



FARM and GARDEN NEWS



Farmer's Calendar Stresses January 15 as Date on Which His Federal Income Tax is Due

Husband, Wife Can Save Money By Separate Returns; Instructions On Livestock Sales are Offered

By ROBERT E. GEIGER

WASHINGTON, Jan. 3.—(AP)—January 15 is an important date for farmers. It's income tax payment day for most of them. (It is also one of four installment payment dates for millions of other persons who were required to file declarations of estimated income for 1948.)

Farmers are the only group of taxpayers permitted to wait until after the end of the year to file their declaration of estimated income for that year. At the same time, having waited and not having made any previous installment payments, they have to pay all their estimated 1948 tax in a lump sum by Jan. 15.

Uncle Sam then permits the farmer to wait until March 15—like everyone else—to file his income tax returns and settle up any difference not accounted for in the Jan. 15 declaration and payment.

However, if the farmer chooses to file his regular income tax return and pay up the amount

his declaration of estimated income and pay the amount estimated to be due. And he has two and one-half months in which to file his final return and pay any difference between that and the amount paid with his declaration. But again, if he files his return and pays his tax within 15 days after the end of his business year, he is all finished with the problem and doesn't have to file a declaration.

Tax Law Changed

Since most farmers operate on a calendar year basis, however, Jan. 15 is the big date for them, and this year it has extra importance because of changes in the tax law. Important changes include these:

1. The Internal Revenue Bureau has new rulings concerning sales of livestock considered capital assets.

2. The new "split income" clause allows a husband and wife to split their combined total income, frequently reducing the tax.

3. Personal exemptions have been increased from \$500 to \$800; persons over 65, and blind persons, are allowed an additional \$600.

4. Taxpayers with income of more than \$5,000 now may enter a deduction equal to 10 per cent of their income, up to \$1,000, for such things as interest, contributions, taxes and other deductible items. They may do this without itemizing deductions. Heretofore the limit was \$500. (They still may list deductions and claim the full allowable amount if this is greater than 10 per cent.)

5. A husband and wife may divide their total income. They can do this even if all the earnings are in the husband's name. They also may add their incomes together if the wife earned some money and the husband earned some.

For instance, a farm couple may add together all the profits from their farm. Then they may split this profit and file a joint income tax return, showing the wife earned half of the profit and the husband half.

Income tax experts say in

New Year Will See Return Of Buyer's Market

By HARRY T. MONTGOMERY

Associated Press General Business Editor

NEW YORK, Jan. 3.—(AP)—The average American is told that 1949 will be another good year, and the forecast seems sound.

The American consumer—and that describes most of us—may find 1949 more comfortable than the record boom year of 1948.

The business man is likely to have a few more worries in the new year, but the men and women who have been struggling with the high cost of living probably will find it easier to make their budgets work.

Underlying all this is the prospect that 1949 will see the return of the buyers' market in most lines. The man with a dollar will decide in a leisurely way where

most cases this will reduce the total income tax payment.

Tax experts say if a husband and wife have unusually heavy deductions for medical expenses, it may be better not to file a joint return. It may pay to figure it both ways, then choose the lesser tax.

On Livestock Sales

As for rulings on livestock sales, a farmer's bulletin issued by Cornell University says:

The taxpayer is allowed, under some circumstances, to list the sale of dairy, breeding or work stock as the sale of a capital asset. As such, only one-half of the gain, or profit, usually is taxable, instead of all the gain.

Here are the requirements: The farmer must have had the animal or animals for more than six months. The animals must have been in use for dairy, breeding or work purposes at the time of sale.

Also, the sale must have reduced the normal size of the herd, or made room for replacements to change the quality or breed of the herd.

The Cornell experts explain that if the farmer had raised the cows that were sold, the gain to be reported would be the total sale price, because the cost of raising the cows presumably had been deducted in previous years.

If the farmer had purchased the cows he would have reported the difference between what he paid for them, less depreciation, and what he got for them. Then the farmer would divide the gain in half and pay taxes on this amount.

Other Losses Deductible

Of course the farmer may have had losses on other capital items—such as machinery or buildings—that are greater than his profits on the cows.

In that case the gains and the losses may be balanced, or partially so. But technicalities and legal definitions may complicate the situation. If the farmer has a major problem of this sort he may save money by consulting his county agent or a farm tax authority.

he will spend it, after shopping around for a price tag he likes.

The new year is likely to bring the end of all shortages of consumers' goods, including most automobiles. Low-cost housing, either to buy or rent, probably will remain in the hard-to-get class.

Incomes are likely to remain relatively high as prices dip. Merchants will have to work harder to get their share of the shoppers' money. "Normal" times, with a prosperous flavor, seem finally to be at hand.

Leveling Off Impends

This is the meaning of the statistics which the economists gather for us at the year-end. These figures show that 1948 was a record year by nearly every index of economic activity.

The value of the goods we produced, the money we earned, the money we spent—all were greater than ever before.

But the figures coming out now show something new. They show a tendency to level off in the final weeks of 1948. Some of them are dropping.

Most authorities say we are safe from a depression now. They look at the "busts" of 1929 and 1932, and say conditions are different. The First World War was shorter than the Second, and we had less domestic needs to fill after it; the collapse came in 1929 after we abruptly stopped rearmament and foreign aid spending, which we are not doing now.

The economists also say we are not over-expanded now as we were in 1929. This condition is held to prevent the "worst" from coming, for most of next year at least. A downward cycle will get under way sooner or later, but it isn't looked for in 1949.

New Principles Used In Barn Group at O. S. C.

The principle of storing hay and bedding in a building separate from that used for housing livestock is followed in the group of farm barns nearing completion at Oregon State College.

A separate hay barn, 40 x 120 feet, will provide storage and convenient handling arrangements to replace space in the old beef barn that burned and in the old sheep barn to be torn down.

The new beef barn, of fire-resistant materials, has a 40 x 240 foot main section with four wings each 24 x 72 feet. It will house newly expanded beef breeding and feeding herds for both instruction and research, with special facilities for the latter.

The new sheep barn is 34 x 72 feet with two wings of 30 x 197 feet. It will also serve for both instructional and research purposes in an expanded program. The three structures, part of a development plan advocated by livestock producers of the state, are costing \$118,000, supplied from the state building fund.

Sagebrush now occupies 25 percent of Oregon's land area. With newly developed methods it is practical, according to agricultural specialists, to clear the sage in many places and seed grass that would increase grazing capacity five to 10 times.

Farm Prosperity Takes Heavy Drop

WASHINGTON, Jan. 3.—(AP)—The farmer isn't doing so well financially.

"Parity ratio"—the yardstick for measuring farm prosperity—has dipped to the lowest level since September, 1942, the Agricultural Department announced.

Parity ratio is based on the relation between prices farmers get for the things they sell and the prices of the things they buy. It includes an allowance for interest and taxes.

As of mid-December, the parity ratio stood at 109—one point higher than the September, 1942, figure. The December ratio was a drop of one point from mid-November, 13 points below January, 1948 and 24 points under the record high of 133 in October, 1946.

Average prices received by farmers in mid-December were the lowest since February, 1947. The price index for all farm commodities during the month slid three points to 268—39 points, or 13 per cent, below last January's record high of 307. This index is based on August 1909—July 1914 prices.

Wheat Yield Per Acre Heaviest in Washington

SPOKANE—(AP)—Washington produced more winter wheat per acre than any other state in 1948, a Department of Agriculture report disclosed.

The state's yield on winter wheat averaged 30 bushels to the acre, a five-bushel increase over last year.

Washington's wheat crop totaled a record-breaking 79,268,000 bushels, of which 69,050,000 bushels was winter wheat. The state ranked fourth in the nation behind Kansas, Oklahoma and Nebraska in total production.

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Calendar is Reminder Of Activities of 4-H

Today from the walls of public offices, business establishments, banks, schools, and other local institutions, the new national 4-H Club calendars are being displayed, serving notice that the local 4-H clubs are an active force in this community and market area.

The Don McKillop Company, Ferguson System dealer for Douglas County, sponsors of the new 4-H Club calendar, are presenting record calendars to all boy and girl members of the organization.

The new calendar was planned by C. L. Noble, director of the national committee on boys and girls club work, and M. L. Wilson, U. S. agriculture extension

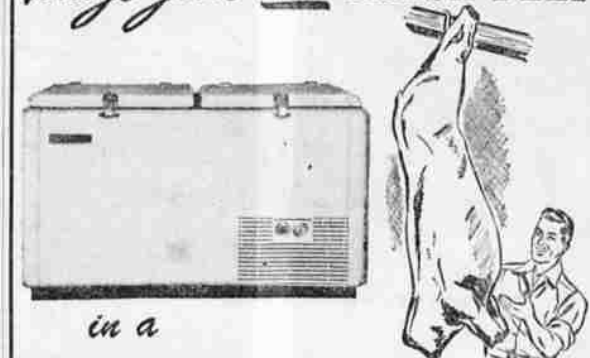
director, Frank Von Borstel Jr., local 4-H club agent, as well as many others who are active participants in the club's work, have indicated their approval of the calendar as a medium for further increasing interest in 4-H Club work.

Funds derived from the calendars will be applied toward establishment of a permanent national 4-H Club camp near Washington, D. C.

Oregon apple acreage in 1945 was 77 percent less than in 1920, while pear acreage increased 49 percent in the same period. Oregon is one of only a few states that grow pears commercially.

Some kinds of birds bathe by pushing through or over clusters of wet leaves on trees.

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The FEED BAG

Vol. 11 Published Weekly by the Douglas County Flour Mill, Makers of Jan. 3,
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