

WHERE NORTH CAROLINA GETS THE MONEY IT IS SPENDING

If You Think The Money You Pay Sheriff is Too Much, Don't Blame the State, for None of This Money Goes to the State

Recently a Republican in Randolph county was complaining bitterly about the increased tax he had just paid to the sheriff, and was blessing out the state government for putting high taxes upon the people.

This complaint was made to an intelligent citizen of this county who told his Republican friend who complained about taxes, saying to him:

"If you will look at your tax receipt and find a single item on there which shows that the state gets a single penny, I will borrow the money and pay your taxes for you. As a matter of fact the state is not collecting a single cent of tax through the sheriff this year, and none of the taxes you pay the sheriff is used by the state. All of it goes to the county, and if the taxes are too high it is because the republican county commissioners of your county have raised them.

While the state will collect a large amount of money from its citizens this year, not one penny of the revenues raised will come from a tax on property, and none of it will be collected by the sheriffs. There is a difference of opinion as to the wisdom of the policy of the state abandoning the property tax, but the defense of this policy is not object of this discussion. Neither is there a desire to attack it, but merely an intention to briefly explain the law as it was written on the statute books by the last two sessions of the legislature.

Five Sources of Revenue

The state has five sources of revenue, but consideration will be given to only four of these sources, and four sources from which the state government derives the money with which to carry on the business of the state. The fifth source that need not enter into this discussion is the issuance of bonds by the legislature for what is considered a permanent improvement such as the erection of new buildings at state institutions, the buildings of roads, etc. The four sources or revenue from which the state gets the money for the maintenance of the educational institutions, asylums, hospitals and health department and the payment of state officials in the administrative department are:

- 1-Schedule AA-Inheritance taxes.
2-Schedule B-License taxes.
3-Schedule C-Franchise taxes and fees.
4-Schedule D-Income taxes on salaries and other incomes of individuals and corporations.

The Inheritance Tax

Those charged with the responsibility for framing the taxing laws of North Carolina estimate the inheritance tax will produce from three quarters to a million dollars annually. This estimate is based on the averages for the past several years. This form of taxation is in general use in the United States and is based on the theory that since the state helped man to accumulate a fortune, large or small, a part of what he leaves should go back to the state. The rate of the taxes levied on an inheritance depends on the distance of the relationship of the deceased and the legatee, and also on the amount of the inheritance. As the kinship lessens the amount increases the rate is higher.

The law divides the relations into 3 general classes for the purpose of collecting the inheritance taxes. Those from whom the state taxes the smallest amount are the husband, wife, father, mother, child natural or adopted, son-in-law, daughter-in-law, step child or any person to whom the decedent stood in the mutually acknowledged relation of parent, when this relationship began before the child was fifteen years old. The following is the rate of taxes for each \$100 of the clear market value of an inheritance:

- First \$25,000 above exemption, 1 per cent.
Excess over \$25,000 and up to \$100,000 2 per cent.
Excess over \$100,000 and up to \$250,000 3 per cent.
Excess over \$250,000 and up to \$500,000 4 per cent.
Excess over \$500,000 5 per cent.

The persons mentioned in this class shall be entitled to the following exemptions: The law declares: Widows, \$10,000, each child under 21 \$5,000, all other beneficiaries mentioned in this subject \$2,000.

Second Class

The second classification of legatees provided in the law include brothers, sisters or descendant of brother or sister or uncle or aunt of the person who died. In this class the exemption is not allowed but the first \$10,000 in value of the inheritance is exempt. Those inheriting less than that amount have to pay three per cent. After that the division is the same as in the above classification, but the percentage is different. The third class starts with one per cent and runs through five for the largest amount. The second class begins with one per cent and runs through seven for the largest amount.

The third classification takes in all those kinship or strangers in blood who inherit property. The same exemption followed in the first two classifications are continued in the third. Here again the first amount exempt is \$10,000. The percentage for up to \$10,000 is one per cent. As the amount increases the percentage increases to five per cent.

can be and often is endless litigation. The law also allows deductions which may cause wide differences of opinion. A brief discussion of this subject will not permit a more extended study of this source of taxation.

The License Taxes

Under this heading the state, through its agents, collects a large amount of money every year from business concerns, trades people or every kind, professional men, theatrical companies and others, a total of sixty different classifications. In all, each of these classifications carries a number of items on which tax is collectable, and varies in amount from the modest fee of five dollars license fee that is charged for some lines of business or professions to the thousands that are collected from some of the larger concerns.

The State Insurance Department collects a part of this money through its own organization. This is the money that is collected from insurance companies and insurance agents of all kinds doing business in North Carolina. The aggregate of this form of taxation will approximate a million dollars. The Insurance department pays its expenses out of these funds and the remainder is turned over to the general fund of the state and is used for the maintenance of the state institutions.

A complete listing of all the taxes collected under this heading is not necessary, for it reaches practically all lines of business in the state. The amount of the tax ranges upward from the five dollars that may be charged a peddler to the \$2000 that is collected from some of the tobacco companies. In addition to the straight license tax the state in some cases levies a tax on the sales above a certain amount. The taxes for most lines of business are graduated either on the population of the town in which the concern is located or the output of the business if it is a manufacturing concern.

Franchise Taxes and Fees

The taxes collected under this heading is known as Schedule C in the revenue bill. Some of these taxes are old and some have been used during the past few years. Some of them, indeed, were added at the special session of the legislature in 1920 when that session was hunting new sources of revenue in order that the state might entirely abandon the property tax. In some respects this tax is not unlike the one just discussed. It is, however, not so all inclusive. It hits the higher spots in the business life of the state and collects in larger amounts.

These sections aimed at the public utilities is intended to get a proportionate share of the tax money from concerns which take a great deal of money out of the state, without much capital investment on which taxes are paid to North Carolina. These particular sections include: 1-Railroad companies, one tenth per cent on the total value of the railroads property listed for taxation in the state. 2-Chair and sleeping cars, 3 per cent of the gross receipts for the previous year. 3-Express companies, mileage tax based on earnings. 4-Telegraph companies, five dollars per mile for each pole mile owned in the state. 5-Telephone companies, 3 per cent of gross receipts.

Under this heading are also collected the franchise taxes corporations, both domestic and foreign doing business in the state. This tax is calculated on the basis of one tenth of one per cent on the subscribed or issued and outstanding capital stock. All of these taxes are paid directly to the state. Two other forms of taxes are collected under this heading. One is the marriage license tax, which is paid to the Register of Deeds in the county where the license is secured, and sent to the state by the county authorities. The other is the seal taxes charged by the state for putting the various seals on official documents.

The Income Taxes

For a number of years past the state has imposed an income tax on the salaries and wages of the people of North Carolina. Under the old law only these incomes were taxed. Since the last general election when the income tax amendment was passed, this tax is levied not only on the wages and salaries of citizens, but also on any other income of both individuals and corporations.

The law taxing the income of individuals allows an exemption of one thousand dollars for an unmarried man and two thousand dollars for married men. Two hundred dollars additional

DRESSMAKER GIVES ADVICE

"I underwent a surgical operation for gall stones 5 years ago, was in the hospital 4 weeks. For 3 years I felt better, but then my old symptoms and pains returned, and I have suffered ever since. Four weeks ago on the advice of a lady I tried Mrs. W. E. Peacock's Kidney Pills, and I now feel like a new woman. I have a number of friends who suffer as I did and are advising all to try this valuable medicine. It is a simple, harmless, pleasant and effective remedy for all kidney troubles. As the amount of

BACKACHE IS DISCOURAGING

But Not So Bad If You Know How to Reach the Cause. Nothing more discouraging than a constant back ache. Lame when you awaken, pains pierce you when you bend or lift. It's hard to work or to rest. Backache often indicates bad kidneys. Asheville people recommend Doan's Kidney Pills. Ask your neighbor.

Mrs. D. C. Bull, Cox Street, Asheville, says: "About a year ago I began to suffer with kidney complaint. The action of my kidneys was varied and irregular. There was also a steady, dull ache across the small of my back that grew worse when I was on my feet a great deal and I would often have to stop and rest. I used Doan's Kidney Pills, getting them from the Standard Drug Company, and they helped me right along. Two or three boxes cured me and I haven't been troubled by my back or kidneys since."

Price 50 cents at all dealers. Don't simply ask for a kidney remedy—get Doan's Kidney Pills—the same that Mrs. Burns had, Foster-Milburn Co., Mfrs., Buffalo, N. Y.

PROMINENT HIGH POINT WOMAN DEAD

Miss Venetia Smith, one of the best known women of High Point and with a wide circle of friends in Asheville and throughout the county, died at her home in High Point last Thursday from heart failure. Miss Smith had made her home in High Point and ran a millinery establishment there for a number of years making friends of all her customers. She was a faithful member of Wesley Memorial M. E. Church and was one of the most active members of the entire congregation. She is survived by one brother, Mr. John A. Smith, of High Point, and four sisters, one of whom Miss Zula Smith lives in High Point. The funeral services were held at the home on Steele Street Friday afternoon. Burial followed in Oakwood cemetery.

Why mope around half sick and listless when health and strength are yours for the asking? Take Tanlac. Standard Drug Company.

TAYLOR ESTATE GETS DAMAGES

A Forsyth county jury last week service was held at the home on Taylor the sum of \$23,150.00 as the result of a suit by Mrs. Taylor against Dr. J. W. Peacock who killed her husband in Thomasville about a year ago. Dr. Peacock was tried at Lexington and committed to the State Insane Asylum at Raleigh, after a verdict of insanity had been returned.

"The Rats Around My Place Were Wise," Says John Tutill

"Tried everything to kill them. Mixed poison with meal, meat, cheese, etc. Wouldn't touch it. Tried RAT-SNAP, inside of ten days got rid of all rats." You don't have to mix RAT-SNAP with food. Saves fussing, bother. Break a cake of RAT-SNAP, lay it where rats scamper. You will see no more. Three sizes, 35c, 65c, 1.25. Sold and guaranteed by Cox Lewis Hardware.

is allowed deducted before the income tax is operative for each dependent. After deducting the exemptions allowed in the act the law imposes the following graduated income tax:

- On the excess over the amount legally exempted up to \$2500, one per cent.
From \$2500 up to \$5000 one and a half per cent.
From \$5000 up to \$7,500 two per cent.
From \$7,500 up to \$10,000 two and a half per cent.
All over \$10,000 three per cent.

In addition to the exemptions mentioned here there are certain other exemptions which are allowed deducted before the tax is operative. These deductions following in general the federal income tax law. Donations up to \$1500 may be deducted, interest in borrowed money and certain other things which are shown on the blank which has to be filled out and returned to the office of the Commissioner of Revenue in Raleigh on or before March 15 every year. The check for the income tax must accompany the form when it is returned to Raleigh. There is no provision for installment payment of the income tax of individuals as is the case with the federal government. But the tax is much smaller than that levied by the federal government.

The income tax for individuals applies not only to the wages but also to the other income a person may have, even though the property from which such income is derived is already taxed. This is what is sometimes known as the "unearned" income, that is money for which a person does not have to do some actual work or perform some actual service. It includes interest on bonds, notes, stocks of all kinds, rents, etc. Prior to the passage of the income tax amendment at the last election the state did not collect a tax from these "unearned" incomes.

The corporation are required to pay a straight three per cent on their net incomes for the year. This applies alike to domestic and foreign corporations. Provision is made for calculating the net income of foreign corporations doing business in the state.

Other Sources of Income

In addition to these four main sources of income the state gets a proportionately smaller income from various other sources. It gets the rental or dividends on its railroad stock, which amounts to about a quarter of a million dollars a year; it collects interests on its bank balances; it collects various and sundry fees for different services, all of which go to the general fund.

RAMSEUR NEWS

MRS. NANNIE J. ELLIOTT DEAD

Mrs. Nannie J. Elliott was born in 1863, died March 22, 1922, aged 59 years. She was married twice, first to William Poe, of which union was born three children two of which died when small, one surviving now, W. E. Poe. Her husband was killed in the Civil War. She was later married to David J. Elliott and they were parents of three children William, George and Cora Lee. The two boys are living, Cora Lee, who married Mr. Jim Brown died a few years ago. George Elliott lives at Randleman where he is in the mercantile business. William Elliott is the faithful and efficient engineer of Columbia Manufacturing Co., at Ramseur. Mrs. Elliott was a good woman from girlhood. She was a faithful and loyal member of the Christian church here. Rev. T. E. White of Sanford, who was her pastor here for seven years preached her funeral.

A large crowd in attendance at the funeral and high esteem in which Mrs. Elliott was held by the people of the town. Her friends showed their love for her further by covering her grave with beautiful and expensive flowers. May the bereaved family be comforted in this great loss and may we all follow the good woman's christian example.

Mr. Alton Craven who is in college at Trinity, Durham, spent Sunday with his parents, Mr. and Mrs. I. F. Craven. He was accompanied by three of his friends from Durham, Messrs. Wilber Smith, Reuben Evans and Sydney Turner.

Mr. J. H. Foust and family who have for some time been located at Burlington have returned to their home near Ramseur.

Mr. Ray Pell, of Philadelphia, was a visitor here Sunday.

Mr. J. M. Foust, of Mt. Vernon Springs spent the week end at Dr. Tates.

Mrs. W. H. Watkins and Messrs. J. O. Forrester, R. E. Wooley and Oscar King spent Sunday with friends at Troy.

Mrs. J. H. Burgess went to Liberty Saturday to attend her daughter, Mrs. Alice Eulas who is sick with pneumonia.

A popular young couple were recently married but failed to report. Miss Blaka Brewer to Mr. Yancy Cox, both of Ramseur. Rev. W. M. Smith officiated at the home of the bride. We wish for them all the best things in life.

Mr. and Mrs. W. E. Marley and Mrs. Camory and Miss Addie Whitehead went to Greensboro Sunday.

If you suffer from biliousness, constipation, headache, nervousness, salivary complexions, loss of appetite, bad taste in mouth, Tanlac and Tanlac Vegetable Pills will certainly straighten you out. Standard Drug Company.

FIRST YEAR OF THE HARDING REGIME

The Republican high tariff policy and commercial isolation, which thus far have been their outstanding remedies for all postwar ills, fly in the face of every sound economic law of today. These mean ruin to our foreign markets and in turn continued stagnation and pauc industrial conditions at home. The first year of this administration will always be notable for its failures rather than for its successes.—Cordell Hull, chairman Democratic national committee.

The country has had one year of normalcy and the country can't stand it.—William G. McAdoo.

The deplorable conditions through out the country today are the inevitable results of hermitage.—James M. Cox.

It is estimated that there are altogether 4,000,000 men out of work. They could earn an average of \$5 a day—\$20,000,000 a day lost and wasted for lack of work, or \$6,000,000,000 wasted by unemployment during the first year of the Harding administration. This is the promised Harding's prosperity.—Representative James B. Aswell (Democrat, La.)

Taken as a whole, however, the house of representatives as controlled by the Republican party, if judged by its record to date, is unworthy of another lease of life.—Boston Transcript (Republican) March 3.

The president seems to be the blue-ribbon wiggler and wobbler of the age.—Representative Robert Y. Thomas, Jr. (Democrat, Kentucky).

Everybody is giving this congress hell.—Representative William R. Wood (Republican, Indiana).

Fifteen Per Cent on Hides

The Forney bill again left hides on the free list, but the Senate Finance Committee has agreed on a duty of 15 per cent on hides. Henry Cabot Lodge, some time ago, representing the shoe industry of Massachusetts, threatened to block a tariff bill if it put a duty on hides. Now, and under the last Republican administration, hides are free. Experience has shown previously that a duty on hides did not benefit the farmer, who sold his steer with the hide on, but did benefit the Cattle Trust, which sold the tanned hides.

Mt. Airy Lady Burned to Death

Mrs. Margaret Tilley, Mt. Airy, 60 years of age, was burned to death in that city March 23. Reports indicate that her dress caught fire as she was stooping before the fire-place disposing of a batch of eggs. She ran outside the house to summons assistance, but the flames being fanned by the brisk wind at the time, death occurred before help could reach her. Mrs. Tilley is survived by her husband and several sons and daughters, among them being Mr. Walter Tilley, of High Point.

LARGEST BOTANICAL DEPOT IN WORLD AT STATESVILLE

Statesville boasts the largest botanical depot in the world and the oldest in the United States.

In 1859 Hallace Brothers came to Statesville and established a business of collecting for medicinal purposes herbs, roots and barks, berries, seeds and mosses. They now have many thousand feet of floor space for storage purposes, packed with every known plant or root used for medicinal purposes, there being at least 800 different varieties represented and nearly every one of them produced in North Carolina, although a few are obtained from Tennessee and Virginia.

Shipments of these products are made regularly to Germany, France and England.

Bonds Missing From U. S. Treasury

It has been recently found that around \$200,000 in Liberty Bonds are missing from the United States Treasury. Two employees at Richmond and Charlottesville, Va., are wanted in connection with the investigation being made. Charles A. Cleavanger, an employee in the bond department of the treasury, is being held, though no charges have as yet been presented.

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Brighten Up Your Home For Easter. Easter is only a short time away, you have only a short time in which to get the things necessary to brighten your home up for this great anniversary day. We invite you to call and see the great variety of things that we have that will re-make your home from top to bottom. We have fifteen rooms in our show building, prepared for your especial benefit, exactly as though it were your own home. Tapestries, rugs, bed rooms, living rooms, dining rooms, fixed exactly as though someone were going to live in the rooms. We invite you to call and see this wonderful display of seasonable furnishings. Bright Oriental Rugs. We have everything that could be wanted in rugs. Rugs of the most beautiful designs, wonderful patterns, and every make that is known to be of good values. Our prices on these will run very reasonably, as they are priced from only \$7.50 to \$150.00. A Few Slightly Used Pianos. We have just a few slightly used pianos that we have taken up in trade for new ones that we wish to dispose of. We will offer them at sacrifice prices. If you want a piano, and want a good one, come here and see these that we have on display. They range in price from \$150.00 to \$250.00. We urge you to come and see the many different articles that we have on display on other floors that will go a long way towards brightening up your home for Easter. Don't fail to go through the entire building when you come. Furniture Co.