

**SCOUT NEWS**

**TRAINING SESSIONS**  
Five training sessions for Girl Scout leaders are scheduled this month in the Girl Scout office, Melhase Building, Main Street.

New Brownie leaders are offered orientation into the program January 11 from 9:30 a.m. until 2 p.m. New leaders will learn fundamentals of organizing, planning and executing Brownie troop activities.

A fly-up workshop for leaders of fourth grade youngsters, set for January 14 from 10 a.m. until noon is designed to assist leaders in preparing girls to meet tenderfoot rank requirements. Fly-up ceremonies and induction to the intermediate program also will be covered.

A Brownie program workshop to help leaders plan for the next five months will be conducted January 19 from 9:30 a.m. until noon.

An intermediate badge workshop for leaders of fifth and sixth grade girls is planned for January 21 from 9:30 a.m. until noon. Second class requirements will be stressed, and the workshop will review procedure for fulfilling proficiency badge requirements.

A workshop for leaders of first class, or sixth and seventh grade girls, is scheduled for January 28 from 9:30 a.m. until noon. Leaders will be briefed on requirements for proficiency badges and first class rank to be conferred during the Spring Court of Awards. They also will receive an introduction to the curved bar program.

Participants should bring notebooks, pencils, Leaders' Guides and handbooks. Registration is required at least three days in advance. The scout office phone number is TU 4-4541.

**NEIGHBORHOOD MEETINGS**

Two neighborhood meetings have been conducted this month by adults registered in the Girl Scout organization, Klamath Area Council, and 10 more are scheduled during January and February.

The meetings are for neighborhood chairmen, consultants, organizers, leaders, assistant leaders and troop committee members.

The schedule: Fairhaven neighborhood, 9 a.m., January 7 in the home economics room of Fairhaven School; South Municipal neighborhood, 10 a.m., January 12 in the county library; Falcon Heights neighborhood, 1 p.m., January 25, place to be arranged; Bend neighborhood, the evening of January 26 in the Bend City Hall commission room.

Alturas and Adin neighborhood, the evening of February 1, place to be arranged; North Municipal neighborhood, 10 a.m., February 1 in the county library; Fairhaven, 9 a.m., February 4 at the school; South Municipal, including Altamont, Stearns, Shasta, Peterson and Ferguson schools, 10 a.m., February 9, at the county library; Falcon Heights, 1 p.m., February 22, place to be arranged, and Bend, the evening of February 23 in the city hall commission room.

**Centenarian Dies**

PALO ALTO, Calif. (AP) — Elizabeth Van Epps, who described her declining but active years as "living in green pastures," died Tuesday at 104.

Born near Schenectady, N.Y., in 1855, she came to California with her family in 1905. She spent her last years sewing, reading and visiting her 21 direct descendants.

**Income Tax Facts**

**Editor's Note:** This is one in a series of articles on small-business tax problems. These articles are based on information provided by the American Institute of Certified Public Accountants and the Southern Oregon Society of Certified Public Accountants.

**ADDITIONAL FIRST YEAR DEPRECIATION**

The purchase of equipment can be a drain on any business, but particularly on the smaller businesses. It is for this reason that one of the amendments to the tax law in 1958 was aimed at easing the problem to some extent by allowing an additional deduction for depreciation in the year equipment is acquired.

To see what a difference this new allowance can make, assume that last year you bought a new machine for \$10,000 with a useful life to you of 12 years. Prior to the amendment, the maximum amount of depreciation you could deduct in the first year was \$1,667. But, by taking advantage of the new allowance you could get a

maximum first year deduction of \$3,333.

To take advantage of the additional first year depreciation allowance, the property being depreciated can be new or old, but it must be "tangible personal property." This includes machinery, fixtures, equipment, and other personal property used in your trade or business, but it excludes improvements to your buildings or real estate. There are also some special rules that apply if the property is purchased from a relative, or if it is purchased by a corporation from a stockholder or by a partnership from a partner. You should check into this if it seems to apply to equipment you acquire for your business.

You can take the additional first year allowance on up to \$10,000 worth of property purchased during the year. In the case of an individual taxpayer filing a joint

return, the limit is \$20,000. In a partnership, the limit is applied to each partner. Let's assume that you purchased \$30,000 worth of equipment during the year. On your tax return for the year, you would have to designate the \$10,000 worth of purchases to which you wish to apply the additional first year allowance.

The equipment selected must have a useful life to you of six years or more. Your determination of the useful life is very important. Treasury Department Bulletin F (available from the U.S. Government Printing Office) lists a great many items of business equipment and the useful life of each. However, the useful life referred to in the bulletin is the economic or useful life span of the equipment. If you expect to give more or less than usual use to a piece of equipment, you must give consideration to this fact in determining a reasonable expectation of the equipment's useful life to you.

If the property you have purchased meets the requirements

mentioned, your additional first year depreciation allowance would be 20 per cent. This allowance would be in addition to the deduction you are allowed under any acceptable method you may choose for handling depreciation.

It is immaterial when during the year the property was acquired. So long as you are entitled to a depreciation deduction in the year of purchase, you are entitled to the full 20 per cent additional deduction. However, it may be taken only in the first year in which you are allowed a depreciation deduction with respect to the property.

It is the amount you pay for equipment that serves as a basis for the additional first year allowance. For example, a new machine costs \$3,000. You manage to get the machine for \$2,500 by trading in an old one. In this situation, only the \$2,500 counts as a basis for your first year depreciation allowance. However, in computing your regular depreciation, you would include in your cost the amount represented by your

trade-in property.

For example, let's say that the old machine had a value on your books of \$1,100. In computing the additional first year depreciation, the portion of the cost of the new machine represented by the trade-in is ignored and you could deduct as first year depreciation 20 per cent of \$2,500 or \$500. However, in computing your regular depreciation deduction, the trade-in counts, and as is the case with trade-ins, at its unrecovered cost, not the amount allowed. Thus, you paid \$2,500, less \$500 first year depreciation equals \$2,000 plus the trade-in cost to you of \$1,100 equals \$3,100, which is the amount to be used in computing depreciation under whatever method you may be using.

Some methods of depreciation require that you subtract salvage value (your estimate of the amount you can get for the property after you are finished using it) from the cost of the property before figuring your depreciation deduction. However, salvage value does not have to be considered in

computing your additional first year allowance. It is as though the additional allowance were taken right off the top. Let's see how this works with two of the more common methods of computing depreciation. For example, if you purchase a piece of equipment for \$10,000 with a useful life to you of 12 years, your first year additional allowance would be \$2,000 (20 per cent of \$10,000). Your cost would be reduced by the \$2,000, and your regular method of depreciation would be figured on the balance of \$8,000.

With the straight-line method, you first subtract the estimated salvage value, let's say \$500, leaving you with a depreciable balance of \$7,500. You spread this amount equally over the useful life of the equipment, which would be \$625 each year (this can be stated as a percentage, 8.33 per cent a year for 12 years). The additional allowance together with straight-line depreciation, means a deduction in the first year of \$2,625.

Suppose that you use the declining-balance method of depreciation.

With this method, salvage value is not subtracted from the cost. Your depreciation deduction will be a fixed percentage of the unrecovered cost each year. The percentage may not be more than twice the straight-line rate, or in this case, 16.67 per cent. On the balance of \$8,000 then, your first year deduction with the declining-balance method would be \$1,333. Adding this to the additional allowance of \$2,000, you get a total first year depreciation deduction of \$3,333.

As you can see, by selecting one or another method of depreciation and by electing to use or not use the additional first year allowance, you have wide latitude in determining how your depreciation deductions will be spread over the useful life of your equipment. Each deduction will reduce your taxable profits in the year it is taken. It is up to you to decide, in light of present and future estimates of your operation, whether it would be better to have larger deductions in the earlier years or to have deductions spread more evenly.

**Area Masons To Install**

TULELAKE — 1960 officers of Canby Cross Lodge, No. 679 F. & A.M. will be inducted at the 26th annual installation of officers at the Masonic Temple, Saturday, January 9. The ceremony will begin at 8 p.m. with Reginald Reynolds, inspector 108th Masonic District, state of California, as installing officer.

Lester Cushman will be installed as worshipful master; Robert Addison, senior warden; Lewis Winfield, junior warden; Dick Falconer, treasurer; Bill McBride, secretary; Richard Fuller, chaplain; Lester Turnbaugh, senior deacon; John Bettendorf, junior deacon; Estel Allison, marshal; Jim DeShon, senior steward; Morris Ott, junior steward; Alvah Hardman, tiler.

V. G. Reinmiller, past master of Canby Cross Lodge, will be master of ceremonies; Douglas Thomas, past master of Canby Cross Lodge, will be installing chaplain and Mrs. Kay Paulson will be musician.

Trustees are Ben Wilson, V. G. Reinmiller and George Reiben. Past masters of Canby Cross since 1939 include Earl Ager, Ray Able, Ralph Ganger, George Reiben, Ned Mitchell, Luke McAnulty, Fred Fisher, Otis Roper, Lawrence Horton, Ival Wolfe, Floyd A. Boyd, Ray Laird, Bud Hagerty, Gib Osborne, Al Hardman, V. G. Reinmiller, Burris Short, A. G. Boyd, Dean Callas, Douglas Thomas, V. G. Reinmiller (second term), Ben Wilson, Estel Allison, Bill Allen.

**Apartment Fire Causes Problem**

BEVERLY HILLS, Calif. (AP) — Fire in an adjoining apartment smoked Jill St. John out of a sickbed Tuesday night.

The red-haired actress, fiancée of Lance Reventlow, son of heiress Barbara Hutton, was recuperating from flu when fire started in the building. She threw on a coat and was led to safety by a fireman.

Firemen blamed a faulty heating unit for the blaze and estimated damage at \$25,000.

**FROZEN FOOD SALE! SAVE IN '60 BUY LOW!**

**Spinach, Squash** 3 FOR 49¢  
**French Fries** 10-oz. pkgs.  
**Cottage Cheese** Pint 23¢  
**Dog Food** Tins 12 FOR 98¢

**PET INSTANT** NONFAT DRY MILK 12 qt. size 89¢  
**FLOUR** 25 Lbs. 1.69  
**Dundee MARGARINE** 3 lbs. 49¢

**Chicken Noodle Dinner** 49¢  
**Tuna** No. 1/2 Tins 2 FOR 35¢  
**EGG NOODLES** Best 12-oz. Pkg. 19¢

**WONDERFUL MEATS FOR WINTER MEALS**  
**Stewing Chickens** 29¢ lb.  
**Spare Ribs** 45¢ lb.  
**Sausages** 45¢ lb.  
**Pork Loins** 2-Lb. Tin \$1.98

**OVERLOOK PEAS** 5 for 29¢  
**OTTERBROOK BEANS** 2 lb. pkg. 37¢  
**DUNDEE BEETS** 303 Tins Choice 10¢  
**Vet's 9-oz. Tins Cat Food** 5 for 29¢  
**Patty Dae, Moist, Fresh Raisins** 2 lb. pkg. 37¢  
**Del Monte, Large Dried Prunes** 2 lbs. 59¢  
**Medo Bel Homogenized Milk** Half Gallon 50¢  
**Gerber's Strained Baby Food** 5 for 39¢  
**Patty Dae - Pearl Rice** 2 lb. pkg. 25¢  
**Large White Beans** 2-lb. pkg. 25¢  
**Fresh Baked in Klamath Bread** lg. loaf 31¢

**CHIFFON TISSUE** 2 Roll Pack 23¢  
**DESSERT** Asst. Flavors 69¢ Half Gallon  
**TOMATO JUICE** Hudson House 2 46-oz. Tins 49¢

**Penco VANILLA** Imitation Full Pint Bottle 49¢  
**CARROTS** Crisp Large Size 5¢ lb.  
**ORANGES** Seedless Navel 5 lb. bag 39¢  
**Avocados** Good Size each 5¢

**BISCUITS** BETTY CROCKER PILLSBURY OR BALLARD CAN 10¢  
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