

# Residents Not Taxed on All Income Reported on Return

(Editor's Note: This, the third of five dispatches on how to pay your Federal income tax, tells about the exemptions you can take to lower your taxable income.)

By EDWARD COWAN  
United Press International  
Washington—You must report your total income on your Federal tax return. But you are not taxed on all of it. Under the law you can subtract big chunks of income from your earnings before you settle on your "taxable income."

For most taxpayers these chunks are either exemptions or deductions. An exemption is usually an allowance for your dependents, including yourself. We'll discuss exemptions in this article. In the next one, we'll take up deductions.

For each exemption that you are entitled to claim, your income is reduced by \$600 for tax purposes. Every taxpayer gets an exemption for himself—automatically. That's why a single person with no dependents pays no income tax if his earnings for the year are \$600 or less.

**Married Person**  
A married person gets one exemption for himself and one for his wife—unless she is listed as a dependent on someone else's return, such as a parent's, or unless she has filed a separate return of her own claiming herself as an exemption.

The rule is that a person can be a full dependent of only one taxpayer. This means that when a couple file separate individual returns, each must list himself and neither can claim the other. Both can be listed in a joint husband-wife return even if the wife (or husband) had no income in 1959.

Two special types of exemptions are for old age and blindness. If you were 65 or older before the end of the year, you get an extra \$600 exemption. If you were blind on or before the last day of the year, you may take an extra \$600 exemption regardless of your age. If you qualify on both counts, you may take two extra exemptions.

**Four Exemptions**  
Suppose you turned 65 last year (or on Jan. 1, 1960) and your wife did too. If you file a joint return you may take four deductions—the one apiece everyone is entitled to and one each on account of age. That means the first \$2,400 of income reported is not taxable. If you and your wife file separate returns, you take two exemptions each.

You may take blindness and old age exemptions for a wife or husband who died last year. But these special types of exemptions may not be claimed in any circumstances for a dependent other than a spouse. A parent, child or other dependent counts as only one exemption for you regardless of age or blindness. To claim someone as a dependent, your relationship must meet these five tests:

## Three Forms Are Available for Tax Return Filings

Washington—Taxpayers can file their returns on one of three forms. Here's how to tell which one to use:

**1040A, short form**—If your income, (or combined income in a joint return) was less than \$10,000 in 1959 and included not more than \$200 in dividends, interest or wages that were not subject to withholding. No itemized deductions.

**1040W, middle form**—Unlimited salary, not more than \$200 of dividends and interest, no other income. Taxpayer may take standard deduction or itemized deductions.

**1040, long form**—All taxpayers who do not file on either forms must use this one. Required for reporting rent, capital gains or losses, retirement income. Either standard or itemized deductions may be taken.

## 'On the Air' Code Training Available

"On the air" code training classes will start Monday at the Civil Defense center.

The classes are open to Civil Defense Control Center personnel and amateur radio operators. Instructors will be Chuck Thurston, W7BEG; Ed Gilkey, W7EGM; and Dwight Albright, W7HLF. It was reported that there are openings for four interested persons. Instruction will include the proper handling of messages along with routine operating procedures.

Code practice will be held from 8 to 8:14 p.m.; Civil Defense network, 8:15 to 8:30 a.m.; with code on the air from 8:30 until 9 p.m.

1. You must have furnished more than half of his or her support in the past year.

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. (Details on this exception below.)

3. The dependent must be closely 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. If

he is not, he must be a resident of this country, Canada, Mexico, Panama or the Canal Zone.

5. The dependent must not make a joint return with his or her husband or wife.

Here is the special exception the government makes for your children. A son or daughter who earns \$600 or more may still be claimed as a dependent by a parent who provided more than half the youngster's support.

If the youngster was under 19 at the end of the year—or if he or she was a full-

time student, regardless of age.

To be legally a full-time student, a person must have engaged in full-time study at a recognized school for at least five months of the year, or have been enrolled in one of several full-time on-the-farm training programs.

**Cannot Claim**  
Remember: even if your child qualifies under one of these special rules you cannot claim him as a dependent unless you provided more than half his support.

Regardless of whether you

claim him as a dependent, a child who earned \$600 or more must file an income tax return of his own. He may claim his own personal exemption without affecting your right to claim him as a dependent.

If the child earned less than \$600 and taxes were withheld—this applies to adults, too—he is entitled to get the taxes back. To do so, he must file a return.

A modest tax break is also provided in the law for persons who qualify as "heads of households." Usually, this

means a person who is unmarried or legally separated but who furnished for the entire year more than half the cost of maintaining a household for at least one relative. An example would be a single man who provides a home for an elderly mother.

**Lower Rates**  
A "head of household" is taxed at slightly lower rates than other taxpayers. If the relative he supported was an unmarried child, grandchild or stepchild who shared a home with the taxpayer, he need not qualify as a depend-

ent. If the relative is a parent who qualifies as a dependent, the household you maintain for him need not be where you live.

"Heads of Household" may file their tax return on either Form 1040W or Form 1040.

The rule which says you must furnish one-half of a person's support in order to claim him as a dependent is modified in the case of persons whose support is provided by several individuals.

If all other criteria for claiming a dependent are met except the "support test," any

person contributing more than 10 per cent of the dependent's support may make the claim. Other contributors of more than 10 per cent of support must file with their returns statements waiving their right to take an exemption for the dependent. They use Form 2120 to make this deduction.

Here's an example: An elderly mother is supported by two sons and a daughter, each of whom provides one-third of her support. One of the three may claim the mother as an exemption if the other two waive such a claim on

Form 2120. But the exemption cannot be divided.

Other points about exemptions:

—You may not claim an exemption for your spouse if you were divorced or legally separated during the year, regardless of support payments.

—You may take an exemption for a child born to you last year who died before the year ended. You may claim the child even if it lived for only a few seconds or minutes—but not if it was still-born.

(Next: Deductions)

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# CLIP and SAVE RED LETTER COUPONS!

PAY LESS AT PAY LESS
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PAY LESS DRUG STORE

PRESCRIPTION DRUG STORES

All Coupons Void After Sunday, Jan. 31st  
 COUPONS MUST BE INDIVIDUALLY CLIPPED  
 BY CUSTOMER FOR REDEMPTION!!

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RED LETTER COUPON

Reg. 3.50  
CAR OR HOME  
**AUTO WASH  
BRUSH**

ONLY  
**\$1.99**  
WITH THIS  
COUPON

RED LETTER COUPON

REG. \$6.95  
32" x 80"  
PERMA-PLEAT  
**FOLDING  
DOOR**

AT  
PAY  
LESS

**2.99**  
WITH COUPON

RED LETTER COUPON

ALUMINUM  
**PERCOLATOR**  
6  
CUP

Reg.  
**\$1.57**  
**89¢**  
WITH COUPON

RED LETTER COUPON

"LUXURY" COSMETIC  
**CASE**

Similar  
to  
Picture

★ Vinyl Covered—  
★ Sturdy Lock  
★ Mirrored Lid and  
Removable Tray  
★ 5 Colors—blue,  
white, charcoal,  
cinnamon & red

7.98 Value  
**3.99**  
WITH COUPON

RED LETTER COUPON

REG. \$2.09  
72" x 108"  
CANNON  
TWIN SIZE  
**BED  
SHEET**

Now  
Only **1.66** With  
Coupon

LARGE 80"x108"—REG. \$2.29  
CANNON DOUBLE SIZE  
**BED SHEET**  
With Coupon **1.77**

RED LETTER COUPON

**ANACIN  
TABLETS**  
100 Tabs

Reg.  
1.19  
**83¢**  
With  
Coupon

RED LETTER COUPON

Reg. 3.49  
PLAID  
ZIPPER  
**BAG**

**1.99**  
WITH  
COUPON

RED LETTER COUPON

REG. 2.25  
3-Step  
Wooden  
**STEP  
STOOL**

**\$1.77**  
with coupon

RED LETTER COUPON

REG. 59¢  
TRANSPARENT PLASTIC  
**RAIN  
SHOES**

**19¢**  
With Coupon

RED LETTER COUPON

REG. 88¢  
HERSHEY'S  
**INSTANT GOGO  
MIX**

400  
Count Value  
**19¢**  
WITH COUPON

RED LETTER COUPON

REG. 1.19  
100 Count  
**39¢ WHITE  
ENVELOPES**

**29¢**  
WITH COUPON

RED LETTER COUPON

Reg. .95 Oval  
**RAG RUG**

ONLY  
**\$1.99**  
WITH  
COUPON

RED LETTER COUPON

REG. \$4.95  
DACRON BLEND—21"x27"  
**BED PILLOW**

ONLY  
**2.49**  
With  
Coupon

RED LETTER COUPON

REG. 59¢  
GIANT  
**HERSHEY  
BARS**

3 for **1.00**  
With Coupon

RED LETTER COUPON

REG. 88¢  
HERSHEY'S  
**INSTANT GOGO  
MIX**

400  
Count Value  
**19¢**  
WITH COUPON

RED LETTER COUPON

REG. \$1.50  
NYLON BRISTLE  
**BROOM**

**99¢** With  
Coupon

RED LETTER COUPON

Reg. 2.49  
SEAMLESS  
NYLON  
**LEOTARD  
TIGHTS**

**1.59**  
with coupon

RED LETTER COUPON

Reg. 17  
**Clothes  
PINS**  
18  
FOR  
9¢

with coupon

RED LETTER COUPON

REG. \$8.95  
TEEN AGE  
**COMFORTER**

NOW  
ONLY  
**6.99**  
With This  
Coupon

RED LETTER COUPON

REG. 16¢  
DIAL  
**SOAP**

3 for **33¢**  
WITH COUPON

RED LETTER COUPON

WITH  
THIS  
COUPON  
REG.  
\$5.95  
**TOILET SEAT  
AND  
COVER**

Only **2.99**

RED LETTER COUPON

REG. \$19.95  
ALL PURPOSE  
**DECORATOR  
BENCH**

15" High  
16" Wide  
36" Long  
Foam  
Rubber  
Cushion  
**7.88**  
With Coupon

RED LETTER COUPON

98¢  
**BAN  
ROLL-ON  
DEODORANT**

**66¢**  
WITH COUPON

RED LETTER COUPON

Reg. 15.95  
Fostoria  
STEAM OR DRY  
IRON

With Coupon... **6.99**

RED LETTER COUPON

REG. 1.00  
PLASTIC  
**DRAPERIES**

**69¢** With  
Coupon

RED LETTER COUPON

REG. \$9.95  
8 CUP MIRRO  
**Electric  
Percolator**

ONLY  
**\$5.99**  
WITH THIS  
COUPON

RED LETTER COUPON

REG. 69¢  
WIZARD  
Room  
**Deodorant**

**49¢**  
WITH  
COUPON

RED LETTER COUPON

REG. \$2.49  
27" x 27"  
**BIRDSEYE  
DIAPERS**

**\$1.59**  
DOZEN  
WITH THIS  
COUPON

RED LETTER COUPON

REG. \$3.00  
**CLOTHES LINE  
REEL**

Now  
Only **1.99** With  
Coupon

RED LETTER COUPON

**GARMENT  
BAGS** \$1.19  
Value

**76¢**  
with coupon

RED LETTER COUPON

MULTIPLE  
**SKIRT  
RACKS**

Holds  
5 to 10  
Skirts  
Reg. 98¢  
**59¢**  
With Coupon

RED LETTER COUPON

With This  
Coupon  
All  
Sizes  
Ladies  
**Slippers**  
Reg. 2.98  
**\$1.49**

RED LETTER COUPON

LARGE 22" x 38"  
**DISH TOWELS**

REG. 29¢  
**6  
FOR  
99¢**  
With Coupon

RED LETTER COUPON

REG. \$1.95 VALUE  
BIG BUSHNET SIZE  
**Ldry. Basket**

**87¢**  
W/Coupon

RED LETTER COUPON

REG. 29¢  
PLEASE  
**Dog Food**

3 for **23¢**  
With Coupon

RED LETTER COUPON

REG. 98¢—3 BOX  
FLORAL  
**BUBBLE BATH**

**76¢**  
With This  
Coupon

RED LETTER COUPON

MEN'S SIZE  
**Jersey  
Gloves**  
Reg. 39¢  
**29¢**  
PAIR  
WITH COUPON

RED LETTER COUPON

Your Choice  
**Scissors**  
12 TYPES  
**69¢**  
With Coupon

RED LETTER COUPON

Poly 5-Piece  
**Beverage  
Set**  
**69¢**  
W/Coupon

RED LETTER COUPON

VALUES TO \$1.25  
**STATIONERY**  
ONLY  
**49¢**  
WITH  
THIS  
COUPON

LIMITED QUANTITIES! SHOP EARLY FOR BEST SELECTION

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