

TAX ESTIMATES OF REVENUES, YEAR ENDING JUNE 30,
1918.

LETTER

FROM

THE SECRETARY OF THE TREASURY,

TRANSMITTING, IN RESPONSE TO A SENATE RESOLUTION OF MAY 6, 1918, A REPORT OF THE TAX ON INCOMES AND EXCESS PROFITS FOR THE CALENDAR YEAR 1917, AND THE ORDINARY REVENUES FOR THE TWELVE MONTHS ENDING JUNE 30, 1918.

MAY 15, 1918.—Referred to the Committee on Finance and ordered to be printed.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, May 14, 1918.

The PRESIDENT OF THE SENATE.

SIR: In compliance with the resolution of the Senate passed May 6, 1918, as follows:

Resolved, That the Secretary of the Treasury be, and is hereby, directed to furnish the Senate with a statement of the revenues estimated for the calendar year of 1917, derived from existing revenue laws, stating particularly the amounts collectable under each title of said several laws.

I have the honor to advise you that the following is a statement of the actual collections from all sources for the calendar year 1917:

Internal revenue.....	\$972, 943, 787. 24
Customs.....	200, 746, 166. 18
Sale of public lands.....	2, 034, 932. 31
Miscellaneous.....	160, 569, 898. 09
Total.....	1, 342, 294, 783. 82

While the resolution calls for an estimate of the revenues for the calendar year 1917, I assume that the Senate seeks tax estimates for the fiscal year ending June 30, 1918, which would show the tax on incomes and excess profits for the calendar year 1917, and the ordinary revenues for the 12 months ending June 30, 1918.

With the passage of the war-revenue act of October 3, 1917, the Internal Revenue Bureau was charged with an immense volume of

delicate and important work involving the careful interpretation of the act, the construction of the necessary regulations and return forms for tax payers. The complications and difficulties involved were responsible for some delay in getting out the regulations and forms. It was found necessary to extend the time for filing returns from March 1 to April 1. In addition to this, numerous special meritorious cases were presented, which made it necessary to give further special extensions to May 1. These conditions and other causes have delayed the transmission of returns to Washington.

With a view to forecasting the amount of income and excess-profits taxes forthcoming as accurately as possible, collectors of internal revenue were directed to submit by night letters on May 4 the total amount of the taxes shown to be due by the income and excess-profits tax returns filed in the various collection districts up to May 4.

As thus indicated, the returns have not yet been carefully examined to discover how accurately the tax items have been computed and there is not sufficient information available to project estimates of income and excess-profits taxes on outstanding returns, of which there are several thousand.

The aggregate collections from all sources for the fiscal year 1918, with estimates as indicated, will amount to \$4,095,699,000, distributed as follows:

Internal revenue.....	\$3,643,899,000
Customs.....	180,000,000
Sale of public lands.....	1,800,000
Miscellaneous.....	270,000,000

At the time the war-revenue act was being considered by Congress, the collections of internal revenue for the fiscal year 1918 were estimated at \$3,400,000,000. The above estimate of collections from miscellaneous sources includes \$40,000,000, estimated to be derived from increased postage on first-class mail matter provided under Title XI of the act of October 3, 1917.

The segregation of these statistics by general sources of revenue and, so far as possible, by titles of the various laws is shown on the attached statements. I regret that it is not possible at this time to show separately the amounts collectible under the income-tax laws and the excess-profits tax act.

I will state further that the total of the certificates of deposit received from collectors of internal revenue up to noon of May 11 for taxes received since June 30, 1917, amounts to \$1,046,512,592.25.

Respectfully,

W. G. McADOO,
Secretary of the Treasury.

SUMMARY STATEMENT.

ESTIMATED COLLECTIONS OF INTERNAL REVENUE, FISCAL YEAR ENDING JUNE 30, 1918.

Recapitulation, by general sources of revenue.

Miscellaneous.....	\$868,714,000
Income and excess profits taxes.....	2,775,185,000
Total.....	<u>3,643,899,000</u>

Recapitulation, by acts and titles.

Old acts, miscellaneous.....		\$3,432,000
Act of Sept. 8, 1916:		
III. Munitions.....	\$40,000,000	
IV. Capital stock and special taxes.....	28,039,000	
Act of Oct. 3, 1917:		68,039,000
I and II. Income and excess profits ¹	2,775,185,000	
III. Beverages, etc. ¹	431,923,000	
IV. Tobacco ¹	154,909,000	
V. Public utilities and insurance.....	74,059,000	
VI. Excise taxes.....	36,073,000	
VII. Admissions and dues.....	30,798,000	
VIII. War-stamp taxes.....	18,564,000	
IX. Estate tax.....	50,917,000	
		3,572,428,000
Total.....		3,643,899,000

Collections of internal revenue—Fiscal year ending June 30, 1918.

Sources of revenue.	Title and act.	Actual collections July 1, 1917, to Mar. 31, 1918.	Estimated collections Apr. 1, 1918, to June 30, 1918.	Total.
Spirits:				
Distilled spirits (including related special taxes on dealers, etc.).	III Oct. 3, 1917, and old laws.	\$198,570,000	\$85,970,000	\$284,540,000
Rectified spirits.....	III Oct. 3, 1917..	2,325,000	1,176,000	3,501,000
Wines, liqueurs, etc.....	III Oct. 3, 1917, and old laws.	6,206,000	3,660,000	9,866,000
Fermented liquors (including related special taxes on brewers and dealers).	.....do.....	90,934,000	40,500,000	131,434,000
Tobacco (including cigars, cigarettes, snuff, and special taxes on manufacturers).	IV Oct. 3, 1917, and old laws.	111,409,000	43,500,000	154,909,000
Oleomargarine (including special taxes on manufacturers and dealers).	Act Aug. 2, 1886.	1,680,000	450,000	2,130,000
Special taxes (miscellaneous) (brokers, theaters, bowling alleys, pool, and billiard tables).	IV Sept. 8, 1916..	1,417,000	1,820,000	3,237,000
Capital-stock tax (on corporations).....	.....do.....	24,478,000	324,000	24,802,000
Beverages:				
(Sirups, extracts, soft drinks, carbonic-acid gas).	III, Oct. 3, 1917.	962,000	1,620,000	2,582,000
Public utilities:				
(Transportation, telegraph and telephone messages, etc.).	V, Oct. 3, 1917..	24,730,000	43,251,000	67,981,000
Insurance:				
(Life, marine, inland, fire, and casualty)	.....do.....	3,228,000	2,850,000	6,078,000
Admissions and dues:				
(Admissions to theaters, concerts, etc., and club dues).	VII, Oct. 3, 1917	14,798,000	16,000,000	30,798,000
Excise taxes:				
(Automobiles, jewelry, piano players, moving-picture films, sporting goods, cosmetics, proprietary, chewing gum, cameras, boats, and yachts).	VI, Oct. 3, 1917	19,573,000	16,500,000	36,073,000
War-stamp taxes—Schedule A:				
(Future deliveries, bonds, capital stock, conveyances, playing cards, etc.).	VIII Oct. 3, 1917	11,163,000	7,401,000	18,564,000
Estates.....	IX, Oct. 3, 1917	31,917,000	19,000,000	50,917,000
Munition manufacturers.....	III, Sept. 8, 1916	12,623,000	27,377,000	40,000,000
Miscellaneous:				
(Adulterated butter, opium distributors, offers in compromise, repealed taxes, etc.).	Old laws.....	1,087,000	215,000	1,302,000
Total.....		557,100,000	311,614,000	868,714,000
	Actual collections July 1, 1917, to Dec. 31, 1917.	Tax due on returns filed to May 4, 1917.	Estimated tax on returns outstanding on extensions.	
Income and excess profits taxes (Titles I and II of act of Oct. 3, 1917 and prior acts).	\$47,085,000	\$2,728,100,000	(3)	2,775,185,000
Grand total.....				3,643,899,000

¹ Includes receipts under prior related acts.

³ Impossible to estimate.

