

March 15, 1938.

My dear Commissioner Helvering:-

I am enclosing my income tax return for the calendar year 1937, together with my check for \$15,000.

I am wholly unable to figure out the amount of the tax for the following reasons:

The first twenty days of January, 1937, were a part of my first term of office and to these twenty days the income tax rates as of March 4, 1933 apply. To the other 345 days of the year 1937, the income tax rates as they existed on January 30, 1937 apply.

As this is a problem in higher mathematics, may I ask that the Bureau let me know the amount of the balance due? The payment of \$15,000 doubtless represents a good deal more than half what the eventual tax will prove to be.

Very sincerely yours,

Honorable Guy F. Helvering,
Commissioner of Internal Revenue,
Internal Revenue Building,
12th St. & Constitution Ave.,
Washington, D. C.

(Enclosure)

1937

INDIVIDUAL INCOME TAX RETURN

1937

Do not write in this space

(Auditor's Stamp)

Treasury Department (FORM 1040) Internal Revenue Service

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

For Calendar Year 1937 or Fiscal Year beginning _____, 1937, and ended _____, 1938

File this return not later than the 15th day of the third month following the close of the taxable year

PRINT NAME AND ADDRESS PLAINLY (See Instruction E)

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

(Street and number, or rural route)

(Post office)

(County)

(State)

DUPLICATE COPY

IMPORTANT

One duplicate copy must be filed with original return.

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

Item and Instruction No.

INCOME

| | | |
|--|--------------|--------------|
| 1. Salaries and other compensation for personal services (from Schedule A) | \$ 75,089 81 | |
| 2. Dividends from domestic and foreign corporations | 5,597 32 | |
| 3. Interest on bank deposits, notes, mortgages, etc. | 14,782 41 | |
| 4. Interest on corporation bonds | 940 | |
| 5. Taxable interest on Government obligations, etc. (from Schedule B) | 1,437 75 | |
| 6. Income (or loss) from partnerships, syndicates, pools, etc. (furnish name and address): | | |
| 7. Income from fiduciaries (furnish name and address): | | |
| 8. Rents and royalties (from Schedule C) | - 2,951 50 | |
| 9. Income (or loss) from business or profession (from Schedule D) | | |
| 10. Gain (or loss) from sale or exchange of property (from Schedule F) | | |
| 11. Other income (state nature; use separate schedule if necessary) | | |
| 12. Total income in items 1 to 11 (enter nontaxable income in Schedule H) | | \$ 93,601 79 |

DEDUCTIONS

| | | |
|--|-------------|--------------|
| 13. Contributions (explain in Schedule G) | \$ 3,024 50 | |
| 14. Interest (explain in Schedule G) | 148 | |
| 15. Taxes (explain in Schedule G) | 6,418 72 | |
| 16. Losses by fire, storm, etc. (explain in Schedule G) | | |
| 17. Bad debts (explain in Schedule C) | 14 00 | |
| 18. Other deductions authorized by law (explain in Schedule G) | 218 | |
| 19. Total deductions in items 13 to 18 | | 14,209 22 |
| 20. Net income (item 12 minus item 19) | | \$ 79,392 57 |

COMPUTATION OF TAX

| | | | | |
|---|--------------|--|--|----|
| 21. Net income (item 20 above) | \$ 79,392 57 | | 28. Normal tax (4% of item 27) | \$ |
| 22. Less: Personal exemption (from Schedule I) | \$ 2,500 | | 29. Surtax on item 24 (see Instruction 29) | |
| 23. Credit for dependents (from Schedule I) | 2,500 00 | | 30. Total tax (item 28 plus item 29) | \$ |
| 24. Balance (surtax net income) | \$ 79,392 57 | | 31. Less: Income tax paid at source | \$ |
| 25. Less: Interest on Government obligations (item 5) | \$ 1,437 75 | | 32. Income tax paid to a foreign country or U. S. possession | |
| 26. Earned income credit (from Schedule J) | 1,400 | | | |
| 27. Balance subject to normal tax | \$ 78,348 82 | | 33. Balance of tax (Item 30 minus items 31 and 32) | \$ |

Schedule A.—INCOME FROM SALARIES AND OTHER COMPENSATION FOR FEDERAL SERVICE AT THE FEDERAL AND DISTRICT LEVEL LIBRARY

| 1. Name and Address of Employer or Nature of Income | 2. Amount | 3. Expenses (Itemize) | 4. Amount |
|---|-------------|-----------------------|-------------|
| U.S. Royalties on Books | \$75,089.81 | | |
| Total column 2 minus total column 4 (enter as item 1, page 1) | | | \$75,089.81 |

Schedule B.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction 5)

| 1. Obligations or Securities | 2. Amount Owned at End of Year | 3. Interest Received or Accrued During the Year | 4. Interest Exempt From Taxation | 5. Interest on Amount in Excess of Exemption |
|--|--------------------------------|---|----------------------------------|--|
| (a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions | \$17,000 | 742.50 | All | XXXXXXXXXX |
| (b) Obligations issued under Federal Farm Loan Act, or under such Act as amended | | | All | XXXXXXXXXX |
| (c) Obligations of United States issued on or before September 1, 1917 | | | All | XXXXXXXXXX |
| (d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness | | | All | XXXXXXXXXX |
| (e) U. S. Savings Bonds and Treasury Bonds | 10,000 | 287.50 | 143.75 | 143.75 |
| (f) Obligations of instrumentalities of the United States (other than obligations to be reported in (b) above) | | | None | |
| (g) Total (enter total of column 5 as item 5, page 1) | | | | 143.75 |

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

| 1. Kind of Property | 2. Amount | 3. Depreciation (Explain in Schedule E) | 4. Repairs | 5. Other Expenses (Itemize below) | 6. Net Profit (Enter as item 6, page 1) |
|---|-----------|---|------------|-----------------------------------|---|
| Farm at Hyde Park N.Y. | \$1049.55 | | | \$1963.72 | \$-914.17 |
| " " " " " " | | | | 1137.10 | -1942.64 |
| House - Washington D.C. | | | | 1924.39 | -94.39 |
| Explanation of deductions claimed in column 5 | | | | | 2957.50 |

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

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

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

| 1. Kind of Property (If Buildings, State Material of Which Constructed) | 2. Date Acquired | 3. Cost or Other Basis | 4. Assets Fully Depreciated in Use at End of Year | 5. Depreciation Allowed (or Allowable) in Prior Years | 6. Remaining Cost or Other Basis to be Recovered | 7. Life Used in Accumulating Depreciation | 8. Estimated Remaining Life From Beginning of Year | 9. Depreciation Allowable This Year |
|---|------------------|------------------------|---|---|--|---|--|-------------------------------------|
| | | \$ | \$ | \$ | \$ | | | \$ |

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

| 1. Reference Letter | 2. Date Acquired Mo. Day Year | 3. Date Sold or Exchanged Mo. Day Year | 4. Time Held (Years, Months) | 5. Gross Sales Price (Contract Price) | 6. Cost or Other Basis | 7. Expense of Sale and Cost of Improvements Subsequent to Acquisition or March 1, 1913 | 8. Depreciation Allowed (or Allowable) Since Acquisition or March 1, 1913 (Furnish details) | 9. Gain or Loss |
|---------------------|----------------------------------|---|------------------------------|---------------------------------------|------------------------|--|---|-----------------|
| (a) | Description | | | | | | | |
| (b) | Description | | | | | | | |
| (c) | Description | | | | | | | |
| (d) | Description | | | | | | | |
| (e) | Description | | | | | | | |
| (f) | Description | | | | | | | |
| (g) | Description | | | | | | | |
| (h) | Description | | | | | | | |
| (i) | Description | | | | | | | |
| (j) | Description | | | | | | | |

Combine amounts in column 9 by groups according to time held, into totals; and enter same on line (w) of the summary table below. Indicate by G or L whether each entry is gain or loss.

| Period of Time Held | 1 Year or Less | Over 1 Year But Not Over 2 Years | Over 2 Years But Not Over 5 Years | Over 5 Years But Not Over 10 Years | Over 10 Years | ITEM (z) |
|---|----------------|----------------------------------|-----------------------------------|------------------------------------|---------------|---|
| (w) Total gain or loss from column 9 above | \$ | \$ | \$ | \$ | \$ | Enter Below Net Applicable Gain or Loss Obtained by Combining the Items on Line (y) |
| (x) Percentage applicable | 100% | 80% | 60% | 40% | 30% | |
| (y) Gain or loss applicable (line (w) times line (x)) | \$ | \$ | \$ | \$ | \$ | \$ |

Enter item (z) as item 10 on page 1; but if item (z) is a net loss, do not enter over \$2,000.

Give here descriptive details not shown above:

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

Schedule G.—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 13, 14, 15, 16, 17, AND 18

Item 13 - See list. Item 14 - Interest on Mortgages.
 Item 15 - Club dues 23.50 Dues 13.95 Caralins 8.30 Life Deposit 180 N.Y.C. 4290.37
 Compulsions N.B. 186.53 Washington Mallon 199.87 Hyde Park 1244.63
 Pleasant Valley 10.15 Warm Springs 434.97
 Item 17 - Note - 1923 - Maker dead no funds 1400
 Item 18 - Post of collections 218.

| 1. Source of Income | 2. Nature of Income | 3. Amount |
|---------------------|---------------------|-----------|
| | | \$ |
| | | |
| | | |

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

| (a) Personal Exemption | | | (b) Credit for Dependents | | | |
|--|---|----------------|--|----------------------------------|-------------------|----------------|
| Status | Number of Months During Year in Each Status | Credit Claimed | Name of Dependent and Relationship | Number of Months During the Year | | Credit Claimed |
| | | | | Under 18 Years Old | Over 18 Years Old | |
| Single, or married and not living with husband or wife | | \$ | | | | \$ |
| Married and living with husband or wife | 12 | 25.00 | | | | |
| Head of family (explain below) | 12 | | | | | |
| Reason for credit <i>Wife</i> | | | Reason for support if 18 years old or over | | | |
| Name of dependent and relationship | | | | | | |

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

| (a) For Net Income of \$3,000, or Less | | (b) For Net Income in Excess of \$3,000 | |
|--|----|--|--------------|
| 1. Net income (item 20, page 1) | \$ | 1. Earned net income (Not over \$14,000) | \$ 14,000.00 |
| 2. Earned income credit (10% of line 1, above) | | 2. Net income (item 20, page 1) | 8,379.27 |
| | | 3. Earned income credit (10% of line 1 or 2, above, whichever amount is smaller, but do not enter less than \$300) | 140.00 |

QUESTIONS

- | | |
|--|--|
| <p>1. State your principal occupation or profession</p> <p>2. Check whether you are a citizen <input type="checkbox"/> or resident alien <input type="checkbox"/></p> <p>3. If you filed a return for the preceding year, to which Collector's office was it sent?</p> <p>4. Are items of income or deductions of both husband and wife included in this return? (See Instruction B)</p> | <p>5. State name of husband or wife if a separate return was made, and the Collector's office to which it was sent</p> <p>6. Check whether this return was prepared on the cash <input type="checkbox"/> or accrual <input type="checkbox"/> basis.</p> <p>7. Did you at any time during your taxable year own directly or indirectly any stock of a domestic or foreign personal holding company? (Answer "yes" or "no") If answer is "yes", attach schedule required by Instruction M.</p> |
|--|--|



1937 CONTRIBUTIONS

| | |
|---|--------------|
| Society of American Foresters | 4.00 |
| St. James Church, Hyde Park | 455.00 |
| Catholic Church, Hyde Park | 25.00 |
| New York State Forestry Association | 5.00 |
| Federal Council of Churches | 20.00 |
| Rhinebeck Fire Department Ben. Fund | 4.00 |
| Campobello Free Library | 25.00 |
| E. M. Church, Warm Springs | 10.00 |
| Cathedral - St. John The Divine, N. Y. C. | 2,000.00 |
| Groton School | 10.00 |
| Beekman Fire Benefit Fund | 3.00 |
| American Red Cross | 50.00 |
| Dutchess County Association for Christian Education . . . | 10.00 |
| ? Institute | 2.50 |
| Archaeological Society of America | 10.00 |
| Chaps Corners Grange Bene. Fund | 10.00 |
| Community Chest, Washington, D. C. | 200.00 |
| M. E. Church, Warm Springs | 50.00 |
| T. B. Association, Washington, D. C. | 5.00 |
| Dutchess County Child Welfare | 10.00 |
| St. John's College, Annapolis, Maryland | 3.00 |
| Dutchess County Farm Bureau | 3.00 |
| Dutchess County Historical Society | 2.00 |
| Adirondack Mountain Society | 5.00 |
| New York State Historical Society | 3.00 |
| Albany Cathedral | 5.00 |
| Dutchess County Boy Scouts | 10.00 |
| St. Thomas Church, Washington, D. C. | 75.00 |
| American Legion | <u>10.00</u> |

TOTAL

\$3,624.50

Franklin D. Roosevelt Library

HENRY T. HACKETT
ATTORNEY & COUNSELLOR AT LAW
228 UNION STREET
POUGHKEEPSIE NEW YORK

Jan. 6th, 1938.

Hon. Franklin D. Roosevelt
The White House
Washington, D. C.

Dear Franklin:

I am enclosing herewith a statement of rent received and taxes paid by my brother on account of your properties at Hyde Park during the year 1937.

The balance, of course, will not be sufficient to pay the general taxes which will soon be due and payable. As soon as I find out what they amount to I will let you know.

With kindest regards, I am

Sincerely yours,

Henry T. Hackett

1 9 3 7

Statement of rent received and payments made by John M. Hackett for F. D. Roosevelt during the year 1937.

| <u>Received</u> 1937 | <u>Moses Smith</u> | <u>Mrs. Je-</u> <u>hannessen</u> | <u>Peter</u> <u>Rohan</u> | |
|--|--------------------|-------------------------------------|------------------------------|------------------------------------|
| Jan. 1st Balance on hand | | | | \$ 442.34 |
| " 28th Advanced by F. D. Roosevelt | | | | 232.76 |
| " " Advanced by H. T. Hackett | | | | 107.66 |
| Mar. 2nd (Refunded to H. T. Hackett by F. D. Roosevelt \$107.66) | | | | |
| " 18th Rent for Nov. & Dec. 1936 | | 50.00 | | |
| June 15th Rent for Jan., Feb., Mar. & Apr. 1937 | | 100.00 | | |
| " 25th Rent from Peter Rohan | | | 250.00 | |
| July 9th Rent for May, June & July 1937 | | | | |
| Cash received | 65.10 | 65.10 | | |
| bill for paint | 9.90 | | | |
| | <u>75.00</u> | | | |
| Aug. 3rd Rent for Aug. 1937 | | 25.00 | | |
| Sept. " Rent for Sept. " | | 25.00 | | |
| Oct. 6th Rent for Oct. " | | 25.00 | | |
| Nov. 3rd Rent for Nov. " | | 25.00 | | |
| Dec. 31st Rent from Peter Rohan | | | 250.00 | |
| BY CASH..... | \$ 315.10 | \$ 500.00 | | \$ 782.76 |
| BY RECEIPTED BILL | 9.90 | | | |
| | <u>\$ 325.00</u> | | | |
| | | | | 315.10 |
| | | | | <u>500.00</u> |
| | | | | TOTAL CASH RECEIVED.....\$1,597.86 |

| <u>Payments</u> 1937 | | | | |
|-------------------------|--|-----------|--|-----------------|
| Jan. 28th | Ralph A. Simmons, general taxes on H. P. property | \$ 775.18 | | |
| " " | Frederick W. Lovelace, taxes on wood lot at Pleasant Valley | 7.67 | | |
| Aug. 26th | Joanna Miller, school taxes on land purchased from Rogers Est. | 11.32 | | |
| Sept. 20th | Vail & Suttan, ins. premium on Tompkins farm | 65.50 | | |
| " 25th | Louise Murray, school taxes on Bennett & Tompkins farm | 211.69 | | |
| Oct. 6th | Laura W. Coapman, school taxes on wood lot, Dumphy and Rohan farms | 246.44 | | |
| " 19th | Harry Franz, school taxes on Pleasant Valley wood lot | 2.48 | | |
| | | | | <u>1,320.28</u> |
| | BALANCE..... | | | \$ 277.58 |

(Note: Moses Smith made no payment on account of rent during the year 1937)

| | Compensation Taxable 1933 rates | Other Income Taxable 1936 rates | Total |
|--|---------------------------------------|---------------------------------------|-------------|
| | \$75,000.00 | \$3,640.72 | \$78,640.72 |
| Deductions..... | 12,060.26 | 5,640.72 | 15,700.98 |
| Net income subject to surtax (1932) | 62,939.74 | - | 62,939.74 |
| Exemptions | 2,500.00 | | 2,500.00 |
| Net income subject to normal tax (1932) | 60,439.74 | | |

It should be noted that no dividends or interest are included in the income to be taxed at 1933 rates. Therefore, there are no exemptions except personal exemption for computation of tax on compensation income. Of course the entire deductions amounting to \$15,700.98 could be allocated to compensation income but that would increase the tax on the remaining other income which would be added to compensation income for the purpose of determining the applicable 1936 surtax bracket. The method of allocating sufficient deductions to eliminate other income so there will be no computation of tax on other income under the 1936 Act is believed to be the most correct method.

Franklin D. Roosevelt Library