

Revenue Service Offers Helpful Advice for Filing Income Tax Returns

No Major Changes in Law Since Last Year

(Editor's Note: This is the first in a series of five dispatches prepared by Russell C. Harrington, commissioner of internal revenue, to give taxpayers some helpful advice in preparing their returns. This dispatch lays down some of the ground rules under the federal income tax law.)

By **RUSSELL C. HARRINGTON**
Commissioner of Internal Revenue

Written For United Press
Washington (U.P.)—Now—in fact, the sooner the better—is the time for U.S. citizens and residents to file their 1955 federal income tax returns.

There have been no major changes in the law since last year so it will probably be most helpful to begin by stressing certain basic points.

The Internal Revenue Service has compiled a list of questions which gave taxpayers the most trouble last year after Congress revamped the internal revenue code.

To start with, the regular filing deadline for individual taxpayers is midnight, April 15, the same as last year, but since that date falls on Sunday this year, you get an extra 24 hours to file.

The question of "When do I get my refund?" can best be answered by saying that you'll get it just as soon as we can check your return.

The best advice, if you're in a hurry for your refund, is to file your return early. With more than 60,000,000 returns to process, the later you file the longer it will take us to get around to yours. We handle them on a first come, first served basis.

The second basic point is who must file. That, too, is unchanged and includes, in general, citizens and residents of the United States, under 65 years of age and with a gross income of at least \$600. Individuals 65 or over must file if their gross income is \$1,200 or more. For most persons, paid either wages or salaries, gross income is the same as the total of their wages or salaries.

Must File for Refund
It's always worth repeating this: Even if you did not earn \$600 last year it's in your interest to file a return if during the year some income tax was withheld. You may be eligible for a refund, and the only way you can get it is by filing a return.

Due to certain trends—like greater coverage by hospitalization plans and more people owning stocks and bonds—special provisions of the law require attention. I will cover those later.

Also, certain events which happen each year affect the income tax liability of many individuals. For example, of vital importance to thousands of people this year will be the deduction for losses resulting from the hurricanes and floods which ravaged parts of our country during 1955.

It must be remembered that on personal, or non-business property, these casualty loss deductions are measured by the difference between the fair market value of the property before it was damaged and the value immediately afterward. You should also keep in mind that the deductible loss is limited to the cost or other adjusted basis of the property, and any compensation received, such as insurance.

Decline Seen in Blind Premature Babies

Tillamook—Retrolental fibroplasia, the tongue-twisting eye disease that not long ago blinded a high percentage of premature babies, is continuing to decline in Oregon.

Figures released last week by the children's eye clinic at the University of Oregon medical school show only four "preemies" with retrolental fibroplasia in 1955— and three of these cases were mild ones.

About two years ago researchers pinned the cause of the disease on too much oxygen being given to premature babies in incubators. The children's eye clinic was among the first to advance this solution.

Dr. Kenneth Swan, head of the clinic and the school's eye department, said more accurate control of oxygen has reduced the disease in Oregon, but he warned that the disease has not been eliminated entirely.

DISCRIMINATING DRINKERS
Shrewsbury, N.J.—(U.P.)—Discriminating thieves raided a supermarket in nearby Shrewsbury township and stole 100 bottles of scotch, brandy and bourbon, 15 boxes of cigars and 14 cartons of cigarettes. "We had a similar job here about three months ago," police said. "They took only the best kind of liquor."

ance coverage payments, must be subtracted from the amount to be claimed.

Because so many persons suffered storm damage to their homes and other personal property last year, the Internal Revenue Service has prepared a booklet entitled "How the Federal Tax Applies to Losses From Hurricanes, Floods and Other Disasters." You can obtain a copy from your district director and should find it very helpful. Just ask him for "Publication No. 155."

Proof of Loss
I also want to call your attention to a provision of the law which permits you, if your deductible loss exceeded your income for 1955, to claim a "quick" refund of part, or all, of the income taxes you paid for 1953 and 1954. You will need to have valid proof of ownership and evidence—pictures will help—of the loss sustained. A special form—1045—is available at your district director's office to make this claim. Form 1045 must be filed on or after the date of filing your return for 1955, but not later than Dec. 31, 1956. I have issued orders that these applications are to be handled as fast as possible.

This so-called "carry-back" provision, as mentioned before, is confined to actual loss and not what it may cost you to rebuild or repair.

The tremendous movement of our population from one place to another has brought an increase in the number of taxpayers who sell their homes and buy another.

If you sold your home during 1955 for more than you originally put into it as your initial cost, plus the cost of any improvements, the difference is not taxable if you bought another residence within a year which cost as much, or more, than you realized on the sale.

However, if you buy another home which costs less, you must pay tax on part, or all, of your profit. This tax may be at a lower rate, however, if you owned the home more than six months. If you sold your home and built a new one the time limit is extended to 18 months. If you did neither and your sales price exceeded the original cost, you must declare the excess and pay the tax.

Forms To Be Used
One further general question should probably be answered before turning, in subsequent installments, to some of the more detailed problems. That is which of internal revenue's personal income tax forms should be used.

This is one area where we have changed things a little. There are now just two basic forms—the 1040 and the 1040A and we no longer use the term "long" and "short" in regard to form 1040. You simply use as much or little of it as necessary.

The 1040A is a check-size card which we can process in high-speed accounting machines. It is simple and brief.

Almost half the taxpayers will use this form. Specifically, it is designed for those whose income last year was less than \$5000 and was in the form of wages or salaries from which income tax was withheld, or consisted entirely of such wages and not more than \$100 of other income, such as pay for a part-time job, interest on which no tax was withheld, or dividends etc. A husband and wife earning less than \$5,000, including not more than \$100 in other forms of income of the type mentioned, may also use this form to file a joint return.

The form 1040 must be used if your gross income was \$5,000 or more, or if you had more than \$100 in other income, or if you wish to itemize your deductions because they exceed the standard 10 per cent of adjusted gross income. On the 1040A, you automatically get a 10 per cent deduction to cover medical expenses, contributions, interest and other deductible items. You also get the same 10 per cent if you use the first page of form 1040, and take your tax from the tax table.

If you can, it's a great time saver—for you and us—to use the card form 1040A.

Determine Own Tax
If you use form 1040 you have to determine your own tax. And if your income comes from several sources, it must be listed on the other pages of the form and your tax computed on the rate tables which are provided.

When filing card form 1040A, send it to your district director—not to me as so many thousands have already done. He will send you a bill or a refund. Do not send a check or cash. Be sure to enclose the "W-2" form which your employer will give you showing your wages, how much was deducted for income taxes, etc.

When filing on form 1040, you also should mail your return to your district director. However, if your calculations show that you still owe some tax, you should attach your check or money order for the balance due, payable to the "Internal Revenue Service." Do not send cash, also, be sure to attach your form "W-2s" if you have any. One change we made this year should save us all a lot of time. You are now permitted, if you choose, to "found off" the amounts entered on your return or accompanying schedules. This means that you may eliminate any amount of less than 50 cents and increase any amount between 50 and 99 cents to the next highest dollar. (Tuesday: Whether to file a separate or joint return.)

If You're Not Trading at the GROCETERIA You're Paying Too Much

★ GROCETERIA

SIXTH AND GRAPE STREETS
OPEN 7 DAYS
A WEEK UNTIL 9 P.M.

Free! ADMIRAL APPLIANCE PRIZES!

2 Big Admiral TV SETS
4 Admiral CALENDAR
CLOCK RADIOS



Drawing This Saturday 9:30 A.M.

Tickets freely given to all over 18 years of age. You don't have to buy.

First Drawing Feb. 11th - Second Drawing Feb. 25th

Budget Wise **BUYS!** FOR THRIFTY SHOPPERS AT THE GROCETERIA!

| | | |
|---------------------------|------------|-----------|
| M-D TISSUE | 4 Rolls | 39¢ |
| WHITE HOUSE COFFEE | Pound | 79¢ |
| FRANGO-AMERICAN SPAGHETTI | 15-oz. Can | 2 For 25¢ |
| DEL MONTE JUICE | 46-oz. can | 25¢ |
| SEEDLESS RAISINS | 4 Lb. Pkg. | 49¢ |

- Old Dutch Cleanser (2¢ off deal) 2 cans 21¢
- Duncan Hines French Dressing 8 oz. bottle 39¢
- Early California Stuffed Olives 3 1/2 oz. bottle 25¢
- Fels Naptha Soap 3 bars 27¢
- Gebhardt's Chili Beans No. 300 can, 2 for 35¢
- Ore-Ida Frozen Potato Patties 12 oz. pkg., 19¢
- Puss 'N Boots Cat Food No. 1 can, 2 for 27¢
- Trend Detergent 2 pkgs. 39¢
- Purex Beads O' Bleach 18 oz. pkg. 39¢
- Kotex Sanitary Napkins pkg. of 12 39¢, 2 for 77¢
- Willapoint Oyster Stew 10 oz. can 29¢
- MJB Brown Rice 28 oz. pkg. 33¢
- MJB Long Grain Rice 28 oz. pkg. 39¢

BANANAS
No. 1 Hands 2 POUNDS 25¢



SIZES AND COLORS FOR EVERY CLEANING NEED!

O-CELO Sponges

19¢ to 79¢

ONE SHOPPING STOP FOR EVERYTHING

Elegant Nourishing Lindsay

Medium Size Pitted Olives No. 1 Can

38¢ 2 cans 69¢

At The Groceteria Fountain

ALL THIS WEEK

COLUMBIA RIVER SMELT

Choice of French Fries or Mashed Potatoes, Vegetable, Bread and Butter, Coffee, Tea or Milk

Fluffo IT'S NEW! IT'S GOLDEN!

3 Pounds **89¢** FLUFFO

Coupon on each can worth 20c on next purchase!

A Complete Delicious Dinner For —

65¢

YOUNG, TENDER — FRESH NOT FROZEN — SMALL SIZES

SPARERIBS

BOIL, BAKE OR BARBECUE — THEY ARE ALWAYS TOPS!

39¢ lb.



FOR YOUR VALENTINE DAY PARTY Sweetheart Cake

From Our Own Bakery HEART SHAPED WITH WHITE ICING DECORATED WITH RED CANDY HEARTS

\$1.39

HEART SHAPED FULLY DECORATED SWEETHEART CAKE A BEAUTIFUL ARTISTIC CREATION

\$2.50

Please Order Early For Delivery On Valentine's Day