

THE GATE CITY JOURNAL

DUANE R. ALTERS Editor and Publisher
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Sales Tax PLUS More Property Tax

Oregon's sales tax proponents are gaining ground in their efforts to enact a statewide tax on all retail sales and a large amount of services performed within the state.

Voters have turned down a sales tax five different times, but those attempting to bring the issue before the people at a special election are taking advantage of their past mistakes in an effort to make taxes either less painful for property owners or more painful for the imaginary orges.

It has been estimated that \$60,000,000 can be raised biennially through a sales and use tax. A new gimmick to appeal to a larger number of people is that all collections will go to the state school fund.

If this money is used solely for the state school fund, what will happen to the millions collected from state income taxes, liquor taxes and a multitude of other taxes which are said to be insufficient to meet the needs?

Malheur county residents should be alert to the fact that a sales tax will not reduce property taxes, it will actually increase them. For instance, it has been estimated that taxing units within Malheur county will receive approximately \$20,000 less a year if merchandise inventories are reduced.

This county has an assessed valuation of \$1,210,535 on merchandise, which if reduced proportionately with reduced sales of farm machinery, building supplies, clothing, food and everything else used by the consumer, would cut a hole in budgets set up by the county, the schools, the cities and other local taxing bodies.

Since all of these taxing units contend they are operating on the smallest budgets possible, there would be no recourse but to increase real property tax levies to make up the difference.

Oregon voters have said no to a sales tax five times in the past, but it might be a different story the sixth time. There have been numerous proposals for alternative means of balancing the state's budget, among which are suggestions to reduce some of the unnecessary spending and to require a definite tax source for all expenditures voted in by referendum and initiative petitions.

Singing The Tax Blues

There are so many old saws about misery loving company or the grass being greener in other pastures that their quotation to describe Oregon's present financial difficulties leads to nothing more than an extreme case of nerves. So far, no one including the Society of We've-Got-All-the-Answers Newspaper Editors, has come up with a solution to Oregon's tax problems.

Frankly, we get downright worried after reading and hearing about all the deficit troubles over in Salem. We sometimes fear that no one is going to have the price of a 3-cent postage stamp to write to their legislators to ask for more home patronage and more controls then add a foot-note complaining about too many and too high taxes. After a few hours of worry, it seems that rumblings always seep in from other states to brighten our outlook by knowing that demon money has a few million other people concerned too.

Over in Idaho, for instance, the legislature is having money problems and is scouting about for new sources of revenue like that of their "more fortunate" neighboring states. The Gem state is going to raise its auto license ante, its senate has passed a withholding tax bill to rake in more money "like they do in Oregon" and feelers are being put out to test the idea of a sales tax, such as is being done in Oregon. Probably most of the

INCOME TAX FACTS No. 5
Tax Eased on Dividends and Retirement Income

(This is one of a series of articles on income tax changes. The articles are based on information provided by the American Institute of Accountants and the Oregon Society of Certified Public Accountants.)

A retired couple may now receive an income of \$5,730 without paying any federal income tax whatsoever, if at least \$1,425 of their income is from dividends. This is the way it works under the new tax law (omitting cents):

Subtract dividends they are allowed to exclude (\$50 each): \$100.
Reduce the remaining \$5,630 by the standard deduction of 10%: \$563.
Subtract their exemptions (\$1,200 each, if they are both over 65): \$2,400.

Taxable income: \$2,667.

Tax at 20% (income splitting of joint return keeps them in lowest bracket): \$533.

Subtract dividend credit, limit being 2% of \$2,667: \$53.
Remaining tax: \$480.

Subtract retirement income credit at 20% of taxable income up to \$1,200. Assuming both husband and wife are eligible total credit would be 20% of \$2,400 (\$480).

Result: no tax.

Dividend Exclusion and Credit
There are good many "ifs" and "buts" involved in the above illustration. Consider first the matter of dividends.

All taxpayers (regardless of age or retired status) are entitled under the new law to exclude from their incomes the first \$50 of dividends received in 1954. Husband and wife can each exclude up to \$50 if they both own stock. A credit of 4% of dividends beyond this amount received after July 31, 1954, may be subtracted from the tax that would otherwise be due.

The 4% dividend credit is limited to 2% of your taxable income for the calendar year 1954 (and fiscal years ending before 1955), but will go to 4% of taxable income for future years.

The dividends referred to do not include so-called dividends from mutual savings institutions and domestic building and loan associations or dividends from tax-exempt cooperatives, certain insurance companies and foreign corporations.

Retirement Income Credit

The computation of retirement income credit is rather complicated. You are eligible if:

1. You earned more than \$600 a year in any ten calendar years, or your deceased husband or wife did.
2. You are at least 65 or have retired under a public retirement system other than for the U. S. armed forces.

Your credit is 20% of your taxable income from any public retirement system (other than armed forces pensions)—and, if you are 65 or older 20% of your other pensions, annuities, interest, dividends and rent.

This credit is limited to 20% of \$1,200; reduced by any social security benefits, railroad retirement benefits, and (for anyone under 75) any earned income, such as wages, salaries and professional fees, above \$900.

The credit cannot be any more than the amount of your tax otherwise payable; that is, it cannot in itself produce a refund.

Taxing of Annuities

There is also a new method of taxing annuities which may result in a higher tax for some, lower for others. It is based on tables of life expectancy furnished by the Internal Revenue Service. Each year, if you qualify for this method, you may receive tax-free an amount equal to the cost of the annuity divided by the number of years of life expectancy at the time you began receiving payments from the annuity.

Additional Information
Be sure to read the official instructions. You can also get help from the Internal Revenue Service, which urges you to consult only qualified advisers.

Next article: Don't Forget Job Expenses, Home and Car Deductions.

ASSEMBLY OF GOD
Rev. A. F. Stubblefield, Pastor
South 2nd and Reece Ave.

SUNDAY—

9:45 a.m. — Sunday school.

11:00 a.m. — Morning worship.

7:00 p.m. — Young People's service.

8:00 p.m. — Evangelistic service.

WEDNESDAY—

8:00 p.m. — Prayer service.

and living expenses here. They have retail places here, and it seems to me that their goods should at least, have front line display and stock preference at local stores. We can't be all "Big Business," and should it be?

Walter Burdette
Route 2, Nyssa

Letters to Editor

Signed letters to the editor are welcomed and will be printed if they do not contain comments of a libelous nature or attacks on religious and racial groups. Publication of the letters does not signify the agreement of this newspaper with opinions expressed.

Editor Journal:

I think home owned or operated business should be better patronized. For example, there are two bakeries in Nyssa; they have as good bread and other bakery products as can be made anywhere. Their prices are as low or lower than the out-of-town concerns. They pay taxes

legislators in both states would vote for more property taxes if it weren't for the folks back home.

While Oregon and Idaho are singing the red ink blues and pointed to the "success" of other neighboring states like Washington and California, similar howls are heard from the north and the south about acute financial difficulties there. Washington is having school troubles Oregon hasn't dreamed about and California has highway and relief problems, to mention only two, that make Oregon and Idaho's dilemmas look like afternoon bridge parties.

It all boils down to the fact that if you're going to live, you're going to pay taxes. Where and how you live makes little difference. No one has yet discovered an anesthetic to make them painless.

"Somebody figured it out—we have 35 million laws trying to enforce ten commandments," quotes a national magazine. It's quite obvious that this was figured out before the opening of Oregon's 48th legislative assembly.

FIRST CHURCH OF CHRIST

H. H. Powell, Minister

Res. 414 Ennis Phone 3384

Bible school—10 a.m.

Worship and Communion—11 a.m.

Mid-week service—8 p.m.

C.Y.F. Sunday evening—7 o'clock.

Evening services—8 p.m.

OWYHEE COMMUNITY CHURCH

Rev. Kenneth Himple, Pastor

Phone 2737

10 a.m.—Sunday school.

11 a.m.—Morning worship service.

7 p.m.—Young people's meeting.

8 p.m.—Evening worship.

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CHURCH NOTES

COMMUNITY METHODIST CHURCH

Vernon L. Taylor, Minister

9:45 a.m., Sunday school for all ages.

11:00 a.m., Morning Worship.

7:00 p.m., Family Fellowship, including Methodist Youth Fellowship.

4:00 p.m., Wednesday, church school for children, 4 years through sixth grade.

8:00 p.m., Wednesday, midweek meeting for youth and adults.

FAITH LUTHERAN CHURCH

Fifth Street and Park Ave.

John L. Briel, Pastor

SUNDAY:

10 a.m.—Sunday school.

11 a.m.—Divine worship.

FRIDAY:

8 p.m.—Lenten services.

ST. PAUL'S EPISCOPAL CHURCH

The Rev. Carl H. Gross, Ph. D.

SUNDAY:

9:30 a.m., Sunday school.

7 p.m., Evensong

Holy Communion, First Sunday, 7 p.m.

WEDNESDAY:

9-11 a.m. Kindergarten.

7:30, YPF.

MISSIONARY BAPTIST CHURCH

M. J. Duncan, Pastor

10 a.m.—Sunday school.

11 a.m.—Morning worship.

8 p.m.—Evening worship.

Wednesday, 8 p.m.—Prayer service.

L. D. S. FIRST WARD

Charles Mann, Bishop

9:15 a.m.—Priesthood meeting.

10:30 a.m.—Sunday school.

8:00 p.m.—Sacrament meeting.

Tuesday, 2 p.m.—Relief society.

Wednesday, 4 p.m.—Primary;

7:30 p.m.—M. I. A.

CHURCH OF CHRIST

Parma, Idaho—McConnel Ave.

Rev. Hale Miller, Minister

P. O. Box 454

10 a.m.—Bible study.

11 a.m.—Morning worship.

8 p.m.—Sunday evening service.

ADRIAN COMMUNITY CHURCH

(United Presbyterian)

Henry E. Moore, Pastor

10 a.m.—Bible school.

11 a.m.—Morning worship.

11 a.m.—Junior church.

Owyhee Community Church News

The Sunday school contest with the Park Community Sunday school stands with Park having a total of 954 points and Owyhee having 2,002. The Sunday school read some 2,438 chapters in the Bible this past week. Those in each department reading the most chapters were Grover Cooper, 435 in adult class, Bonnie Lowtrip 352, young people, and Bonnie Arai 190 for the junior young people.

Last Friday evening at the church was the monthly potluck dinner after which was the Bible quiz between the adults and young people. The adults won by 12 points. May Yoneyama on the young people's side answered the most correct time for a total of 84 points. Mrs. Gertrude Bigelow on the adults team was second with a total of 80 points.

Church Parmenter talked and showed colored slides of their missionary work in Alaska Tuesday evening. His wife and children were unable to be with him as the children had the measles. Zephyr Farwell of Notus brought Mr. Parmenter over to the church.

Choir practice at the church at 7:30 Thursday evening.

Church sale will be March 5 at the church, sale will start at 1 o'clock in the afternoon. Lunch will be served on the grounds by the women's missionary group.

Owyhee young people's group won the attendance banner at the monthly youth rally held at Parma Community hall. Mrs. Claude Wilson and Rev. Himple drove the cars that took the young people to the rally.

L. D. S. SECOND WARD

Lloyd Lewis, Bishop

Sunday

Priesthood meeting, 9:15 a.m.

Sunday school, 10:30 a.m.

Sacrament meeting, 7:30 p.m.

Tuesday

Relief society (sewing day, 2nd Tues.) 1:30 p.m.

Wednesday

Primary, 4 p.m.

MIA, 8 p.m.

BRETHREN CHRISTIAN CENTER MISSION

East 2nd and Ehrgood

10 a.m.—Sunday school.

11 a.m.—Morning worship.

7:30 p.m.—Evangelistic service.

Methodist Church News

"Somewhere, someday, sometime each day, I'll turn aside, and stop and pray."

"The Week of Dedication" services which have just ended have been an inspiration and a blessing to those attending. We wish to express our appreciation to the visiting ministers for the messages given us.

The prayer circles are continuing this week under the sponsorship of the Spiritual Life committee and the Commission of Evangelism.

Tuesday afternoon at 2:00 o'clock a farewell party was held for Mrs. Anna Johnson at the home of Mrs. Lloyd Tobler. Mrs. Johnson left Tuesday evening to make her home in Los Angeles.

Next Sunday, Feb. 27, the church will start its Lenten services, "Six Weeks for God." The morning topic will be "Life If you Want It." The evening special will be an evening of music by the Epworth choir of the First Methodist church Boise, including the famous "Teentones." A special dinner will be given by the choir of the MYF. The minister from Boise will speak. There will be a special evening service each Sunday through Palm Sunday at which time there will be a showing of the film, "The Life of John Wesley." This is an excellent film produced in the authentic English setting. There will be an outstanding speaker each Sunday evening.

March 1 at 8:00 p.m., meeting of the executive council. Wednesday afternoon, March 2, Wednesday church school at 4:00. Wednesday evening at 8:00 mid-week meeting—study will be the 13th chapter of 1st Cor. Place of meeting will be announced later.

Wesleyan Guild meets Monday evening, Feb. 28, at 8:00 o'clock, at the home of Mrs. Frances Bates. Mrs. Teague is in charge of the program and Mrs. Copeland, the devotions.

The general meeting of the WSCS will be held at the home of Mrs. Wayne Chesnut Thursday evening, March 3. This is an evening meeting and the Wesleyan service guild will have charge of the program.

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