

# Exhibit 11

tion or refining, of crude petroleum, or of crude oil produced by a single distillation of coal, shale, peat, asphaltum, or other bituminous substances;

Articles, &c. exempt from internal tax

Palm-leaf and straw, bleached, split, prepared, or advanced by being braided or woven, but not made up into hats, bonnets or hoods;

Potato hooks, pitchforks, manure and spading forks;

Pottery ware of all descriptions, including stone, earthen, brown and yellow earthen, and common or gray stone ware;

Rock and root diggers or excavators;

Root-beer and other small beer;

Salt;

Soap, common brown, in bars, sold for less than seven cents per pound;

Saws for cotton gins, when used by the maker, in the manufacture of gins;

Pumps, garden engines, and hydraulic rams;

School-room seats and desks, blackboards, and globes of all kinds;

Sleds, wheelbarrows, and handcarts, and fence made of wood;

Soles and heel-taps made of India-rubber or of India-rubber and other materials;

Shirt fronts or bosoms, wristbands or cuffs for shirts, except those made of paper;

Spiral springs used in the manufacture of furniture;

Stove polish or other manufacture exclusively of plumbago, buck-saws, stump machines, potato diggers;

Steel of all descriptions, whether made from muck-bar, blooms, slabs, loops, or otherwise;

Scythes;

Straw or binder's board and binder's cloth, and straw wrapping paper;

Tags for merchandise and direction of cloth, paper or metal, whether blank or printed; thimble skeins and pipe boxes, made of iron;

Tin-ware for domestic and culinary purposes;

Ultramarine blue;

Varnish;

Wagons, carts, and drays, made to be used for farming, freighting, or lumber purposes;

Washing, mangling, and clothes-wringing machines, zinc washboards, spinning and flax wheels, hand reels, hand looms, wooden knobs and beehives;

*Provided*, That the exemptions aforesaid shall, in all cases, be confined exclusively to said articles in the state and condition specified in the foregoing enumeration, and shall not extend to articles in any other form, nor to manufactures from said articles.

Exemptions confined to articles in what condition.

SEC. 12. *And be it further enacted*, That there shall be levied, collected, and paid on brandy made from grapes, one dollar per gallon; and if any person shall knowingly manufacture, compound, put up, sell, or dispose of, or cause to be manufactured, compounded, put up, sold, or disposed of, or aid or assist therein, any fluid as or for or under or with the name of brandy made from grapes which shall not be really such, he shall, on conviction thereof, be punished for each offence by a fine not exceeding one thousand dollars, and by imprisonment not exceeding one year, or both said punishments, in the discretion of the court, and any such simulated or compounded fluid as aforesaid shall be forfeited to the United States.

Tax on brandy from grapes. Penalty for making, selling, &c. as brandy from grapes, any fluid not really such.

Simulated fluid to be forfeited.

SEC. 13. *And be it further enacted*, That the act entitled "An act to provide internal revenue to support the government, to pay interest on the public debt, and for other purposes," approved June thirty, eighteen hundred and sixty-four, and as subsequently amended, be further amended as follows, namely:—

Further amendments to laws relating to internal taxes. 1864, ch. 173. Vol. xiii. p. 223.

*Income.*— That section one hundred and sixteen be amended by striking

Income tax.

<p>Section 116. Vol. xiii. p. 281.</p>	<p>out all after the enacting clause and inserting, in lieu thereof, as follows</p>
<p>Rate. Amount ex- empt.</p>	<p>That there shall be levied, collected, and paid annually upon the gains, profits, and income of every person residing in the United States, or of any citizen of the United States residing abroad, whether derived from any kind of property, rents, interest, dividends, or salaries, or from any profession, trade, employment, or vocation, carried on in the United States, or elsewhere, or from any other source whatever, a tax of five per centum on the amount so derived over one thousand dollars, and a like tax shall be levied, collected, and paid annually upon the gains, profits, and income of every business, trade, or profession carried on in the United States by persons residing without the United States, and not citizens thereof.</p>
<p>Tax to be for year ending December 31.</p>	<p>And the tax herein provided for shall be assessed, collected, and paid upon the gains, profits, and income for the year ending the thirty-first day of December next preceding the time for levying, collecting, and paying said tax.</p>
<p>Section 117. Vol. xiii. p. 281. In estimating income, what to be included;</p>	<p>That section one hundred and seventeen be amended by striking out all after the enacting clause and inserting, in lieu thereof, the following: That, in estimating the gains, profits, and income of any person, there shall be included all income derived from interest upon notes, bonds, and other securities of the United States; profits realized within the year from sales of real estate purchased within the year or within two years previous to the year for which income <i>was</i> [is] estimated; interest received or accrued upon <i>old</i> [all] notes, bonds, and mortgages, or other forms of indebtedness bearing interest, whether paid or not, if good and collectable, less the interest which has become due from said person during the year; the amount of all premium on gold and coupons; the amount of sales of live stock, sugar, wool, butter, che[e]se, pork, beef, mutton, or other meats, hay and grain, or other vegetable or other productions, being the growth or produce of the estate of such person, not including any part thereof consumed directly by the family; all other gains, profits, and income derived from any source whatever, except the rental value of any homestead used or occupied by any person or by his family in his own right or in the right of his wife; and the share of any person of the gains and profits of all companies, whether incorporated or partnership, who would be entitled to the same, if divided, whether divided or otherwise, except the amount of income received from institutions or corporations whose officers, as required by law, withhold a per centum of the dividends made by such institutions, and pay the same to the officer authorized to receive the same; and except that portion of the salary or pay received for services in the civil, military, naval, or other service of the United States, including senators, representatives, and delegates in Congress, from which the tax has been deducted. And in addition to one thousand dollars exempt from income tax, as hereinbefore provided, all national, State, county, and municipal taxes paid within the year shall be deducted from the gains, profits, or income of the person who has actually paid the same, whether such person be owner, tenant, or mortgagor; losses actually sustained during the year arising from fires, shipwreck, or incurred in trade, and debts ascertained to be worthless, but excluding all estimated depreciation of values and losses within the year on sales of real estate purchased two years previous to the year for which income is estimated; the amount actually paid for labor or interest by any person who rents lands or hires labor to cultivate land, or who conducts any other business from which income is actually derived; the amount actually paid by any person for the rent of the house or premises occupied as a residence for himself or his family; the amount paid out for usual or ordinary repairs: <i>Provided</i>, That no deduction shall be made for any amount paid out for new buildings, permanent improvements or betterments, made to increase the value of any property or estate: <i>And provided, further</i>, That only one deduction of one thousand dollars shall</p>
<p>what to be de- ducted.</p>	<p>one thousand dollars exempt from income tax, as hereinbefore provided, all national, State, county, and municipal taxes paid within the year shall be deducted from the gains, profits, or income of the person who has actually paid the same, whether such person be owner, tenant, or mortgagor; losses actually sustained during the year arising from fires, shipwreck, or incurred in trade, and debts ascertained to be worthless, but excluding all estimated depreciation of values and losses within the year on sales of real estate purchased two years previous to the year for which income is estimated; the amount actually paid for labor or interest by any person who rents lands or hires labor to cultivate land, or who conducts any other business from which income is actually derived; the amount actually paid by any person for the rent of the house or premises occupied as a residence for himself or his family; the amount paid out for usual or ordinary repairs: <i>Provided</i>, That no deduction shall be made for any amount paid out for new buildings, permanent improvements or betterments, made to increase the value of any property or estate: <i>And provided, further</i>, That only one deduction of one thousand dollars shall</p>
<p>Proviso.</p>	<p>That no deduction shall be made for any amount paid out for new buildings, permanent improvements or betterments, made to increase the value of any property or estate: <i>And provided, further</i>, That only one deduction of one thousand dollars shall</p>
<p>Further pro- viso.</p>	<p>That only one deduction of one thousand dollars shall</p>

be made from the aggregate income of all the members of any family, composed of one or both parents, and one or more minor children, or husband and wife; that guardians shall be allowed to make such deduction in favor of each and every ward, except that in case where two or more wards are comprised in one family, and have joint property interest, only one deduction shall be made in their favor: *And provided, further.* That in cases where the salary or other compensation paid to any person in the employment or service of the United States shall not exceed the rate of one thousand dollars per annum, or shall be by fees, or uncertain or irregular in the amount or in the time during which the same shall have accrued or been earned, such salary or other compensation shall be included in estimating the annual gains, profits, or income of the person to whom the same shall have been paid.

Income.

Further proviso.

That section one hundred and eighteen be amended by striking out all after the enacting clause and inserting, in lieu thereof, the following: That it shall be the duty of all persons of lawful age to make and render a list or return, on or before the day prescribed by law, in such form and manner as may be prescribed by the commissioner of internal revenue, to the assistant assessor of the district in which they reside, of the amount of their income, gains, and profits, as aforesaid; and all guardians and trustees, executors and administrators, or any person acting in any other fiduciary capacity, shall make and render a list or return, as aforesaid, to the assistant assessor of the district in which such person acting in a fiduciary capacity resides, of the amount of income, gains, and profits of any minor or person for whom they act; and the assistant assessor shall require every list or return to be verified by the oath or affirmation of the party rendering it, and may increase the amount of any list or return, if he has reason to believe that the same is understated; and in case any such person shall neglect or refuse to make and render such list or return, or shall render a false or fraudulent list or return, it shall be the duty of the assessor or the assistant assessor to make such list, according to the best information he can obtain, by the examination of such person, or his books or accounts, or any other evidence, and to add fifty per centum as a penalty to the amount of the tax due on such list in all cases of wilful neglect or refusal to make and render a list or return; and, in all cases of a false or fraudulent list or return having been rendered, to add one hundred per centum, as a penalty, to the amount of tax ascertained to be due, the tax and the additions thereto as a penalty to be assessed and collected in the manner provided for in other cases of wilful neglect or refusal to render a list or return, or of rendering a false and fraudulent return: *Provided,* That any party, in his or her own behalf, or as such fiduciary, shall be permitted to declare, under oath or affirmation, the form and manner of which shall be prescribed by the commissioner of internal revenue, that he or she, or his or her ward or beneficiary was not possessed of an income of one thousand dollars, liable to be assessed according to the provisions of this act; or may declare that he or she has been assessed and paid an income tax elsewhere in the same year, under authority of the United States, upon his or her income, gains, and profits, as prescribed by law; and if the assistant assessor shall be satisfied of the truth of the declaration, shall thereupon be exempt from income tax in the said district; or if the list or return of any party shall have been increased by the assistant assessor, such party may exhibit his books and accounts, and be permitted to prove and declare, under oath or affirmation, the amount of income liable to be assessed; but such oaths and evidence shall not be considered as conclusive of the facts, and no deductions claimed in such cases shall be made or allowed until approved by the assistant assessor. Any person feeling aggrieved by the decision of the assistant assessor in such cases may appeal to the assessor of the district, and his decision thereon, unless reversed by the commissioner of internal revenue, shall

Section 118.  
Vol. xiii. p. 282.  
List or return.

Oath.

Increase.  
Neglect or  
false returns.

Penalty.

Proviso.

Income tax  
paid in another  
district.

Amount of in-  
come may be  
proved.

Appeal

Penalty for neglect and refusal not to be assessed until after notice.

Section 119.  
Ante, p. 138.  
Income tax, when to be levied and when due:  
to last until 1870 and no longer.  
Penalty if tax is not paid when due.

Proviso as to tax for 1866.

Section 123.  
Ante, p. 139.  
Tax on the income of those in the civil, military, or naval service of the United States.  
Rate of tax.  
Amount of tax to be deducted.

Pay-roll, &c. to show such payment.  
Accounting officers to require proof that taxes have been deducted and paid over.

Payments of prize money to be deemed income; but not payments to laborers.

Books of Treasury Department.

When this section takes effect.

Tax on distilled spirits; by whom to be paid;

who liable therefor; to be a lien, and on what, and for how long.

be final, and the form, time, and manner of proceedings shall be subject to rules and regulations to be prescribed by the commissioner of internal revenue: *Provided further*, That no penalty shall be assessed upon any person for such neglect or refusal, or for making or rendering a false or fraudulent return, except after reasonable notice of the time and place of hearing, to be regulated by the commissioner of internal revenue, so as to give the person charged an opportunity to be heard.

That section one hundred and nineteen be amended by striking out all after the enacting clause and inserting, in lieu thereof, the following: That the taxes on incomes herein imposed shall be levied on the first day of March, and be due and payable on or before the thirtieth day of April, in each year, until and including the year eighteen hundred and seventy, and no longer; and to any sum or sums annually due and unpaid after the thirtieth of April, as aforesaid, and for ten days after notice and demand thereof by the collector, there shall be levied in addition thereto the sum of five per centum on the amount of taxes unpaid and interest at the rate of one per centum per month upon said tax from the time the same became due, as a penalty, except from the estates of deceased, insane, or insolvent persons: *Provided*, That the tax on incomes for the year eighteen hundred and sixty-six shall be levied on the day this takes effect.

That section one hundred and twenty-three be amended by striking out all after the enacting clause and inserting, in lieu thereof, the following: That there shall be levied, collected, and paid on all salaries of officers, or payments for services to persons in the civil, military, naval or other employment or service of the United States, including senators and representatives and delegates in Congress, when exceeding the rate of one thousand dollars per annum, a tax of five per centum on the excess above the said one thousand dollars; and it shall be the duty of all paymasters and all disbursing officers, under the government of the United States, or persons in the employ thereof, when making any payment to any officers or persons as aforesaid, whose compensation is determined by a fixed salary, or upon settling or adjusting the accounts of such officers or persons to deduct and withhold the aforesaid tax of five per centum; and the pay-roll, receipts, or account of officers or persons paying such tax as aforesaid shall be made to exhibit the fact of such payment. And it shall be the duty of the accounting officers of the Treasury Department, when auditing the accounts of any paymaster or disbursing officer, or any officer withholding his salary from moneys received by him, or when settling or adjusting the accounts of any such officer, to require evidence that the taxes mentioned in this section have been deducted and paid over to the treasurer of the United States, or other officer authorized to receive the same: *Provided*, That payments of prize money shall be regarded as income from salaries, and the tax thereon shall be adjusted and collected in like manner: *Provided further*, That this section shall not apply to payments made to mechanics or laborers employed upon public works: *And provided further*, That in case it should become necessary for showing the true receipts of the government under the operations of this section upon the books of the Treasury Department, the requisite amount may be carried from unappropriated moneys in the treasury to the credit of said account; and this section shall take effect upon salary and compensation for the month of March, eighteen hundred and sixty-seven.

SEC. 14. *And be it further enacted*, That there shall be levied, collected, and paid on all distilled spirits, upon which no tax has been paid according to law, a tax of two dollars upon each and every proof gallon, to be paid by the distiller, owner, or any person having possession thereof, and every proprietor and possessor of a still, distillery, or distilling apparatus, shall be jointly and severally liable for the taxes imposed by law upon the spirits distilled therein; and the tax shall be a lien upon the spirits distilled, on the distillery used for distilling the same, with the stills,