

An Income Tax Dream

(Based on information from the American Institute of Accountants, the national professional society of certified public accountants.)

Tom looked at Betty over the breakfast coffee. "You tell me your dream and I'll tell you mine."

"It's not very romantic," she said. "That old income tax blank was on my mind and I had a nightmare. I dreamed I was sitting on a giant calendar, turned to April 15, and as I finished each page of the tax form another page was suddenly added on!"

"It's April 16 this year," Tom reminded her. "Anyway, I did better than that. I was dreaming of all the things that would cut down my tax."

"Such as?"

"Such as that you presented me with sextuplets last New Year's Eve—just in time to give us a \$3,600 tax exemption."

"I did WHAT?"

"... and the tax-exempt interest on all my holdings of state and municipal bonds," Tom went on, "and the special credit on about a million dollars in dividends... and the depletion allowance on my oil wells..."

"My brothers take care of part of her support." "No one of us provided more than half her support," Tom explained. "But if your brothers will sign a new form called a Multiple Support Agreement, we can take turns using the deduction. If I ask them, perhaps they'll agree to let us use it this year."

THE NEXT PART of the form called for their income. They listed their wages and the amount of tax withheld, copying the amounts from their W-2 withholding slips. Their other income included savings bank interest and \$38 of dividends from a few shares of stock.

"Wait a minute," said Tom, "that \$38 goes on the last page of the form, and we don't have to pay tax on the first \$50 of dividends."

"In fact," added Betty, "you could have \$50 of dividends and I could have \$50 and there'd still be no tax."

After listing their income and exemptions, they moved on to the deductions.

"This is what I have been waiting for!" Tom exclaimed, and he began copying columns of figures from the check stubs and receipts onto the scratch pad. While he was figuring the medical deduction, Betty pointed to the instructions on sick pay.

"You're so right, honey," Tom said. He went back to the amount of his wages and subtracted the pay he had received while sickness kept him from work. The instructions told him that an employee can exclude from his income any payments up to \$100 per week from his employer (or insurance company) while absent from work because of sickness or injury.

"I guess it was lucky I had to go to the hospital," he added. "If I hadn't been there at least one day I would have to pay tax on the pay I received for the first week I was sick." He wrote out a brief explanation to attach to the return.

HAVING SUBTRACTED his sick pay from his wages, Tom went back to the medical expenses and figured that he was entitled to nearly \$100 deduction because he had spent that much more than 3% of his gross income—not counting benefits from health insurance. From his notes on the scratch pad he worked out other deductions: interest paid on the mortgage and on a small loan from the bank, charitable contributions (including the value of clothing and other goods given to the church rummage sale), real estate taxes on their home, sales taxes and the damage done to their roof in a storm.

"Why did you bring the car expense book?" Betty asked.

"Gasoline tax," was Tom's reply, as he added up his deduction for the state tax on gasoline he had purchased during the year.

"Now what are you doing to do with that child care deduction?" Betty exploded. "You're really getting deduction-happy. I can hardly remember when Bud was under the age of 12!"

"It's not for Bud," Tom explained. "The same deduction applies to care of a disabled dependent. Remember, we had a woman in to take care of your mother while she was staying with us and you were working?"

"Look a bit further, dear," said Betty, pointing to the instructions. "It says the maximum deduction of \$600 for 'child-care' must be reduced by the amount our gross income exceeds \$4,500—in other words, since our income was more than \$5,100, no deduction for us!"

TOM HAD TO ADMIT his wife was right. Although he was disappointed this time, he found that he had listed enough legitimate deductions to make them eligible for a refund. As both of them signed the return, he said.

"I'm glad we started this early. The sooner we get it in, the sooner we'll get our refund."

Note: Tom and Betty found that they could fill in their own tax return with the help of the official instructions. Probably you can too. If you have questions you can telephone the Internal Revenue Service. If you have problems that require independent professional assistance, be sure your advisor is properly qualified.



BETTY RELAXED with a sigh. "You are a dreamer!"

That evening Tom and Betty came down to earth. They read the instructions which came with the tax form and found some tax savings they could use. Perhaps you can use them too.

For one thing, Betty had worked part time and was planning to make out a separate return to get back the tax that had been withheld from her pay.

"Oh no," Tom said, "if you did that we couldn't file a joint return. I'd have to use a separate return and pay at a higher rate."

MOST MARRIED COUPLES can save by filing a joint return. Tom and Betty did so—and of course they included Betty's earnings and took credit for the tax withheld by her employer. They started to work on the regular Form 1040 and decided to fill out 1040 in detail instead of taking the standard deduction.

Tom and Betty had the tax forms and instructions on the table. They gathered together a scratch pad, check stubs and a set of envelopes containing the receipts they had collected during the year. Tom went out to the car and got the notebook he had been using to keep track of car expenses. Now they were ready to begin tax figuring in earnest.

"Let's fill out a trial form first," Betty said, "so we'll have everything right when we make out the official return."

After their names, address, and social security numbers, they came to the listing of exemptions. They put down only one exemption for Tom and one for Betty, since neither of them is 65 or blind.

"I don't think we can list Bud as a dependent any more," said Tom, "since he earned \$600 or more last summer."

But they read further and learned that this limit did not apply to their son because he was a full-time student, so Bud's name was listed for another exemption.

"We can also list your mother," Tom said. "Do you think we can do that?" Betty asked.

When Child Swallows Trouble

If a child swallows anything even suspected to be harmful, the family doctor ought to be contacted immediately, the Na-

tional Safety Council urges.

There are many household items in addition to commonly recognized poisons that are dangerous, if not deadly, when swallowed in sufficient amounts.

If no antidote appears on the label of the container, the Council recommends the "universal

antidote," a mixture that can be obtained at any drug store. When it's an emergency, a simple antidote may be quickly prepared at home. Ingredients given by the council are: a slice of burned toast, one tablespoon of milk of magnesia, and one cup of liquid tea, hot or cold.

INQUIRING REPORTER

Green Thumbs Reveal Plans For Summer Garden Projects

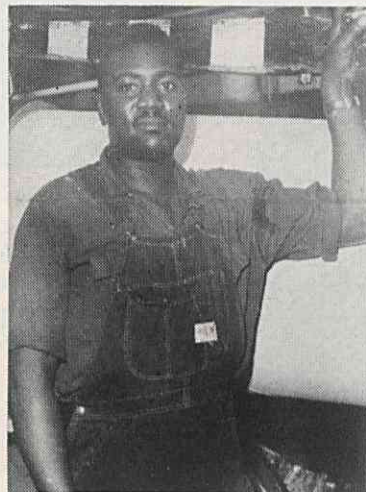
Someone once said that faith and hope will never die, so long as seed catalogs are published. March has come again and another springtime reminds us of the renewal of life. The good earth calls. Here, then, are six employees' plans for their summer gardening projects.



SALLY SPENCER, Spinning. I love flowers of all kinds, but care most for those that live from year to year. So I'll soon begin to tend my chrysanthemums and hydrangeas at home in Hickory Grove, S. C. They must be fertilized, watered if a dry season, and hoed sometimes. They'll require some grooming, too.



BUSTER STILES, Machine operator in Plastic Dip. Here about 8 years. I plan to raise a variety garden, with a balanced line of vegetables. Corn is a favorite plant. Have already set out onions, planted carrots, beets and potatoes. I figure on using compost as a fertilizer, and a hoe and my hands to fight the weeds.



JOHN L. FOSTER, Warp man in SYC Weaving. Here since 1943. My plans for a garden at the place I live, 815 South Vance street, include provisions for the regular run of vegetables, such as beans, tomatoes, potatoes. I sow a seed bed for tomato plants but buy most other seeds. A hoe and a plow are the best weed killers.



ALONZO SETZER, Nine years of service, all in the Warehouse. I plan to set out onions and cabbage in early March. Other vegetables raised on my 1½ acres at Bessemer City will be, okra, lettuce, squash, corn, beans, potatoes and beets. Each summer I cultivate carefully, using lots of fertilizers.



ARTIE LINEBERGER, Carding. Growing dahlias is my chief gardening interest at home on Union Road. For spring planting I take tubers which were stored last fall, set them and keep them watered well. I'll hoe them faithfully, as usual, and when they bloom this summer, I'll keep the blooms cut to give room for more blossoms.



ANNAS TARTE, Weaving splicer. I like potted plants especially. One of my rubber plants is six years old and the largest in this part of the country, so far as I know. I'll have about 25 different potted plants this summer. Woods dirt, commercial plant food and vegetable waste, with lots of care, will make them thrive.