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APPENDIX D

*Supplementary Tables on Personal Deductions, Adjusted  
Gross Income, and Personal Exemptions, 1918-1956*

TABLE D-1  
 Personal Expense Deductions by Major Types of Deductions, Taxable Individual and  
 Fiduciary Returns, 1918-1956  
 (millions of dollars)

YEAR	Contributions (1)	Taxes Paid (2)	Interest Paid (3)	Property Losses* (4)	Medical Expenses (5)	Child Care (6)	Misc. Items (7)	Standard Deductions (8)	Total (9)
1918a	234	229	431	12			135		1,041
1919a	291	324	611	15			185		1,425
1920a	349	372	700	17			214		1,651
1921	319	339	674	9			200		1,541
1922	343	363	707	9			212		1,634
1923	422	394	886	13			255		1,970
1924	441	425	922	15			269		2,072
1925	371	456	734	13			235		1,809
1926	395	487	787	13			251		1,932
1927	423	537	827	11			268		2,067
1928	459	576	927	19			295		2,275
1929	441	560	922	19			289		2,232
1930	357	499	640	15			225		1,796
1931	242	340	371	12			144		1,108
1932	231	353	352	10			141		1,086
1933	185	308	296	9			119		917
1934	200	337	313	10			128		987
1935	227	386	327	12			143		1,106
1936	312	532	397	17			187		1,445
1937	352	649	405	15			212		1,633

\* Personal Property.

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TABLE D-1, continued

YEAR	Contributions (1)	Taxes Paid (2)	Interest Paid (3)	Property Losses* (4)	Medical Expenses (5)	Child Care (6)	Misc. Items (7)	Standard Deductions (8)	Total (9)
1938	310	602	340	12			188		1,453
1939	387	663	383	14			216		1,663
1940	570	901	467	22			356		2,317
1941	876	1,380	754	44			384	401	3,838
1942	1,320	1,893	1,010	91	534		762	1,112	6,721
1943	1,813	2,101	1,038	116	773		561	1,814	8,218
1944	1,235	1,152	696	149	722		695	7,883	12,532
1945	1,424	1,225	683	128	836		1,027	7,873	13,195
1946	1,559	1,269	694	137	906		1,225	7,455	13,245
1947	1,875	1,547	855	193	1,156		1,517	8,541	15,682
1948	1,756	1,500	903	179	1,040		1,648	9,545	16,571
1949	1,897	1,812	1,106	171	1,170		1,656	9,082	16,895
1950	2,129	2,068	1,372	248	1,260		1,940	10,135	19,152
1951	n.a.	n.a.	n.a.	n.a.	n.a.		n.a.	11,566	22,504
1952	2,968	3,034	2,095	293	1,843		2,440	12,069	24,742
1953	3,383	3,453	2,585	326	2,043		2,638	12,533	26,961
1954	3,671	3,826	2,985	359	2,482	73	2,479	11,600	27,476
1955	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12,027	30,524
1956	4,650	5,543	4,544	295	2,993	95	2,916	12,471	33,508

Deductions on fiduciary returns are included up to 1953. They consist of interest, taxes, and miscellaneous items.  
 a Omits returns with net income below \$1,000.

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TABLE D-1. *concluded*

Source, by column	
(1) For 1917 and 1920 the contribution figure for all returns is given in <i>Statistics of Income</i> for 1949, Table 17. On the basis of their relation to net income, we estimated the contributions on taxable returns for 1918-1921. From 1922 on, the figures are from <i>Statistics of Income</i> .	(7) For 1940-1943, miscellaneous personal deductions were obtained as a residual after subtracting all other personal and business deductions (such as rents and royalties losses, bad debts, and net operating loss carryovers) from total deductions. The 1940-1943 figures are thus comparable to the miscellaneous deduction figures for the years after 1943. For the years prior to 1939, the 1940-1943 ratio of miscellaneous to all other personal deductions (contributions, taxes paid, interest paid, and personal property losses) was applied.
(2) The <i>Statistics of Income</i> figures beginning with 1927 were extrapolated back to 1918 with the help of a series of state and local taxes given in <i>Historical Statistics on State and Local Government Finance, 1902-1953</i> (Bureau of the Census, 1955, p. 17).	(5, 6, & 8) <i>Statistics of Income</i> .
(3) The relation between interest reported on all tax returns as a source of income and interest deducted as personal expense on tax returns was found to be rather stable in the period 1928-1939. In most of the years of that period, personal interest deducted was somewhat over one-half of interest receipts reported. We extrapolated the 1928-1939 relation into the 1918-1927 period. Beginning with 1928, actually reported figures are available.	(9) For the years 1944-1956, the total is more or less the sum of figures given separately in <i>Statistics of Income</i> , except that the standard deduction figure was computed by us on the basis of the amount of income reported on 1040A (short form) returns. For the years before 1944, the figures for total personal deductions are the sum of our estimates—in some instances very crude. They are at all times smaller than the figures for total deductions given in <i>Statistics of Income</i> , which for these years include various business deductions.
(4) Casualty losses of personal property are separately tabulated only from 1939 on. The ratio of casualty losses to income in 1939-1940 was therefore used for all prior years.	

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TABLE D-2

Estimated Adjusted Gross Income on Tax Returns, 1918-1943,  
and Reported Adjusted Gross Income, 1944-1956

YEAR	Taxable Returns			All Returns		
	Net Income (1)	Personal Deductions (2)	AGI (3)	Net Income (4)	Personal Deductions (5)	AGI (6)
PART A						
RETURNS WITH ITEMIZED AND STANDARD DEDUCTIONS						
1918 <sup>a</sup>	13,893	1,041	14,934	15,925	1,156	17,081
1919 <sup>a</sup>	17,692	1,425	19,117	19,859	1,583	21,442
1920 <sup>a</sup>	20,229	1,651	20,880	23,736	1,835	25,571
1921	13,410	1,541	14,951	19,577	2,105	21,682
1922	15,044	1,634	16,678	21,336	2,241	23,577
1923	17,426	1,970	19,396	24,777	2,704	27,481
1924	19,469	2,072	21,541	25,656	2,812	28,468
1925	17,471	1,809	19,280	21,895	2,461	24,356
1926	17,423	1,932	19,355	21,959	2,647	24,606
1927	18,090	2,067	20,157	22,545	2,823	25,368
1928	21,032	2,275	23,307	25,226	3,247	28,473
1929	20,493	2,232	22,725	24,801	3,424	28,225
1930	13,693	1,736	15,429	18,119	2,997	21,116
1931	9,297	1,108	10,405	13,605	2,462	16,067
1932	7,920	1,086	9,006	11,656	2,174	13,830
1933	7,373	917	8,290	11,109	1,855	12,964
1934	8,344	987	9,331	12,797	1,727	14,524
1935	10,034	1,106	11,140	14,910	1,773	16,683
1936	14,219	1,445	15,664	19,240	2,001	21,241
1937	15,264	1,633	16,897	21,239	2,239	23,478
1938	12,670	1,453	14,123	18,897	2,129	21,026
1939	15,804	1,663	17,467	23,192	2,326	25,518
1940	23,558	2,317	25,875	36,589	3,332	39,921
1941	45,481	3,838	49,319	58,226	4,806	63,032
1942	65,949	6,721	72,670	77,346	7,964	85,310
1943	96,336	8,218	104,554	97,721	8,428	106,149
1944			115,173			116,877
1945			118,104			120,552
1946			118,721			134,754
1947			135,891			150,326
1948			142,667			164,126
1949			139,030			161,116
1950			159,256			179,859
1951			183,935			203,028
1952			197,331			216,031
1953 <sup>b</sup>			210,484			228,708
1954 <sup>b</sup>			209,669			229,221
1955 <sup>b</sup>			229,595			248,530
1956 <sup>b</sup>			249,551			267,724

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TABLE D-2, *concluded*

YEAR	Taxable Returns			All Returns		
	Net Income (1)	Personal Deductions (2)	AGI (3)	Net Income (4)	Personal Deductions (5)	AGI (6)
PART B						
RETURNS WITH ITEMIZED DEDUCTIONS ONLY						
1941	35,343	3,437	38,780	41,337	4,164	45,501
1942	48,525	5,609	54,134	53,173	6,421	59,594
1943	67,911	6,404	74,315	68,499	6,563	75,062
1944			32,880			33,106
1945			35,322			35,498
1946			38,844			40,240
1947			45,088			46,451
1948			43,522			45,500
1949			45,337			47,367
1950			53,820			55,827
1951			63,927			65,952
1952			72,422			74,383
1953 <sup>b</sup>			80,817			82,871
1954 <sup>b</sup>			89,381			92,334
1955 <sup>b</sup>			104,641			108,528
1956 <sup>b</sup>			119,731			123,719

<sup>a</sup> Omits returns with net income below \$1,000. On the basis of 1921-1924 relationship, net income on all returns would be about 1 per cent higher, and deductions roughly 3 per cent, if the returns of persons reporting statutory net incomes of less than \$1,000 had been tabulated. Almost all of the omitted incomes and deductions were reported on nontaxable returns.

<sup>b</sup> Excludes fiduciary returns.

Source: Net income figures from *Statistics of Income*. Personal deductions in column 2 from Table D-1. The personal deductions on all tax returns in column 5 were estimated by methods similar to those given for deductions on taxable returns. The AGI figures in columns 3 and 6 are the sum of net income and personal deductions in columns 1 and 2, and 4 and 5, respectively, for the 1918-1943 period. For the 1944-1956 period, the AGI figures are as reported in *Statistics of Income*.

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TABLE D-3

Personal Exemptions as Per Cent of Adjusted Gross Income  
Reported on Taxable Returns, 1918-1956  
(amounts in millions of dollars)

YEAR	<i>Personal Exemptions<sup>a</sup></i>		YEAR	<i>Personal Exemptions<sup>a</sup></i>	
	<i>Amount</i> (1)	<i>Per Cent</i> <i>of AGI</i> (2)		<i>Amount</i> (1)	<i>Per Cent</i> <i>of AGI</i> (2)
1918	5,772	38.6	1939	6,564	37.6
1919	6,957	36.4	1940	10,401	40.2
1920	8,813	40.3	1941	22,594	45.7
1921	5,766	38.6	1942	29,540	40.6
1922	6,054	36.3	1943	45,848	43.8
1923	7,521	38.8	1944	46,975	40.6
1924	8,170	37.9	1945	47,331	40.1
1925	6,298	32.7	1946	39,654	33.4
1926	6,244	32.3	1947	44,292	32.6
1927	6,152	30.5	1948	50,888	35.7
1928	6,385	27.4	1949	50,155	36.1
1929	6,270	27.6	1950	55,243	34.7
1930	5,164	33.5	1951	61,428	33.4
1931	3,842	36.9	1952	64,535	32.7
1932	3,431	38.1	1953	67,896	32.3
1933	3,094	37.3	1954	66,966	31.9
1934	3,175	34.0	1955	71,182	31.0
1935	3,748	33.6	1956	74,648	29.9
1936	5,001	31.9			
1937	5,794	34.3			
1938	5,240	37.1			

<sup>a</sup> Personal exemptions for the years 1918-1933 are normal tax exemptions; for 1934-1953 normal and surtax exemptions coincided except for the war years 1943-1945, for which surtax exemptions are shown.

Source: Column 1: *Statistics of Income*. Column 2: column 1 as per cent of column 3, Table D-2.