

Higher Income, Larger Percentage Taken; Ways of Saving Reviewed

(Editor's note: This is the second of five dispatches telling how to pay your Federal income taxes—with out paying a penny more than you're required to.)
By EDWARD COWAN
United Press International
Washington — (UPI) — The higher your income, the greater the percentage of it that Uncle Sam takes in taxes. That's what lawyers call a "progressive" tax system. You may have other adjectives for it, but it's the law.

For an unmarried taxpayer the basic tax rate is 20 per cent of the first \$2,000 of taxable income. The next \$2,000 is taxed at a rate of 22 per cent. Income from \$4,000 to \$6,000 is taxed at a 26 per cent rate, and from \$6,000 to \$8,000 at 30 per cent. The rate keeps climbing until, for taxable income above \$200,000, Uncle Sam takes 91 cents on the dollar.

So you save in two ways by getting your taxable income as low as possible: first because less income is taxed, and second because it's taxed at a lower rate.

Major Means
For most people, exemptions and deductions are the major means of reducing taxable income.

This is a good time to get a few definitions straight. Your "gross income" is the total of all wages, salaries, dividends, interest, rents and whatever else you earned during the year. "Exemptions" are tax

Many People Pay More Income Tax Than is Necessary

Washington — (UPI) — Many people pay more income tax than they have to because they:
—File separate returns for husband and wife when a joint return would reduce their tax bill.
—Claim the standard 10 per cent deduction when an itemized list of deductible expenses would exceed 10 per cent of adjusted gross income.
—Fail to claim all allowable deductions when drawing up an itemized list.
—Don't deduct sick pay when they miss work because of sickness or injury.
—Fail to claim all eligible dependents.

allows you to get for your dependents. "Deductions" are expenses you may subtract from your income in figuring taxable income.

All of these will be discussed in detail in the next two articles in this series. Meanwhile, let's look at the special tax advantages the government gives married people. It helps to ease the "progressive" bite of the ascending tax rates.

Most married couples can file what is called a joint return. They usually can do so

whether the wife worked or stayed at home. Joint returns often save a couple money on their taxes.

That's because the total income reported in the joint return is split in two and each half is taxed separately. Thus, the tax rate on each half is lower than the rate on the total would be.

Example Cited
Here's an example from official tax tables of the Internal Revenue Service: A man filing a separate return and reporting a taxable income of \$7,000 has a liability of \$1,660. But if that man gets his non-working wife to sign a joint return with him, the tax bill is \$1,460 — a saving of \$200.

When both husband and wife work, it is sometimes cheaper to file separate returns. The only way to decide what to do is to figure your taxes both ways on scratch paper, and take the cheaper way.

Even if you filed separate returns last year, you may file a joint return this year, or vice versa. If you file separate returns and later discovered you should have filed a joint return you may do so up to three years after the April 15 filing deadline. But, if you file a joint return, you may not file separate ones after April 15.

Is Prohibited
Joint filing is prohibited in some circumstances. They are: if you were divorced or legally separated on or before Dec. 31, 1959; if you are married to a non-citizen who does not live in this country; or if you and your wife report your income on the basis of different tax years. For example, for business reasons, you may report your income for a 12-month period ending June 30 while your wife uses the regular calendar year.

Even if you got married on New Year's Eve just before midnight, you are considered married for the entire year of 1959 for tax purposes, and may file a joint return.

If your spouse died in 1959 and you did not remarry, you still may file a joint return. Sometimes a surviving spouse may claim the income-splitting benefits of a joint return for the two years following death. For details about this provision, ask your attorney, accountant or local office of the Internal Revenue Service.

Part Time Work
Suppose your wife worked only part time last year and earned less than \$600. A joint return probably would be to your advantage. She might set a refund for taxes withheld if she filed separately, but you would lose her as an exemption.

A couple filing jointly has the same choice of forms that an individual has. If their combined income is not more than \$10,000, including not more than \$200 of dividends, interest and wages from which tax was not withheld, they can use the punch card short form, 1040A, if they choose.

If form 1040A is inappropriate, then they may use the middle form, 1040W, or the long form, 1040. Rules gov-

erning use of these are the same for couples as for individuals, and were spelled out in the first article of this series.

Both Must Sign
Both husband and wife must sign a joint return and each becomes individually liable for any tax owed the government. For example, a woman could be legally responsible for a tax debt even if she did not work and received no income during the year.

Like an individual, a couple filing jointly may take the standard 10 per cent deduction or itemized deductions. But if the man and wife file separate returns and one itemizes his deductions, the other must, too.

You must attach to your joint return both the husband's and the wife's Form W-2, the statement of earnings provided by employers.

One other matter that concerns quite a few couples each year is buying and selling of houses. In some circumstances you can get a break on taxation of the profit you make on selling your house. Ask the Internal Revenue office about this if you sold your house in 1959.

(Next: Exemptions)



GAVEL CHANGES HANDS—Keith McLean (left) accepts the gavel and bell symbolic of the 20-30 club presidency from outgoing president Bert Rostel. McLean and other officers were installed during the Medford organization's banquet at the Rogue Valley Country club Saturday night.

Junior Service League 'Adopts' Korean Girl

Members of the Medford Junior Service League have financially "adopted" Kim In Shil, 6-year-old Korean girl, through the Foster Parent's Plan, New York City.

The local group has promised to contribute \$15 a month toward the child's support for at least one year.

"Adoption" through the plan is financial, not legal. Of the money contributed by the foster parent the child receives \$8 each month as an outright cash grant. The remainder is used for periodic food and new clothing packages, translations of letters, medical services and education.

In Shil is one of four children supported by her widowed mother in Pusan. Her mother does sewing for her neighbors and is said to be skilled as she earns more than most women for this type of work, about \$15 per month. In Shil has a sister, In Sook, 11, and two brothers, In Bum, 8, and In Hwan.

The family lives in a tiny room with kitchen on a hill overlooking Pusan. In Shil is too small for her age, and the Plan will also pay for needed medical treatment.

Gold Hill Firm Manufactures Gifts

Gold Hill-The Tolco Products company, owned and operated by John E. and Jeanne A. Cole and Volz Tolman, is now manufacturing original gift products, it was announced Monday.

The firm, which recently assumed its business name, is located at route 2, box 360, Gold Hill. The firm manufactures the products for wholesale distribution. They are currently selling birdhouses and shadow boxes and do picture framing to order. The product line will later be expanded to include lamps and other articles, it was explained.

Twenty per cent of all American families own an average of 1.2 cats each.

McLean Installed As 20-30 Leader

Keith McLean was installed as president of the Medford 20-30 club during ceremonies at the organization's installation banquet at the Rogue Valley Country club Saturday night.

McLean, warehouse manager at Cardona Supply Co., succeeded Bert Rostel, salesman for Sloan Co.

Other officers installed included Phil Huntley, first vice president; Dick O'Dell, second vice president; Fred Stock, Art Tropple, Jack Shreeve and Bill Brew, board of directors, and George Maness, "tail-twister."

McLean appointed Tropple secretary and reappointed Gordon Stephens treasurer.

Installations were conducted by Jerry Dyball, 20-30 district governor from Salem.

Gold Beach Girl Dies of Meningitis

A little girl died of spinal meningitis Sunday, despite an air ambulance flight for hospital care.

Shirley Bell, 4, daughter of Mr. and Mrs. J. C. Bell of Gold Beach, became ill last week end with what was tentatively diagnosed as poliomyelitis. Mercy Flights, Inc., in Medford was called Sunday morning and a plane flew to Gold Beach to pick up the girl. They took her to Eugene's Sacred Heart hospital.

She was in a portable "lung" during the flight, and was also taking oxygen. Upon arrival at the hospital, her illness was rediagnosed as meningitis. She died the same evening.

Senior Citizen of Oregon City Named

Oregon City — (UPI) — Clarence Enghouse, assistant residence manager of Crown-Zellerbach, Monday night was named senior first citizen of Oregon City.

Robert Andrews, past president of the Kiwanis here, was named junior first citizen for 1959.



Small Worlds Around Us

By Lynn M. Watkins

His Generosity Towards Mouse Backfired

Innocently, I played a dirty trick on one of my "nicest friends." I was only trying to be generous and it backfired on the mouse. He was a white-footed mouse, a cute little guy, and I was very fond of him.

With his soft-eyed little wife, he lived in a tiny nest, located in the end of a hollow log. It was a homey little nest, lined with soft grasses, with a small door protected by an overhang from driving rains. A woods vine clambered up from the ground and entwined itself around the end of the old log. White-foot and his meek little mate used the vine as a ladder.

With a flashlight I peered into the nest; with one finger I stroked four, tiny baby mice that snuggled in the soft nest lining. During this performance on my part, White-foot sat quietly by, unafraid, and trusting. Probably I was the first and only "outside" friend he ever had; his life was a constant nightmare of dangers.

Snakes
Snakes patrolled the area where the mice hunted for seeds. There was always the danger that a prowling skunk would locate the nest. Every whistle of a wing overhead could mean a hawk, and at night it would be an owl just waiting for a scurrying form to race across a path of moonlight. The mouse family lived dangerously; any minute could be its last.

To help him out with his food problem and to make his life a little easier, I took him various tidbits. He liked everything. Inside of a week he was almost ready to take food from my fingers. This made me feel good as in that way, I thought, I could keep him from wandering too far afield, thereby lengthening his life.

He went nearly frantic with joy over sunflower seeds and raisins. After he ate his fill he would scrub his pointed little face. Like all white-foot mice, he was fastidiously neat. He could not tolerate dirt on his face or in his long, silken whiskers. Sometimes, even when he was unusually hungry, he would stop, right in the middle of a meal, and wash his face. He was a clean mouse.

Cleanliness Causes Downfall
It was this ridiculous passion for cleanliness that caused his downfall. To give him an unexpected and unknown treat, I placed a large gob of peanut-butter on a bush a short distance from the old log. White-foot found it in a matter of minutes. He smelled it carefully. He forgot his usual delicate manners and gobbled it down by mouthfuls. He was frantic with joy.

Suddenly he remembered his little wife. She would like this; he stopped eating and scurried for home. Half way across the small clearing his habit of cleanliness overcame his good judgment. He stopped, sat up on his hind legs and began cleaning the

sticky peanut-butter off his face and whiskers. It came off hard, but he persisted; peanut-butter in soft whiskers is murder.

There was a flash of rapidly beating wings as the hungry hawk swooped down in a power-dive. Little White-foot, busy with his face washing, failed to hear or see the descending bird of prey until it was too late. The little nest in the old rotten log is empty now.

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High School Seniors To View University

Eugene — Some 800 high school seniors have registered for the University of Oregon's "Duck Preview" on Jan. 30.

Purpose of the meeting, according to John Packham, Portland student chairman for the event, is to help acquaint high school seniors with the academic opportunities at the University of Oregon.

Schools and departments of the university will be open for visiting students, with deans and department heads giving special talks and with exhibits planned.

Stolen Safe Found Near Lake Creek

The safe stolen from Dad's Hideaway a month ago and some unsigned payroll checks were found by Virgil A. Miller, Eagle Point, Saturday night, the sheriff's office reported.

Deputies said 45 cents in silver was found in the safe besides the checks. The thieves had apparently pried the door open and left the safe in the brush near a road about 8 miles past Lake Creek.

BOIVIN FILES

Salem — (UPI) — State Sen. Harry D. Boivin (D-Klamath Falls) filed Monday for reelection and also as a candidate for delegate to the Democratic national convention from Oregon's second congressional district.

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KIM IN SHIL Aided by Local Group

Hatfield Complains Of Stiff Back

Salem — (UPI) — Although at his desk Monday, Gov. Mark Hatfield complained of a stiff back and aides said he has been placed under a doctor's care because of the ailment.

A spokesman said the governor's back has been bothering him "off and on" since a traffic accident in Portland several months ago.

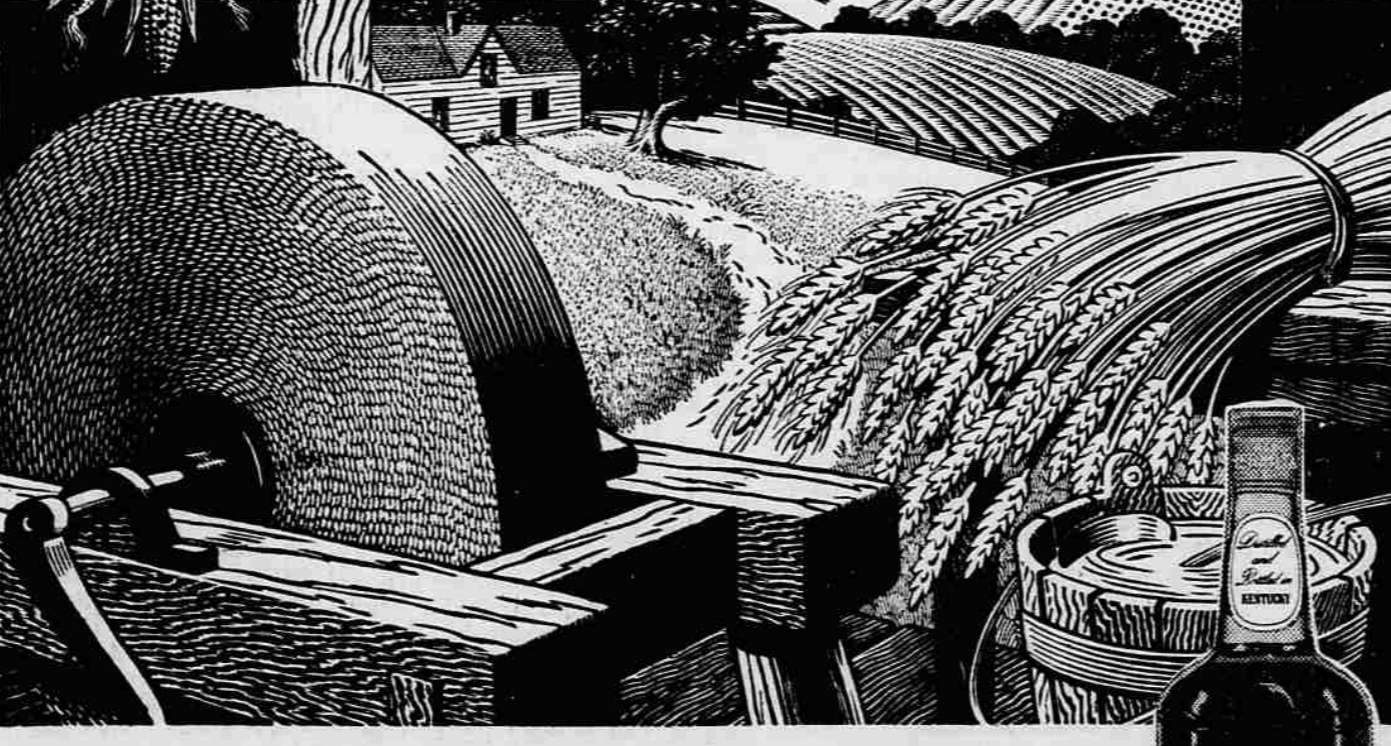
Pilot Rock Woman Is Found Innocent

Pendleton — (UPI) — Mrs. Edna Carrothers was found innocent by a Circuit Court jury Monday of a charge of larceny of public money.

She had been accused of taking \$1,442 while treasurer and city recorder at Pilot Rock.

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Nature's finest bourbon
There is none better!

Ripest grains, Kentucky limestone water,
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Union Found Guilty Of Unfair Practices

Washington — (UPI) — The Longshoremen's Union has been found guilty of unfair labor practices by the National Labor Relations Board for the picketing of General Ore company, Portland.

The NLRB had ruled against the union six months ago in a separate related case. The new ruling upholds that of Howard Myers, NLRB trial examiner. He recommended the union cease from picketing the Portland dock of General Ore Incorporated, General Ore is a subsidiary of Harvey Aluminum Co., The Dalles.

The Board said that the picketing had as its object to force the company to join the Pacific Maritime Association, or to force it to hire the services of a stevedoring firm.

Named to desist from the picketing were the International Longshoremen's and Warehousemen's union and locals 8 and 92.

The earlier case also was based on picketing of General Ore. The NLRB ruled in connection with it that the union did not have jurisdiction over unloading facilities of Harvey Aluminum here.

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Tuesday, Jan. 26, 1960

Young Mother Pleads Guilty to Manslaughter

Oregon City — (UPI) — Mrs. Charlotte LaVonne Barnett, 24-year-old mother of three, pleaded guilty to a manslaughter charge Monday in connection with the fatal shooting of her husband, Travis Barnett, last Nov. 23.

She had been scheduled to go on trial today on a second degree murder charge. Circuit Judge Ralph M. Holman ordered a pre-sentence investigation.

Leon's TOTS-TO-TEENS Big PRE-INVENTORY 'CLEARANCE'

THIS WEEK END WE TAKE INVENTORY . . . SO TO CLEAR STOCKS TO THEIR LOWEST, PRICES HAVE BEEN "SLASHED" TO THE VERY LOWEST OF THE SEASON ON ALL CHILDREN'S SHOES AND CLOTHING . . . BUY NOW AND SAVE . . . THE SAVINGS ARE TREMENDOUS . . . ALL SALES FINAL . . . ENDS SATURDAY NIGHT.

"Girls Coats"
Dozens of smart winter coats . . . all size ranges included . . . priced as low as . . .

9.99

"Sweaters"
GIRLS' AND BOYS'
Nylons and orlons . . . some very good values and priced from . . .

2.99

"Girls Dresses"
Right out of regular stocks . . . most styles can be worn all year 'round . . . some go on sale for only . . .

1.99

"Pajamas"
GIRLS' AND BOYS'
Lots of time to use these . . . and the savings are great . . .

1.99

"Blouses"
All the girls blouses are now on sale . . . cottons . . . nylons and dacrons . . . prices start as low as . . .

1.49

"Boys T Shirts"
Many very fine T shirts go on sale for the first time at these low prices . . . one group for only . . .

79c

"Skirts"
All size ranges in skirts go on sale . . . some are higher but you can find them for only . . .

1.99

"Snow Suits"
Final clearance on all snow suits . . . some are priced higher but you can find a few at only . . .

3.99

"Robes"
GIRLS' AND BOYS'
Final clearance on robes . . . still a good selection left and priced as low as . . .

3.99

"Toys & Gifts"
Two big tables just full of all kinds of toys and gifts too numerous to mention . . . but all go for only . . .

1/2 Price

"Wool Slax"
About 8 pr. of 7 to 14 styles . . . values to 7.98

\$1.99

"Infant Sets"
For girls and boys . . . values to 3.98 . . .

\$1.99

"Tights"
All go for only

\$1.99

"Slips"
Clearance on certain girls nylon slips . . .

\$1.49

"Gloves & Mittens"
Mostly small sizes . . . wools and orlons . . .

69c

"Plastic Pants"
Discontinued infants plastic pants only . . .

29c

"Shoes"
Closeouts on certain children's shoes . . . broken lots only . . .

\$2.99

"Slippers"
Odds and ends in small size slippers . . .

79c