

Taxpayers Should Take Deduction For Persons Supported During Year

Editor's note: Following is the third in a series of five articles designed to help taxpayers to fill out and file their 1958 income tax returns. The series was prepared especially for United Press by Russell C. Harrington, commissioner of Internal Revenue.

By R. C. HARRINGTON
Comm. of Internal Revenue
(Written for United Press)

Washington — The people you support will mean even more to you when filling out your federal income tax return.

The law provides an exemption of \$600 for every taxpayer—meaning you may deduct that much from the income on which you will be taxed. In addition, a husband is allowed another \$600 exemption for his wife, if they file a joint return or if she

files no return. If she does make out a return, she must take the exemption for herself, and then the husband may not claim it.

Taxpayers also are entitled to additional exemptions for other reasons, and this article will try to explain some of them.

Extra Exemption

First, if you are 65 or older, you may take an extra \$600 exemption. Taxpayers who are both 65 or older and blind get two extra exemptions, but the \$600 blindness exemption may be taken at any age. The extra exemptions for age and blindness apply only to the taxpayer, husband or wife or both, but not to dependents.

Before moving to the question of dependents, keep in

mind that the government considers you one day older than your actual age. That means if your 65th birthday was on or before Jan. 1, 1958, you are entitled to the extra \$600 exemption for age on your 1957 return.

The calculation of \$600 exemptions for your dependents is different from the methods used for husbands and wives.

One example—if you support your 70-year-old father, the exemption is only \$600 and nothing extra for his over-65 age status.

In order to claim someone as your dependent you must have provided more than one-

household maintenance in such cases as rent, insurance, repairs, utilities and food—but not such things as clothing, education, medical expenses and the like, even if you pay them. Heads of household must use Form 1040 to claim the lower tax rates available to them.

Five Dependency Tests

Another question about dependents is the status of divorced or legally separated persons. You may not claim an exemption for your spouse if you were divorced or legally separated during the year, regardless of whether you paid for the support of that person.

There are five tests to apply to the question of whether a person is your dependent:

1. You must have furnished more than half of his or her support.
2. The dependent's gross income must have been less than \$600 for the year, unless the dependent is your child under 19 or a full-time student, as explained below.
3. The dependent must be related to you or, if not, must be a member of your household who is living in your home.
4. The dependent must be a citizen of the United States, or if not a citizen, a resident of the United States, Canada, Mexico, Panama or the Canal Zone.
5. The dependent must not be making a joint return with his or her husband or wife.

INCOME TAX TIPS
Washington — Here are five common mistakes that cause people to pay more income tax than they should:

Claiming the standard 10 per cent deduction for allowable deductions (such as interest, contributions and taxes) when an itemized list would add up to more than 10 per cent of income.

Failure to claim all allowable deductions when making the itemized list, such as the cost of auto license plates.

Husbands and wives often file separate returns when a joint return would reduce their tax.

Failure to claim all permissible dependents, especially children under 19 or in school (though they may have earned more than \$600 of their own) and relatives you may be supporting jointly with others.

Not deducting pay received under an employer-financed plan while you were absent from work because of injury or illness.

half of his or her support for the year and their own income must have been less than \$600. However, the rules are different for persons whose support is paid for by several individuals.

Exemption Not Divided

For example, let us consider a mother who is being supported by several of her children, none of them contributing more than half of the total. One of them whose share of the bill is 10 per cent or more of the total may be chosen by the others to claim the \$600 exemption. The exemption cannot be divided. The rest who contribute more than 10 per cent must file a declaration that they will not claim the exemption. This declaration is Form 2120 and is available at all Internal Revenue Service offices.

Contrary to the general rule, your children who are under age 19 or who are full-time students of any age may be claimed as \$600 exemptions even though they earn \$600 or more themselves. To be a full-time student, the law requires full-time study at a recognized school for at least five months of the year, or attendance in one of several full-time on-the-farm training programs.

The deciding factors are whether the child was under 19 or a full-time student, and that more than half of his support was supplied by the taxpayer who claims the exemption.

Children Must File

Children who earn \$600 or more in a year, however, must file income tax returns of their own. A youngster may claim his own personal exemption on this return without changing the right of the taxpayer who is contributing more than half his support to claim the child as a dependent. If the child earned less than \$600 and taxes were withheld from his pay, he is entitled to get the money back. To do so, he must file a return.

The law provides special tax rates for persons qualifying as a "head of household." Usually, this means a person who is unmarried or legally separated who paid more than half of the maintenance cost of a household which was also the home during the full year for (1) any relative who qualifies as the taxpayer's dependent, or (2) the taxpayer's unmarried child, grandchild or stepchild, even though the child is not a dependent. Another way to qualify as head of a household is to maintain a home for one or both of your parents if either one qualifies as your dependent. Costs to be figured into

Eight Selected to Y Youth Program

Eight southern Oregon teenagers were elected to YMCA youth and government offices at a pre-legislative meeting recently at Southern Oregon college, Ashland. Herb Partridge, YMCA youth activities director, has announced.

Those elected were Cameron Hinman, Modoc Hi-Y, governor; Miss Joyce Glinisky, Kappa Tri Hi-Y, senate reading clerk; Karen Sloniger and Joan Laurila, both of Kappa Tri Hi-Y, reporters.

Legislative committee chairmen elected were Dwantha Winchel, Theta Rho Iota Tri Hi-Y, Larry Anderson, Rogue Hi-Y. Their two alternates are Maria Weed, Otyokwa Tri Hi-Y and Caron Leffler, Theta Rho Iota Tri Hi-Y.

All elected officers will go to state legislature in March as part of the youth and government program sponsored by the YMCA.

Seven Clubs

Seven Hi-Y and Tri-Hi Y clubs were represented at the conference including Wenatchee Tri Hi-Y, Modoc Hi-Y, Otyokwa Tri Hi-Y, and Talamath Tri Hi-Y. Representing Medford were Theta Rho Iota Tri Hi-Y, Kappa Tri Hi-Y and Rogte Hi-Y.

Ben Day, Medford attorney, gave the keynote address at the session and the program included talks by Dr. Elmo Stevenson, president of Southern Oregon college, County Judge Rodney Keating, Rep. Bob Duncan, and County Clerk Bereth Hopkins.

While at the legislature the group plans to present three bills.

Youth and government program is designed to acquaint teenagers with the process involved in government action. Partridge explained. It served to further leadership ability and the Christian concept as the basis of good government in action.

Is That So?

By EUGENE BURNS
Ranger-Naturalist

Among the earth's migrants, perhaps the greatest is the tiniest when he begins his trip — and so small you can hold him in your hand.

This is a fish, the eel. With an adult to guide it, it travels unerringly 2,000 to 5,000 miles taking two to three years to get from the ocean deeps to its fresh-water home where its parents once lived, even crossing dry land if necessary.

As an adult between 7 to 15 years, the female travels from headwater or pond (in Central Europe or Eastern America) down to the sea



where she picks up her escort, the male, and on they wriggle to the great depths of the Sargasso Sea, southeast of Bermuda, where they spawn. And die.

Later, there is a sudden eruption of tiny, transparent, threadlike creatures (elvers) welling to the surface and these larvae stream off in two main directions, never crossing — the American elvers turn west, the European elvers turn east.

Performing a prodigious feat of navigation, these tiny larvae unerringly set course for the fresh waters where their parents once lived.

The American members of the family reach their brackish water within a year—and, by arrival, the elvers are ma-

Journey Takes Longer

Not so the European. Their journey, being longer, takes three years, and appropriately, they take precisely three times as long to mature.

Upon their arrival, the male adults remain in the salt-water estuaries while the rest- less females drive on, climb the rivers and are not content until they arrive at the headwaters — sometimes crossing dry land to lakes which have no demonstrable connection with rivers. For these over- land nighttime journeys, they are equipped with gills that can store enough water to keep them moist until they can reach the very pond where their mothers had lived before them.

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BLM Foresters Attend Course

Two men from the Medford office of the bureau of land management attended a one-day school in Roseburg Tuesday on the use of the prism wedge, according to Ross Youngblood, Medford district forester.

Frank Palo, forester from the northeast unit of the district in charge of planning and research, and Ed Kupila, forester from the southern unit of the district in charge of planning and research, attended the school.

The wedge, which was invented in Germany, has been in use for some time in Europe and by commercial foresters, Youngblood said. He explained use of the system will lower costs of operation by making estimates of sections more accurate in less time. The method used by the BLM before is by placing a stake and then walking a large circle for a section.

Several wedges are made, each for estimating a different sized section. The local office plans to use the new method for measuring plot

this summer. All districts of the BLM will put the new method into operation at this time, Youngblood added.



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Glenn Jackson to Attend '58 Aircade

Glenn L. Jackson, vice president of California Oregon Power company, will be one of four panelists from outside the Portland area who will participate in "1958 Aircade" and Congressional issues clinic in Portland Friday.

About 500 businessmen from Washington and Oregon are expected to attend the all-day session, which is one of 12 the U.S. Chamber of Commerce is presenting in 12 major cities in the nation this month.

The program is designed to help business leaders learn more about the major issues facing the present session of

RETIRED BANKER DIES

New York — Henry Bruere, the former president and chairman of the Bowery Savings Bank, died at the age of 78 Tuesday at his home in Winter Park, Fla. From 1931 until his retirement in 1955, he was an important adviser of a long string of New York City mayors.

Congress, and learn how they can be more effective in having their voice heard in final decisions made by Congress.

Keynote for the Portland program will be Philip M. Talbot, president of the U.S. Chamber.

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