

INDIVIDUAL INCOME TAX RETURN

FOR NET INCOMES OF MORE THAN \$5,000
OR SEPARATE RETURNS OF HUSBAND AND WIFE IF COMBINED NET INCOME EXCEEDS \$5,000

For Calendar Year 1922

Or for period begun Dec 31, 1921, and ended Dec 31, 1922

File This Return Not Later Than the 15th Day of the Third Month Following the Close of the Taxable Period
(PRINT NAME AND ADDRESS PLAINLY BELOW)

Geo. L. Mesker
First St.
Evansville Vanderburgh Ind.

Do Not Write in These Spaces
SERIAL NUMBER

FILE CODE

FIRST PAYMENT

\$
Examined by

(Cashier's Stamp)

Cash Check M. O. Cert. of Ind.

OCCUPATION, PROFESSION, OR KIND OF BUSINESS

1. Are you a citizen or resident of the United States? Yes
2. If you filed a return for 1921, to what Collector's office was it sent? Indianapolis
3. Is this a joint return of husband and wife?
4. If not, is a separate return being filed by your husband or wife? If so, state: (a) Name and address entered at head of that return (b) Exemption claimed, \$2000
5. Were you married and living with husband or wife on the last day of your taxable period? Yes
6. If not, were you on the last day of your taxable period supporting one or more persons living in your household who are closely related to you by blood, marriage, or adoption?
7. How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support because mentally or physically defective were receiving their chief support from you on the last day of your taxable period? 0

Item and Instruction No.	INCOME	Amount received.	Expenses paid. (Explain in Schedule G.)			
1. Salaries, Wages, Commissions, etc. (State name and address of person from whom received.)		\$	\$	\$		
2. Income from Business or Profession. (From Schedule A)				38108 02		
3. Interest on Bank Deposits, Notes, Mortgages, and Corporation Bonds				13048 49		
4. Income from Partnerships, Fiduciaries, etc. (State name and address of partnership, etc.)						
5. Rents and Royalties. (From Schedule B)				5701 72		
6. Profit from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C)	Attys fees 1150.00		51.46	1098 54		
7. Dividends on Stock of Domestic Corporations						
8. Taxable Interest on Liberty Bonds, etc. (From Schedule E)				2734 13		
9. Other Income (including dividends received on stock of foreign corporations). (State nature of income.)	(a) (b) (c)					
10. TOTAL INCOME IN ITEMS 1 TO 9						60690 90

DEDUCTIONS

11. Losses by Fire, Storm, etc. (Explain in Schedule F)	\$		
12. Interest Paid			
13. Taxes Paid			
14. Bad Debts. (Explain in Schedule G)			
15. Contributions. (Explain in Schedule G)		300 00	
16. Other Deductions Authorized by Law. (Explain in Schedule G)			
17. TOTAL DEDUCTIONS IN ITEMS 11 TO 16			300 00
18. NET INCOME (Item 10 minus Item 17)			60390 90

COMPUTATION OF TAX

19. Net Income (Item 18 above)	\$ 60390 90	27. Normal Tax (4% of Item 25)	4000.00	\$ 160 00
20. Less: Dividends (Item 7 above)	\$	28. Normal Tax (8% of Item 26)	51656.77	4132 54
21. Taxable Interest on Liberty Bonds, etc. (Item 8 above)	2734 13	29. Surtax on Item 19 (see Instruction 29)		7569 45
22. Personal Exemption and Credit for Dependents	2000 00	30. Tax on Capital Net Gain (12½% of column 9, Schedule D) (see Instruction 6)		10223 38
23. TOTAL OF ITEMS 20, 21, AND 22	4734 13	31. Total Tax		22085 37
24. Balance (Item 19 minus Item 23)	\$ 55656 77	32. Less: Income Tax paid at source	\$	
25. Amount taxable at 4% (not over \$4,000)	4000	33. Income and profits taxes paid to foreign countries or possessions of the U. S. (attach Form 1116)		
26. Balance taxable at 8% (Item 24 minus Item 25)	\$ 51656 77	34. Balance of Tax (Item 31 minus Items 32 and 33)		

SCHEDULE A.—INCOME FROM BUSINESS OR PROFESSION. (See Instruction 2.)

1. Total income from business or profession		\$ 51491 82
Cost of Goods Sold:		
2. Labor	\$ 15066 89	
3. Material and supplies		
4. Merchandise bought for sale	301946 24	
5. Other costs (list principal items and amounts below or on separate sheet)	33034 13	
6. Plus inventory at beginning of year	95659 27	
7. TOTAL (Lines 2 to 6, inclusive)	\$ 580706 53	
8. Less inventory at end of year	150731 06	
9. NET COST OF GOODS SOLD (Line 7 minus Line 8)	\$ 429975 47	
OTHER BUSINESS DEDUCTIONS:		
10. Salaries and wages not reported as "Labor" on line 2 (see Instruction 1)		
11. Rent on business property in which taxpayer has no equity	Disbursements 6203 35	
12. Interest on business indebtedness to others		
13. Taxes on business and business property	3806 52	
14. Repairs, wear and tear, obsolescence, depletion, and property losses (explain below)	Depreciation 5001 03	
15. Bad debts arising from sales or professional services	5300 35	
16. Other expenses (list principal items and amounts below or on separate sheet)	26524 08	
17. TOTAL (Lines 10 to 16, inclusive)	\$ 46835 33	
18. TOTAL DEDUCTIONS (Line 9 plus Line 17)	\$ 476810 80	
19. NET INCOME (Line 1 minus Line 18) (Enter as Item 2)	\$ 38108 02	
State amount of salary to self included in Item 10 \$		
Explanation of deductions claimed on Lines 5, 14, and 16 <i>coal, fuel, postage, advertising, stationery, water rent etc.</i>		

SCHEDULE B.—INCOME FROM RENTS AND ROYALTIES. (See Instruction 5.)

1. KIND OF PROPERTY.	2. AMOUNT RECEIVED.	3. COST, OR VALUE MARCH 1, 1913.	4. DEPRECIATION AND DEPLETION.	5. REPAIRS.	6. OTHER EXPENSES.	7. NET INCOME (Enter as Item 5).
	\$	\$	\$ 4533 08	\$	\$	\$
						5701 22
State estimated life of property, and depreciation previously taken						

SCHEDULE C.—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC. (See Instruction 6.)

1. KIND OF PROPERTY.	2. DATE ACQUIRED.	3. AMOUNT RECEIVED.	4. DEPRECIATION.	5. COST.	6. VALUE MARCH 1, 1913.	7. SUBSEQUENT IMPROVEMENTS.	8. NET PROFIT (Enter as Item 6).
Bank stock	Fall 1921	\$ 3500 00	att'y fees 51 46	\$ 2350 00			\$ 1098 54
If not acquired by purchase, state how acquired							

SCHEDULE D.—CAPITAL NET GAIN FROM SALE OF ASSETS HELD FOR MORE THAN TWO YEARS. (Optional, see Instruction 6.)

1. KIND OF PROPERTY.	2. DATE ACQUIRED.	3. DATE SOLD.	4. AMOUNT RECEIVED.	5. DEPRECIATION.	6. COST.	7. VALUE MARCH 1, 1913.	8. SUBSEQUENT IMPROVEMENTS, AND CAPITAL DEDUCTIONS.	9. NET GAIN (Enter Tax of 12½% as Item 30).
Bank stock	Prior to Mar 1/1913	Mar 1922	\$ 223600 00	\$ att'y fees 3273 00	\$ 110 shares cost 24450 00	\$ 7526 shares 113090 00		\$ 81787 00
If not acquired by purchase, state how acquired								

SCHEDULE E.—TAXABLE INTEREST ON LIBERTY BONDS, ETC. (See Instruction 8.)

1. OBLIGATIONS OF THE UNITED STATES ISSUED SINCE SEPTEMBER 1, 1917. (Wholly exempt from normal tax, but subject to surtax as to excess over exemptions specified.)	EXEMPTIONS. (Aggregate Principal Amount.)			5. PRINCIPAL AMOUNT IN EXCESS OF EX-EMPTIONS SPECIFIED IN COLUMNS 2, 3, AND 4.	6. INTEREST ON PRINCIPAL AMOUNT IN EXCESS OF EXEMPTIONS.
	2. \$30,000.	3. \$125,000.	4. \$5,000.		
(a) First Liberty Loan Second Converted 4½% Bonds					
(b) First and Second 4's, and First, Second, Third, and Fourth 4½'s		55000 00			2734 13
(c) Treasury 4½% Bonds, Treasury Certificates, Treasury and War Savings Certificates		NONE	NONE		
(d) Victory Liberty Loan 4½% Notes, and Treasury Notes		NONE	NONE		
(e) TOTAL TAXABLE INTEREST (If you have bought or sold during the year attach statement showing holdings by periods). (Enter as Item 8)					

SCHEDULE F.—EXPLANATION OF LOSSES BY FIRE, STORM, ETC. (See Instruction 11.)

1. KIND OF PROPERTY.	2. COST, OR VALUE MARCH 1, 1913.	3. DEPRECIATION PREVIOUSLY TAKEN.	4. SALVAGE VALUE.	5. INSURANCE.	6. NET LOSS. (Enter as Item 11).
	\$	\$	\$	\$	\$

SCHEDULE G.—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 14, 15, AND 16.

Babies Milk Fund	100 00
Little Sisters of the Poor	100 00
St. Marys Hospital	100 00
	300 00

AFFIDAVIT.

I swear (or affirm) that this return, including the accompanying schedules and statements (if any), has been examined by me, and, to the best of my knowledge and belief, is a true and complete return made in good faith, for the taxable period as stated, pursuant to the Revenue Act of 1921 and the Regulations issued under authority thereof.

(If return is made by agent, the reason therefor must be stated on this line.)

Sworn to and subscribed before me this _____ day of _____, 1923.

(Signature of individual or agent.)

(Signature of officer administering oath.)

(Title.)

(Address of individual or agent.)

2-12510

(An amended return must be plainly marked "Amended" across face of return.)

George L. Mesker,
Evansville, Indiana.

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Date Nov 6 1926

SCHEDULE 1

Year 1922.

	RETURN	ADDITIONS	REDUCTIONS	CORRECTED
2. Income from business	\$38,108.02		(1) \$364.82	\$37,743.20 ✓
3. Interest	13,048.49			13,048.49 ✓
5. Rents	5,701.72	(2) \$1125.00		6,826.72
6. Profit on Stock	1,098.54		(3) \$1000.00	98.54
8. Taxable Liberty Bond Interest	2,734.13			2,734.13
10. Total	<u>\$60,690.00</u>	<u>\$1125.00</u>		<u>\$60,451.08</u>
15. Contributions	300.00	(4) \$487.00		787.00
17. Total	<u>\$300.00</u>	<u>\$487.00</u>		<u>\$787.00</u>
Net income subject to ordinary taxes	69,390.90	✓✓		\$59,664.08 ✓
Add:	81,787.00	✓		81,787.00 ✓
Total income	<u>\$142,177.90</u>	<u>\$638.00</u> Net	<u>\$1364.82</u> Gross	<u>\$141,451.08</u>

SCHEDULE 1A

EXPLANATION OF ITEMS CHANGED

1. \$364.82 represents the following adjustments made in Schedule A of the return.

Inventory December 31, 1921 per taxpayer's records -		\$104,779.34
Less: Freights and discounts	\$6335.01	
Allowance - doubtful accts.	<u>2785.06</u>	<u>9,120.07</u>
Inventory used on books and return		\$95,659.27 ✓
Inventory December 31, 1922 per taxpayer's records	\$157,374.81	
Less freights and discounts	\$5393.25	
Allowance on doubtful accounts	<u>1250.00</u>	<u>6,643.25</u>
		\$150,731.06 ✓
Inventory December 31, 1921 increase	\$9130.07	As above
" " " 1922 "	<u>6643.25</u>	" "
Decrease on income for 1922 thru cost of goods	\$2476.82 ✓	
Less - Donations on expense	\$787.00	
Calculating machine expensed	200.00	
1/2 cost heating system expensed	1125.00	<u>2112.00</u>
		364.82 ✓

George L. Mesker,
Evansville, Indiana.

SCHEDULE 1A (Cont.)

Net decrease in Schedule A \$364.82

The item representing donations and which aggregates
\$787.00 is made up as follows:

February 15, 1922 Baptist church	\$10.00
March 22, 1922 Central Christian Church	10.00
April 22, 1922 Boy Scouts	15.00
July 28, 1922 Deaconess Hospital	200.00
September 2, 1922 St. Vincent Nursery	1.00
September 5, 1922 Little Sisters of Poor	1.00
October 9, 1922 High School	50.00
November 16, 1922 Community Chest	300.00
November 27, 1922 Little Sisters of Poor	100.00
November 27, 1922 St. Marys Hospital	100.00

Total \$ 787.00

Although income from the business has been decreased by \$787.00 proper effect has been given to the item on Line 15 - Block adjustments this report.

The item of \$200.00 represents a Monroe Calculating Machine charged to expense and restored to income in accordance with Article 582, Regulations 62.

m The item of \$1125.00 represents one-half of the cost of a heating plant installed in the building occupied by the taxpayer. The balance of \$1125.00 was deducted in Schedule B in the expenses of the Brick Wholesale Grocery. The old heating plant was installed in 1906 and was sixteen years old when torn out. As the new plant has a useful life of over a year, it is subject to depreciation allowance and should be capitalized. Article 581, Regulations 62.

Decrease in income through cost of goods \$2476.82:-

With respect to the inventory adjustments it has developed that the amounts \$104,779.34 and \$157,374.31 represent cost or market whichever is lower. The taxpayer however has reduced the inventories as of December 31, 1921 and December 31, 1922 by \$9120.07 and \$6643.25 representing the items shown previously and has carried them through the cost of goods sold at their reduced figures. Actual bad debts, freight charges, and discounts are charged to the expense of the business as they occur throughout the year. The adjustment at the end of the year in considering only the transactions of Freights, Discounts and Bad Debts for the year 1922 has the effect of claiming both actual and anticipated losses. However, in order to be

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George L. Mesker,
Evansville, Indiana.

SCHEDULE 1A (Cont.)

consistent the opening inventory has been adjusted for the same reason and the overstatement of 1922 income \$2476.82 is developed.

2. \$1125.00 - This item represents one-half of the cost of a heating plant installed in the Ragon Brothers building which is rented to this concern. This item has been commented upon previously. Total cost of heating plant is \$2250.00.

3. \$1000.00 represents an apparent error in computing the profit on the sale of ten shares of stock of the City National Bank as follows:

Profit per return Schedule C	\$1098.54
Selling price	\$3500.00
Cost plus attorney fees	<u>3401.46</u>
Profit	<u>98.54</u>
Difference	\$1000.00

4. \$487.00 represents the difference between donations deducted on the return and the amount allowable as shown in the explanation covering the adjustment made of the \$364.82 item in Schedule A.

During the course of the examination it was found that the Brick Store at 613 Fulton Avenue, Evansville, Indiana was sold on the installment plan for \$2500.00. The payments made during 1922 on account of principal aggregated \$400.00 I could not determine the cost as the private ledger of Mr. George L. Mesker is kept at 290 Park Avenue, New York. No effect, therefore, can be given either to a probable loss or gain on this item on this report.

SCHEDULE 2

Year 1922.

COMPUTATION OF TAX

Total net income		\$59,664.08
Less: Exemption	\$2000.00	
Interest on U. S. obligations	<u>2734.13</u>	<u>4,734.13</u>
Income subject to normal tax		\$54,929.95
Tax 4% on \$4000.00	\$160.00	✓
Tax 8% on \$50,929.95	4074.40	✓
Tax 12% on capital gain of \$81,787.00	10,223.38	
Surtax, husband's income of \$59,664.00	<u>7,369.30</u>	
Total tax	\$21,827.08	
Tax previously assessed	<u>22,085.37</u>	
Tentative overassessment	\$ 258.29	

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George L. Mesker,
Evansville, Indiana.

EXHIBIT A
ANALYSIS OF MACHINERY ACCOUNT

Date	Item	Debit	Balance
1909	Additions	\$46.52	
December 31, 1909	Balance		\$46.52
December 31, 1910	"		46.52
December 31, 1911			46.52
December 31, 1912			46.52
1913	Additions 1913	983.63	
December 31, 1913	Balance		1030.15
	1914 Additions	2115.94	
December 31, 1914	Balance		3146.09
December 31, 1915	"		3146.09
1916	Additions	690.45	
December 31, 1916	Balance		3836.54
1917	Additions	307.13	
December 31, 1917	Balance		4143.67
1918	Additions	125.00	
December 31, 1918	Balance		4268.67
December 31, 1919	"		4268.67
December 31, 1920	"		4268.67
1921	Additions net	1307.41	
December 31, 1921	Balance		5576.08
1922	Additions	1121.25	
December 31, 1922	Balance		6697.33

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George L. Mesker,
Evansville, Indiana.

EXHIBIT B

(Classified as P. and L. Account)

ANALYSIS OF BAD DEBTS - 1922

Date	Item	Debit	Credit
April 24, 1922	M. E. Church	\$125.00	
July 14, 1922	American Bakery	77.15	
October 16, 1922	F. L. Smith and Sons	107.75	
November 21, 1922	Lake City Hdwe. Co.	464.29	
December 31, 1922	Hy. Graf	35.20	
" " "	W. C. Hemmingway Co.	1920.77	
" " "	Knights of Pythias	32.00	
" " "	Ed Mullins Jr.	63.10	
" " "	Setter Amusement Co.	426.45	
" " "	Seiffert Elect. Co.	86.50	
" " "	H. P. Spence Estate	3651.00	
" " "	Tenn. Ky. Tobacco Co.	80.00	
January 13, 1922	A. B. Windham		\$15.00
January 17, 1922	Liberty Bond profit on sale		12.41
April 7, 1922	Chas. E. Hamilton		637.76
November 9, 1922	J. L. White		12.00
December 31, 1922	Interest		1089.69
December 31, 1923	To Mdse. as loss		5300.35
		<hr/>	<hr/>
		\$7067.21	\$7067.21