

IN WASHINGTON
WHAT IS TAKING PLACE BY
Robert R. Reynolds
UNITED STATES SENATOR

Intangible Personal Property Tax

The new law of taxing intangibles is an important change in method and a radical change in rates of tax on intangible personal property. No property of this class will hereafter be required to be listed with local list-takers and subjected to the local tax rates applying on tangible property. All property of this class is returnable on March 15th as of December 31st and the tax payable to the State Department of Revenue. The new rates of tax represent an average of not more than ten or fifteen per cent of the rates formerly applying to this class of property.

It is expected that the revenue at the greatly reduced rates will be greater than under the former much higher rates by reason of a more general and complete disclosure of this class of property.

On promise of good behavior in compliance with this law there is also an express provision that no advantage can be taken of any taxpayer who makes a complete disclosure by assessment of a delinquent tax against any such taxpayer for failure to make a complete disclosure in listing of intangibles in former years. If a complete disclosure is made on or before March 15th of this year, no back taxes can be assessed on such holdings.

Bank deposits are not required to be listed by the depositor unless deposits are made in banks outside of North Carolina, as all banks within the State will report deposits to the Department of Revenue and pay the tax as agent on such deposits; taxpayers must make return of all money deposited as postal savings. The rate of tax on money on deposit is only ten cents per one hundred dollars and is based on the average of deposits at four quarterly periods ending December 15th. Accounts showing average quarterly balances of less than \$100.00 are disregarded.

The second classification of tax is that of money on hand (i.e., in lock box, cash register, etc.) as distinguished from bank deposits, and is taxable at twenty cents per hundred dollars of amounts held on December 31st in excess of \$300.00.

Accounts receivable are taxable at twenty-five cents per one hundred dollars of their face value on December 31st in excess of \$300.00. Current accounts payable may be deducted from accounts receivable, but deductible current accounts payable shall not include indebtedness on account of capital outlay (i.e., purchase of land, buildings, improvements, machinery, etc.)

Bonds, notes, and all other evidences of debt are taxable at forty cents on every one hundred dollars of the fair market value thereof on December 31st in excess of \$300.00. This classification includes all evidences of debt other than accounts receivable. Evidences of debt other than current accounts payable may be deducted from the value of bonds, notes, and other evidences of debt. Bonds of the United States, the State of North Carolina, of counties, municipalities, or other political sub-divisions of this State are not taxable. Payment of such evidences of debt are not enforceable in the courts without payment of the tax.

Every person, firm, or corporation acting in a fiduciary capacity is required to report and pay the tax on all intangibles held for the benefit of residents of this State. 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 insurance companies by a resident of this State, the principal of which is subject to withdrawal at the option of party or parties entitled to receive it after stipulated notice.

A tax of thirty cents per one 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

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 corporation, and shares of stock in all foreign corporations that are domesticated taxpayers in this State are exempt from tax. This exemption covers a long list of foreign corporations that are domesticated taxpayers in this State. A complete list of such foreign corporations will be furnished on application by the Department of Revenue. Shares of stock in all other foreign corporations owned by residents of this State are taxable at the rate of thirty cents per hundred dollars. If there is indebtedness incurred directly for the purchase of the stock, and for which stock is pledged as collateral, such indebtedness may be deducted from the fair market value of the stock. Marginal accounts with stock-brokers are, therefore, taxable on the basis of the net equity of the taxpayer. If stocks are carried in a broker's account, some of which are taxable and some exempt, indebtedness may be proportionately prorated.

Nonresidents of the State are liable for tax under these schedules only if engaged in business in this State and to the extent that intangibles are related to the business carried on in this State. Foreign corporations engaged in business in the State are liable for a return of such intangibles held by them related to the business carried on in this State.

Failure to make report and pay the tax levied on March 15th will subject any resident and non-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 insurance companies (except Sections 701 and 704) paying a gross premiums tax to this State, nor to building and loan associations (except Section 704) paying a tax on shares of stock as required by Section 138, nor to evidences of debt held by commercial, industrial, or savings banks representing investment of funds held on deposit.

Report blanks (Form H-1) to be used in making return of intangible taxes have been distributed to more than 100,000 taxpayers; additional forms and further information may be secured from the Intangible Tax Division, Department of Revenue, Raleigh, North Carolina, or from any Field Deputy of the Department.

All intangible taxes are payable not later than March 15th to the Department of Revenue, and one-half of the proceeds of these taxes is retained by the State and the other half distributed to the counties and cities of the State. The act represents an effort to apply rates of tax on intangible personal property that will not be oppressive to any taxpayer, and the Department of Revenue trusts that it may have the whole-hearted support and cooperation of the people of the State in making a success of this extremely moderate tax law.

FOR FIRST CLASS PRINTING PHONE 283

Watch Your Kidneys!

Help Them Cleanse the Blood of Harmful Body Waste
Your kidneys are constantly filtering waste matter from the blood stream. But kidneys sometimes lag in their work—do not act as Nature intended—fail to remove impurities that, if retained, may poison the system and upset the whole body machinery.
Symptoms may be nagging headache, persistent headache, attacks of dizziness, getting up nights, swelling, puffiness under the eyes—a feeling of nervous anxiety and loss of pep and strength. Other signs of kidney or bladder disorder may be burning, scanty or too frequent urination.
There should be no doubt that prompt treatment is wiser than neglect. Use Doan's Pills. Doan's have been winning new friends for more than forty years. They have a nation-wide reputation. Are recommended by grateful people the country over. Ask your neighbor!

DOANS PILLS

WHAT'S WHAT ABOUT SOCIAL SECURITY

QUESTION: How many employees 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 taxes 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 limit for benefits under the unemployment 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: I lost my job. What do I do to get unemployment compensation benefits?

ANSWER: Go to your local unemployment compensation office and register with the Reemployment Service. If you are eligible from the standpoint of your previous employment record, you can

file a claim. Then, after the expiration of the required waiting period of three weeks, if you have not been able to find suitable employment, you will be eligible to receive a weekly unemployment compensation benefit.

QUESTION: Is part-time employment covered under the North Carolina Unemployment Compensation Law?

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 eligible. Roughly, the unemployment compensation of a partially-unemployed wage earner will equal the difference between the full time benefit to which he would be entitled were he totally unemployed and 5-6 of his remuneration for that week. Detailed information on this point should be secured from your local unemployment compensation office.

Farm record books kept by Jackson County growers show a 100 per cent improvement over those of the preceding year, reports H. R. Clapp, assistant farm agent.

FOR SALE
One car load of fine, fresh mules; also some milk cows and heifers. I. B. GARDNER, Spring Hope, N. C. 1-21-41
Subscribe to the Franklin Times 2-4-2t

FOR RENT
A service station at Castalia, well located on main highway with practically new equipment. Apply to
GUPTON OIL CO.,
Louisburg, N. C.

SEE HOW MUCH MORE a Dollar Now Buys in a New G-E REFRIGERATOR!

So little money buys so much G-E Refrigerator that practically every home can now afford one. America bought more G-E Refrigerators last year than ever before, and this year G-E is even a bigger buy.

Now Popularly Priced!

Bigger dollar-for-dollar value... low current cost... long life with low upkeep.

Triple Thrift REFRIGERATOR

New, faster freezing General Electric Quick Trays provide instant ice cube release... two or a trayful in seconds. Six-tray models can freeze 48 lbs. of ice in 24 hours and average current cost is less than the price of ice.

MAY WE SERVE YOU!
— THE —
BROWN FURNITURE HOUSE
J. L. BROWN.
YOUNGVILLE, N. C.

GUANO GUANO GUANO

I have on hand one hundred tons of quality fertilizers, Fish Brand, Golden Bell, Roysters, Agrico, and Farmers. There are no better brands of fertilizers made. Come to see me at Union Warehouse when you want quality fertilizer. I shall render to you the same service that I have in the past.

YOUR BUSINESS WILL BE APPRECIATED.

GROVER C. HARRIS

FARM & HOME
Supplies at Unusually Low Prices

STOVES AND RANGES

CAST IRON COOK STOVES \$9.75	HEATERS Of All Kinds Wood, Coal and Oil	COOKING RANGES \$21.95
------------------------------	---	------------------------

FURNITURE

3 Pc. BED ROOM SUITES \$35.00	9 x 12 Linoleum RUGS \$4.49	3 Pc. Bed, Spring and Mattress \$14.25	3 Pc. Living Room SUITES \$26.60
-------------------------------	-----------------------------	--	----------------------------------

FARMING SUPPLIES

BRIDLES 90c Up	HORSE COLLARS \$1.25	AXES \$1.50	Russel One Horse WAGONS \$57.50
----------------	----------------------	-------------	---------------------------------

IRONING BOARDS
A Convenient, Durable and Serviceable Household Necessity

Come in and see it or call me for demonstration. Prices reasonable.

Remember I repair all kinds of woodwork and make most anything you want in wood necessities or novelties. I also upholster and rebuild your old furniture.

SEE ME AND SAVE MONEY

TROY P. WILLIAMS
Kenmore Avenue Louisburg, N. C.

PAINTS, ETC.

Ready Mixed PAINT \$13.9 Gal.	Paints, Oils, Varnishes, Stains, Kalsomines, Etc. Largest Stock in Franklin County	Texolite Past Paint Mix With Water
-------------------------------	--	------------------------------------

SUPPLIES FOR RENT

PLUMBING — Galv. Pipe, Cast Pipe, Bath Fixtures, Pipe Fittings, Etc.
ELECTRICAL — Copper Wire, B.X. Cable, Switches, Etc.

ELECTRIC FLOOR SANDER & FLOOR POLISHER
"Give Your Old Floor A New Face"

H. C. TAYLOR
HARDWARE STORE
PHONE 422-1 LOUISBURG, N. C.

OUR LINE OF FALL FURNITURE
Is NOW COMPLETE.

Visit us and secure our prices before buying.

Our Undertaking Department is at your disposal.

W. E. WHITE Furniture Co.
Louisburg, North Carolina

Any connection between community welfare, including farm income, wages and stability of local merchants, and the high-sounding undistributed profits tax might, at first glance, seem remote. Yet, evidence is accumulating in Congress to indicate that they are very closely connected. So much, in fact, that drastic modification or even repeal of the undistributed profits tax may be anticipated before adjournment.

In simple terms, the Revenue Act of 1936, provides that corporations (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 originally proposed, its sponsors contended that it would prevent the piling up of large surpluses by corporations and force profits into the hands of stockholders, who would pay personal income tax to the government. Obviously, the idea of forced distribution of corporation earnings to local stockholders seemed a logical one.

However, it is now claimed that the tax has virtually strangled the growth of small corporations by preventing the putting up of capital for later use in expanding factories and erecting new ones. If this be true, and the facts are coming out in hearings, our people are being hurt all down the line. Expanded factories and new factories mean employment. Employment means wages. Wages mean buying power. And buying power means better standards of living, better prices for the farmer, and profitable sales for the merchant. If a form of taxation interferes with this orderly process, it defeats one of the primary objectives of all legislation to improve 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 orders 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 upon the payroll of a factory or factories.

Another form of taxation, equally important to everyone, is the capital gains tax. It goes back to the first income tax law of 1913. Under its provisions profits from sale of securities, real estate 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 elsewhere, 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 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, \$1.32 an hour (40-hour week), Government Printing Office.
Full information may be obtained from J. A. Whelton, 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 farm families in more fruit and berry crops.

WHEN YOU GO BY GREYHOUND
REMEMBER! YOU CAN TRAVEL IN A WARM MODERN CRUISER AT 1/4 DRIVING COST

\$1 EQUALS \$3

Raleigh . . . \$1.35	Henderson . . \$.55
Durham . . . 2.10	Goldsboro . . 2.90
Wilmington . 5.60	Fayetteville . 3.80
Greensboro . 3.70	Charlotte . . 6.40
Winston-Sal. . 4.60	Asheville . . 8.65

BODDIE DRUG STORE
Phone 320-1 Louisburg, N. C.
FROM LOUISBURG TO

use the **BABY POWDER** that doctors recommend

MENNEN Antiseptic POWDER

Now, you can get a baby powder that will keep your baby SAFE against germs and skin infections. It's Mennen Antiseptic Powder Your doctor will tell you that whenever you buy a baby powder it surely ought to be Mennen. Because Mennen is more than just dusting powder — it's antiseptic! And it costs no more! So, mother, buy a tin from your druggist, today.