Includes cases handled at national and regional levels.² Proceedings instituted under the following sections or chapters of the Bankruptcy Act: Sections 75 (agricultural compositions and extensions) and 77 (railroad reorganizations) and chapters 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 legal personnel.³ Bankruptcy liquidation proceedings and Federal or State receivership proceedings which involve tax claims of the United States, and also require action by legal personnel.⁴ 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 legal personnel.Table 22.—Receipt and disposal by the Office of the Chief Counsel of lien cases and noncourt civil advisory cases ¹

Status	Total (1)	Lien cases		Noncourt civil advisory cases ⁴ (4)
		In court ² (2)	Net in court ³ (3)	
Pending July 1, 1956.....	1,087	548	146	393
Received.....	5,865	1,954	2,123	1,788
Total cases.....	6,952	2,502	2,269	2,181
Disposed of.....	5,662	1,869	2,075	1,718
Pending June 30, 1957.....	1,290	633	194	463

¹ Includes cases handled at national and regional levels.² Primarily suits for foreclosure by mortgagees or other secured creditors and suits to quiet title to which the United States is made a party.³ Primarily applications for discharge of property from tax liens.⁴ Primarily memorandums on civil advisory matters from Regional Counsel to District Directors which are not related to court proceedings or lien cases.

Table 23.—Obligations incurred by the Internal Revenue Service, fiscal year 1957

[In thousands of dollars]

Internal Revenue office, district, or region	Total (1)	Salaries (2)	Travel (3)	Communi- cation services (4)	Rent and utility services (5)	Supplies and equip- ment (6)	Other (7)
A. National office and regional totals (including Directors' offices)							
Total, Internal Revenue Service.....	305,538	278,853	8,358	5,879	1,545	5,597	13,306
National office.....	30,797	16,198	843	3,506	100	1,242	8,908
Atlanta region.....	25,345	22,915	1,036	185	129	495	585
Boston region ¹	18,688	17,253	384	170	318	280	291
Chicago region.....	31,991	38,078	616	260	82	462	501
Cincinnati region.....	32,168	29,783	1,004	263	91	573	454
Dallas region.....	20,479	18,750	841	156	20	369	343
New York City region.....	35,804	34,130	337	380	99	430	428
Omaha region ²	28,290	25,900	1,013	196	307	459	415
Philadelphia region.....	38,294	36,259	628	330	137	479	461
San Francisco region ³	34,851	31,986	956	322	219	571	797
Regional counsel.....	4,238	3,815	187	72	17	169	58
Regional inspection.....	3,329	2,725	499	35	14	29	27
International Operations Division.....	1,264	1,069	94	4	28	39	38
B. Regional offices (excluding Directors' offices)							
Atlanta region.....	5,023	4,193	257	42	60	214	257
Boston region.....	3,935	3,326	54	30	270	104	152
Chicago region.....	3,945	3,615	91	41	1	103	94
Cincinnati region.....	6,237	5,657	224	34	3	154	165
Dallas region.....	2,703	2,418	133	22	3	70	65
New York City region.....	5,635	5,274	89	63	2	105	102
Omaha region.....	6,772	5,872	197	66	296	151	190
Philadelphia region.....	5,620	5,165	165	45	2	118	125
San Francisco region.....	5,249	4,433	185	43	107	159	322
C. District Directors' offices							
Atlanta:							
Atlanta.....	3,482	3,146	134	23	59	52	68
Birmingham.....	2,642	2,453	97	20	4	35	33
Columbia.....	1,738	1,618	64	18		26	20
Greensboro.....	3,575	3,276	152	24	6	49	68
Jackson.....	1,409	1,285	75	14		22	13
Jacksonville.....	4,268	3,950	153	32		55	78
Nashville.....	3,208	2,994	104	28		42	48
Boston:							
Augusta.....	1,220	1,126	54	12		17	11
Boston.....	6,967	6,662	110	74	3	69	49
Burlington.....	582	529	29	6		11	7
Hartford.....	3,669	3,461	82	23	6	46	51
Pertsmouth.....	869	798	38	8		16	9
Providence.....	1,446	1,351	18	17	31	17	12
Chicago:							
Chicago.....	11,872	18,531	78	106	27	147	183
Detroit.....	8,668	8,165	149	58	50	181	137
Milwaukee.....	4,525	4,276	110	30	1	62	46
Springfield.....	3,789	3,483	188	25	3	49	41
Cincinnati:							
Cincinnati.....	2,918	2,765	65	18		39	23
Cleveland.....	5,675	5,308	93	66	38	103	67
Columbus.....	1,866	1,743	51	14		31	27
Indianapolis.....	4,821	4,538	135	32	15	61	48
Louisville.....	2,920	2,696	116	26		47	35
Parkersburg.....	1,977	1,793	93	16	6	41	28
Richmond.....	3,852	3,521	174	43		60	54
Toledo.....	1,910	1,762	53	14	29	37	15
Dallas:							
Albuquerque.....	918	816	37	9	3	26	19
Austin.....	4,944	4,553	200	36	8	78	69
Dallas.....	4,911	4,540	198	38	4	73	58
Little Rock.....	1,615	1,438	94	12		34	37
New Orleans.....	2,866	2,663	182	18	2	44	37
Oklahoma City.....	2,530	2,330	77	21		44	58

See footnotes at end of table.

Table 23.—Obligations incurred by the Internal Revenue Service,
fiscal year 1957—Continued

[In thousands of dollars]

Internal Revenue office, district, or region	Total	Salaries	Travel	Communi- cation services	Rent and utility services	Supplies and equip- ment	Other
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
C. District Directors' offices—Continued							
New York City:							
Albany	2,329	2,119	47	23	75	32	33
Brooklyn	7,035	6,774	41	80	7	74	59
Buffalo	3,233	3,084	58	23	2	40	26
Lower Manhattan	6,508	6,271	19	72	2	62	82
Syracuse	2,034	1,891	63	18		35	27
Upper Manhattan	9,030	8,717	20	101	11	82	99
Omaha:							
Aberdeen	819	735	58	4		16	6
Cheyenne	584	517	40	4		16	7
Denver	2,331	2,185	67	22	1	34	22
Des Moines	3,020	2,802	123	17	3	38	37
Fargo	811	727	56	5	1	14	8
Kansas City	2,245	2,120	68	10	1	30	16
Omaha	1,918	1,789	71	9	1	30	18
St. Louis	3,132	2,975	69	13		45	30
St. Paul	3,959	3,685	132	26	2	53	61
Wichita	2,699	2,493	132	20	2	32	20
Philadelphia:							
Baltimore	6,801	6,526	80	61	5	64	65
Camden	2,294	2,173	53	13	5	26	24
Newark	7,048	6,599	65	89	110	89	96
Philadelphia	8,308	7,944	122	70	5	86	81
Pittsburgh	5,329	5,104	83	35	5	56	46
Scranton	2,016	1,911	43	13		31	18
Wilmington	878	837	17	4	5	9	6
San Francisco:							
Boise	922	825	45	9	5	17	21
Helena	952	860	58	8		14	12
Honolulu	1,146	1,045	27	11		10	53
Los Angeles	10,354	9,728	160	104	86	136	140
Phoenix	1,178	1,081	45	13		22	17
Portland	2,286	2,100	93	16		33	44
Reno	686	628	23	5	1	14	15
Salt Lake City	1,075	1,008	30	7	1	19	10
San Francisco	7,332	6,905	149	65	14	95	104
Seattle	3,671	3,373	141	41	5	52	59

¹ Includes Northeast Service Center.² Includes Midwest Service Center.³ Includes Western Service Center.

Table 24.—Cost of printing and binding for Internal Revenue Service

Class of work	Fiscal year—			
	1957		1956	
	Quantity (thousands)	Cost (thou- sand dollars)	Quantity (thousands)	Cost (thou- sand dollars)
(1)	(2)	(3)	(4)	
Total	1,662,101	7,512	1,422,171	7,024
Tax return forms and other public-use forms and instructions	1,282,877	3,751	1,066,127	3,687
Administrative forms and pamphlets	325,575	1,285	324,044	935
All field printing	53,649	171	32,000	97
Excise tax stamps		2,305		2,305

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