RECENTLY ELECTED 1959 OFFICERS of the Women's Auxiliary of Postal Letter Carriers are, left to right, Tove Parks, president; Muriel Stoneburg, secretary-treasurer; and Dorothy Ross, vice president.

Your Annual Income Tax Primer

By RICHARD A. MULLENS
Written for NEA Service

Reporting income from salaries, wages, dividends, or interest is generally easier than filling out most other parts of the tax return. Nevertheless, puzzling questions may arise.

For example: what should you do if you lose the Form W-2 furnished by your employer? Should you report for 1958 interest on a savings account which was earned in 1958 but not entered in your savings account book until 1959?

These and other questions about reporting the above income items will be covered in this article of the Primer.

If your employer was required, as most employers are, to withhold income tax on the wages paid you in 1958, he must also furnish you with a statement — Form W-2 — showing the total wages he paid you and the taxes withheld during the year.

You should receive a Form W-2 (in duplicate) from each such employer you worked for during 1958. One copy of the form must be attached to your return and one copy is for your file.

If you happen to lose a From W-2, don't think that this gives you an excuse for not reporting the income shown thereon. Ask your employer for a duplicate copy of your Form W-2.

If tax was not withheld from your salary or wage, ask your employer how much he paid you during 1958 or keep a record of the amounts. Report such income on separate lines opposite each employer's name. This includes tips received direct from customer and wages as a domestic servant or casual laborer.

If you worked for more than one employer during 1958, there's a good chance that Social Security (F.I.C.A.) tax of more than $94.50 was withheld from your salary. If so, you are entitled to claim the excess over $94.50 as additional income tax withheld. Do this by showing the excess in the Income Tax Withheld column of Item 5 of the tax return and write "F.I.C.A. Tax" in the Where Employed column.

The important thing to remember about dividend income is that the first $50 of taxable dividends received by each individual is excluded from income. Married persons living in community property states are entitled to divide dividends between themselves, even though all the stock is held in the name of one of them. Each spouse can therefore exclude $50, or a combined total of $100, of the dividends received by them in 1958.

In noncommunity property states, the $50 exclusion applies separately to the individual dividends of husband and wife. This means if all the stock is owned by the husband, the wife cannot claim any part of the exclusion. Dividends on stock held in both names are divided equally in computing the exclusion.

The exclusion can be claimed on either Form 1040A or From 1040. If you file on 1040A, you show in item 6 the dividends which exceed the exclusion. On Form 1040, you report all taxable dividends and then subtract the exclusion on line 3 of Schedule A.

In addition to the dividend exclusion, the law permits you to subtract from the tax you would otherwise owe, a credit equal to four per cent of certain dividends in excess of the exclusion. This credit cannot be claimed on Form 1040A, so do not use this return if you have dividends in excess of the $50 exclusion.

The easiest way to compute the credit is to fill out Schedule J of Form 1040, being careful to follow the directions on each line.

Note that the credit cannot exceed the lesser of the tax that would otherwise be due from you, or four per cent of your taxable income. And remember, the dividend credit or exclusion does not apply to dividends from foreign corporations, including Canadian companies, or from any mutual savings banks or building and loan associations. Dividends from the latter corporations are reported in line 5 of Schedule A, Form 1040.

All taxable interest must be reported in Schedule B on page 3 of Form 1040, or in line 6 of Form 1040A. Most interest is taxable. However, interest on bonds or securities issued by a state or local government is not taxed by the Federal Government. Also, the interest on many United States bonds issued prior to March 1, 1941, is wholly or partially tax-exempt. If you have any such bonds, read the section under "Interest' on page 11 of the official instructions.

You must report interest on savings and deposit accounts when it is credited to your account even though it has not been entered in your bank book. Interest represented by a bond coupon should be reported in the year when the coupon is due and payable even though you don't clip and cash it.

You can report the interest on Defense, War and Savings bonds in either of two ways:

First way: Ignore the interest until you cash the bond, and then report as interest the entire difference between what you get and what you paid for the bond. This is the easier way.

Second way: Report the interest each year as it accrues. The amount of accrued interest can be determined from the table on the back of the bond. It is the difference between what you paid and what you could cash the bond for on December 31, 1958. Subtract from this any interest you reported from these bonds on previous returns, and report the remainder as interest for 1958. Once you start using this method, you cannot change without first getting permission from your District Director of Internal Revenue.

TAX QUIZ

Check which you think is the correct answer and then compare with the answer below.

1. In 1958 you received dividends of $110 on General Electric stock held jointly by you and your wife. If you file a joint return, how much of these dividends can you exclude from income?
( ) A. $100
( ) B. $50
( ) C. $75

2. Same facts as 1, above. What return form should you use of 1958 and why?
( ) A. Form 1040, because you are entitled to a dividend credit on the dividends exceeding your exclusion of $100 and this credit can be claimed only on Form 1040.
( ) B. Form 1040A, because this form gives you the lesser tax.

3. You have a savings account at your local bank. On April 1 and October 1 of each year, the bank credits your account for interest earned. For 1958, such interest was $27 but since you did not take your savings account book in to the bank, your interest was not entered in the book. Should you report the $27 as interest income?
( ) A. No, because you only have to report interest entered in your bank book.
( ) B. Yes, because even though the interest was not entered in your book, you were entitled to the interest and could have withdrawn it in 1958.

Answers: 1-A. 2-A. 3-B.

Stewardesses Said Frosted

SEATTLE, Wash. (AP) — It's "nay" for the knees of some Alaskan stewardesses who let it be known last month they were pretty frosted about not being allowed to wear ski pants on intra-Alaskan flights.

No action will be taken before the end of this winter's runs. The federal mediator brought into the case is in Florida, far removed from icy tundra and frigid fibuta.

The request to switch from nylon to woolens came to light Dec. 12 when the stewardesses and Pacific Northern Airlines held talks concerning a new contract.

There was much heated discussion concerning the relative merits of the materials when stacked up against the below-zero temperatures encountered on PNA's northern landing fields.

Taking note of the publicity given the case of the cold calves, John A. Cunningham, vice president in charge of PNA operations, pointed out Tuesday that all company planes are heated.

He added the company is making a study of temperatures at the cities where it calls. The coldest city, the company says, is King Salmon where the January average is a balmy three above zero.

The airline contends that ski pants are a minor issue with the union.

Rosemarie Fliseck of the Stewardesses' negotiating committee concedes there are other issues like wages and hours they hope to work out when the mediator returns next month.

But, she insists, ski pants are a major item. And it isn't only a question of knocking knees, the stewardesses say. There is the safety factor. If they crashed "our legs would freeze stiff," the girls contend.

Marily Batey, chairman of Council 77 of the Airline Stewardesses Assn., wasn't available for comment. She's on a vacation at Sun Valley. Friends say she hasn't worn a pair of nylons since she got there.

DENY TROOP CHARGES

MEXICO CITY (UPI)—The Defense Ministry has denied Guatemalan charges that Mexico is concentrating troops and heavy weapons in the Guatemalan border area.

The Navy Ministry announced simultaneously that a gunboat and a coast guard cutter have been assigned to protect Mexican fishermen in the area where Guatemalan warplanes strafed Mexican fishing boats Dec. 31.

TO VISIT U.S.

BERLIN (UPI) — West Berlin Mayor Willy Brandt and his Norwegian-born wife, Rut, leave Feb. 5 on a tour of Canada, the United States and the Far East.

Teen-age Job Figures Told

SALEM—Oregon teen-agers held 15,133 industrial jobs in 1958, according to the Bureau of Labor. The total does not include jobs in agricultural harvesting. Labor Commissioner Norman O. Nilsen estimates one out of every six high school students worked outside of school hours or during the vacation period in non-agricultural industries.

The labor bureau issued only 860 permits for full-time work which went largely for the employment of minors graduating from high school before the age of 18. Federal regulations place a 16-year minimum age limit on manufacturing and cannery employment.

The labor bureau report shows 54 per cent of the industrial jobs were open legally to minors under 16 although 38 per cent of the jobs were held by minors over that age. The commissioner explains employers are reluctant to hire the younger minors for many occupations. He regards it as part of the national occupational trend to eliminate "untrained helper jobs" through mechanization and self-service merchandising.

The year's 238 reported work accidents to minors did not bring very serious injuries. Almost one-half of the accidents involved the hands and arms injured while handling work tools or other objects. Fifty-six accidents resulted in feet and leg injuries.

Court Records

KLAMATH COUNTY DISTRICT COURT

Jack Ray Jordan, false application hunting license, dismissed motion district attorney.

Cleston Thomas Rudisell, overlength, dismissed motion of district attorney.

Harold Cecil Lefever, combination overload, $71 forfeited.

Melvin Cornealious Dixon, no PUC permit, $15.

Frank Wesley Smith, fail display license plates, $10 forfeited.

Glen Duane Broadsword, fail display license plates, $10 forfeited.

Vasile Loufs Forea Jr., combination overload, $35 forfeited.

Harry Thomas Lawson, tandem axle overload, $95 forfeited.

Wilfred Joseph Roberts, combination overload, $39 forfeited.

Edward Raymond Donovan, tandem axle overload, $35 forfeited.

James Lester Wilson, improper muffler, $5.

Howard Eugene West, violation basic rule, $7.50.

John Joseph Keane, fail stop at stop sign, $5 forfeited.

Richard John Snyder, violation basic rule, $7.50 forfeited.

Frank Smith, inadequate emergency brake, $7.50.

Wilson Fulbright, inadequate emergency brake, $5 forfeited.

Paul Freeman Miller, fail drive right half, $5.

Bobbie Gene Phillips, fail yield right of way, $5.

Dan Colwell, reckless driving, $25; license to be suspended for six months; released.

Fernando Garcia Jr., fail stop at stop sign, $5.

Modesto Jimenez, no operator's license, $20.

James Dunn, drunk on public highway, $35 or 15 days in lieu of fine; committed.

John Gordon Lacefield, violation basic rule, $10.

Gerald Luther Bachman, violation basic rule, $10.

Grant Fred Brown, fail display license plates, dismissed.

Don Edwin Mitchell, improper muffler, $5.

KLAMATH FALLS MUNICIPAL COURT

Joseph Connell O'Neill, drunk, disorderly conduct, $25 forfeited.

Charles A. Watt, drunk, $25 or 12½ days.

Bernice A. Broussard, running traffic light, $5 or 2½ days; running traffic light, $5 or 2½ days; no operator's license, $5 or 2½ days.

James Crain, drunk, $25 or 12½ days.

Michael Musial, drunk, $25 forfeited.

OUTLAWS BABY SALES

WASHINGTON (UPI)—Sen. Estes Kefauver (D-Tenn.) has introduced legislation to outlaw interstate sale of babies.

Kefauver said in a statement that the measure was needed to stamp out "interstate baby racketeers" and to protect the estimated 160,000 illegitimate children born in the nation each year, their mothers and prospective foster parents.

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A NATIONWIDE CALL has gone out from the Oregon Centennial Commission for any actual photographs of covered wagon trains on their way to Oregon between 1850 and 1860. Shown here is a drawing made from memory by a pioneer at some date subsequent to 1870. The daguerrotype process required that the subjects remain in a fixed position for a considerable period of time so that genuine pictures of the period will lack action.

State Centennial Officials Seek Covered Wagon Art

Officials of the Oregon Centennial issued an urgent nationwide call today, asking for photographs of covered wagon trains on their way to Oregon between 1850 and 1860.

The advisory committee on history said authentic photographs are needed for the historical phase of Oregon's celebration of 100 years of statehood. The state was admitted to the union February 14, 1859, but the celebration will continue through the summer and be highlighted by an exposition and international trade fair at Portland June 10 through September 17.

The committee said many pictures of covered wagon trains were taken in the 1850s, and at least three photographers made extensive collections of Daguerrotypes on the plains and in the mountains.

It listed these photographers as J. Wesley Jones, who took 1,500 pictures on the plains and in the mountains in the summer of 1851. All are missing.

J. M. Staney, an artist as well as a daguerrotype, who moved to the Far West with the party of Gov. Isaac I. Stevens of the Washington territory. The committee said there is evidence that Stanley took a number of daguerrotypes on the plains, but none has been found.

S. N. Carvalho, a daguerrotypist from Baltimore, who went to California in the party of Col. John C. Fremont, leaving Missouri in September, 1853, and crossing the mountains in mid-winter. Carvalho took "a large number' of photographs, though the committee said the exact number is not known. All the originals are missing, but the committee expressed belief that if they cannot be located, at least copies made in 1856 can be found.

The committee asked that anybody who has information concerning wagon train daguerrotypes or photographs immediately write the Oregon Centennial Commission, 400 Jackson Tower, Portland, Oregon.

PTA NEWS

FAIRVIEW

Mrs. Elda Fletcher, special education teacher at Fairview, was guest speaker at the PTA meeting, January 22, in the school auditorium. Mrs. Fletcher spoke on "Special Education: What Does It Involve and Why Do We Use It?" Citing the various handicaps and describing the training program for each, she explained that every handicapped child is taught to accomplish at his own level of learning.

Mrs. Alice Badey, president, conducted the business meeting.

The flag salute was led by Shirley Reinmiller and Dennis Paddock, fourth graders. Mrs. James Crapo read the PTA prayer. Mrs. Florence Ollmann, principal, presented the PTA with a $100 check, part of the proceeds from the Christmas play. She also announced that Fairview School had met all fire safety standards required by the state.

Mrs. Ruby Weinberg announced that the next study group meeting will be February 11 at 9:30 a.m. in the primary library. Room count was won by Mrs. Ruth Stout's third grade class. Prior to the meeting, incidental music was presented by Stephanie Spetz and Barbara Cofer.

MOST UNUSUAL

KNOXVILLE, Tenn. (UPI)—When the city administration refused to grant a raise for claims investigator Frank Workman, city law director John Duncan cut his own salary by $200 and added it to Workman's.

You haven't really laughed until you've seen AUNTIE MAME ON THE SCREEN!

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