

Copy
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
(Name)
Frist St.
(Street and number, or rural route)
Evansville Vanderburgh
(Post office) Ind.
(County)
(State)

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
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)	Atty fees	1150.92		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)	\$ 160	00
20. Less: Dividends (Item 7 above)	\$		28. Normal Tax (8% of Item 26)	\$ 4132	54
21. Taxable Interest on Liberty Bonds, etc. (Item 8 above)	2734	13		7569	45
22. Personal Exemption and Credit for Dependents	2000	00	29. Surtax on Item 19 (see Instruction 29)	10223	38
23. TOTAL OF ITEMS 20, 21, AND 22		4734	13		
24. Balance (Item 19 minus Item 23)	\$ 55656	77	30. Tax on Capital Net Gain (12½% of column 9, Schedule D) (see Instruction 6)		
25. Amount taxable at 4% (not over \$4,000)	4000	00	31. Total Tax	\$ 22085	37
26. Balance taxable at 8% (Item 24 minus Item 25)	\$ 51656	77	32. Less: Income Tax paid at source	\$	
			33. Income and profits taxes paid to foreign countries or possessions of the U. S. (attach Form 1116)		
			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		\$ 514918
COST OF GOODS SOLD:		
2. Labor	\$ 150066	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	\$ 6303	35
12. Interest on business indebtedness to others	\$ 3806	52
13. Taxes on business and business property	\$ 5001	03
14. Repairs, wear and tear, obsolescence, depletion, and property losses (explain below)	\$ 5300	35
15. Bad debts arising from sales or professional services	\$ 26524	08
16. Other expenses (list principal items and amounts below or on separate sheet)	\$ 46835	33
17. TOTAL (Lines 10 to 16, inclusive)	\$ 476810	80
18. TOTAL DEDUCTIONS (Line 9 plus Line 17)	\$ 38108	02
19. NET INCOME (Line 1 minus Line 18) (Enter as Item 2)	\$	
State amount of salary to self included in Item 10		

State amount of salary to self included in Item 10 \$ 19. NET INCOME (Line 1 minus Line 18) (Enter as Item 2) \$ 38108 02

Explanation of deductions
claimed on Lines 5, 14, and 16. Coal, power, postage, advertising, stationery, water rent

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

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	\$ 1146	\$ 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.)

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 PRIN- CIPAL 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	NONE	550 00 0			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	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.

SCHEDULE C.—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 14, 15, AND 16.	
Babies Milk Fund	100.00
Little Sisters of the Poor	100.00
St. Mary's Hospital	100.00

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George L. Mesker,
Evansville, Indiana.

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	\$60,690.00	\$1125.00		\$60,451.08
15. Contributions	300.00	(4) \$487.00		787.00
17. Total	\$300.00	\$487.00		\$787.00
Net income subject to ordinary taxes	60,390.90			\$59,664.08
Add:	81,787.00			81,787.00
Total income	\$142,177.90	\$638.00	\$1364.82	\$141,451.08
		Net	Gross	

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. 2785.06

9,120.07

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 1250.00

6,643.25

\$150,731.06

Inventory December 31, 1921 increase \$9150.07 As above

" " " 1922 " 6643.25 " "

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

\$2112.00

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 Christain 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
<hr/>		
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.

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

George L. Mesker,
Evansville, Indiana.

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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	\$2500.00
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>
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 1/2% on capital gain of \$61,787.00	10,223.38
Surtax, husband's income of \$59,664.00	7,369.30
Total tax	\$21,827.08
Tax previously assessed	, 22,085.37
Tentative overassessment	258.29

George L. Mesker,
Evansville, Indiana.

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X

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, 1915	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

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	33.20	
" " "	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
		-----	-----
		\$7067.21	\$7067.21