PAGE TWO

IN WASHINGTO WHAT 15 TAKING PLACE Robt R. Reynolds/.

Any connection between community welfare, including farm in-come, wages and stability of local be greater than under the former merchants, and the high-sounding much higher rates by reason of a undistributed profits tax might, at evidence is accumulating in Conor even repeal of the undistribut- payer who makes a complete dised profits tax may be anticipated closure by assessment of a debefore adjournment.

In simple terms, the Revenue Act of 1936, provides that corpor- plete disclosure in listing of inations (banks excepted) must pay a surtax on net income which is not distributed to stockholders. The rate is graduated from seven to twenty-seven per cent, depending on what profits are retained by the corporation.

When this form of taxation was the piling up of large surpluses by deposits to the Department of Recorporations and force profits in-to the hands of stockholders, who would pay personal income tax to the government. Obviously, the ed as postal savings. The rate of idea of forced distribution of corporation earnings to local stock- ten cents per one hundred dollars holders seemed a logical one.

However, it is now claimed that deposits at four quarterly periods preventing the putting up of capi-ances of less than \$100.00 are dis-tal for later use in expanding fac-regarded. coming out in hearings, our peo- lock box. cash register, be are being but all down the distinguished from bank deposits, line. Expanded factories and new and is taxable at twenty cents per factories mean employment. Em- hundred dollars of amounts held ployment means wages. Wages on December 31st in excess of mean buying power. And buying \$300.00, power means better standards of Account living, better prices for the farm- at twenty-five cents per one hun-er, and profitable sales for the dred dollars of their face value on merchant. If a form of taxation December 31st in excess of \$300.interferes with this orderly pro- 00. Current accounts payable may cess, it defeats one of the primary objectives of all legislation to im- able, but deductible current acprove the status of our people.

It is also charged by critics of the undistributed profits tax that it is a penalty on corporations saving a part of their profits in good years to carry along in bad years. Here again, if true, is another bad feature. Naturally, if a factory cannot keep enough cash in the safe when orders are coming to meet the pay roll when ord-ers are slow, it means lay-offs, part-time work and sometimes closing down with unemployment. Such a condition is naturally felt by an entire community dependent apon the payroll of a factory or factories.

It is most significant that in recent conferences in Washington both the so-called "little business men" and the representatives of "big business" are together in their opposition to the undistributed profits tax.

the tax.

THE FRANKLIN TIMES, LOUISBURG, NORTH CAROLINA

Intangible Person-are not domesticated and paying taxes in this State. Shares of stock in every domestic corporation are exempt by reason of tax payments made in this State by the corpora-

al Property Tax

class of property.

holdings.

and is based on the average of

ties, municipalities, or other poli-

tical sub-divisions of this State are

not taxable. Payment of such evid-

ences of debt are not enforceable in the courts without payment of

surance companies by a resident of this State, the principal of

which is subject to withdrawal'at

the option of party or parties en-titled to receive it after stipulat-

hundred dollars of fair market value on December 31st in excess

of \$300.00 is levied on shares of

stock held by residents of this

State in foreign corporations that

EMBERT YOU CAN

MODERN CRUISER AT

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A tax of thirty cents per one

ed notice.

etc.) as

tion, and shares of stock in all The new law of taxing intangforeign corporations that are ibles is an important change in domesticated taxpayers in this method and a radical change in State are exempt from tax. This exemption covers a long list of rates of tax on intangible per-sonal property. No property of foreign corporations that are takers and subjected to the local ist-tax rates applying on tangible pro-perty. All property of this at perty. All property of this class partment of Revenue. Shares of is returnable on March 15th as of stock in all other foreign corpor-December 31st and the tax pay-ations owned by residents of this able to the State Department of State are taxable at the rate of Revenue. The new rates of tax re-thirty cents per hundred dollars. present an average of not more If there is indebtedness incurred than ten or fifteen per cent of the directly for the purchase of the rates formerly applying to this stock, and for which stock is pledged as collateral, such indebt-edness may be deducted from the It is expected that the revenue fair market-value of the stock. Marginal accounts with stock-

brokers are, therefore, taxable on the basis of the net equity of the more general and complete distaxpayer. If stocks are carried in a broker's account, some of which gress to indicate that they are compliance with this law there is are taxable and some exempt, in-very closely connected. So much, also an express provision that no debtedness may be proportionately prorated. Nonresidents of the State are

liable for tax under these schedules only if engaged in business linquent tax against any such taxpayer for failure to make a comin this State and to the extent that intangibles are related to the tangibles in former years. If a business carried on in this State Foreign_corporations engaged in complete disclosure is made on or business in the State are liable for a return of such intangibles before March 15th of this year, no back taxes can be assessed on such held by them related to the busi-

Bank deposits are not required to be listed by the depositor un-less deposits are made in banks Failure to make report and pay the tax levied on March 15th will originally proposed, its sponsors outside of North Carolina, as all subject any resident and non-contended that it would prevent banks within the State will report resident of the State liable for resident of the State liable for such tax to a penalty of one hundred per cent of the amount of the tax due and payable. None of the intangible taxes apply to religious, Educational, charitable, or benevolent organizations not conducted for profit, nor to life in-surance companies (except Sections 701 and 704) paying a gross the tax has virtually strangled the ending December 15th. Accounts premiums tax to this State, nor to growth of small corporations by showing average quarterly bal-building and loan associations (except Section 704) paying a tax on shares of stock as required by tories and erecting new ones. If "The second classification of tax Section 138, nor to evidences of this be true, and the facts are is that of money on hand (i.e., in debt held by commercial, industrial, or savings banks representing investment of funds held on de-

posit. Report blanks (Form H-1) to be used in making return of intangible taxes have been distributed to more than 100,000 taxpayers; Accounts receivable are taxable additional forms and further in formation may be secured from the Intaugible Tax Division, De-partment of Revenue, Raleigh,

other half distributed to the counproperty that will not be oppressupport and cooperation of the rent accounts payable may be de- people of the State in making a ducted from the value of bonds, success of this extremely modernotes, and other evidences of debt. ate tax law

PHONE 283

WHAT'S WHAT ABOUT

SOCIAL SECURITY * * * * * QUESTION: How many em- fit. ployees does an employer have to have before he comes-under the

Social Security Act? ANSWER: Employers of one or more persons are subject to the sation Law? provided in Title VIII of the

Act. Employers of eight or more persons are also subject to taxes under Title IX of the Act.

QUESTION: What is the age employment compensation provisions of the Social Security Act? ANSWER: There is no age limit for benefits under the unemployment compensation provisions of the Social Security Act.

QUESTION: 1 lost my job. What do I do to get unemploy-ment compensation benefits?

ANSWES: Go to your local unemployment compensation office Jackson County growers show a and register with the Reemploy- 100 per cent improvement over ment Service. If you are eligible those of the preceding year, re-

File a claim. Then, after the ex piration of the required waiting period of three weeks, if you mules; also some milk cows and well located on main highway heifers. I. B. GARDNER, Spring with practically new equipment. Hope, N. C. 1-21-41 Apply to have not been able to find suit-

QUESTION: Is part-time employment covered under the North Carolina Unemployment Compen-

ANSWER: Yes. Generally speaking, an individual is deemed to be partially unemployed if the wages he has received in any week are less than 5-6 on the weekly QUESTION: What is the age eligible. Roughly, the unemploy-limit for benefits under the un- ment compensation of a partiallyunemployed wage earner will equal the difference between the full be entitled were he totally unemment compensation office.

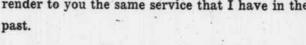
Farm record books kept by from the standpoint of your previ- ports H. R. Clapp, assistant farm ous employment record, you can agent.

* able employment, you will be eligible to receive a weekly un-employment compensation bene-Subscribe to the Franklin Times 2-4-2t

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time benefit to which he would ployed and 5-6 of his remuneration for that week. Detailed in-formation on this point should be secured from your local unemploy-

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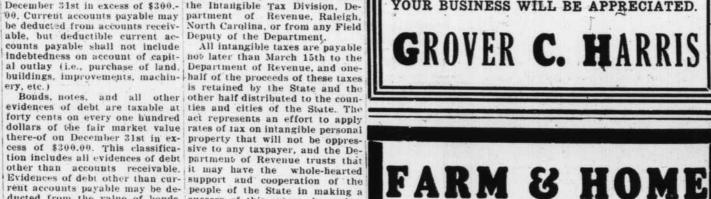
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cess of \$300.00. This classification includes all evidences of debt other than accounts receivable. Evidences of debt other than cur-

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Another form of taxation. equally important to everyone, is the capital gains tax. It goes back the first income tax law of 1913. Under its provisions profits from sale of securities, real estate State.

and other capital are taxable income. Provision was made for subtraction of losses. More recently, deductions were limited. The contention is now raised that the tax tends to keep investments at a standstill.

Many members of Congress, in private and in public, are conceding the arguments made against the undistributed profits and capital gains taxes as they now stand. Modification may be expected in the House before new tax legislation is finally passed. Even further consideration will be given in the Senate and the able chairman of the Senate Finance Committee, Senator Pat Harrison of Mississippi is among those who have promised business and industry speedy action.

The importance of incorporated factories and business establishments, in North Carolina and else-where, being able to provide employment, make improvements and have reasonable earnings is questioned by no one. Thus, if the undistributed profits and capital gains taxes is a retarding factor, as it now seems, action on these levies cannot be obtained too quickly.

CIVIL SERVICE EXAMINATIONS ANNOUNCED

The United States Civil Service Commission has announced open competitive examinations for the

competitive examinations for the following positions: Senior scientific aid (preparator in pathology), \$2,000 a year, Army Medical Museum. Physiotherapy aide, \$1,800 a year, U. S. Public Health Service, and Veterans' Administration. Printer-proofreader, \$1.82 an hour (40-hour week), Govern-ment Printing Office. Full information may be obtain-

Full information may be obtained from J. A. Wheless, Secretary of the U. S. Civil Service Board of Examiners, at the post office in this city.

Extension agents in Orange County are attempting to create a greater interest among faim families in more fruit and berry crops.

1.12

Every person, firm, or corporation acting in a fiduciary capacity is required to report and pay the Help Them Cleanse the Blood of Harmful Body Waste tax on all intangibles held for the benefit of residents of this

Your kidneys are constantly filtering wate matter from the blood stream. But kidneys sometimes lag in their work-do not act as Nature intended-fall to re-move impurities that, if retained, may polson the system and upset the whole body machinery. No tax levied on the cash surrender value of life insurance policies. but a tax of twenty-five cents on every hundred dollars of value as of December 31st is levied on all sums left on deposit with in-

move inpresentation and uper the poison the system and uper the body machinery. Symptoms may be nagging backache, persistent beedsche, sitacks of dismissen, getting up nights, weelling, puffiness under the eysen-a feeling of nervous anxiety and loss of pep and strength. Other signs of kiney or biadder dis-order may be burning, scanty or too frequent urination.

est urination. we should be no doubt that prompt ment is wiser than neglect. Use s Fills. Does's have been winning ireads for more than forty years. have a nation-wide reputation. how a station-wide reputation. L Use

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