

Dennis the Menace



Boy, a guy wouldn't get away with nothin' if he had four mothers!

Your Money's Worth

By SYLVIA PORTER Copyright, Hall Syndicate, Inc.

SAVE ON TAXES NOW - VII EXPENSE ACCOUNT STRATEGY

From 1963 on, the new tough expense account rules are going to bar your deductions for many business entertainment expenses which are now deductible as legitimate and customary. Thus, if you as a businessman can manage it, you may find it wise tax strategy before the year ends to change your methods of entertainment so that you will be able to qualify for an income tax deduction under the stiffened rules.

Now is the time to consider who is to bear the tax burden when some entertainment expenses which have been clearly deductible become non-deductible next year.

Now is the time existing expense arrangements between employer and employee should be reviewed with the goal of agreeing who should pay the extra cost. Now is the time clients and attorneys, accountants, sales agents, public relations firms, etc., should decide who is going to pay the additional tax tab created from 1963 on because of the disallowance of an entertainment expense.

As an illustration, if an employer or client pays his employee or independent contractor at higher compensation or a flat expense account to cover the expected cost of entertaining on behalf of the client or employer, any disallowance of the entertainment expense then will be the headache of the employee or independent contractor. The employer's deduction for the higher pay or the flat expense account will be safe. But if the employee or independent contractor is reimbursed only for those entertainment expenses for which he "accounts" to his employer, then the employer will be the one who will have to pay the extra tax involved.

The guide is clear: before the start of 1963, recheck all your expense account arrangements and reimbursements to minimize your problems under the new Revenue Act of 1962.

It also is extremely important for you to get your record-keeping into top-notch shape before 1963 so you can start at once in January 1963 with fully supported expenses.

Make sure that your expense records, diaries, etc., show plainly for each item: the amount, time and place of the travel, entertainment, etc.; the business purpose of the travel, entertainment, the like; the business relationship of the person entertained. Keep all receipts, canceled checks, paid bills and other evidence to support your deduction claims.

This warning about evidence is vital to you this year. As of next year, the famous "Cohan" rule - under which a business or professional man who couldn't prove exactly how much he spent on business entertainment, travel or gifts has been able to deduct a "reasonable" estimate of these amounts - will be out.

As of 1963 too, deductible business gifts you can make will be limited to \$25 a year per person. If you're planning costly gifts to business customers or associates, give them in 1962. If you wait until Jan. 1 or later, you won't be able to deduct more than \$25 per person, no matter how expensive a gift you make.

Another tax saving possibility which this new rule will bar as of next year will be the payment to a widow of a deceased employee of voluntary death benefits in excess of \$5,000. It has been possible under certain court decisions for an employer to get a deduction for the payment and yet have no tax due from the widow, but this will be definitely out next year. So 1962 offers the last chance to shoot for this possible tax saving.

If you're considering a business trip combined with an extensive pleasure visit, again you may find it worthwhile from a tax viewpoint to take the trip this year instead of next - if practical. The tax deductible portion of your travel expense to and from the business visit may be cut under the rule applying from Jan. 1 on.

If your company owns a yacht, hunting lodge or other entertainment facility which is not used more than 50 per cent of the time for business purposes, the ownership can become a definite liability. For your firm will not be able to deduct any part of the maintenance or upkeep of the facility in 1963 even if you use the lodge, boat, etc., up to 50 per cent for business purposes.

You may well save substantially in taxes by disposing of the entertainment facility and renting one when you need it for business entertainment.

Next: Tax-saving hints if you help support your parents.

American Politics Grant Is Received

Eugene - A grant for the support of a University of Oregon program of student education for participation in American politics has been renewed for a second three-year period.

The Maurice and Laura Falk Foundation of Pittsburgh has granted \$15,000 for the current academic year, and has pledged smaller amounts for the next two years, as the university gradually assumes financial support of the program. The initial three-year grant was for \$45,000.

The grant provides for student research, political internships, graduate fellowships, guest speakers, and the maintenance of a Politics Study center at the university.

The program is directed by Dr. Lester G. Seligman, associate professor of political science, assisted by Dr. James R. Klonoski, assistant professor in the department.

The grant allows students in the lower division course in American government and the upper division political parties and public opinion course to conduct original research in political problems and gain field experience.

"By this method, we have encouraged the student to be a modest producer, instead of just a consumer," Dr. Seligman explained.

In addition, the grant has provided for student internships for undergraduate students at the headquarters of political parties in Oregon. The possibility of extending these internships to offices of congressmen, senators, special interest groups, and political parties in Washington, D.C., is now being investigated.

Anonymous Caller Sought by Police

Portland - Police are trying to trace an anonymous telephone caller in this area who told two Seattle residents their Portland relatives were dead. In both cases the Portlanders were found to be alive and well.

STAR GAZER - Your Daily Activity Guide According to the Stars. Includes zodiac signs and horoscopes for various dates.

Lawyer Reviews Legal Problems of Landlord, Tenant

E. Roy Bashaw, Medford lawyer, spoke at the meeting of the Rogue Valley Landlords association on the legal problems of the landlord and tenant.

The rights, duties and responsibilities of the tenant were discussed, along with the legal resources available to the landlord for collections, evictions and damages. In explaining how and when to use the laws presently in effect, Bashaw pointed out that many of the laws applicable to the landlords' problems are antiquated.

Clarification of the position of the district attorney's of-

Burglar Takes Pearls From Room at Hotel

Fort Worth, Tex. - Every available man on the 65-officer Fort Worth police detective bureau searched Monday for clues to identify of a mysterious burglar who jimmed a hotel door lock and walked away with 70 pounds of pearls valued at \$1 million.

landlords' association, the group voted unanimously to form a permanent organization, electing an executive committee.

The executive committee will announce organizational plans and the next regular meeting of the Rogue Valley Landlords association.

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Coast Guard Exams Open for Academy

The Coast Guard is offering qualified young men a chance to continue their college education and at the same time train for a varied and challenging career as an officer in that service.

Competitive examinations for appointment to a cadetship at the United States Coast Guard academy have been scheduled for Feb. 18 and 19. Successful candidates will attend the Coast Guard academy at New London, Conn.

An applicant must be a high school graduate who has reached his 17th, but not his 22nd birthday on July 1, 1963. Applicants must be in excellent physical condition, between 64 and 78 inches in height, with proportionate weight, and have 20/30 vision in each eye correctible to 20/20.

Appointments are made on the basis of competitive examinations and evaluated general adaptability. There are no Congressional appointments or geographical quotas. An information booklet and application forms may be ob-

tained by writing to "Coast Guard Cadet," Alaska Building, Seattle 4, Wash.

CUBANS END TRAINING

Moscow - Four hundred young Cubans left for home Sunday after undergoing a year's industrial training in the Soviet Union, the Tass news agency reported.

AUCTIONS HOT ITEM

Aberdeen, Scotland - Auctioneer William Steward said today a large crowd bought everything he put on the block over the week end. He auctioned 5,000 old gravestones.

Announcing the New Location of Dr. Anthony E. Bock. Osteopathic Physician & Surgeon. 804 CHURCH ST. PHOENIX, OREGON. PHONE 335-1087

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Whether you're treated to breakfast in bed on your birthday or not, here's a way to guarantee many happy returns of the day. Call your mother on your birthday. She deserves most of the credit anyway, and she'll be delighted that you cared enough to call. (You'll be surprised at how good it makes you both feel, even if you are a year older.) Try it. PACIFIC NORTHWEST BELL

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