

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.

The interest on a mortgage is deductible on your federal income tax return. Sometimes, the monthly payments you make to the bank include an additional amount which the bank holds for the payment of taxes, insurance, and so on. In this case, the bank is acting as your agent in paying tax on your property. Real estate taxes paid by the bank for you are deductible as if you had paid them directly. If you bought a new house during 1959, you and the previous

owner may deduct the various taxes paid on the property, but only in proportion to the number of days each of you owned the house. This is true regardless of who paid the taxes. To deduct automobile expenses in connection with business travel, you should first add up the total cost of maintaining your car, including depreciation, gasoline, oil, repairs, and garage rent. Divide this total by the number of miles you drove in 1959 to find the average cost per mile. You then multiply the average cost by the number of miles you drove your car for business travel only. This will give you the amount you should deduct for business use of the car.

If you don't happen to use your car for business, there are still expenses that you can deduct. Among the usual deductible expenses are state and local sales and use taxes on the purchase of a car, auto license fees, state gasoline taxes, and losses from an accident not due to your "willful negligence" and not covered by insurance. You may deduct state and local retail sales taxes, but not federal excise taxes. Since it would be difficult for you to collect a bill for every small item you buy, a reasonable estimate of the amount of state and local sales taxes you have paid may be acceptable. You

can do this by estimating how much of your total income was spent on items covered by such taxes, and then multiplying the amount by the sales tax percentage. This will give the amount to deduct as estimated sales tax paid. For example, consider the cigarette. Say you and your wife consume three packs of cigarettes a day. They sell for 27 cents a pack, which includes a 3 per cent city sales tax, or 1 cent a pack. You estimate that you buy 1,095 packs a year (3 x 365), for \$295.85 (27 cents x 1,095), of which \$10.95 was a city sales tax. The \$10.95 would be the amount to claim.

Although this particular example results in a small deduction, it illustrates the method you can use to estimate your other taxes. There are a number of state levies that are not deductible. For example, you cannot deduct state gift or inheritance taxes, nor can you deduct estate or succession taxes. There are also certain state license fees that are not deductible, such as dog license fees, and hunting and fishing license fees. State income taxes paid by you are deductible. It is important to remember that, on your 1959 federal income tax return, you can only deduct those interest and tax

payments that were made during 1959. You can get more information about all of your deductible expenses from the instruction booklet furnished by the Internal Revenue Service each year.

Worry of FALSE TEETH Slipping or Irritating?
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TAXES AND OTHER TAX DEDUCTIONS

Most of the non-federal taxes you pay can be deducted from your federal income tax return. You can also deduct many of your interest payments on your personal debts, such as bank loans or home mortgages. An explanation of these deductions is contained in the instruction booklet you receive with your income tax forms from the Internal Revenue Service each year. Here are some valuable facts that deserve emphasis:

Card Lessons To Be Given

Klamath Falls YMCA will again offer courses of contract bridge lessons to its members. This is another of the YMCA projects which has proven very popular over the past years. During 1959 approximately 100 YMCA members have participated in various contract bridge classes.

"Contract bridge provides a n outstanding program for self-development, proper thinking habits, self-reliance and control. Bridge is to the mind what athletics is to the body," states Mrs. David A. Richardson, instructor.

"Bridge for teen-agers has become a popular objective throughout the nation. Many youngsters are already playing tournament bridge and winning high honors in championship games. This year, for the first time, the YMCA is offering a special course of 10 lessons for the youth of the YMCA," she continued.

This class is planned to introduce the younger players to the game. The initial 10 lessons will be extended to meet the needs of the students. This class will begin the first week in February. It is necessary that registration be made immediately, either at the office of the YMCA Headquarters, 722 Pine Street, or through Mrs. Richardson, certified Goren bridge teacher, who will be the instructor.

Classes will also be held soon at the YMCA Headquarters building for adult members. Both men and women are welcome. Beginners bridge class will start Wednesday, January 20, at 10 a.m. This class is for those who have never played bridge, or those who have only played auction bridge.

Intermediate and advanced classes will start Wednesday, February 10 and will at that time be combined with the beginners class. Registration for these classes must also be made immediately with the instructor, Mrs. Richardson.

Please telephone TU 2-1126 or TU 2-0160.

ALLERGIC HOUNDS NORTH BUCKINGHAMSHIRE, England (UPI) — A spokesman for the Whaddon Chase Fox Hunt announced postponement of further hunting. The hounds have hay fever, he said, and "can't smell a bone, let alone a fox."



Rip Van Winkle couldn't sleep with nagging backache

Now! You can get the fast relief you need from nagging backache, headache and muscular aches and pains that often cause restless nights and miserable tired-out feelings. When these discomforts come on with over-exertion or stress and strain — you want relief — want it fast! Another disturbance may be mild bladder irritation following wrong food and drink — often setting up a restless uncomfortable feeling. Doan's Pills work fast in 3 separate ways: 1. by speedy pain-relieving action to ease torment of nagging backache, headaches, muscular aches and pains. 2. by soothing effect on bladder irritation. 3. by mild diuretic action tending to increase output of the 15 miles of kidney tubes. Enjoy a good night's sleep and the same happy relief millions have for over 60 years. New, large size saves money. Get Doan's Pills today!

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