

Provisions of the State Intangible 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 15 as of December 31 and tax payable to the state department of revenue. The new rates of tax represent an average of not more than 10 or 15 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 15 of this year, no back taxes can be assessed on such holdings.

Bank Deposits Not Listed

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 10 cents per one hundred dollars and is based on the average of deposits at four quarterly periods ending December 15. Accounts showing average quarterly balances of less than \$100 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 20 cents per hundred dollars of amounts held on December 31 in excess of \$300.

Accounts Receivable

Accounts receivable are taxable at 25 cents per one hundred dollars of their face value on December 31 in excess of \$300. 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, Etc.

Bonds, notes, and all other evidences of debt are taxable at 40 cents on every one hundred dollars of the fair market value thereof on December 31 in excess of \$300. 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 is levied on the cash surrender value of life insurance policies, but a tax of 25 cents on every hundred dollars of value as of December 31 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.

Foreign Corporation Stocks

A tax of 30 cents per one hundred dollars of fair market value on December 31 in excess of \$300 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

taxpayer 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 30 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.

Non-Residents Liable

Non-residents 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 Penalized

Failure to make report and pay the tax levied on March 15 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 premium 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 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, N. C., or from any field deputy of the department.

All intangible taxes are payable not later than March 15 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.

G. L. Houk Addresses Asheville Rotary Club

"So sure as Rotary clubs in crease, and the spirit of Rotary develops in them and similar clubs, so sure will the spirit of war lose out," Guy Houk, of Franklin, district governor of Rotary, said in a talk at the weekly meeting of the Asheville Rotary club last Thursday at the Battery Park hotel.

"A man's business is and must be community service, or he is not entitled to succeed," Mr. Houk said. "A man should do something for the space he occupies. Rotary represents a progressively growing philosophy."

Robert Phillips introduced Mr. Houk. Charles S. Walters, president of the club, presided. Visitors were welcomed by James Keith.

Catholic Services In Franklin

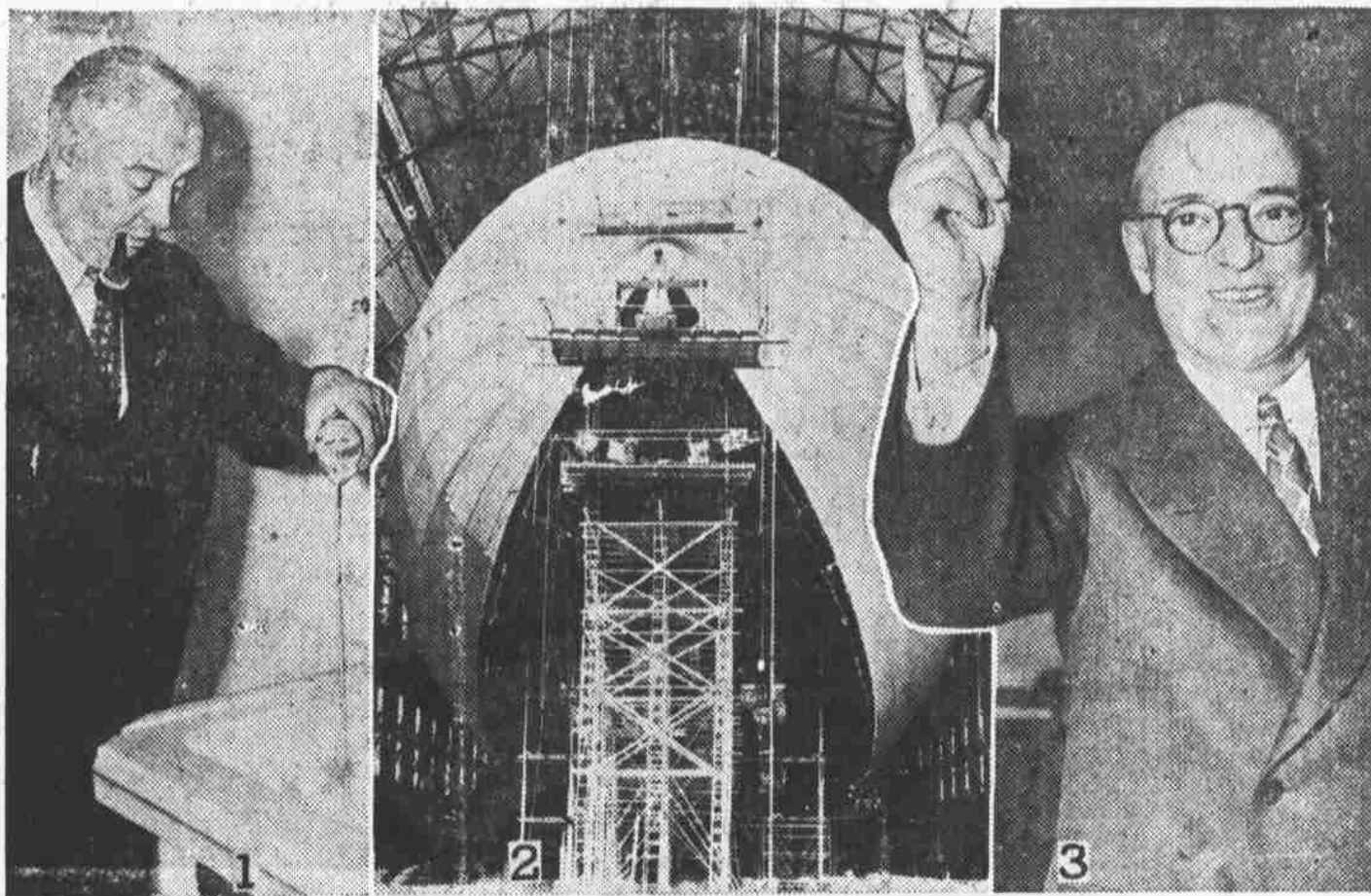
Father Howard V. Lane, of Waynesville, will conduct services for members of the Catholic faith in Franklin as follows:

Morning Mass on the second and fourth Sundays of each month in the American Legion hall on Main street, at 8 a. m.

Instructions for the children on the first and third Mondays at 4:15 p. m.

All are welcome to attend these services.

Scenes and Persons in the Current News



1—"Big Bill" Thompson, former mayor of Chicago, illustrates his demand before congress for more water for the Windy City canals by pouring a tumblerful down a drain. 2—Successor to the ill-fated Hindenburg, destroyed by fire while landing at Lakehurst, N. J., last May, the LP130 nears completion at the Zeppelin dock at Friedrichshaven, Germany. 3—Tom Girdler, steel magnate, shown in a recent address declaring that co-operation between government and business will induce the greatest development the human race has yet seen.

State College Answers Timely Farm Questions

Q. At what temperature should the brooder be set for baby chicks?

A. The brooder should be regulated for the first week to 98 degrees at the outer edge of the canopy and on a level with the chicks' heads. This temperature should be reduced five degrees each week until the sixth week. Be careful to keep the heat regular and avoid running the brooder at sub-normal temperature as this will result in crowding and make the chicks susceptible to colds. One-half foot of floor space should be allowed for each chick in the brooder.

Q. How should fertilizer be applied to the garden soils?

A. Any method that places the fertilizer near the plants and at the same time avoids injury from the concentration of fertilizer salts will give good results. Recent experiments indicate the desirability of placing the fertilizer in narrow bands on each side of the seed. Practically the same results may be obtained by placing the fertilizer in the row provided the application is made a week to 10 days before planting and if the fertilizer is mixed thoroughly with the soil. Broadcast applications are desirable when the rows are spaced close enough to require hand cultivation.

Q. What is the best control for lice on my dairy calves?

A. There are several standard dip solutions that give satisfactory results, but when using them be sure and follow the directions given on the container. The following solutions have proven very effective: A four per cent solution of creolin, applied with a spray pump or brush; cotton seed oil and kerosene, equal parts; and ground sabadilla seed and flowers of sulphur, equal parts, applied in powder form. A dip should be applied thoroughly in an even, thin layer over the entire body on a warm day. A second treatment should be given within 15 days.

Forcing Produces Blooms In Winter

Bringing a dash of spring into the home during winter months by forcing flowering shrubs to bloom prematurely can be accomplished by anyone, declares Miss Pauline Smith, home beautification specialist at State college.

Forcing is the process of placing branches of flowering shrubs or trees in water and keeping them in a warm place indoors, Miss Smith explained.

One of the easiest shrubs to force is the forsythia. Its many different varieties can add a wealth of yellow color to the home during winter days. Other common flowers such as spirea come into bloom in nine or ten days if placed in a warm window.

Fruit trees such as cherry, plum, peach, and apple can be forced successfully and will bring a multi-colored profusion of blooms into the living room, Miss Smith said.

Those who like violets need not wait until spring for these delicately-scented plants to bloom. After

the plants have been located, they can be brought indoors, placed in water, and forced to produce flowers prematurely.

"My favorite forcing shrub is the pyrus japonica," Miss Smith declared. "I especially like the deep reds and pinks, and it is interesting to watch the delicate shades which come out with the blooming period."

Pussy willow and alder are among the easiest plants to force, the home beautification specialist pointed out. Maple limbs are also easy to force and produce a pleasing effect when placed in a copper pitcher.

Macon County Teacher Gets Good Appointment

Miss Florence Stalcup, a Macon county girl, who has been the home economics teacher in the Weaverville high school, recently received an appointment as home demonstration agent for the Carolina Power and Light company.

Miss Stalcup has done outstanding work in her department at the Weaverville school this year and in her supervision of the school's lunch room. It was mainly through her efforts that the lunch room received a certificate as an A grade school lunch room.

Loyal Order of Moose

Franklin Lodge, No. 452 Meets

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S. J. Murray, Sec'y

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