



FOURTH IN SERIES . . .

Secret To Trimming Your Tax Is In Knowing All Deductions

Editor's Note: This is the fourth of five dispatches on how to file your income tax without paying more than required to. Today's dispatch covers allowable deductions.

By EDWARD COWAN

WASHINGTON (UPI)—The secret to trimming your federal income tax is knowing what deductions you can take.

The government allows you to subtract from your income for tax purposes expenditures of many kinds. There is no single formula covering what is deductible, although there are several general categories of deductible expenses.

So, the best way to make sure you are claiming all the deductions you are allowed is to pay close attention to what is deductible and to review your 1960 expenditures. (Some people keep a running account all year rather than risk forgetting something at tax filing time.)

One taxpayer in three takes itemized deductions. Two out of three elect to claim the standard deduction of 10 per cent of gross income. As a rule, the way to decide which is best for you is to figure out with a pencil and paper whether your itemized deductions would exceed 10 per cent of your income.

Sit down with your records and checkbook stubs and list everything you believe tax deductible.

(We'll discuss what is deductible in a few paragraphs.) Then put the list away for a few days—out of sight but not out of mind. See if you recall any other deductible expenditures you had.

When you have jotted down all the individual deductions you can think of, total them up and see if the sum exceeds 10 per cent of your income. If it does not, you probably would be wiser to take per cent. Otherwise, itemize your deductions.

If you itemize, you must use Form 1040 or Form 1040W. You may not use Form 1040A, the punch card popularly called the "short form." There is a \$1,000 limit on standard deductions.

In filing a joint return you can deduct the eligible expenses of both husband and wife. You may not include expenses of your dependents which they paid out of their own funds.

BASIN BRIEFS

BONANZA
MARCH OF DIMES fund will be sent to the Sacred Heart Hospital in Eugene in the name of Patrick Hughes, son of Mr. and Mrs. Dean Hughes of Bonanza. Anyone wishing to donate to the March of Dimes may leave money with Mrs. John Brown, Mrs. J. E. Baldock or Lorella Store before Jan. 29.

CHILOQUIN
DRIVERS LICENSE EXAMINER will be on duty in Chilouquin Thursday, Jan. 26, at the city hall between the hours of 9 a.m. and 4 p.m.

SUMMER LAKE
MR. AND MRS. GUY FOSTER attended the golden wedding celebration of his brother-in-law and sister, Mr. and Mrs. Carl Ewing, in Portland Jan. 29.

MR. AND MRS. BOB PENNINGTON are the proud parents of a son, Laurence Robert, born Jan. 18 at Albuquerque, N.M. Mr. and Mrs. Jess Pennington are the grandparents.

MR. AND MRS. DEAN CANNON and family recently visited Mr. and Mrs. Lee Verley in Adel.

MERILEE PIKE of Paisley was a weekend guest of Linda Pennington.

MR. AND MRS. H. C. HARRIS attended the meeting of Klamath Production Association in Klamath Falls Saturday.

BILL SMITH, Darwin Mosier and Delmar Hand and their families recently hunted arrowheads in Warner Valley.

SANDRA BRANCH, graduate of the University of Oregon School of Nursing, spent last weekend with her parents, Mr. and Mrs. John Branch, Paisley.

MR. AND MRS. JIM CHANCE have received word of the birth of their first granddaughter born to Mr. and Mrs. Ronald Chance on Jan. 12 in Lincoln, Neb. She has been named Joann Ruth and weighed 6 lbs., 1 oz. Her maternal grandparents are Mr. and Mrs. Verl Heselstine of Bonanza.

MR. AND MRS. WESLEY HASKINS are the parents of a baby girl, Lori Anne, born Jan. 16 and weighing 7 lbs., 12 ozs.

MR. AND MRS. LOUIS WITHERS made a business trip to Klamath Falls last week.

FORT ROCK
CLINTON PERRY has enrolled in Central Oregon College in Bend. He is a 1959 graduate of Lakeview High School.

MALIN
MR. AND MRS. RODNEY LYON are receiving congratulations on the birth of a baby girl, Michelle Rene, born Jan. 13 and weighing 6 lbs., 10 ozs.

MR. AND MRS. ELCIE ROBERTS have returned home after spending two months in Arizona and California.

MRS. GERTRUDE JOHNSON is visiting her sister, Mrs. Ed Godfrey, in Burbank.

NEW PINE CREEK
ELDER GORDON HARRIS, pastor of the First Baptist Church, is conducting a series of evangelistic meetings in Prineville.

LAIR AND LAYTON GENTRY have recently purchased a home from Homer McLain.

JESSE LIGHTLE has been released from the hospital and is convalescing at home.

MR. AND MRS. JAY HILL and family of Elder Point, Calif., have recently moved to Willow Ranch.

MRS. MAIDA SAMPSON was taken to her sister's home in Medford last week.

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Tree Sale Program To Be Given

Representatives of Rogue River, Fremont, Deschutes and Umpqua national forests and of Bureau of Land Management offices in Lakeview and Medford are expected to attend a no-host dinner meeting for government timber-selling agencies in the Winema Hotel here Monday, Jan. 30, beginning at 7 p.m.

Cocktails will be available at 6:15 p.m. Dinner will be served at 7 p.m. and a meeting will follow.

Government representatives will present their timber sale plans for the coming year, including sales in Klamath Indian Reservation lands, being purchased by the federal government and being added to the national forest system.

Timber sales normally processed from reservation lands have been withheld during the past few years due to termination proceedings.

Forest industries in the Klamath Basin, which contribute a substantial portion of the Basin's economy, have suffered considerably due to shortage of timber created by withholding the sustained yield annual cut normally available from Indian lands, say foresters.

All economic activities of the Basin will be directly and indirectly affected by the sale program to be announced during the meeting.

Reservations should be made no later than noon Monday. The meeting should begin at about 8 p.m. That announcement is furnished for those who want to hear plans to be announced, but who don't care to attend the dinner.

health insurance or similar sources during the year.

Taxes: Most state and local taxes directly levied on you may be deducted. These include state income, real estate, personal property and state and local sales taxes. You may not deduct federal excise, social security or income taxes; hunting or dog license fees, water assessments or auto inspection fees.

Child care: Costs are deductible only if incurred while a mother was working or looking for a job or by men who are divorced, widowers or legally separated. The child must have been under 12. If he or she is the taxpayer's dependent he need not be a son or daughter.

Also eligible is the cost of care for any other dependent physically or mentally unable to care for himself.

In all circumstances a child care deduction may not exceed \$800. You may not deduct payments to baby sitters you hired so you could go out socially.

Contributions: Deductible if they go to religious, charitable, educational, scientific or literary organizations. However, the organizations must not be operated for personal profit, not carry on propaganda nor engage in lobbying in Congress or other law-making bodies. Political contributions, whether to parties or individual candidates, may not be deducted.

In general, a deduction for donations may not exceed 20 per cent of income. But it may go as high as 30 per cent if the extra 10 per cent covers donations to churches and certain tax-exempt organizations.

Employer expenses: If you incurred business expenses for your employer for which you were not reimbursed, or only partly reimbursed, the net cost to you is deductible. To take this deduction you must do two things: (1) itemize all expenses you had, including those for which your employer paid; (2) include his advances or reimbursements to you in your income.

Education expenses: You may deduct education expenses in-

cluded primarily to maintain or improve skills required in your present job, business or profession, or to meet requirements to keep your present position. The expense is not deductible if its primary purpose was to qualify the taxpayer for a better job, higher salary or new type of work or to fulfill his general educational aspirations.

(Next: Payments and deductions on interest, dividends, sick pay and taxes.)

LAVERNE SLUSSER
Frigidaire Saleslady Says:

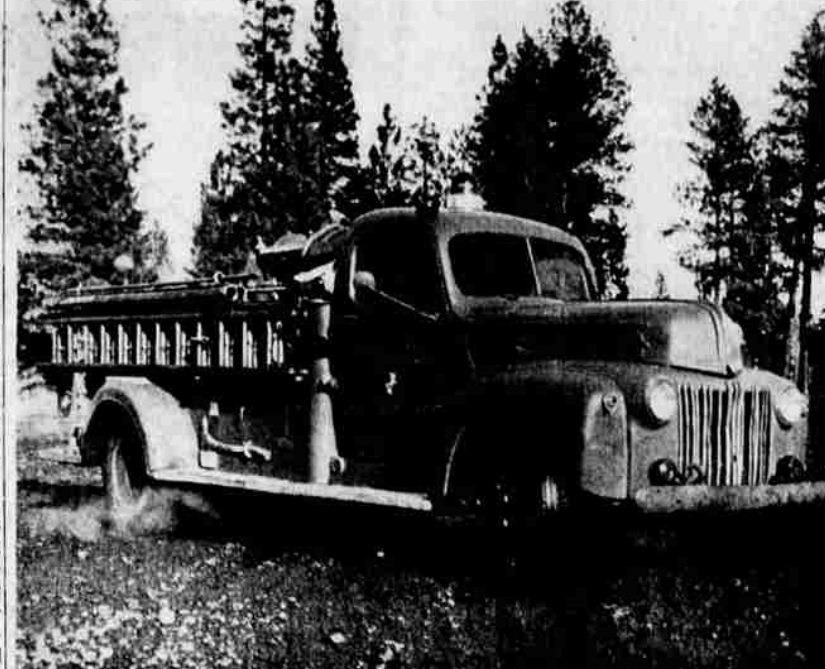
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THE TOAST OF THE ROCKY POINT area is this fire truck purchased recently by residents and property owners there. The truck and volunteer firemen saved a home Wednesday morning.

Rocky Point Firemen Get First Call

ROCKY POINT—Rocky Point Community Fire Department volunteers rolled on a real fire call for the first time Wednesday shortly after midnight.

Firemen were called at 1 a.m. to the home of Pete O'Neil near the junction of Rocky Point Road and Lake of the Woods Highway.

Fire started by an overheated chimney caused about \$200 damage to the roof.

Firemen said the home probably would have been doomed if the recently-formed fire department had not been available for help.

O'Neil noticed the fire when he stepped outside for wood. He called Ray Biggers, assistant chief, who called out the volunteers. Nearly 20 responded.

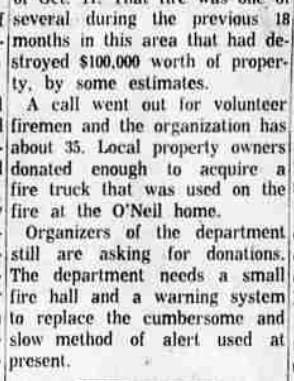
The fire department called the County Fire Department, with equipment in Klamath Falls. The fire was out by the time the county truck and crew could negotiate the 30 miles to the scene.

The fire department was organized after fire destroyed Williams Country Store here the evening of Oct. 11. That fire was one of several during the previous 18 months in this area that had destroyed \$100,000 worth of property, by some estimates.

A call went out for volunteer firemen and the organization has about 35. Local property owners donated enough to acquire a fire truck that was used on the fire at the O'Neil home.

Organizers of the department still are asking for donations. The department needs a small fire hall and a warning system to replace the cumbersome and slow method of alert used at present.

"DENNIS THE MENACE"



"WINTER SURE GETS LONG WHEN CHRISTMAS IS OVER."

Earners Of \$600 Or More Must File Federal Return

Every citizen or resident of the United States, including minors, who had a gross income of \$600 or more in 1960, must file a federal income tax return on or before April 17, 1961, A. G. Erickson, district director of the Internal Revenue Service reminded taxpayers today.

If the taxpayer is 65 or over on Jan. 1, 1961, he is not required to file unless his gross income in 1960 was at least \$1,200, Erickson said.

He added that even though a taxpayer is not required to file under these rules, he must file to obtain a refund if any income tax was withheld from his pay.

Erickson said there is one exception to the general rule. Self-employed persons must file an income tax return and pay a self-employment tax if net earnings from self-employment were \$400 or more.

He explained that self-employed persons are those carrying on a trade or business as sole proprietors, as members of a partnership, or rendering services as independent contractors.

Erickson said the deadline for filing is April 17, 1961, but he urged taxpayers to file as soon after Jan. 1, 1961, as possible and mail their returns to "District Director of Internal Revenue" for the district in which they live. Checks or money orders for any tax due must accompany the return and should be made payable to the "Internal Revenue Service," he said.

Taxpayers who have questions on this subject may obtain Document No. 5107, "Filing Your Tax Return," by calling or writing to their local Internal Revenue office, Mr. Erickson said.

"If you have any other questions about your federal income tax return, telephone your local Internal Revenue office," he advised.

Not So Tough

SHIGA KOGEN, Japan (AP)—Yujiro Ishihara, 25, Japan's leading movie tough guy, was laid up with a broken leg today. A girl skier crashed into him from behind Tuesday.

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Russian Production Jumps

MOSCOW (UPI)—Soviet industrial production increased 10 per cent in 1960, almost 2 per cent more than planned, the cabinet reported today.

The Central Board of Statistics said the nation's gross industrial production has grown 22.1 per cent rather than the planned 17 per cent, during the first two years of the current seven-year plan.

The figures, quoted by the official news agency Tass, said Soviet planners had counted on an 8.1 per cent increase in industrial production in 1960.

"All union republics fulfilled the annual program both with regard to the gross output and the majority of most important products," Tass said.

Although farm statistics reported here recently have been unusually gloomy, the report said the Soviet Union surpassed the United States in production of both butter and milk in 1960.

It said the U.S.S.R. produced 61.5 million tons of milk and 648,000 tons of butter, compared with American figures of 56.9 million tons of milk and 665,000 tons of butter.

The report gave these other figures for 1960 Soviet agricultural and industrial output: —The value of industrial products manufactured during the first two years of the plan surpassed planned totals by 11.3 billion rubles.

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