

YOUR INCOME TAX—3.

Now About Those Deductions

(Third of Six Articles)
By FRANK O'BRIEN

WASHINGTON (AP)—You do not have to pay income tax on all the money you earn. The law provides deductions for expenses and exemptions of \$600 each for most persons, including yourself, who live off your income. Together, they are a kind of nontaxed living allowance.

There are two kinds of deductions.

First, there are business expenses. You take most, but not always all of these out of your income to find your adjusted gross income. Second come personal deductions which you subtract from your adjusted gross income to find your net income. (Then you subtract your exemptions to find your net taxable income.)

Business Expense

There are three kinds of business expense.

1. You may deduct all the "ordinary and necessary" expenses of any business you operate, or of your trade or profession. You report them on a special form called "Schedule C" which you can get from post office or bank. Then you summarize them on Page 2, Form 1040.

2. An employe may deduct cost of meals and lodgings when he is away from home on his employer's business, but not unless he stays overnight. He can also deduct business transport costs whether he stays overnight or not, although this does not usually include going to and from work.

There is a technical gimmick in putting such expenses on the tax form. You must add to your income what your employer paid you for such expenses. Then you deduct the actual expenses whether more or less than what was repaid.

3. Other expenses like journals, magazines and business entertainment costs may be deducted to the extent that your employer pays them back to you. (If they are not paid back they may be deducted as personal expenses.)

The add and subtract rules apply here as with transport costs, with this difference: You may deduct from your income only the amount repaid to you, not more. In addition you can deduct expenses connected with property



from which you get rent and capital losses up to \$1,000, except that a loss in selling your home does not count. It is not deductible.

You can make all such deductions and still use short Form 1040.

Then come the personal deductions.

Itemized Expense
On Page 3 of Form 1040 are listed six headings under which personal expenses can be itemized. You can ignore itemization and take the standard 10 per cent. But that is limited to \$500 for married people who file separately and \$1,000 for others or joint returns.

If your itemized personal expenses are larger than 10 per cent you can save money. This will add a few steps in figuring your tax.

Here are the main authorized personal deductions:
Most nonfederal taxes; fire, storm and theft losses; what you give religious and charitable organizations; interest payments; medical bills above 5 per cent of

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your adjusted gross income up to specified limits given in the instructions (if you are over 65 you get all medical costs up to the dollar limits); group hospitalization premiums; alimony or separate maintenance ordered by a court; union dues. Expenses repaid by insurance are not deductible.
(Tomorrow: Your Exemptions)

HORNETS PREDICT SNOW?

LACONIA, N. H. (AP)—City Engineer Arnold O'Mara is prepared for a heavy snowfall this winter. He found a hornets' nest atop a 40-foot utility pole. O'Mara insists that hornets build nests high enough to keep above snow and they are the "only sure guide" on which to base a winter forecast.

FAMILY BREAKS BONES

MARION, Ind. (AP)—It's four down and one to go for the P. R. Karnes family. First Mrs. Karnes broke her right foot. Ronnie, 7, cracked his left ankle. The father broke a rib, and then Nicky, 14, fractured his right elbow. Tony, 2, is still fractureless.

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Carlot Grade Certifications On Fruit Drop

Fresh fruit and vegetable carlot grade certifications out of Oregon in the first half of the current fiscal year were 1,204 off from the last half of 1952, the State Department of Agriculture announced Wednesday.

Inspections from July 1 to the end of 1953 total 21,558 cars.

December commodities moving under the federal-state inspection certificates were higher than in December, 1952 by 150 carlots.

Potatoes continued to dominate the shipping point inspection records, W. L. Close, state supervisor reported, with 2,226 carloads moving out in December which was roughly 350 cars over a year earlier.



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All wool gabbs, worsteds and sharkskins. | 10 ⁰⁰ | REG. 3.00 COTTON DUSTERS
Florals and plain colors. Sizes 12 to 16. | 2 ⁰⁰ |
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Broad choice of colors and sizes. | 5 ⁰⁰ | REG. 12.98 WOOL SHORTY ROBES
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| REG. 29.98 MEN'S SPORT COATS
All wool sport coats. Broken sizes. | 12 ⁰⁰ | REG. 9.98 RAYON TWILL ROBE
Choose from aqua or rose, size 40 to 44. | 5 ⁰⁰ |
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Broken sizes. Some all wools. | 25 ⁰⁰ | WOMEN'S, MISS, JUNIOR DRESSES
150 to choose from, reduced to. | 1/2 Price |
| REG. 1.98 FLANNEL SHIRTS
Odds and ends in men's flannels. | 1 ²⁷ | REG. 6.98 5% WOOL COMFORTER
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Pepperell blanket. 6 colors to choose from. | 6 ⁹⁸ |
| REG. 9.98 LINED JACKETS
Water repellent, fur collar. | 6 ⁰⁰ | REG. 5.98 BATH-CURTAIN SET
Matched set in peach, black or blue. | 2 ⁴⁷ |
| REG. 2.98 MEN'S PAJAMAS
Pisses or flannels. Broken sizes. | 2 ²⁷ | REG. 3.98 ORGANDY CURTAINS
White organdy. Wine or green trim. | 2 ⁹⁷ |
| REG. 4.98 SHIRT & SLACK SET
Corduroy slacks with flannel shirt. | 2 ⁹⁸ | REG. 98c ASSORTED YARDAGE
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All wool. Sizes 1 to 4, assorted patterns. | 1/3 off | REG. 9.98 CHENILLE SPREADS
Rich sculptured spreads. Colors. | 7 ⁹⁸ |
| REG. 4.49 CHILDREN'S SLICKERS
Yellow slicker raincoat with hat. | 2 ⁴⁷ | REG. 1.98 ASSORTED YARDAGE
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| REG. 169.95 2-PC. LIVING ROOM SET
Red freeze cover, hardwood construction. | 119 ⁷⁷ | REG. 259.95 10 CU. FT. REFRIGERATOR
Large freezing compartment, 5-yr. warranty. | 227 ⁷⁷ |
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Full or twin size. Pocket springs. | 89 ⁷⁷ | REG. 36.95 TABLE RADIO-PHONE
Plays all 3 speeds. Green finish. | 27 ⁷⁷ |
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Solid maple bed, dresser and night stand. | 157 ⁷⁷ | REG. 36.95 CLOCK-RADIO
5-tube, famous name, one only. | 27 ⁷⁷ |
| REG. 18.95 LAMP TABLE
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Plastic shades. 43" or 49", ecru, reduced. | 25% | REG. 184.95 SEWING MACHINE
Rotary head, maple or mahogany cab. | 134 ⁷⁷ |
| REG. 87c WARDOLEUM
Finest grade enamel floor covering. | 77 ^c | FIREPLACE EQUIPMENT
Andirons & fire screens, reduced. | 20% |
| REG. 8.50 TWIST CARPET
9', 12', 15' widths, wool carpeting. Sq. yd. | 6 ⁸⁸ | REG. 189.95 17" T.V. TABLE MODEL
Receives both VHF & UHF. 'Black' screen. | 164 ⁸⁸ |
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One filling lasts all winter. Per gal. | 2 ⁶⁹ |
| REG. 49.95 ENGLISH TYPE BIKE
26" lite weight—enamel finish. | 34 ⁸⁸ | REG. 2.98 BEDROOM FIXTURES
2 lite, bent glass, assorted colors. | 2 ⁰⁰ |
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8 1/2" blade with miter & depth gauge, used. | 59 ⁷⁷ | REG. 4.29 BEDROOM FIXTURES
2 lite, large bent glass shades, only. | 3 ⁰⁰ |
| REG. 38.95 PORTABLE SAW
6 1/4" blade. Repossessed, in fine shape. | 29 ⁷⁷ | REG. 2.95 RING PLANTER
Pottery planter; gayly painted. | 1 ⁷⁷ |
| REG. 37.95 TABLE SAW
7" blade, tilting table. | 34 ⁷⁷ | REG. 4.95 COFFEE OR TEA SERVICE
Pot, creamer, sugar and tray. | 3 ⁸⁸ |
| REG. 8.95 TOILET SEATS
Plastic covered, assorted colors. | 6 ⁸⁸ | REG. 8.50 DRESSER SET
Includes mirror, brush and comb. | 5 ⁴⁷ |



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Fully-developed roast expands each coffee bean in M.J.B's rich blend. This brings out more flavor, and increases volume, too... gives you 2 to 8 measures more per pound than other brands.

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