

DIGEST OF THE BUSINESS PROFITS WAR TAX ACT

(c) CAPITAL \$40,000 (being less than \$50,000)

Profits exempt from tax if the Company is not making, or dealing in, Munitions or War supplies. (Sec. 5(a)).

(d) CAPITAL \$40,000, although less than \$50,000, if the Company is exclusively making, or dealing in, Munitions or War supplies it is subject to tax. (Sec. 5(a)).

PROFITS \$8,000, or 20%

PROFITS	TAX
\$2,800, or up to 7% exempt.....
3,200, 25% on profits up to 15%....	\$ 800
2,000, 50% on profits up to 20%....	1,000
\$8,000	Total Tax..... \$1,800

(e) CAPITAL \$40,000, although less than \$50,000, if more than 20% of profits are from the manufacture of, or trading in, Munitions or War supplies, the company's total profits are subject to the tax. (Sec. 5(a)).

PROFITS \$10,800, or 27%

PROFITS	TAX
\$2,800, or up to 7% exempt.....
3,200, 25% on profits up to 15%.....	\$ 800
2,000, 50% on profits up to 20%.....	1,000
2,800, 75% on profits in excess of 20%..	2,100
\$10,800	Total Tax..... \$3,900