

Taxpayers Ask IRS

This column of questions and answers on federal tax matters is provided by the local office of the U.S. Internal Revenue Service and is published as a public service to taxpayers. The column answers questions most frequently asked by taxpayers.

Q—Can I deduct the contribution I made to one of the candidates running for office here?

A—No, contributions to political candidates and campaigns are not deductible.

Q—As part of my job I work at home a lot and have a little office for myself. How do I handle my deduction for this?

A—To qualify for a deduction you must show you are required

to provide your own space and facilities as a condition of your employment and you use it regularly for business purposes. You must also show the portion of your home used for this purpose and the time it is so used.

For example, if the office space accounts for 10% of the space in your home, you may take 10% of such items as rent, depreciation, heat, light, insurance, real estate taxes and mortgage interest. If you use the office portion only half the time for business purposes, then you may deduct only 5% of the expenses as a business deduction.

Q—If I give presents to some of my customers can I deduct the cost as a business expense?

A—Yes, business gifts are a deductible expense as long as they do not exceed \$25 to any one customer during the year. If gifts total more than \$25, only

\$25 may be deducted. A gift to a customer's wife or child must generally be included with any gift to the customer himself in figuring the \$25 limit.

Note that gifts which cost \$4 or less are not subject to this limit if your name is clearly and printed on the item and is one of a number of identical items distributed by you. This would cover calendars, pens and similar items.

Q—My brother had some heavy medical expenses last year and I helped him out with them. Can I deduct this on my return?

A—As a general rule, only medical expenses paid for a dependent can be deducted with your other medical expenses. This rule would not apply if you could have claimed your brother as a dependent except for the fact that he had income of \$625 or over or filed a joint return with his wife.

If you think this exception applies in your case, be sure to have a good record of what you contributed to your brother's support for the year.

Q—I took a loss on some stock shares I sold this year. Is there any change in the way I handle this for tax purposes?

A—Yes, the Tax Reform Act of 1969 made changes in the tax treatment of capital losses.

Capital losses continue to be deductible, and can be used to offset capital gains. In addition, capital losses can be used to offset other income up to a maximum of \$1,000 a year. However, while short term cap-

ital losses are fully deductible from ordinary income only one half of net long term losses are net long term capital loss. If \$1,000 and there are no other gains or losses, then half of it or \$500 can be used to offset your other income.

Q—My dentist is doing some bridgework for me. Can I deduct the full cost on my 1970 return?

A—Dental expenses are subject to the same provision as medical expenses. The total of the expenses that qualify may be deducted to the extent it exceeds 3 percent of your adjusted gross income.

Include dental expenses only if they were paid in your tax year. If the expenses come to \$350, but you paid only \$175 of that in 1970, just list the \$175 when adding up medical and dental costs.

Q—My income will be lower than I expected this year, and I don't think I'll have any additional tax to pay. Can I just forget about my next estimated tax payment?

A—If you now estimate that you will have no additional tax to pay when you file your 1970 return, it is not necessary to make further estimated tax payments for 1970. Use your estimated tax worksheet to figure out the revised amount of tax liability and whether this will be met without making an estimated tax payment as scheduled in January.

Q—If I pay someone to take care of my baby while I'm work-

Gaston Students On Dean's List

Dr. George S. McSwain, Dean of Instruction at Gaston College, announced that the following Kings Mountain students have been placed on the Dean's List for the Fall Quarter, 1970.

Liberal Arts Division: Jacques Causby, Michael G. Causby, Donna G. Champion, Sara E. Jones, Mack Lefevers, Jr. Barbara Lou Logan, John D. Logan, Donald L. Roberts, Hubert H. Scism, and Rebecca A. Summitt.

Technical Division: Ray E. Morgan and Gary E. Nolen.

Vocational Division: Dennis R. Buff, William J. Cline, Stephen H. Farnsworth, Ronald C. Miller, Tommy W. Patterson, Clarence T. Plonk, and Billy G. Robbs.

ing can I deduct the cost?

A—This may qualify as a child care expense. In that case you may deduct up to \$600 of the amount you spend for the care of a dependent while you are working or looking for work. The deduction is raised to \$900 when care is paid for two or more dependents.

Note that the tax law limits the deduction when the combined income of a working couple is over \$6,000. Then the deduction is reduced by the amount their income exceeds \$6,000. This and other rules are explained in Publication 503, Child Care and Disabled Dependent Care (available free from your IRS District Office).

Voice, Piano Learning Camp Tryouts Invited

Next summer, during the week of June 13 to 18, at the beautiful WILDACRES estate near Little Switzerland, a leadership training camp will be held for prospective singers and accompanists grades nine through 11.

Sponsored by the Dilworth Rotary Club of Charlotte, the Rotary Music Camp will be under the direction of Harvey L. Woodruff, known throughout the Southeast as voice teacher, choral director and music educator. Last summer he conducted the Dilworth Rotary "Youth on the Move" Singers in a concert tour through Western North Carolina, appearing before fifteen different Rotary Clubs and their community audiences.

Applicants for the Music Camp at WILDACRES will be auditioned during the Christmas holidays, and those selected will receive \$30 grants from participating Rotary Clubs throughout District 767, the western part of the state. These represent half-scholarships for the total cost of the week.

Audition times and places are these, and students may bring their own accompanists if they

wish. They will sing (or play) one selection.

Sunday Dec. 27, 2:00 to 3:00, and Monday Dec. 28, 10:00 to 12:00 noon, at the Woodruff Voice Studio, 1816 East Eighth St., Charlotte (2 blocks from Hawthorne Lane).

Monday Dec. 28, 3:00 to 5:00, Music Room, First Baptist church, Shelby.

Application blanks and further information may be obtained by writing Dr. Homer Justice, President, Dilworth Rotary Club, Box 3050, Charlotte, N. C. 28203; or from Harvey L. Woodruff, Director Rotary Music Camp, 1816 East Eighth St., Charlotte, N. C. 28204.

The United Nations Children's Fund is well-known for its life-saving activities in the fields of child nutrition, mother-and-baby care, control of epidemic childhood diseases, and disaster relief. But it is not enough to protect children from disease or disaster; they must also be protected from ignorance. So about thirty per cent of UNICEF's resources go into the fields of education and vocational training. Every child needs the right kind of schooling, so that he can grow up to become a productive adult, able to make constructive contributions to the world's progress. Help UNICEF help children help the world!

Herald Sets New Picture Policy

The Herald is setting a new policy on pictures to be published in the future and seeks the cooperation of its readers and customers in making the change.

Beginning next week, only black and white photographs will be accepted since only poor reproduction can be expected from colored photographs.

For birthday pictures and other single-column pictures, only wallet-size (2x3) photographs will be accepted, and for brides and brides-elect, 5x7 pictures are requested.

Also, all brides pictures and birthday pictures must be in the Herald office no later than Monday for inclusion in that week's edition.

The new rules have been necessitated since a change has been made in engraving companies serving the Herald. We hope you will not ask us to make exceptions and will request the proper sizes when ordering from your photographer.

An investment opportunity for you at First-Citizens Bank & Trust Company:

8.50% subordinated capital notes

THESE NOTES DO NOT REPRESENT DEPOSITS AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR BY ANY OTHER GOVERNMENT AGENCY.

OFFERING: \$5,000,000 of an authorized \$15,000,000 issue

DENOMINATION: \$500 minimum with any amount above in multiples of \$100

MATURITY: December 15, 1990

INTEREST: Payable June 15 and December 15

REGISTRATION: All notes will be fully registered as to principal and interest.

Payment of these notes is subordinated to the claims of depositors of the bank and of its other creditors except those holding securities on a parity with this note or expressly subordinated to this note. In the event of insolvency or liquidation of the bank these notes cannot be paid until the claims of all depositors and of all other creditors of the bank (with the exceptions aforesaid) have been satisfied in full. These notes are unsecured and are ineligibly as collateral for a loan by First-Citizens Bank & Trust Company.

SALE OF NOTES: These notes will be sold directly by First-Citizens Bank & Trust Company. For a copy of the Information Circular, visit your nearby office of First-Citizens Bank & Trust Company, or mail the coupon below.

The offering may be limited or withdrawn at any time. This offering is as of December 15, 1970.

Can Do First-Citizens Bank & Trust Company
Corporate Trust Department
20 East North Street
Raleigh, North Carolina 27602

Gentlemen: Please send me an Information Circular containing details on the above 8.50% subordinated notes. I am interested in a note in the amount of \$_____ (minimum \$500)

Name _____ (please print)
Street _____
City _____ State _____ Zip _____

Seagle Wins Bronze Star

U. S. ARMY, VIETNAM (AHT-NC) Dec. 3 — Army Sergeant Charles Seagle, 25, son of Mrs. Patricia V. Seagle, 106 Sadie St., Kings Mountain, N. C., recently received the Bronze Star Medal in Vietnam.

He was presented the Bronze Star Medal for distinguishing himself through meritorious service in connection with military operations against hostile forces in Vietnam. The medal, adopted in 1954, recognizes "outstanding" achievement.

Sgt. Seagle received the award while assigned as a squad leader in Company A, 1st Battalion, 8th Cavalry, 1st Cavalry Division (Airmobile).

The sergeant entered the Army in March 1969, completed basic training at Ft. Bragg, N. C., and was stationed at Ft. Jackson, S. C., before arriving overseas. He also holds the Army Commendation Medal, the Air Medal and the Combat Infantryman Badge.

The sergeant is a 1969 graduate of Kings Mountain High School. He received his B.A. degree in 1968 from the University of North Carolina at Charlotte.

B Diamond Contessa "C" 23 jewels. 14K solid gold, 4 diamonds. Faceted crystal.

Ambassador "A" 17 jewels. Water-proof. Automatic. Luminous dials and hands.

When you give a Bulova watch—any occasion becomes a special event

Select A Watch From the Excellence Collection.

SHOP RIPPY'S JEWELRY CO.
ACROSS FROM DEPOT AND SAVE FOR YOUR CHRISTMAS GIFTS

HOTPOINT GIVES YOU MORE THAN YOU PAY FOR

NO-FROST

"15" Hotpoint NO-FROST REFRIGERATOR, NO-FROST FREEZER MODEL CTF14A

ONLY \$353.60 w/t*

Hotpoint MAJOR APPLIANCES

- 32" wide, 13.7 cu. ft. big
- 10.79 cu. ft. refrigerator never needs defrosting
- 2.93 cu. ft. freezer holds up to 102.6 pounds of food, never needs defrosting
- Twin slide-out porcelain-enamel crispers
- Three door shelves
- Covered butter bin
- Covered cheese compartment
- Cushioned egg racks
- Two Easy-Release ice-cube trays
- Automatic interior light in refrigerator

Hotpoint quality is backed by Hotpoint service.

BUY NOW - ASK US ABOUT BUDGET PAYMENTS

BEN T. GOFORTH PLUMBING