

How Two Income Families Can Beat Higher Tax Bracket

RALEIGH — Couples with two incomes are often hard hit by taxes. Because of the high bracket the total income falls into, many often find themselves owing the IRS money on April 15. Others, however, may find that they continually get refunds because of their large deductions. Either way, the N. C. Association of CPAs says you can break even with the IRS at tax time by adjusting the number of withholding allowances on your W-4, Employee's Withholding Allowance Certificate.

The IRS has recently revised their rules and how permits taxpayers to subtract up to \$14,000 of income before taxes are calculated. This reduces the amount of tax automatically withheld and can give you larger paychecks, but results in a smaller refund at April 15. On the other hand, if you usually owe additional tax on your return, you might

have more tax withheld and owe less at April 15. (Note: North Carolina still operates under the old rules, however, and does not allow you to adjust your withholding exemption in order to equalize your year-end tax balance.)

The W-4 makes it possible for you to estimate how many itemized deductions you will have on your next tax return. Using allowances of \$1,000 each to offset these deductions, the IRS provides a formula for you to figure how many allowances you can claim. Previously the limit for these allowances you can claim. Previously the limit for these allowances was nine; now it is 14 or \$14,000. You can claim more, but the IRS will review your past taxes to see if they are warranted.

But this doesn't mean you need 14 dependents to claim those allowances. Using either the short or long

Form 1040, you are entitled to an exemption for yourself—more if you are 65 or older or blind—as well as one for each dependent. Other allowances are claimed against deductions for alimony payments, mortgage interest, business losses and expenses, energy credits, qualified retirement plans and more. (CPAs say you can't claim the same allowances that you use if you pay estimated taxes instead of withheld taxes.)

If you receive large refunds from the IRS, you may be entitled to increase the number of allowances you claim. If you usually owe the IRS, you may have claimed too many allowances and should have more tax withheld. While the government will accept excess withholding payments, excessive claims on allowances could result in a fine, or even a jail sentence.

Here's how a W-4 properly used, could affect your income. A couple with \$40,000 combined income will often claim only two allowances of \$2,000. Using 1981 tables as an example, they would pay \$9,260 in tax on \$38,000 income, or about \$772 monthly. If they both started Individual Retirement Accounts, paid \$4,000 mortgage interest on a new house, and it cost them \$2,000 to move, they would expect \$10,000 in deductions. According to the formula, they could take three allowances plus their two personal exemptions and they would reduce their taxable income by \$5,000 to \$33,000. Their estimated tax bill would then be \$7,996 and they could have \$666

withheld monthly. This is \$106 less per month than if they took only the two personal exemptions.

The new IRA and Keogh retirement plans limits enable couples to take more deductions from their income. Another plus for working couples is the ability to deduct five percent of the income of the lower paid spouse, up to \$1,500, from their income.

To figure your allowances, estimate your deductions and credits for 1982. Subtract from your estimation the figure for your income group given on the back of the W-4, and divide this number by 1,000. For example, our couple with \$40,000 combined income had \$10,000 in estimated deductions. The figure for their income group is \$7,700 which leaves them with \$2,300 or 2.3 allowances, plus their two personal exemptions. Any fraction can increase your allowance by one, so the total here is five.

If you and your spouse file a joint return, you can divide the number of allowances between you. The same allowance cannot be claimed by more than one person or at more than

one job, if you have two employers.

While some people view annual tax refunds as a forced method of saving, others see them as money lent to the government interest free. If the rate of inflation increases during the year, your refunded money is worth even less.

Republicans Are Criticized

"We don't expect Republicans to embrace Democratic positions on issues of the day, although we are glad occasionally when some of them do see the light. But we do expect them to support democracy — with the small 'd' — because that is simply government by the people."

Senator Russell G. Walker (Democrat, Randolph) chairman of the North Carolina Democratic Party, said he "was surprised at the reaction of Republicans at the U. S. Conference of Mayors in Washington. When their group adopted several official responses that Republican mayors saw as contrary to the wishes of President Reagan, they tried to discredit the vote. I guess they were hoping that a parade of Administration spokesmen, headed by Secretary Richard Swiker of Health and Human Services, would bring a rubber stamp endorsement of the New Federalism concept.

"They couldn't go along with the consensus of most of their members.

"I'm sure there are Democrats in the national group, but I also believe that many are elected on a non-partisan basis, just as we often do in North Carolina. So I'm surprised that the Republicans wanted to negate the majority opinion, which is the heart of the democratic process."

Walker said that Mayor Richard Carver of Peoria, Illinois, a Republican said: "This organization is supposed to represent the needs of American cities ... not to be serving the needs

Continued On Page 6-B

REAL ESTATE JONES

318 S. Broad St.

Call Terry Jones At 919-482-7522



NEW LISTINGS:

CHOWAN RIVER — This riverfront home features LR, kitchen, 3 BR, nice bulkheaded lot. \$48,000.

MORGAN PARK — This uniquely designed two-story home features LR, den, kitchen, 3 BR, two baths, garage. \$64,500.

ON CHOWAN RIVER — Two story brick home, featuring 4 BR, 3 baths, LR, kitchen, den with fireplace plus family room. Deck overlooking the water. \$80,000 with owner financing available.

W. HICKS STREET — Lot for sale. \$29,000. Owner financing possible.

MORGAN PARK — For Sale or Rent — Attractive brick home on larger corner lot featuring LR, den, kitchen, 3 BR, 2 baths, garage. \$61,900.

FOREST PARK — 3 BR, 2 baths, LR, den w-fireplace, kitchen, hardwood floors, screened back porch. Attractive assumable mortgage at 9 per cent. \$54,000

FOR RENT — 3 BR, 1 bath, Morris Circle. \$250.00. Available February 1.

BUILDING lot on Soundshore Dr., near country club; beautiful view of Sound. \$42,500.

COUNTRY CLUB DR. — With water privileges; features LR, DR, kitchen, 2 full baths, 3 BR plus 4th BR or den. Attached 2 car garage with AC workshop; cedar paneled back porch; super storage. \$85,000.

COLONY DR. — Neat 4 yr. old home on large lot. Features family room (fireplace), Florida room, 3 BR, bath, utility room, carport. This one is uniquely different. Call me. \$39,000.

FOR SALE OR RENT — Arrowhead; LR, kitchen, 2 BR, bath. Furnished, \$17,000.

HWY. 17 — Brand new! 1750 sq. ft. brick construction. Features great room with fireplace, DR, kitchen, 3 BR, 2 baths, utility room, deck. \$69,500.

HWY. 17 S. — Only 1 mile from town. Home with LR, kitchen, DR, bath, 3 BR, screened front porch. Nice lot. **SOLD**

HWY. 17 — Owner financing. 12 year old home on large wooded lot; features LR, den, dining area, kitchen, 3 BR, 1 1/2 baths. \$42,000.

\$339 PER MONTH will purchase this brick, 8 yr. old home on 1/2 acre lot featuring LR, den, kitchen, 3 BR, 2 baths. Located in Riverton. \$55,900.

MORGAN PARK — Luxury home with 3,000 ft. including LR, DR, kitchen, 3 BR, 2 baths, solarium, library, rec. room, workshop, full acre lot. More. \$98,500

COUNTRY CLUB DR. — 3 yr. old brick home located in prime residential area. Two stories features 3,000 ft. with LR, kitchen, DR, den w-fireplace, library, recreation room, 3 BR, 3 baths, double garage plus many extras. Beautiful wooded lot and ASSUMABLE mortgage at 9 1/2 per cent. \$115,000.

BERTIE COUNTY — Only 12 mi. from Edenton, 8 acres including fish pond; country home. \$40,000, owner financing at 12 per cent or \$35,000 cash.

SWIMMING POOL — 2700 sq. ft. brick home with LR, family room w-fireplace; kitchen, 4 BR, 2 1/2 baths plus a sewing room. Patio area. OWNER FINANCING. \$85,000.

MONTPELIER DR. WITH WATER PRIVILEGES — Brick construction on large lot. Only 2 yrs. old, features LR, kitchen-DR combo, den (fireplace, 4 BR, 2 baths, double garage. \$78,000.

ALBEMARLE SOUND — Brick ranch with LR, DR, kitchen, den w-fireplace, 3 BR, 2 1/2 baths, double garage on large lot. Lots of tall trees. \$79,500.

CAPE COLONY — Shingle home on canal features LR, kitchen, 3 BR, bath, garage. Private boat ramp. \$39,000.

BUILDING LOTS FOR SALE — Commercial & Residential.
"Your Chamber of Commerce Encourages Others to Make Their Home in Edenton"

STOP!

WE PAY CASH! CASH! CASH!

WE BUY SILVER DOLLARS, COINS, GOLD JEWELRY. ALSO BUYING STERLING SILVER, GOLD COINS, COLLECTIONS! COMPARE OUR RING PRICES!

Closed Wednesdays

Wed. & Night Appointments Call - 482-4680

Hours - Mon. - Sat. - 10:00 - 5:00

Colonial Cottage Antiques
203 S. Broad - Edenton, NC.

Manning Tours, Inc.

MYRTLE M. & THOMAS K. PRITCHARD
615 E. Main Street
P.O. Box 385, Elizabeth City, N.C. 27909
PHONE 338-6879

FEBRUARY 28-MARCH 3 — SKIING AT BYRCE RESORT
MARCH 14-17 — WINTERGREEN SKIING
MARCH 21-26 — SKIING IN KILLINGTON, VT.
MARCH 27-APRIL 3 — NATCHEZ, MS. SPRING PILGRIMAGE
WORLD'S FAIR DATES: MAY 12-15; MAY 19-22; JUNE 13-16; JUNE 20-26;
AUG. 9-16; SEPT. 22-28; SEPT. 29-OCT. 2; OCT. 11-17; **SOLD OUT**

All accommodations for World's Fair are in Knoxville, just 7 miles from fair site.

COMPLETELY LICENSED, BONDED & INSURED FOR YOUR PROTECTION

LIFE

For all your life insurance needs, call:

JOE THORUD
AGENT
482-2121

NATIONWIDE INSURANCE
Nationwide is on your side

Nationwide Mutual Insurance Company
Nationwide Mutual Fire Insurance Company
Nationwide Life Insurance Company
Home office Columbus, Ohio

CABLE TV SPECIAL OFFER!

One Star Service ONLY \$6.95
YOU SAVE \$12.50 INSTALLATION CHARGE

That's right, now for a limited time only, **INSTALLATION IS FREE**, so you save \$12.50 and can begin receiving One Star Cable TV Service for **ONLY \$6.95** per month. With One Star Service you can enjoy all of the following stations for only 23c a day:

WUND, Columbia	WITN, Washington	WAVY, Norfolk
WTAR, Norfolk	WTBS, Atlanta	WRAL, Raleigh
KTVZ, Norfolk	24 Hr. Cable Information Channel	WYAH, Portsmouth
WNCT, Greenville		WVEC, Hampton

ALSO

One Star Service plus HBO ONLY \$17.95
YOU SAVE \$18.50 INSTALLATION CHARGE

Act now and save \$18.50 on installation when you order One Star Service PLUS Home Box Office for **ONLY \$17.95** per month, or just 59c per day. HBO is America's first choice in pay television bringing you the best in movies, sports, and specials unedited and uninterrupted. So act now and get **INSTALLATION ABSOLUTELY FREE!**

ALBEMARLE CABLE TV
a Compass Corporation

CALL TODAY: 482-7733
OFFER EXPIRES MARCH 1, 1982

Belk Tyler
downtown edenton

ATTENTION: Homemakers, Farmers, Industries, Institutions, Other Businesses!

SAVE BY THE "CASE"

(Tell a Neighbor and Share a Case.) Sold Only by the Case — Sold Only by Order. \$5 Deposit Required With Order. Place Your Order With Us by Mon., Feb. 15, 1982. Pick-Up Your Supplies on: Feb. 24, 25, 26, 1982.

<p>Savings of Over \$8 on Hi-Dri® Towels!</p> <p>30 Rolls Per Case</p> <p>15.12</p> <p>Useful 100 2-ply sheets per roll. Stock up today!</p>	<p>Kleenex® Towels at a \$9 Savings for You!</p> <p>30 Rolls Per Case</p> <p>17.48</p> <p>Handy 100 2-ply sheets per roll. Buy and save!</p>
<p>Kimberly-Clark® Soft Kleenex® Facial Tissues Reduced Over \$8</p> <p>24.55 36 Boxes Per Case</p> <p>Your choice of colors and white tissues. Hurry!</p>	<p>Save Over \$9 on Kleenex® Super Dry™ Disposable Diapers! Hurry!</p> <p>20.50 12 Boxes Per Case</p> <p>Toddler size diapers available in boxes of twelve.</p>
<p>Hi-Dri® Bathroom Tissue at a \$5 Bargain!</p> <p>96 Rolls Per Case</p> <p>20.32</p> <p>White and colors. Available in four-packs.</p>	<p>Delsey® Bathroom Tissue Now Reduced \$6!</p> <p>96 Rolls Per Case</p> <p>22.20</p> <p>Packages of four rolls in white, assorted, prints.</p>
<p>Big Buy! Kleenex® Boutique Tissues!</p> <p>36 Boxes Per Case</p> <p>23.94</p> <p>125 2-ply count in colors or prints.</p>	

Shop Monday Through Thursday 9:30 A.M. Until 5:30 P.M., Friday 9:30 A.M. Until 9 P.M., Saturday 9:30 A.M. Until 6 P.M.
Phone 482-3221 Or 482-4533.