

Tax Revision Law Lowers Burden On Retired Persons

By CHARLES F. BARRRETT
WASHINGTON 6—Most elderly retired persons probably won't have to pay any federal income tax from now on.

That is one of the far-reaching effects of the giant tax revision bill just passed by Congress. Some of its biggest benefits will go to retired persons.

When you're 65 or over, the law already permits you to exempt \$1,200 of your income from taxes. If you're married and file a joint return, the exemption is \$2,400.

From now on, in many cases, retired persons will be permitted in effect to deduct an additional \$1,200 of retirement income. That would be a tax cut of \$240. If both husband and wife have retirement income, they can get an additional \$2,400 deduction, or a \$480 tax cut. Retirement income is defined as income from pensions, annuities, interest, rent and dividends.

With other standard deductions, this: If you and your wife both have retirement income, you can get up to \$5,333 a year without paying taxes; if only one of you has income, you can get \$4,000 tax free; if you're a retired single person, you can get \$2,669 without paying any tax.

Experts believe these cutoff figures will cover most retired persons, except a few in upper income brackets.

They estimate the new bill will give tax cuts to almost two million taxpayers, totaling about 141 million dollars the first year. The number to benefit, and the revenue reduction, will increase later as millions more retire.

Technically, the new provision works like this, if you qualify: You figure your tax bill just as in the past, taking all regular exemptions and deductions. Then you apply the first bracket tax rate (now 20 per cent) to your retirement income, up to \$1,200. Next you subtract that figure, say \$240, directly from the tax payment you otherwise would make.

But there's one important limitation. If you get income that is already tax free—as from social security, railroad retirement, military or veterans' pensions—you must subtract this from your \$1,200 retirement income before you figure your tax credit. In other words, you can't exclude the same income twice. For example, if you get \$700 a year from social security, you could count only \$500 of other retirement income; and you would get a new tax cut of only \$100. However, you don't have to subtract military or veterans' dis-

ability payments from your retirement income.

And there are four important requirements to meet before you qualify for the new benefit.

First, most persons must be 65 or over. But if you retire under a public pension system—if you're a retired schoolteacher, policeman or other federal, state or local government worker—you can subtract 20 per cent of your income from that system even before you are 65. But you can't count other retirement income until you are 65 or over.

Second, to be counted as a retired person and get the full benefit, you must make \$300 or less from work. Any earned income above \$300 must be subtracted from your \$1,200 retirement income before figuring your tax credit. So if you make \$2,100 or more from work, you are not considered to have retired and you get no benefit. But at age 75 or over, you can get the full benefit regardless of your earnings.

Third, to qualify, you also must have made as much as \$600 a year in earned income for any 10 years before you retire. The theory is that the benefit should go only to persons retiring from active work. But note that you don't have to make \$600 in the 10 years immediately before your retirement. You can count any 10 years—even those long before you retire—and they don't have to be consecutive. A widow can qualify under this so long as her husband did.

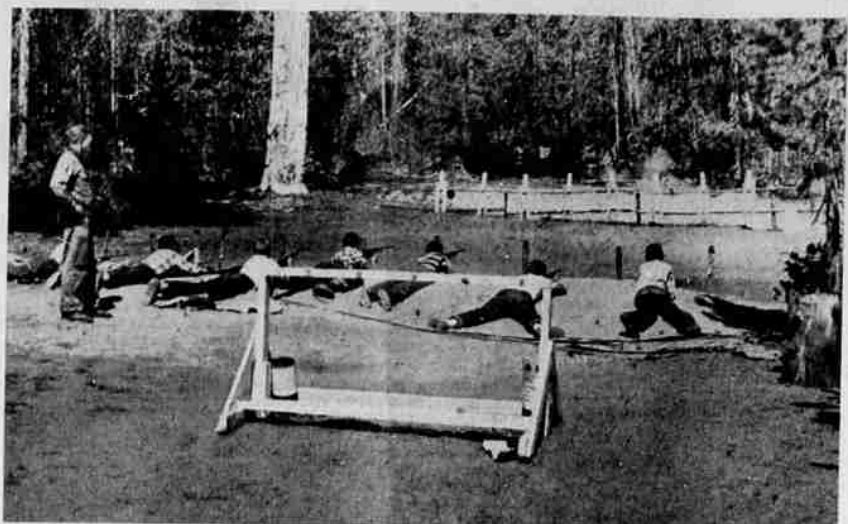
Fourth, you can't get this benefit if you use the short-form tax return, under which you merely list your income and exemptions and take your tax from the table on the back of the return. Only taxpayers with \$5,000 or less income may use this return.

Swimming Pool Sinks In Ground

LONGMEADOW, Mass. 6—No body sank in the swimming pool when the swimming pool sank yesterday.

Swimming instructor Vernon Cox guided 29 children out of the pool when he noticed the water begin to "bubble and flutter as if there was terrific pressure." Shortly afterward the pool sank in several feet of earth.

Authorities said the concrete pool was built over the foundation of an old ice plant and there was a filling of loose dirt between the foundation and the bottom of the pool.



THOSE LITTLE SPOTS on the posts in the background are there to be shot at. These Boy Scouts are learning marksmanship at Boy Scout camp.

State Jobless Totals Shown

SALEM 6—Oregon's unemployment total continues near record summer levels, with the State Unemployment Compensation Commission announcing today that its July payments of \$1,008,812 were the largest for July in history.

The commission estimated 37,500 persons are hunting for jobs, plus 25,000 others who are idle because of labor disputes.

The estimate of 37,500 unemployed has been exceeded only once before at this time of year. That was in 1949.

The total was 38,900 a month ago, and 24,600 last year.

Unemployment edged higher in the Portland area, and around Astoria, Coos Bay, Bend, Eugene, Salem, The Dalles and Tillamook. The commission said bean and other late harvests would ease the picture in other areas later this month.

The July benefit total of \$1,008,812 compared with the previous July high mark of \$831,194 in 1946. About half of last month's benefit was paid to residents of the Portland area, while Eugene was in second place.

Workers in labor disputes can't draw benefits, so only about 20 per cent of last month's payments went to employees in the lumber industry.

Weekly claims are running almost 50 per cent ahead of a year ago, and about the same as those in the summer of 1949.

ASSASSINATION ATTEMPT

RIO DE JANEIRO 6—Carlos Lacerda, publisher of the independent Tribuna da Imprensa and an outspoken critic of the government, narrowly escaped an assassination attempt Wednesday night. A friend with him was shot dead.

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Snake River Plan Hit By Neuberger

PORTLAND—State Senator Richard L. Neuberger today announced his "unalterable opposition" to any plan which would eliminate the Snake River from a program of regional development in the Pacific Northwest. Speaking at a rally of Democratic party workers in southeast Portland, Neuberger blasted as "peanut politics" a recent proposal that the Army's 308 Report be revised to place Hell's Canyon and other Snake River projects far in the future.

Neuberger listed four reasons for his stand:

1. "Hell's Canyon, on the Snake River, is the only great power project not opposed in any sense by commercial or sports fishing groups.
2. "No Snake River Dam involves the complex and costly concessions to Canada entailed in construction of the Libby project, for example.
3. "The Snake River contains nearly 20 per cent of the potential hydroelectricity of the region.
4. "To delay Hell's Canyon and other Snake projects would be to

sacrifice the prosperity of a vast Oregon region in Malheur, Baker, Wallowa and Union counties."

Neuberger contended that Hell's Canyon would bring infinitely more "prosperity and development" to Oregon than would the Libby project in Montana, which this present national administration favors over Hell's Canyon. The speaker, who is Democratic candidate for the U.S. Senate, claimed that recent statements by high Canadian government officials make it evident that the United States will have to reimburse Canada "lavishly" for the right to flood Canadian soil under the surface of the Libby Reservoir.

"If I am elected to the Senate,"

said Neuberger, "I will fight to prevent the political re-writing of the 308 Report, insofar as I am able. The destiny of our region is more important than the balance sheets of some power companies, which are striving to block Hell's Canyon forever and ever."

(Neuberger - for -Senator Committee, 708 Mead Building, Portland 4, Ore.)

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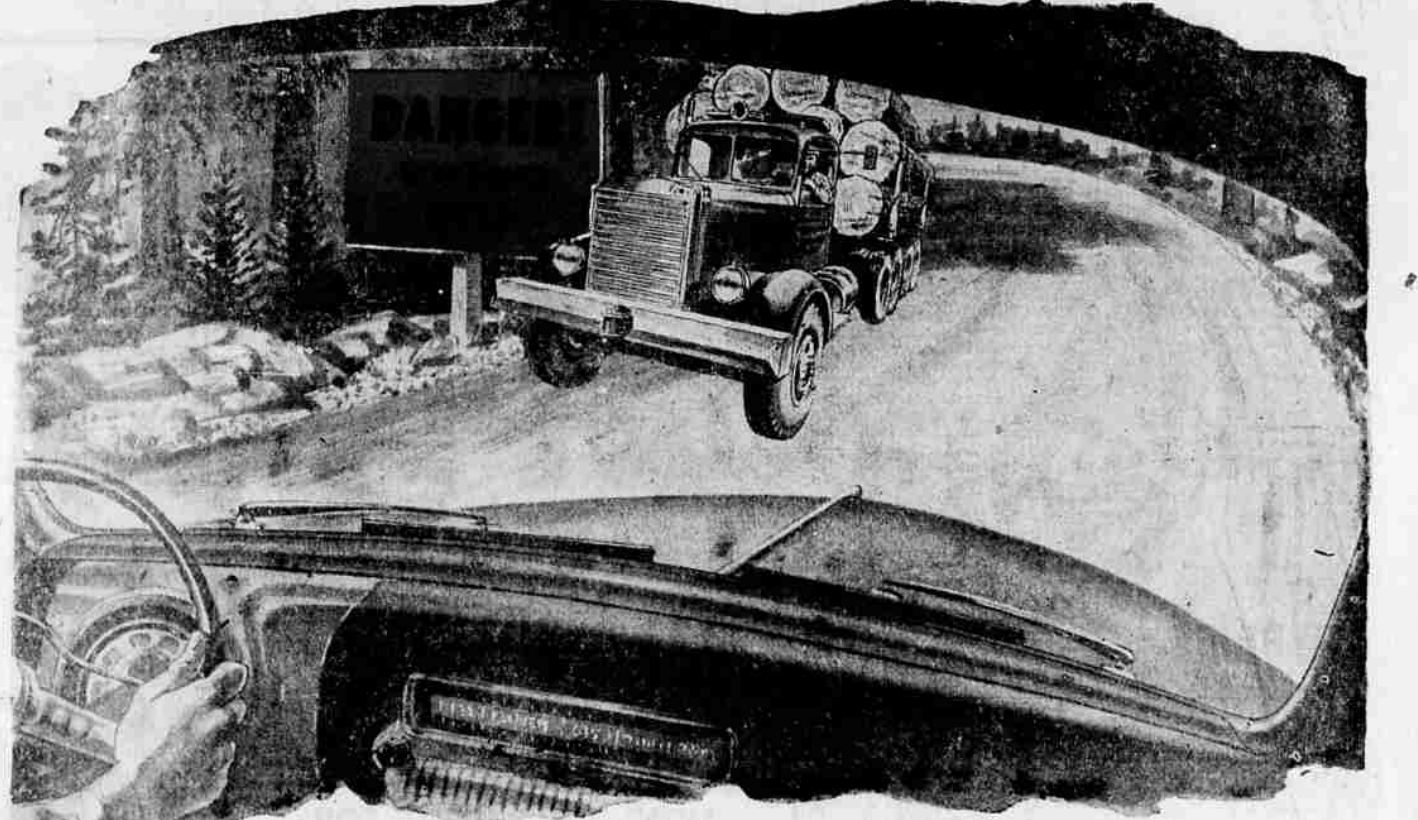
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