

# Tax Information Listed For Jan. 15th In Tax Quiz Prepared by J. W. Maloney, Collector of Internal Revenue

(Editor's Note: Because of the confusion engendered by the complicated and involved Tax Filing, Estimating, and the various other estimates, The Coquille Valley Sentinel is carrying a complete Tax Question and Answer Series this week for the readers of this paper. Because many people even though they are having all their taxes withheld but have sold houses, farms, or had other sources of revenue that was not subject to withholding and so are subject to new filings, we recommend a study of the following information.)

nearest collector of Internal Revenue.

2. What form should I use to change an estimate I filed last spring? You have the same choice between Form 1040-ES and Form 1040. If you use Form 1040-ES, write the word "Amended" at the top of the form.

3. What is the difference between 1040-ES and Form 1040? Form 1040-ES is a special form for estimating tax. Form 1040 is the regular blank for filing annual income tax returns.

4. How can I decide which form is best for me? If by January 15, you do not have exact figures on your 1945 income and deductions, it is best that you use Form 1040-ES. In that case you will have to file your regular 1945 return by March 15. If you are in a position to file your regular return as early as January 15, you can file Form 1040 then and it will serve both as your Declaration and also as your return.

5. Does the new tax law, passed by Congress a few weeks ago, change any of this procedure? No, your Declaration or Return is for 1945 and the new law applies only to income received in 1946.

6. Do members or veterans of the armed forces have to file declarations? Not as to their pay for active service in the armed forces (except regular officers serving within the United States). However, if they have any civilian income, it is treated the same as the income of any other taxpayer.

7. How to Estimate Your Tax

1. Suppose I am one of the taxpayers who must file a Declaration of Estimated Tax on January 15, how do I estimate my tax for last year? Estimate your income for 1945 and then figure the tax by the same method you use to compute your exact tax on your annual return.

2. Are there any special worksheets or tables to help me estimate? You don't need any special sheets. Use a copy of the regular return blank, Form 1040.

3. If I use the regular return blank, Form 1040, to figure my tax, can I file that instead of an estimate form? If you fill it out like a regular return and use exact figures (not estimates), you can file Form 1040, and it will serve both as the declaration due now and as the return due March 15.

4. Part of my tax bill is paid through the tax deductions my employer makes from my paycheck. Do I have to pay the estimated tax on top of that? You pay only the difference between the withholding tax and your total tax.

5. If I am changing an estimate and have already paid some installments, how do I take credit for those payments? If filing Form 1040-ES, write the total amount on your payments on line 5. If filing Form 1040, write the amount on line 7(B), page 1.

6. Suppose my estimate last March was far too high, and I have already paid more than my correct tax for 1945. Can I get a refund of the difference? Yes, by filing your regular return and showing the amount of overpayment in line 9, page 1, Form 1040.

7. How to Avoid Penalties on Your Estimate

1. Assuming I had enough income in 1945 to be required to file a declaration, is there a penalty for failing to file or pay the tax due on a declaration? Yes. The penalty is five per cent of the amount due and unpaid, plus one per cent for each additional month—the total penalty not to exceed 10 per cent of the amount unpaid.

2. Is there a penalty for estimating my tax too low? Yes, but only if you underestimate your tax by more than 33 1/3 per cent if you are a farmer, or by more than 20 per cent if you are not a farmer.

3. How much is the penalty for underestimating? The penalty is six per cent of the difference between your estimate and the correct tax (but not to exceed the total difference between your estimate and 66 2/3 per cent of the correct tax if you are a farmer, or the total difference between your estimate and 80 per cent of the correct tax if you are not a farmer).

4. Suppose I filed my 1945 declar-

ation last March but now find it is under-estimated by more than 20 per cent. Can I avoid the penalty? Yes, by filing an amended declaration on your annual return by January 15 and correcting the under-estimate.

5. Suppose I based my 1945 estimate on my actual 1944 income. Does that excuse me from the penalty for under-estimating? If you based your estimate on your actual 1944 income and figured the tax at 1945 rates and exemptions, there will be no penalty.

6. Where and When to File

1. If I am required at this time to make a Declaration of Estimated Tax for 1945 (or amended declaration), when must it be filed? January 15. The tax due at this time must be paid in full.

2. Where do I file? At the office of the Collector of Internal Revenue in your district. In this district, address your declaration to "Collector of Internal Revenue, Custom House, Portland, Oregon."

3. Do I also have to file an income tax return by March 15? If you file your regular 1945 return on Form 1040 by January 15, it will serve both as a declaration and as a return, and no further filing on your 1945 taxes will be necessary. However, if you file a declaration (Form 1040-ES), you must also file your regular return not later than March 15.

4. Do I have to file an estimate for the new year, 1946? For 1946, the rules will be the same as last year. You will have to file a 1946 Declaration if you expect wages subject to withholding to exceed \$5,000 plus \$500 for every exemption except your own, or if you expect more than \$100 of other income (assuming your overall income is \$500 or more).

5. When do I file my 1946 estimate? March 15 if you are not a farmer; January 15, 1947, if you are a farmer. But do not confuse these dates with the deadline this January 15 for completing your 1945 estimates.

6. Suppose I don't want to change my 1945 estimate, but have an installment left to pay. When is it due? Also January 15. In this case, too, if you file your annual return by January 15, you may pay the amount called for by the return instead of the installment.

7. What is the automobile situation? This question is asked many times every day in the offices of the Smaller War Plants Corporation.

Only recently figures were released which should convince the veteran that he has but little chance to secure an automobile.

These figures indicate that the number of serviceable passenger automobiles in the service of the Army would not exceed 19,000, while those in the Navy would probably not exceed 5,000. Each service has indicated that they will be releasing but few of these cars.

Government Bodies First

But suppose that they did release even up to fifty per cent of these cars. The first priority group, namely, the federal government agencies, and the state, county and city governments would take at least half of this group of cars, which would leave roughly 4,000 cars that would be available to the veteran.

Today every one of the 110 district offices over the nation have at least one thousand applications now on hand for automobiles. So you can readily see there is little chance for you obtaining the automobile you so badly need in your business, through Government Surplus. No surplus is sold for personal use.

Personal Mention

Navy Man Released

Robert Benjamin Harris, Ship's Serviceman, L third class, 447 North Coulter street, has been released from active duty in the U. S. Navy, officials of the Bremerton port have announced.

Timely Topics

By HON. R. T. MOORE

The radio proved its political value during the FDR administration when it was used with telling effect to create favorable public opinion on controversial measures wanted by the chief executive. Advisers of Mr. Truman have persuaded him to try this same technique in an attempt to overcome the opposition that has kept his legislative program from getting anywhere. The timing is excellent while most members of Congress are home to be quickly influenced by constituent opinion which the president hopes to incline his way.

Use of the radio in direct appeal to the people requires special talent in preparation and delivery of the text. Whether Mr. Truman has the knack for this sort of thing remains to be proved. Language must be epigrammatic, terms general enough to imply wide meaning without definite commitment, and a generous spicing of dramatics must be sprinkled over all. The aim is appeal to the masses of people who customarily follow current events only in press headlines or movie news-reels. At least these are the ingredients of previous fire-side chats which we can confidently expect to be the pattern.

Proper use of this radio privilege will benefit democratic government if such speeches are the honest, sincere expression of what the president had in mind. They afford a means of direct communication with many members of Congress whose acquaintanceship with the president's views is largely second hand. A hostile press can be by-passed if it is unfairly serving up the news obliquely. But a superhuman degree of moral integrity is demanded of the president to keep such speeches on a high non-partisan plane to insure the respectful attention his office merits. The services of the president belong to all the people and not exclusively to the majority who elected him.

Most issues before our legislative bodies require careful study before forming final opinion. A wise provision of our republican form of government against ill-advised legislation by establishing legislative representatives as a first line of defense. With few exceptions the members of the Congress and the several state legislatures are public-spirited citizens of proven worth. It stands to reason that their combined, carefully considered judgment is more apt to hit the mark than the snap judgment of the common citizen on issues unfamiliar to the general public. But on issues requiring accurate appraisal of public opinion the representatives are at a disadvantage unless they have the cooperation of home folks.

Representative government contemplates responsibility on the citizen to keep himself reasonably well informed and to make his opinions known to his representatives. The latter are eternally subjected to pres-

sure lobbying which often makes it hard to ascertain the truth hidden behind the usual smoke screen of clever propaganda. Letters expressing the personal views of constituents are gladly welcomed, particularly when they come from the heart and are not in obvious response to pressure-group urging. Elected representatives can, and do, head off most bad legislation for the same reason that patent-medicine vendors find it hard to sell their wares to licensed physicians. But a much better job could be done if constituents took the time to write on issues of interest.

It is to be hoped that the public has listened carefully to the president's speech as it outlined his views and aims. He is entitled to the courteous attention of all as he seeks to recruit support for his policies. But the public should withhold final decision on the several issues until opposing views have also been heard and correctly to the people will be beneficial only if they are accepted for what they should be, one side of an orderly debate before the people as judges. Such talks will have great capacity for evil if permitted to dictate public opinion.

No Surplus Cars To Go To Individuals

Mr. and Mrs. Robert Zeigler and son, Johnny, were here from Seattle recently, visiting at the home of Mrs. Zeigler's parents, Mr. and Mrs. Wm. Hickam.

In Fort Orford Bank Bernard Mather of Coquille has been employed in the bank at Fort Orford it was learned this week. He is assisting Mr. Ross.

Refrigeration Equipment of All Kinds

- Condensing Units
- Exhaust Fans
- Cooling Coils
- Insulation
- Beverage Coolers (Dry Type)
- Ice Cream Cabinets
- Walk-in Boxes

Reach-ins of all sizes with solid or glass doors and smaller sizes with ice maker.

Home Freezers in chest type and reach-in type; also two temperature

Delivery On Some Items Depending Upon Conditions

## GARNIER'S REFRIGERATION SERVICE

Phone 2J 426 W. Front Street Nite 168J

1. What Federal tax form must be filed by January 15th? Your 1945 Declaration of Estimated Tax (or an amendment of your 1945 Declaration).

2. Does everyone have to file a Declaration? No. This filing should not be confused with the regular time for filing annual income tax returns, which must be filed not later than March 15th.

3. Who does have to file January 15? Three groups as follows: (a) farmers, (b) persons who filed a 1945 Declaration of Estimated Tax, but wish to change their estimates, (c) persons who should have filed a 1945 Declaration but have failed to do so.

4. Did everybody have to file a 1945 Declaration? No, only persons whose wages last year exceeded \$5,000 plus \$500 for every exemption except their own and persons who had over \$100 income outside of wages from which tax was withheld (assuming their overall income was at least \$500).

5. What are some examples? A wageearner with a wife and one child has two exemptions besides his own, and if his wages exceeded \$6,000 (\$5,000 plus \$500), he had to file a 1945 Declaration. Also required to file were merchants, landlords, lawyers, doctors, and others who received income from which tax was not withheld.

Why is January 15 a special date for farmers? Other taxpayers were required to file declarations last March, but the law specifically permitted farmers to wait until the next January 15.

How to File New or Amended Estimate

1. If I must file a 1945 Declaration of Estimated Tax on January 15, what form should I use? You have a choice between filing an estimate on Form 1040-ES and filing your annual income tax return on Form 1040. You can get either form from the

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- Withholding Tax
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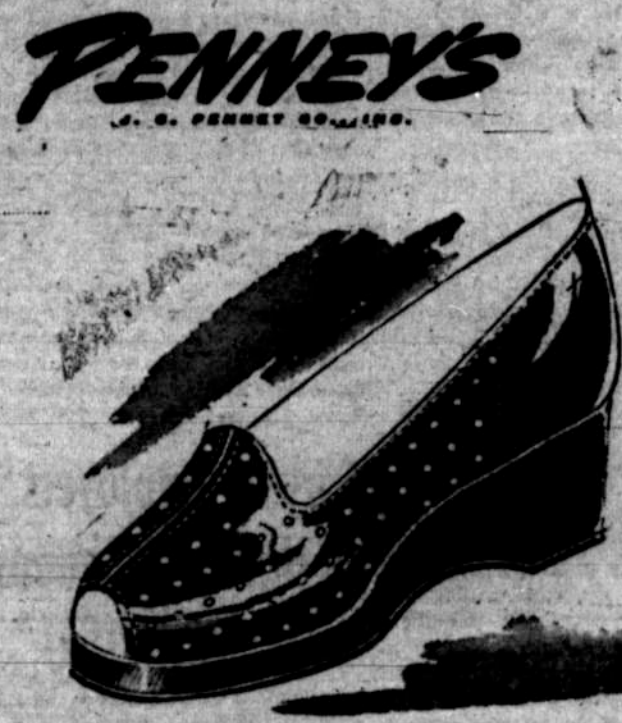
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MY GOSH! — AND WE DIDN'T NEED AUTO INSURANCE!

Ernie Smith

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