

Assessor, Business Houses Feud Over Accounting For Personal Property Tax

By HALE SCARBROUGH
A spot check of 27 retail business houses, most of them in Klamath Falls, taken some weeks ago by the State Tax Commission showed that 24 of the 27 had undervalued their inventories for taxation purposes.

The check was made in Klamath and nine other Oregon counties, and the result in all 10 counties was reported to have been about the same.

As a result a scrutiny of all personal property on merchandise of business houses in Klamath County is to be undertaken by the County Assessor's office. The number of businesses with that type of tax-

able property is around 700. Personal property return blanks were sent to all businesses by the Assessor's office about the first of the year, and the property owners were to fill out the forms and return them to the Assessor by March 2. But as a result of the findings of the State Tax Commission's spot check, another blank is being sent to each taxpayer whose previous return shows a merchandise inventory, and the return is to be completed and sent back to the Assessor by April 1.

In addition, a representative of the Assessor's office is to call on each of the taxpayers within a few weeks.

Assessor Otis Meisler said John Newman, deputy in the office, is to make the personal calls. Meisler requested in the County Court for \$2,250 to finance the additional work, but the Court cut the amount to \$2,000.

Meisler, in a form letter sent to each of the merchandise property owners, said that the re-check of returns is not being made to secure more tax money, but is to try to equalize property tax payments.

Under the law, businesses are supposed to make a report of the true cash value and merchandise as of Jan. 1. The personal property assessment and consequently the tax is being based on that figure.

The law provides a \$10 per day penalty for intentional failure to file a return, and declares intentional failure to file or fraudulent return is perjury.

Personal property assessments are made and taxes levied also on furniture and fixtures (excluding household furniture and furnishings), improvements on federal lands, machinery, farm equipment, livestock and other types of property, but the present recheck of valuations is dealing only with merchandise.

The Tax Commission's spot check was supposed to have been representative of various types of retail businesses, large and small, including groceries, hardware stores, clothing stores and the like.

The results showed that 24 of the 27 merchandise owners put down a figure on their return that was less than the cost value of the property they assessed, two put down a figure that was correct, and one merchant of the 27 over-valued his stock-in-trade.

The under-valuation went as far down as 10 per cent of the cost figure, the Tax Commission reported, but the bulk ranged from 40 to 70 per cent.

Personal property taxes are figured on a basis of 35 per cent of the true cash value of taxable property. If a merchant's stock-in-trade has a true cash value of \$4,000, the Assessor's office takes 35 per cent of that, or \$1,400, and that is the assessed value.

The tax to be paid is figured from the assessed value, by applying the millage of the particular location of the business.

If the small store with the \$4,000 stock-in-trade were located in Klamath Falls, where the current millage rate is 95.8, the tax levied against that store's merchandise would be \$134.12 (\$1,400 assessed valuation multiplied by the 95.8 millage rate).

The Klamath Falls tax rate is a combination of the general county millage, the elementary and KUHS rate and the city rate. The county and school millage total 73.3 mills, the city rate is 22.5.

If that particular store was located out in the country, away from city and various district taxation, where the millage rate is 55.9, the tax on its merchandise would be \$78.26. The county millage rate, outside of special taxing districts, is just a combination of the general county rate and the county school rate.

But if that particular store owner put down his true cash valuation at, say, just \$2,000 instead of \$4,000, and got by with it, the tax he would pay would be just half what it is supposed to be under the law. Instead of paying \$134.12, the store being here in town, he would only pay \$67.06.

And because the local governments figure out what property taxes are to be paid by first determining how much money is to be taken by taxation and then applying that figure to property assessed valuations to determine the millage rates, inequities appear when the assessed valuations are wrong. A person or firm getting by with an incorrectly low assessment, then, is not paying its right share of the property tax burden, and other property owners whose property is assessed at high rate the correct figure or even an excessive figure—as in the case of one small store found in the Tax Commission's spot check—are paying more than their equitable share.

The personal property tax law is not an entirely equitable one, it is self. Particularly it is open to attack on the arbitrary Jan. 1 inventory date. Certain types of stores, groceries, for instance, turn their stock over many times a year, but are assessed for only what they have on hand at that arbitrary date. Other types of businesses, a hardware store, for instance, might not completely turn its stock over once in several years so it gets taxed several times on particular items in stock. A rack of hammers, as an example, might be bought this year, but not completely sold out for three or four years. But the remaining hammers in that rack would be taxed each Jan. 1 until disposed of, no matter how many years it might take.

Particularly every other type of retail business can point out situations which arise under the personal property law which are ridiculously unequal. For one thing it's hard to determine "true cash value" of merchandise. It might be the cost price, but style changes, seasonal changes and many other factors can change a merchant's opinion of what the stock he has on hand is really worth at any given time.

A couple of years ago the State Legislature set up an interim tax study committee and the committee looked into the personal property tax situation determining that the law might be unjust. That group concluded—and many businessmen agreed—that a flat rate gross sales tax to apply to the retail sales of all businesses should replace the personal property levy.



ARTHUR W. BRAMHALL
Jr., 19, will visit his parents, Mr. and Mrs. Arthur Bramhall, here before returning to San Francisco to duty on the USS Hopewell, destroyer on which he has seen action off the coast of Korea. He was best man this week for a twin brother, Joseph Neil, married in San Francisco and will be accompanied home by his mother and younger brother Ray. Joseph also has been in the combat zone. Arthur joined the navy in July 1950 while a junior in KUHS. He reports back for duty April 7.

Carmen Asked To Hold Action
PORTLAND (AP)—AFL Streetcar men's union members Friday were urged by their board of directors to postpone their April 1 strike deadline for one week.

The workers have demanded a 15 cent hourly wage increase and other contract benefits. But the Portland Traction Company has refused to arbitrate unless the City Council grants a fare increase.

C. W. Van Avery, international representative of the union, recommended the postponement Friday to try to work out a solution to the problem of fares and wages.

The union will vote on the board's recommendation Sunday.

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Basic Industry Production Hits High Figure; Buying Off; Steel Sets New High

By RICHARD FISKE
NEW YORK (AP)—Basic industries produced as never before this week.

And as they kept the factory wheels whirring with one hand, they planned bigger plants and more equipment with the other.

Government reports showed American businessmen plan to spend more than 25 billion dollars this year on new plants and equipment.

That's a new record. It's four per cent above the previous peak, which was set last year.

But all wasn't as rosy as the overall figures indicated.

While government spending car-

ried some industries to new heights, the consumer kept a tight grip on his purse strings and civilian goods manufacturers suffered.

The extent to which defense buying entered the picture was reflected in the key indicators.

Steel tonnage was at a record high for the fourth straight week. The mills worked at 102.4 per cent of rated capacity to turn out 2,131,000 net tons of ingots and steel for castings.

Crude oil production hit a new peak of 56,324,450 barrels. Automobile production was 131,191 units, the highest since last September.

The needy textile industry was asked to bid on some substantial government business.

The Army was in the market for about 40 million yards of cotton duck and some 30 million yards of cotton webbing.

The U.S. engineers asked for offers of \$1 million sand bags to be made from burip or osanbags.

The civilian side of the textile goods market was not as bright, however. A bit of buying early in the week was a flash in the pan. Once over the market lapsed back into the doldrums.

During the week the government authorized production increases of passenger cars, washing machines and other consumer goods after July 1.

A slight decline in the allotment of metals to military uses made the increases possible, according to the Defense Production Administration.

Caution was a watchword on the New York Stock Exchange most of the week. But on Thursday and Friday strength in rails and oils sent the market ahead substantially.

Washington (AP)—A \$486,248,253 Interior Department appropriation bill, passed by the House, headed toward the Senate Friday.

The House passed the bill by a voice vote Thursday, after cutting \$6,186,510 from recommendations of the House Appropriations Committee. That group already had chopped more than 20 per cent from President Truman's recommended \$686,001,800.

In addition, the House adopted the amendment of Rep. Jensen (R-Iowa), which will permit the department to fill only one of every four vacancies until it has reduced its staff by 10 per cent.

Not hit by the amendment are field personnel, employees of the Geological Survey and Bureau of Mines, or seasonal and casual employees.

As sent to the Senate the bill also contains \$180,755,400 for the Bureau of Reclamation, \$66,523,400 for Bonneville Power Administration construction, \$74,051,426 for the Bureau of Indian Affairs, \$29,827,000 for the National Park Service, \$12,702,000 for the Fish and Wildlife Service, and \$72,965,000 for the various activities of the Office of Territories.

None of these items was cut below recommendations of the House committee.

Navy Airmen Keeping Busy

WASHINGTON (AP)—It may not be an official war, but Naval aviation is doing more shooting in the Korean "Police Action" than it did in the official war against Japan.

Statistics on the part Naval aviation is playing in the present disturbance were given the House Appropriations Committee by Vice Adm. John H. Cassady during hearings on the 1953 Navy budget. The committee made them public Friday.

"Through January, 1952"—"19 months of war," Admiral Cassady told the committee, Naval aviation has "fired about half as much ammunition, dropped two-thirds as many bombs and fired more rockets than we did in the entire Pacific War from 1941 through 1945."

During the 19-month Korean conflict period, he said, 309 Navy planes were lost to enemy action, all but one to ground fire.

Interior Fund Bills Goes On

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Child Burns To Death In Yard

VAN NUYS, Calif. (AP)—A dog house caught fire Friday and burned 4-year-old James Cousins to death while his mother looked on unaware of his presence.

The child had gone into his back yard to play after finishing his afternoon nap, said his mother Mrs. F. H. Cousins. The body was discovered by firemen.

GAVEL FROM WHITE HOUSE
WASHINGTON (AP)—A gavel made from White House "deadwood" will provide a kickoff line for Iowa's Republican convention, April 4.

Deadwood from the White House to start our campaign to get more deadwood out of the White House," said Rep. Dolliver (R-Ia.) who made the gavel from a plank torn loose in rebuilding the President's home.

Elks Plan Huge Parade

EUGENE—At the state-wide Elks convention here June 6 and 7 preliminary plans calling for a gigantic parade to include clowns, bands, floats and the colorful governor's guard are almost completed according to Bob Turner, parade chairman.

Gov. Douglas McKay has been invited to lead the parade scheduled for Friday, June 6, Turner said.

Dick Reed, general chairman, announced today that plans have been made for the complete redecorating of the large Eugene Elks lodge to be completed in time for the three day meet.

More than 300 men have been appointed to carry out the extensive plans for the convention to include a trap shoot, golf tournament, a big name band for the dress ball and to complete arrangements for the circus theme adopted for the convention.

According to Wm. A. Van Nuy housing is well under control with 700 units already reserved in advance to take care of the expected 5,000 Elks.

Jardine Death Learned Here

Word has been received here of the death in Goderidge, Ont., Canada, of George E. Jardine, 70, brother-in-law of Mrs. R. G. Molschenbacher, 803 Walnut.

Jardine died March 19, and funeral services were held March 22. Survivors include two sons, two daughters, and the widow.

Bend Eyes Dog Tie-up

BEND (AP)—Bend voters may be asked again whether they want dogs restrained from running loose.

For a decade the question of keeping dogs tied up, fenced in or leashed has been hotly argued here. There was first an advisory vote, and the people approved a tie-up ordinance. Then in 1950 another advisory vote prompted repeal of the ordinance.

Now the city attorney is drawing up a petition for a November vote on the question again—only this time the tie-up would extend throughout the year instead of just during the gardening season. The intent is to make the decision binding rather than advisory to the city commission.

Rats, You Can't Win This Battle

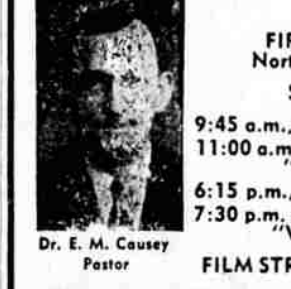
DETROIT (AP)—The Health Department a few weeks ago ordered Mrs. Mary Wingfield to rat-proof her home.

She did, Friday, inspectors reported: "No rats can get in. Now the trouble is the rats that are in can't get out."

Ordinance Judge John D. Watts dismissed the case against Mrs. Wingfield for not having a rat-proof house but told her to stop harboring wild rodents by May 23.

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7:30 p.m., Evening Worship: Sermon, "Victory on a House Top"

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(Except Saturday and Monday)

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ALL WELCOME
Rev. Dan Bayliss, Pastor

By **MARJORIE OVGARD**

As I live and breathe—cigar smoke—it's a boy! Yes, it's a son and heir for the Floyd Wynnes, born Thursday night and weighing 6 lbs. 1/2 oz. He's the Wynnes' first child, and the name's Steven Earl. Mother and baby both doing nicely, and so's Floyd since we tied the ballast to his feet to keep him grounded. Maternal grandparents Mr. and Mrs. J. O. Svegarden of 322 No. 9th are also mighty proud.

Two new religious programs have been added to KFLW's Sunday programming recently. "The Church in the Home" is now heard from 12:30-1, featuring Dr. Fred Jordan as speaker. His topic for tomorrow will be "Have Faith in God." Lee Shelley, director of their foreign Missionary Department will be guest speaker and will talk about his missionary work in Hiroshima after the dropping of the atom bomb . . . The other program is "Herald of Truth," sponsored by the Church of Christ, and originating from Abilene, Texas, transcribed. It's heard at 4:30 p.m.

President Harry S. Truman will be heard in a special address tonight at 8:30 on ABC. The occasion is the annual Jefferson-Jackson Day dinner being held in Washington, D.C. About this same time daughter Margaret will be walking on stage for her concert in Portland. Wish I could be there to hear her sing. Would like to draw my own unpolitically biased opinion of her singing.

Film star Ann Sheridan will be special interview guest on the "Betty Crocker Magazine of the Air" Monday at 3:00.

Baseball fans . . . Pacific Coast League broadcasts will be coming your way direct from KFLW this year, and starting this very next Tuesday night. As far as we know, this is the first time Pacific Coast League ball has been broadcast in Klamath Falls. Broadcasts will come over a special Oregon network, with Rollie Truitt and Bob Blackburn, Portland sportscasters, doing the play-by-play. KFLW will pick up the games at 8:30 on Tuesdays, Wednesdays and Saturdays, at 8:45 p.m. on Thursdays and Sundays, and at 10:15 p.m. on Fridays. The irregular starting times are due to network complications. Dugan & Mast's 10:00 p.m. will continue at its regular time nightly. However, fans won't miss any play action, as it will be recorded at 10:00 with playback at 10:15 until conclusion of the game . . . All indications are that the Portland Beavers will be a top division club this year and should provide very interesting baseball for Klamath Falls fans. If enough local interest is evidenced, the entire 26 weeks series will be carried.

A new musical show starts Monday. It's "B&B's TV" and will be heard daily Monday through Friday at 5:45. Listen in!

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