

Labor Is On the Job For Victory

The ONLY REALLY INDEPENDENT WEEKLY in Mecklenburg County

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The Charlotte Labor Journal

Endorsed by the N. C. State Federation of Labor

AND DIXIE FARM NEWS

Official Organ of Central Labor Union; Standing for the A. F. L.

12 YEARS OF CONSTRUCTIVE SERVICE TO NORTH CAROLINA READERS

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YOUR ADVERTISEMENT IN THE JOURNAL IS A GOOD INVESTMENT

CHARLOTTE, N. C., THURSDAY, JUNE 24, 1943

JOURNAL ADVERTISERS DESERVE CONSIDERATION OF THE READERS

\$2.00 Per Year

"PAY-AS-YOU-GO" INCOME TAX BECOMES LAW—TAXPAYERS PUT ON CURRENT BASIS THROUGH NEW COLLECTION SYSTEM OF TAX

WHAT IT IS:

On July 1, 1943, a withholding tax on individual incomes goes into operation. From then on you will, for the most part, pay your Federal Income Tax bit by bit as you earn, instead of in a lump sum or four installments. You will pay it through regular deductions from your pay envelope. This is the same method that has been used to collect your Victory Tax and Social Security Tax. It is NOT a new tax, NOT an extra tax—but a new method of collecting the Federal Individual Income Tax. It includes the Victory Tax, the withholding rate for which has been reduced from 5% to 3%.

This new Withholding Tax is at the rate of 20% on wage over and above exemptions. After exemptions it will actually amount to no tax at all for some persons, up to not more than 10 or 12 per cent of most people's pay. It is NOT a gross tax on wages.

HOW IT WORKS

The very first thing for any employee to do is to fill out, sign and hand in to his employer a WITHHOLDING EXEMPTION CERTIFICATE. This tells your family status, whether married or single, how many dependents you have. The greater your responsibility, the more of your pay is exempt from the 20% withholding.

The law specifically puts upon employees the responsibility for filing these EXEMPTION CERTIFICATES. If you do not file one with your employer, he will not be able to give you any exemption, but will be required by law to deduct 20% from all your pay.

It is of utmost importance that every employee fill out, sign and give to his or her employer a copy of the Withholding Exemption Certificate—right away! Employers will supply blank forms.

If your marital status or the number of your dependents changes, you must notify your employer within 10 days.

PAY EXEMPT FROM WITHHOLDING:

From your Exemption Certificate, the employer determines the amount of tax to be withheld from your pay. For single persons the amount exempt from tax is \$12 a week, or \$624 a year. For married couples, the exemption is \$24 a week, or \$1248 a year. This exemption can be divided between husband and wife if both are working, or the whole thing taken by either one, in which case the other spouse cannot claim any of it. For each dependent there is an additional exemption of \$6 a week, or \$312 a year.

Do not confuse these exemptions with your basic income tax exemption. They are used only to calculate the amount to be withheld.

Here are three examples of how it works out. John Smith, a single man, is making \$37 a week. Of that, \$12 is exempt. The other \$25 is subject to withhold at 20%. Thus the amount withheld from each week's pay is \$5.

George Jones is married, has three children, is earning \$50 a week. His exemptions are \$24 for himself and wife, \$6 for each of the three children, a total of \$42. Only \$8 of his weekly pay is subject to withholding, so Jones employer will deduct only \$1.60 a week.

James and Sarah Brown are both working. They have 4 dependents at home. They elect to divide the married couple exemption of \$24 equally between them so that each has \$12 a week free of withholding. Since James furnishes the chief support for the dependents, he may take \$24 a week for dependents, making his total exemption \$36 a week before the 20% is withheld. If James alone were working, he would claim the entire exemption of \$24 and \$24 more for the 4 dependents, or a total of \$48 a week exemption from withholding.

A word of warning here. It is quite possible that the amount withheld from your pay will not be exactly, to the penny, 20% of your pay above your withholding exemption. You may find that the tax withheld will be a trifle more, or a trifle less.

Employees should understand that this is because the law allows employers to withhold the tax in accordance with "Wage Bracket Tables." These tables set definite amounts to be withheld from each pay. For example, in the case of married employees with three dependents, whose weekly wage is anywhere between fifty and sixty dollars, the employer is authorized to withhold a flat amount of \$2.60 per week, instead of requiring him to figure the exact amount for each individual employee.

The law grants the employer this "short-cut" method in order to simplify his job of computing the amount to be withheld for each individual worker. In any case, where "Wage Bracket Tables" are used, the amount of tax withheld will be only slightly different from an exact computation at 20%.

WHAT HAPPENS TO MONEY WITHHELD

Tax money withheld from wages is paid by the employer to the United States Treasury. The amount withheld from you stands to your credit at the Treasury against the amount you owe on Income and Victory Tax. At the end of the year, or at termination of employment during the year, your employer will give you a certificate stating the amount of wages he has paid you during the year and the amount of tax he has withheld. Keep this. It is your tax receipt.

On or before March 15, 1944, you will be required to file, in the usual manner, your income tax return showing your actual income for 1943, and figuring in the usual deductions and credits. The tax withheld by your employer, both before and after July 1, 1943, the income tax installments you paid March 15 and June 15, and any tax you may have already paid in addition to the above-mentioned payments will be shown on the return as credits. In other words, you will add up the tax payments you made on March 15 and June 15, 1943, plus the total amount that has been already withheld for Victory Tax purposes, as well as the amounts withheld from your pay since July 1 by the Withholding Tax, plus any other amounts you may have paid on September 15 and December 15. If the total comes to more than

THE SECRETARY OF THE TREASURY

WASHINGTON

June 10, 1943

To the Editor of The Charlotte Labor Journal:

On July 1, the entirely new "Pay-as-You-Go" method of collecting the Victory and Federal Income Tax goes into effect. This is of the greatest interest to all the people of our Nation, especially wage earners.

It is important that we all do everything possible to emphasize these two major points:

1. The necessity of each employee's filing with his employer, as early as possible, a "Withholding Exemption Certificate."

2. The new law does not "forgive" or cancel the obligation of any person to pay his or her second income tax installment on June 15, 1943.

I hope this will reach you in time to be of use in explaining the process of withholding to your readers by the time they get their first pay from which the tax has been withheld.

Any help you can give the wage earners of America to understand this new law will be deeply appreciated.

Sincerely yours,
HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

your liability, the Government will credit you with the difference against the next year's tax payments. If it comes to less, you will pay the difference.

WHY WE HAVE THE WITHHOLDING TAX

There is no doubt that the country as a whole welcomes this method of Income Tax payment, which lets people pay their taxes in small frequent installments corresponding to their regular pay periods, and which lets people pay this year's taxes "as-they-go" out of this year's wages. It is easier to pay this way than to have to save up part of each pay for delayed quarterly or annual payment.

Withholding brings tax money into the Federal Treasury faster, now when it is needed to pay for the war. It should help us in our fight against inflation.

Members of Organized Labor and wage-earners in general should realize that the new method of collecting taxes has not increased the tax burden. It has, however, lightened this burden by distributing it over an entire year.

It can be repeated that "It Takes Both—Taxes and War Bonds" to fight and win the war. Enlightened self-interest and the call of patriotism require the investment of the largest possible percentage of income in War Bonds through payroll savings or other systematic savings plans.

President Green of the American Federation of Labor and President Murray of the CIO have recently issued earnest appeals for a continuation of Payroll Savings Plans.

MINERS TO WORK UNDER ICKES; OCT. 31 SET AS DEADLINE BY UMW; "WORK FOR GOVT NOT OPERATORS"

WASHINGTON, June 23.—John L. Lewis Tuesday ordered his mine workers back into the pits until October 31, with a broad indication that at that time they would resort to the courts to obtain the portal-to-portal pay they failed to get from the War Labor board.

The action came just a few hours after the WLB had referred the coal strike to President Roosevelt with a call for the use of "all the power of government" to force Lewis into a working contract in line with WLB directions.

The announcement of the back-to-work decision, issued in the name of the United Mine Workers Policy committee, laid heavy stress on the fact that the men were returning to work under existing pay and conditions, only as employees of the government and not of the mine ownership.

"This arrangement," the statement said, "is predicated upon operation of the mines and their collateral production units by the United States government and will automatically terminate if government control is vacated prior to the above mentioned date."

The indication of reliance on courts to get underground travel pay came in this paragraph of the announcement:

"The executive officers of the international union are hereby expressly authorized to exercise their discretion in the filing of suits at law, or by any other necessary means, to protect the equity of the membership in the matter of portal-to-portal compensation, both as to current and deferred liability."

The U. M. W. chief was asked after the policy committee meeting if there were any other arrangements with Secretary Ickes, government custodian of the mines. He said the committee statement spoke for itself. Asked

whether the check-off of union dues would be continued, Lewis merely pointed to the statement which said that "minimum wages and conditions" will be continued.

Ickes, advised of the back-to-work order, said:

"The mine workers understand that my job is solely to produce the coal necessary for war purposes and to heat America's homes this winter. To do this will require the utmost cooperation of the mine workers and of the entire coal industry. I feel sure that this co-operation will be given."

While Lewis appeared to have given ground, in that he ordered the miners back without getting the \$1.30 a day he has demanded, the mines by the same token appeared to be lost to the operators temporarily, if not for the duration of the war. How extensive a form of government control will take, remained to be seen.

One point still was at issue—there had been no compliance with a WLB order that the miners sign a contract embodying substantially the conditions under which they were ordered back to work.

The formal order to locals will go out tomorrow, and there was no definite indication tonight just when full-scale operation of the pits would be resumed.

Law enforcement authorities in the west say that the marijuana cigarette is an invention of the devil.

CENTRAL BODY NOMINATES ITS OFFICERS FOR COMING YEAR

J. A. Scoggins was last Thursday night nominated for his third term as president of the Charlotte Central Labor Union. There was no opposition for his office.

Vice-presidential nominees were C. R. Meacham and J. J. Thomas. Other nominees without opposition were T. L. Conder, secretary; R. R. Harris, treasurer, and E. D. Barr, sergeant-at-arms.

Three trustees will be elected from among J. A. Moore, J. S. Barrow, J. J. Thomas, and O. A. Snipes.

J. J. Thomas, J. A. Scoggins, C. R. Meacham and R. R. Harris were nominated as delegates to the State Federation of Labor Convention at Winston-Salem, in August. Two highest in votes will be delegates and two lowest will be alternates.

The election will take place at the Labor Temple tonight (Thursday).

Union Sends Money To Its Fighting Men

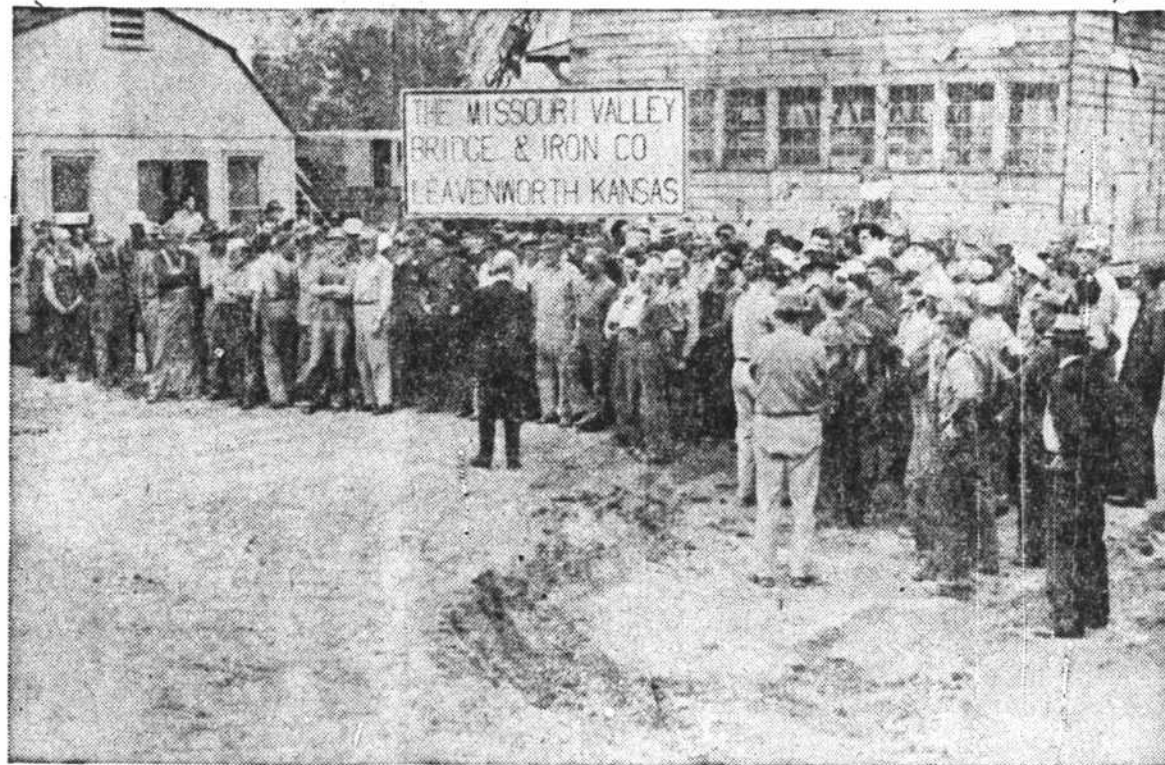
One hundred and twenty-seven of Uncle Sam's fighting men, members of Local 1456 of the Dockbuilders' Union, an affiliate of the AFL International Brotherhood of Carpenters and Joiners, this month received \$10 each from their local as pocket money, the third such gift sent to its members in the Armed Forces by the local.

WISDOM

"As when we find that a machine will not work, we will infer that in its construction some law of physics has been ignored or defied, so when we find social disease and political evils may we infer that in the organization of society moral law has been defied."—Henry George.

PATRONIZE JOURNAL ADVERTISERS

Missouri Valley Workers Take War Bonds Instead of Checks



Leavenworth, Kansas.—More than 200 of the 324 employees of the Missouri Valley Bridge and Iron Company put 100 per cent of a week's pay into War Bonds here as a practical demonstration of the extent to which war workers are eager to respond to the Treasury Department's call for increased War Savings.

Workers of the plant have been allotting 14 per cent of their gross payroll for Bonds since last September, but the special one week 100 per cent drive was held to stress this theme:

"Will I be more interested in my current personal comforts than in the lives of the boys who are fighting that I might live?"

Long ago the shipyard employees earned the right to wear the coveted E button for efficiency in war production.

U. S. Treasury Department

Women Fill Many Jobs In Transportation

Highballing ten-ton trucks on cross country routes, operating buses and trolley cars, oiling locomotives and driving taxis are traditional male occupations that are sacrosanct no longer. Early in 1943, more than 160,000 women already were employed in the transportation industry and more are being recruited every day.

First reactions to the employment of women in transportation varied from cool to enthusiastic but the best criterion is perhaps the fact that almost every company that has hired women has come back for more. As a representative of the American Transit Association put it, "The only employers who are still skeptical about the ability of women are those who have not yet hired and trained them."

IF YOUR SUBSCRIPTION IS IN ARREARS SEND IN A CHECK

FIGURE IT OUT YOURSELF? ARE THESE THINGS WORTH UPPING YOUR SAVINGS?



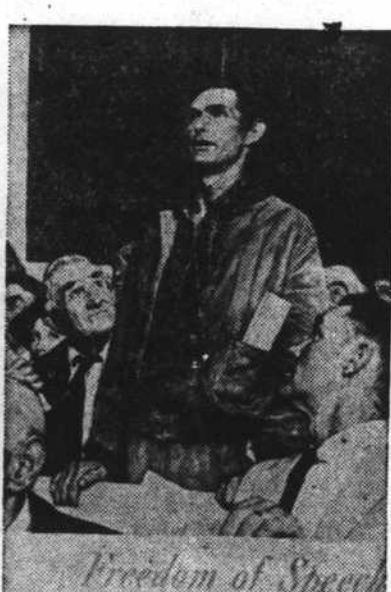
Freedom from Fear



Freedom from Want



Freedom from Warship



Freedom from Speech

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