18 T.C. 387 (1952)

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When computing taxes under Section 107(a) for long-term compensation allocated to prior years, taxpayers who filed joint returns in those prior years must compute taxes based on their combined income, not on a reconstructed separate income basis, unless they can provide evidence of individual deductions.

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Summary

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George and Helen Ford, a married couple in California, received long-term compensation in 1945, allocable to the years 1937-1945. They filed separate returns for 1937 and 1945 but joint returns for 1938-1944. The Fords sought to compute the tax attributable to the compensation allocated to 1943 and 1944 based on a hypothetical separate income basis, arguing that their prior joint returns should not dictate the computation for 1945. The Tax Court held that the IRS correctly computed the tax by comparing what the tax would have been if the allocated compensation had been included in the

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