

## March 15 Is Deadline For Filing Income Tax Reports

**Millions Will File For The First Time; Many Deductions Are Allowed**

March 15 will be a big and busy day in the United States, for on that day income tax returns and payments will be due from millions of American citizens, many of whom will be facing Uncle Sam, as a tax collector, for the first time.

It is particularly important to remember that tax returns and payments, in whole or in installment, must be made March 15 or, if convenient, before. This fact has been pretty much confused by all the talk about putting income taxes on a pay-as-you-go, or weekly income deduction, basis. No such law has been passed and there are possibilities that even if it is passed, it will be passed in a different form.

But the fact is, no pay-as-you-go law exists, and an income tax return must be filed and whole or partial payments made March 15.

Lower exemptions and increased employment will bring millions of new taxpayers into the fold. Figures, of course, are dry, but they are interesting in that government agencies estimate that approximately 58 million people will have earned an average of almost \$1,600 in 1942.

**Farmer's Income Large**

Farm income alone has been figured at approximately 16 billion dollars, giving America's 6 million farmers an average intake of \$2,800. All these figures are average, of course, and do not specifically apply to individual cases.

Besides renewed industrial activity and higher wages, one of the main reasons more people will pay an income tax for 1942 is because of the lowered exemptions. A single person, or a married person not living with their spouse, do not have to pay any tax on the first \$500 of their income. A married man and his wife are allowed to take off \$1,200 for themselves and \$350 for each child under 18.

The "head" of any family supporting one or more dependent individuals closely related to him by blood relationship, relationship by marriage, or by adoption, is allowed the \$1,200 exemption, plus \$350 for every dependent except one.

The income tax payer is allowed to deduct other sums, either as personal or business expenses, from his income. For every \$1 that the taxpayer can legitimately take off his income, he chops 18.4 cents from his tax. On large incomes, such savings can be impressive.

But what can the taxpayer deduct? Below appears a formidable list of exemptions:

**TAXES:**

Deductible federal taxes include admissions, dues, telephone, telegraph, transportation, auto use and safety deposit boxes. State levies deductible include gasoline, real estate and personal property, use taxes, auto license fees, and unemployment.

**INTEREST:**

All interest paid on personal debts can be written off. For the farmer these take in mortgages, notes and other obligations incurred to finance operations.

**EXPENSES:**

All expenses connected with conduct of a business or farm are deductible. Business expenses include office rent, light, heat and phone bills, salary of office assistants, train fares, hotel and restaurant costs for which the party is not reimbursed, and charges for operating an automobile and its depreciation.

In the expenses of operating their farms, farmers can include gasoline, repairs and upkeep of vehicles, cost of ordinary small tools, livestock and seed, pay of hired hands and food for them off the farm. Insurance on farm property, such as buildings and crops, are also deductible as is depreciation of buildings, improvements or machinery.

**LOSSES:**

Losses of property from fire, storm, flood or other natural causes, upon which the holder had no insurance, are deductible.

**MEDICAL EXPENSES:**

Medical and dental expenses can be deducted only if they exceed 5 per cent of your income. Any expense over 5 percent up to a maximum of \$1,250 for a single person or \$2,500 for a family may be taken off. Such expense can include hospital bills, treatments, diagnosis and other charges connected with medical or dental care.

**ARMED FORCES:**

Besides the regular personal exemptions, servicemen are entitled to take off an extra \$250 if they are single and \$300 if married.

**CONTRIBUTIONS:**

Contributions made to charitable, religious, scientific or literary organizations up to 15 per cent of net income are deductible.

**Can File Two Forms**

Farmers are given a chance to file returns and make payments on the cash receipt or accrual basis.

If the farmer chooses the cash basis, he figures (1) the amount of cash or the value of merchandise or other property received

from the sale of livestock and produce which were raised during the taxable year or prior years; (2) the profits of sales from livestock or any other items which were purchased, and (3) gross income from all other sources.

On the accrual basis, gross profits are obtained by adding to the inventory value of livestock and products on hand at the end of the year the amount received from the sale of livestock and products, and other income as from hire of teams or machinery, etc., during the year. Against this, the farmer deducts the value of livestock and other products he had at the beginning of the year and the cost of livestock and

products bought during the year.

The income taxpayer pays two taxes, surtax and normal. The surtax, which amounts to 13 per cent on the first \$2,000 of taxable income, is paid before the taxpayer deducts the earned credit exemption of 10 per cent from the amount on which he must pay his tax. The normal tax of 6 per cent is paid after the 10 per cent exemption has been taken.

**OWEN BABY DIES**

The thirteen-day-old baby of Mr. and Mrs. Glenn Owen died last Thursday in the Ashe hospital. It was buried on Friday at the Transou church.

**RAISING FUNDS FOR MOUNT OLIVE CHURCH**

Announcement has been made that the drive for the funds of the New Mount Olive Baptist church at Oval, will come to a close, February 27. "We greatly appreciate what has already been given", leaders said. If there are others that would like to give to this cause, we will be glad to get building material such as we can use, if you prefer giving it. See the following committee: Mrs. Ruth Vannoy, Mrs. Hazel Surber, Mrs. Lessie Surber, Mrs. Spencer Goodman, Mrs. Virginia Surber, Mrs. Lillie Surber," it was added.

By making better use of other edible fats as a whole, the pres-sure on butter supplies can be somewhat lessened.

**Attention Farmers!**

We will have a large shipment of Tender Green Bean Seed that will arrive in a few days.  
Buy your Judy's Pride and No. 16 White Burley Tobacco seed from US.

**YATES' STORE**

WARRENSVILLE, N. C.



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## FOR THE Farmers' Bean & Vegetable Market West Jefferson, N. C.

Beans, like other vital foods, are going to war. More snap beans than ever are needed and your Uncle Sam is not only urging that you grow more beans, but is assuring you greater financial returns on your crops and is offering incentive payments. Ask your county agent about this.

Plan to grow more beans. Make your plans NOW! SEE ABOUT YOUR SEED AND FERTILIZLZER NEEDS AND REMEMBER THAT YOU WILL HAVE A HOME MARKET THIS YEAR. YOU CAN SELL YOUR BEANS RIGHT HERE IN WEST JEFFERSON ON THE FARMERS' BEAN AND VEGETABLE MARKET. This market offers a real opportunity to Ashe County farmers. Let's make it a success.

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