

GROSS INCOME TAX NOT SALES TAX TO FINANCE PENSIONS

All Income From Sale of Foodstuffs Exempt—Far Different From Tax Defeated in 1933 Ballot

By Willis S. Dunlavy
United Press Staff Correspondent
SALEM, Ore., Jan. 10.—(UP)—In the first place it isn't a sales tax. Instead, the measure passed by the recent special session of the legislature was a gross income tax, the tax commission declared today.

But since the income tax field embraces levies on net and gross receipts and on sales, the new law has easily, but incorrectly, been called a sales tax, the commission explained.

The gross income tax, however, would not be passed on to the consumer on each purchase as the retail sales taxes operate in Washington and California. It would be shifted only if and when the merchant was able to transfer it into the cost of doing business.

It would be only paid in the form of higher prices on more expensive merchandise.

Foodstuffs Exempt
All income from sales of foodstuffs would be exempt from the tax. This, the commission believes, would cut the tax revenue 50 per cent—or from \$2,000,000 annually to \$1,000,000.

The bill—House Bill No. 85, by Rep. Warner B. Snider of Deschutes and Lake counties—was jammed through the legislature on the last day of the session, and was a substitute for Snider's H. B. 84, which was an exact copy of the Washington state Sales Tax law.

The people will approve or reject the gross income tax at the special election on Jan. 31.

Title of the bill supports the tax commission's view that the act is not a sales tax. It reads: "A bill for an act to provide funds for old age assistance, aid to the blind, aid to dependent children and aid for the unemployed by imposing a privilege tax measured by gross income from retail sales of tangible personal property and also a privilege tax measured by gross income from wholesale sales of such property."

Difference Explained
Neither taking a stand for or against the bill, the tax commission made these observations for the United Press:

"1. First and foremost, the act is a gross income tax—not a sales tax, the fundamental difference being that a gross income tax is charged to and paid by the merchant, not the customer, and can only be passed on to the consumer in the sense that other items such as rent and personal property taxes are considered in the cost of doing business and added to the merchant's mark-up of his goods and cannot be said to be paid by the consumer any more than the real property taxes on the merchant's store and stock of goods are paid by the consumer.

"2. Unlike sales taxes, there are no provisions for passing on the tax to the consumer, or that the consumer shall pay the tax at the time of purchase.

"3. There are no tokens or other means provided to be used in connection with small purchases.

"4. If it were a sales tax there would either be provision for pay-

ments of the tax in pennies or tokens or at least a means offered of passing the tax on. Or there would be exemptions of certain small sales, and schedule covering sales between certain prices, such as are used where tokens are in vogue—all being various types of machinery for passing on the tax.

"5. It follows the Indiana gross income tax law—the purest type of such income tax legislation in the United States—and is similar to the South Dakota and certain other gross income tax laws.

Not Like 1933 Act
The gross income tax law is far different from the retail sales tax defeated by the voters in 1933, the commission said. A sales tax has been voted down twice.

The previous law was modeled on the California retail sales tax and provided for the passing on to the consumer of a two per cent tax on each purchase. It contemplated the use of a schedule which would eliminate the tax on purchases up to 15 cents, collect one cent of the next bracket, two cents on the next and so on, or else require the use of tokens to make change when pennies did not work out evenly.

Exemption Noted
The new law, if approved at the January election, will tax wholesalers one-quarter of one per cent and retailers two per cent on their gross incomes. Both rates of tax are on sales of tangible personal property and not on personal services unless the service is incident to the sale of the property—as a suit made by a tailor, a meal served in a restaurant, and so on.

In order to avoid a nuisance to both the taxpayer and the state, there is an exemption of \$50 per month of gross income of each person from sales of tangible personal property—thereby eliminating the small cigar stand, lunch counter and roadside stand.

The tax will be collected by the commission in monthly installments on or before the end of each month next, following the transaction.

ARMY RECRUITER LISTS VACANCIES
According to Sergeant W. M. Klein-Schmidt, army recruiting officer, vacancies are available at the recruiting office in the city hall at the present time for the infantry, field artillery, coast artillery, corps of engineers and the medical department, in the Hawaiian Islands; the seventh infantry at Chilkoot Barracks, Alaska, while along the Pacific coast enlistments can be made for the seventh infantry at Vancouver Barracks, Wash.; third coast artillery at Fort Stevens, Ore.; 30th infantry at San Francisco and the 11th cavalry and 76th field artillery at Monterey, Cal. Enlistments for Hawaiian Islands are to be made in time so that the men may sail on the U. S. army transport "Chitcaul Thierry" from San Francisco January 23.

Men enlisting for Alaska are temporarily stationed at Vancouver Barracks until their recruit training has been completed and they are then sent to their station in Alaska, while men enlisting for the various units on the Pacific coast are sent directly to their stations.

Young men between the ages of 18 to 35 years, single, good physical condition, will have no difficulty in obtaining one of these desirable assignments and are urged to do so at their earliest convenience by calling in person or writing to the army recruiting officer at the above address.

For those that wear buy
NOLDE & HORST
Ethelwyn B. Hoffmann.
Use Mail Tribune want ads.

Meteorological Report

January 10, 1936
Forecasts
Medford and vicinity: Occasional rain tonight and Saturday with no change in temperature.
Oregon: Occasional rain tonight and Saturday; snow over mountains; no change in temperature.
Temperature a year ago today: Highest, 48; lowest, 26.
Total monthly precipitation, 3.06 inches; excess for the month, 2.14 inches. Total precipitation since September 1, 1935, 10.05 inches; excess for the season, 1.68 inches.
Sunrise tomorrow, 7:38 a. m.
Sunset tomorrow, 5:00 p. m.

CITY	High Temp.	Low Temp.	Wind	Weather
Boise	36	04		Cloudy
Boston	34	22		Cloudy
Chicago	18	01		Clear
Denver	45	38		Clear
Eureka	54	32		Cloudy
Helsinki	22	01		Snow
Los Angeles	50	32		Cloudy
MEDFORD	47	40		Cloudy
New York	36	120		P. Cdy.
Omaha	40	22		Cloudy
Phoenix	62	40		Clear
Portland	44	22		Rain
Reno	42	02		Rain
Roseburg	44	24		Cloudy
Salt Lake City	38	24		P. Cdy.
San Francisco	44	36		Rain
Seattle	42	24		Cloudy
Spokane	32	18		Cloudy
Walla Walla	42	14		Cloudy
Washington, D.C.	42	35		P. Cdy.

Observations Taken at 5 A. M.
120th Meridian Time

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ADVISERS OF CCC TO REMAIN HERE

Educational advisers on duty with the recently disbanded CCC companies will remain at their camps and will be assigned to the new seventh corps area, companies, according to Eugene C. Golden, district adviser. One of two transfers will be made within the district, however.

Wallace I. Griffin will remain at Casquet. Donald G. Mace will be assigned to the new company at Wilmer. Guy R. Moore will remain at Steamboat. Lawrence Lewis will continue at Applegate.

Glenn A. Metzler, who has been at Elk Creek, will go to Camp South Fork. Victor Sparks, now at South Fork, will be transferred to Coos Head and move with the company to Sitkum. George C. Schmidt, who has been at Sitkum, will be moved to Agness.

561 CASES FILED IN LOCAL COURTS

Figures compiled by the county clerk show that in 1935 a total of 561 cases were filed in the circuit court and probate court of Jackson county.

The circuit court cases consisted of criminal, civil and equity actions and were brought before Circuit Judge H. D. Norton. They aggregated 445 cases.

Probate cases were handled by County Judge Earl B. Day and totaled 116 cases.

A total of 2414 coyotes were killed in 34 California counties during 1935.

PORTLAND, Ore., Jan. 10.—(AP)—A mail ballot resulted in the reelection of Harry K. Coffey of Portland as president of the Oregon branch of the National Aeronautics association, officials of the organization announced.

WITH THE VALLEY TRADE IS THE VALLEY MADE—BE WISE—BUY WISE—AND ECONOMIZE AT

Holloway's Reliable Grocery

W. A. HOLLOWAY, Owner 100% INDEPENDENT—NO AFFILIATIONS PHONE 20



Yes—send the order out
Now, Mary, you're "in" on how I shop the easy way. Experienced clerks do it for me!

Here's A Tip— TALK—Don't Walk

Why take time from your household or social duties to select and carry home your own groceries? For Personal Attention, Prompt Service and Low Prices, call Holloway's 20. . . 4 Free Deliveries Daily!

CATSUP 10c
Monitor, 12 oz. bottle, packed by C.H.B.

COCOA 17c
Rockwoods, large 2 lb. can

TAMALES 15c
Swifts (6 in can)

BEANS
Red or White
3 1/2 lbs. 17c

PRUNES
Italians . . . 3 lbs. 17c
Petite . . . 4 lbs. 17c

COFFEE
1 lb. pkg. 17c

Rogue River Cannery Foods—Canned in Medford

Tomatoes—standard pack, No. 2 1/2 can 10c
Tomatoes—solid pack, No. 2 1/2 can 2 for 25c
Tomato Juice—No. 1 tall can 3 for 25c
Beets—Sliced, No. 2 can 10c; Whole, 2 cans 25c
Pears, Prunes or Apricots—No. 2 1/2 can 17 1/2c

Maxwell House Coffee—pound can 29c; 2 lb. can 55c
Kraut, Spinach, Hominy or Pumpkin, No. 2 1/2 can 2 - 25c
Sardines—Oval, Sun Blest 3 cans 25c
Salmon—Booth's Fancy Alaska Sockeye, No. 1 tall 19c

Toilet Paper 25c
Red Feather 7 rolls

Matches 19c
Blue Diamond 6 box carton

Brooms 39c
Each

Cocoa 10c
Hersey bitter 1/2 lb. bar

Crisco \$1.09
6 lbs.

FLOUR Is Down
Buy Now
Kitchen Queen, 49 lb.
\$1.59

Swans Down Cake Flour
and 7 pc. Cake Set
All for **89c**

CALUMET
Baking Powder lb. can 22c

We still have some of the
H-O Oats—Free Tumbler Deal!

Shortening 53c
Flake White 4 lbs.

Apricots or Peaches 25c
No. 2 1/2 cans 2 for

Fancy Foss Walnuts \$1
Pound 22c 5 lbs.

Doggie's Delight 25c
Dog and Cat Food, 4 cans

SOAP SPECIALS

PEETS, large package 33c with 2 large bars Crystal White FREE
SUPER SUDS 3 packages 29c with 1 package FREE
PALM OLIVE TOILET SOAP—4 bars 10c
WHITE KING TOILET SOAP, 5 bars 25c, bottle of Perfume FREE

Look! Look!
APPLES
Fancy Spitz, BOX **98c**

Finest Fresh Fruit and Vegetables

Grapefruit, Fancy Imperial, 80's, doz. 33c
Bananas, 4 pounds 25c
Parsnips, 3 pounds 10c
Rutabagas, 5 pounds 14c
Carrots, fancy bulk, 10 lbs. 17c

A New and Delicious Item
For Your Sunday Dinner . .

PECAN PIE

This tasty pie has a rich caramel filling and is covered with a blend of Pecans and Coconut.

We will feature two sizes for Saturday . . .

14c and 33c

Also: Danish Date and Orange Squares

A rich Danish pastry filled with a mixture of orange and dates, and topped with icing and nuts. Excellent to serve for breakfast and teas.

Doz. 23c

Fluhrer's

Sirloin Steak . . lb. 14c

SMELT Fresh Daily **lb. 10c**

Bacon or
Bacon Back . . lb. 29c
Nice and Lean

HAMS Sugar Cured Small Size whole or half **lb. 29c**

Bacon Squares . lb. 19c
Mild Cure. Fat Backs

Boneless
Beef Cubes . 2 lbs. 29c

Mince Meat . . . lb. 9c

Hamburger . 2 lbs. 19c
All beef, no cereal or water added. Real Economy

WHILE THEY LAST

Southern Oranges 25c
Large 126 size. Doz.

Juice Oranges 23c
Thin skinned, sweet 3 doz.

Lemonettes 10c
Very juicy Doz.

Southern Lettuce 10c
Large solid heads 3 for

CITY MEAT MARKET

121 North Central—Phone 324 FREE DELIVERY Any Size Order

SAVE ON BETTER MEATS

Steer Beef Rib Boiling Meat, lb. 10c

Round or Sirloin Steaks, lb. 20c

Bacon by the piece, lb. 33c

Little Pig Sausages, lb. 25c

Pure Pork Sausage, lb. 18c

Lard, 2 lbs. 35c

ALSO FANCY HENS, RABBITS AND FRYERS