

Income Tax Facts

Editor's Note: This is one in a series of articles on federal income tax filing. These articles are based on information provided by the American Institute of Certified Public Accountants and the Southern Oregon Society of Certified Public Accountants in cooperation with the Internal Revenue Service.

Each exemption you can claim is worth between \$120 and \$546 in federal income tax dollar savings, depending on your income bracket. With this thought in mind, you can look kindly at your five children when they jar you awake tomorrow morning. Because for once every year, they are each worth \$600 of tax free income on your tax return. Five kids times \$600 is \$3,000, plus \$600 each for you and your wife, amounts to \$4,200 of tax free income. If your total income is \$4,200, you don't have a dime of tax to pay. You don't have any problems at all—or hardly any.

The instruction booklet you receive from the Internal Revenue Service together with your tax form gives a very clear explanation of the exemptions to which you are entitled. Ten minutes spent reading the instructions will give you all the basic information on the requirements for claiming an exemption for a dependent.

Children—Married or Single
With so many tax dollars at stake, it is worth emphasizing some points about exemptions that may otherwise be overlooked. For example, if you claim an exemption for a dependent then that dependent must not file a joint return with someone else. Such a situation could arise if you have a married daughter. Many parents today are finding that it costs them more when their offspring get married than it does when they are single. Young couples often find it hard to cope with the high cost of living. Your daughter Alice may announce with pride that, "George and I are independent now. We don't want any handouts. We'll live in a basement if need be, but we intend to struggle along on whatever we make." All this as she gracefully accepts your \$500 check (a wedding gift), a refrigerator, washing machine and bedroom set (to get them started), a weekly donation of food (leftovers), and so on. The value of these gifts can be considered in determining whether Alice was supported by you. If she receives more than half of her support from you, does not have too great an income, and meets the other requirements for a dependent (see instruction booklet), you can continue to claim a dependency exemption for her. However, if you do, then she must not file a joint return with her husband. You would probably talk over the situation with your daughter and son-in-law to find the method of handling which results in the greatest tax saving. Your biggest problem may be convincing your daughter that she is still a "dependent." You may even find that you would be better off to forego the possible tax savings to maintain harmony in the family by preserving your daughter's pride.

If you claim an exemption for a dependent, it does not necessarily follow that the dependent will not file a return. It may be that your 17-year old son earned himself about \$1,200 from odd jobs and summer work, most of which he put in his savings account toward a college education. Since he earned more than \$600 he must file a return, and will claim an exemption for himself. He may even get part of any tax withheld back as a refund. However, if you provided more than half of his support, and he met the other requirements for a dependent, you can claim an exemption for him also. If your son had earned less than \$600, but had income tax withheld from his income, then he would still file a return in order to get a refund of the tax withheld.

Births and Marriages
You can claim a dependency exemption for each of your children regardless of when they are born during the year. As long as the children are born before January 1—even one minute before—you can claim them as dependency exemptions for the entire year. Whether you get married in January, June or December, you can file a joint tax return with your wife as though you were married for the entire year, and can in most cases enjoy a tax-dollar saving from the income splitting benefits of a joint return.

Multiple Support Agreements
If you shared with others in the support of a dependent, but none of you provided more than half the support, you may still be able to arrange among you for one of the group to have the \$600 exemption. You might agree, for example, to take turns in having the exemption from year to year.

The one who claims the exemption must have contributed more than 10 per cent of the support, and he must be a member of a group who together provided more than half support. He must also meet the other requirements for claiming a dependency exemption (see instruction booklet).

In order for one of the group to have the exemption, all other members of the group who contributed more than 10 per cent must sign declarations that they will not claim the dependent. The Internal Revenue Service provides Form

2120 (Multiple Support Agreement) for this purpose. The amount of support a person receives is not always in money. For example, say you are claiming your widowed mother as a dependent. She owns the house she lives in, and has a small income from investment. To determine how much of her own support she is providing, it is necessary to figure out the fair market value of the house in terms of rent. If the amount of support you are providing exceeds the income she is receiving and the rental value of the house for the year, then you can claim her as a dependent.



CLIFFORD G. SHANE

Food Laws Talk Slated January 11

The recent cranberry condemnation action may become the center of questions at a meeting of the Klamath Falls Library Club scheduled for Monday, January 11, at the lecture room of the city library.

Clifford G. Shane, Portland resident inspector for the U.S. Food and Drug Administration, will speak to members of the club on "The Food and Drug Administration—What It Is And What It Does."

Shane will speak on the background of history that led to the establishment of the Food and Drug Administration and the reason why we have food laws. He also will outline some general information about the administration and how it operates as well as numerous activities engaged in by the department.

A native of Nebraska, Shane taught high school sciences for two years after graduation from the University of Nebraska, before entering work with the department as an inspector at Kansas City, Missouri.

He was transferred to Portland as the resident inspector last year. He is also attached to the Seattle District and covers a territory that includes most of the state of Oregon. His job calls for numerous inspections of foods and drugs and many special investigations of illegal sale of drugs and bogus devices including "quacks" who promote cure-alls.

The meeting will be open to the public.

Membership Status Quo

There are approximately the same number of members in Siskiyou Ski Club at Crater Lake National Park this year as last, according to Slim Mabery, park ranger who is club director. There will be 13 or 14 school age youngsters receiving instruction when classes start on Friday of this week, he indicated. There will be transportation furnished to collect the youngsters as school is dismissed to take them to the ski run in the Munson Valley area near park headquarters.

There are some 18 adults interested in skiing at the park. Mabery said. The rope tow will operate at the club ski slope and more than three feet of snow makes a good snowpack for the run.

A ski jamboree with competitive events for the youngsters is planned for the end of the season. There will be prizes, awards and certificates for winners again this year.

Jesse Z. Smith REALTOR
with offices formerly at Tower Theatre Bldg.
Announces the Removal of his offices to 1035 Main
Formerly Offices of Burton E. Grey, Realtor
Salesmen: Gene Williams, George Overmire, Sally Comstock, Mrs. Buff Jones and Jesse Z. Smith, Realtor

Hint Of Red Disarmament May Force Hand Of Allies

MOSCOW (AP)—Nikita Khrushchev's hint that the Soviet Union might go it alone in cutting armed forces strength suggested Saturday the opening move in a new maneuver to force the West's hand on disarmament.

The Soviet Premier told a New Year's reception "if the cold war exponents drag us into labyrinths of endless verbal discussions, should we adopt the way onto which they want to prod us?" "Shouldn't we do some thinking for ourselves, reduce our armed forces unilaterally and entrust the

defense of our borders to rockets?" Khrushchev's declaration, sounded before foreign diplomats among the 1,500 guests at the Kremlin reception, was greeted cautiously in Washington.

But an initial reaction was that the Soviet leader's words may represent the opening move in an attempt to marshal world opinion and pressure the Western powers into accepting his pet disarmament proposal at the East-West talks opening in Geneva March 15. The proposal, submitted to the United Nations by Khrushchev during his U.S. visit last year, calls for total disarmament within four years.

Khrushchev said in his New Year's Eve statement that "if our proposals are accepted we are ready to dissolve our army any time and all our military will welcome this decision."

Western leaders go along with Khrushchev's proposal in principle but maintain it is too vague on the crucial issue of controls.

They insist that any arms reductions must be guaranteed through a workable control and inspection system.

The Soviet line at past disarmament discussions has called for reductions first, then consideration of controls.

Both the United States and Britain are drafting their own proposals to lay before the 10-nation Geneva disarmament committee on which Communist nations will have numerical equality for the first time.

Khrushchev made no actual commitment the Soviet Union would cut its armies.

The Kremlin has announced reductions since World War II but never said how many men still are under arms.

Some Western military experts believe these reductions probably affected mainly service troops. Some estimates place total Soviet forces at 3 1/2 million.

Prophecies Of Fatima To Be Told

VATICAN CITY (AP)—Still secret prophecies of Fatima, as written by Sister Maria Dolores, are due to be disclosed this year. Speculation has been rife among Roman Catholics as to what they may contain.

Sister Maria, a 54-year-old cloistered nun at Coimbra's Carmelite convent in Portugal, is the sole survivor of three shepherd children who said they saw visions of the Virgin Mary at Fatima in 1917.

She wrote the prophecies years ago, sealed them in an envelope and entrusted them to the bishop of Leiria, her ecclesiastical superior, to be opened in 1960 or at her death if she died before then.

Vatican sources said the disclosure would be made by the bishop but they did not know when. They said it might be on the anniversary of the first vision—May 13.

It was on that day in 1917 that Lucia Dos Santos, now Sister Maria, and Giancesa and Francisco Marto, saw what they described as "a beautiful lady in white" on a grassy slope near Fatima.

Since then, Fatima has become one of the greatest shrines to the Virgin Mary.

Lucia became a nun after the death of the other two.

Some of the prophecies she made have been made public. They forecast World War II and told of a possible conversion of Soviet Russia to the Roman Catholic faith. This conversion, however, was conditioned upon a sincere return of humanity to Christian faith.

"Otherwise," said Sister Maria's prophecy, "Russia will extend its errors throughout the world, promoting wars and persecutions against the church."

In recent years some have believed that the secret portion of the prophecies might relate to the late Pope Pius XII.

Speculation about this increased after the late Federico Cardinal Tedeschini declared at Fatima's anniversary observance in 1951 that during the holy year the pontiff had experienced solar visions similar to that observed at Fatima Oct. 13, 1917.

U.S. Chief Backs ROKs

SEOUL, South Korea (AP)—The top U.S. commander in South Korea Saturday backed up South Korea's denial that one of its warships attacked a Soviet survey vessel Dec. 28.

"Information available to the U.N. command confirms the statement of the republic of Korea government that no naval craft of the republic was involved," Gen. Carter B. Magruder said in a statement issued by his U.N. headquarters.

Magruder's command oversees South Korean naval operations. The Soviets said Thursday a South Korean submarine chaser attacked the survey ship Ungo about 30 miles off the North Korean coast and 36 miles northeast of the South Korean border.

Moscow said the warship made three runs on the Ungo and killed a helmsman and wounded four sailors with a direct hit on the bridge.

Chas. J. Cizek TAILOR
Suits & Slacks Made to Order
Perfect Fit Guaranteed
119 SOUTH 7th

Herald And News Scribe Tells Thrill Of Jet Trip

By FLOYD L. WYNNE
A first-hand view of the rigors and the pleasures of flying jet planes was given Thursday to Bob Mest, president of the Klamath County Chamber of Commerce, and this writer at Kingsley Field.

As part of a community orientation program, we were given an aerial trip in a T-33 jet trainer.

Clearance for such a flight must be made a number of weeks in advance, and after that approval is received from headquarters, the preparation necessary before the jet actually leaves the ground is considerable.

Capt. Howard L. Douthit and Capt. Quimran C. Zeagler were the two pilots.

Preparation included fitting for helmets and flying gear as well as a briefing on the use of parachutes in the event of difficulties necessitating bail-out from the jet.

It also included another phase which is necessary to relieve the United States government of any responsibility in the event of accident. Both of us signed a statement that absolved the government of any liability arising from the flight.

It still wasn't a case of merely climbing into one of the jet's cockpit seats and taking off.

Flying with Captain Douthit, I found that it took about a 10 or 15 minute check of the plane. This began with an inspection of the maintenance book, checking out any deficiencies that might have been noted in the book and making certain the plane had been properly serviced.

Then came a physical check of the plane. All tanks, and there were six including two wingtip tanks, were actually opened and inspected to make certain fuel was available. All exterior surfaces were checked manually, landing gear was also inspected. The intake and exhaust chambers of the jet engine were carefully checked for loose articles which might be pulled into the engine and materially damage it.

All armament doors are also checked to make certain they are properly locked.

After all this careful preparation then comes time to climb in.

Preparations here are almost as elaborate and certainly as carefully executed. Oxygen masks are checked out, hooked up, parachute straps clipped into place and radio contact executed.

Here also came a careful briefing on the purpose of two handles, one on each side of the seat. These are only for absolute emergency in the event bail-out is necessary.

In briefing, Captain Douthit emphatically held both my hands on the handles, pushing them down and preventing me from pulling up even if I wanted to. These handles will eject the seat from the cockpit and automatically pull the chute into action.

As we warmed up the engine and rolled down the taxi strip toward the main runway, Captain Douthit attempted to explain each of the many gauges and instruments on the confusing panel before me.

Somehow as he explained them it all seemed simple and easy to digest, but it would take a great deal of training and methodical routine before one felt familiar in the cockpit.

Actual take-off is smoothly executed with one remarkable difference between my experience in prop driven planes and jets. The sensation in propeller planes is of being pulled into the air, with jets it's a sensation of being pushed with a smooth, swift acceleration.

Once in the air the rate of climb is terrific. Through hydraulic as-

ist, controls of the jet are easily executed. Captain Douthit explained that it can and must be flown carefully. "Two fingers are all you need," he explained.

Later, he let me handle the controls for a while to see for myself how easily the plane responded. However, I suspect that his hands were never more than an inch or two away from the controls, which I did not regret.

The landing was executed as smoothly as the take-off, and after we finally taxied to a stop adjacent to the hangars it still took some time to untangle the maze that was holding me to the rear cockpit.

I found myself with several distinct impressions. One, that flying jets was an exciting experience; two, that extreme care was the watchword with jet planes, and three, the jet plane was a simple yet extremely complicated piece of flying machinery.

Upon questioning, Captain Douthit explained that he had about 3,000 hours in the air and had been flying since he was 16, a period of about 15 years.

"Airplanes have changed a great deal in that short 15 years, haven't they?" I inquired.

"They certainly have," was his reply.

Taking one last look at that jet trainer and humping my way, parachute and all back to the operations room, I certainly had to agree.

WOW!

MJB Instant COFFEE 6-oz. Jar 89¢	Swift's Jewel Salad OIL Qt. Bottle 37¢	White King SOAP Giant Pkg. 49¢
---	---	---

Smoked
Picnics Tastes Like Ham! We Slice Free **35¢ lb.**

Marrell's Frontier
Bacon **269¢** (LBS)

Del Monte Catsup 14-oz. bottles **5/89¢**

Tomato Juice 46-oz. **4/\$1**

Chili Con Carne With Beans - Low Cost Tall Tin **5/\$1**

Gerber's Strained Baby Foods 12 FOR \$1	Nestle's QUIK 2-lb. 6-oz. 89¢	Doeskin Facial TISSUES 200 Count Pkg. 10¢
---	--	--

SURPRISE SPECIALS

Margarine 'Banner **6:??**

Flour Gold Medal **25 lb. bag ?**

Sweet, Juicy
Oranges 5 lb. bag **39¢**

Carrots 1-lb. Cello Pkgs. **219¢**

Specials For Monday - Tuesday - Wednesday.

Low Cost FOODS

RIGHT TO LIMIT RESERVED

Town & Country Shopping Center -- 3800 So. 6th

1960 OLDSMOBILES
for
Immediate Delivery!
88's - Super 88's - 98's
in our showroom and in our warehouse—
ALL COLORS & BODY STYLES

CADILLACS
AVAILABLE SOON ...
See us now for priority delivery!

1960 Hillmans - the proven compact car ... Also available in a complete choice of body styles.

DICK B. MILLER CO.
7th and Klamath Ph. TU 4-4154