

# -Your Income Tax - 7 More Expenses Tax Free This Year

By FRANK O'BRIEN  
AP Newsfeatures

What can I deduct? Where do I do it? How much? Under what circumstances?

These are the perennials of income taxpaying time.

This year, you will be filing your income tax return under a brand new law that allows some important new tax cutting deductions — for around town expenses of employes, for soil conservation expenses of farmers, and, among personal deductions, for interest on installment purchases, child care, contributions and medical costs.

All previous deductions are still permitted.

As always, you will get the biggest tax benefit from deductions if you understand clearly how the tax law groups them.

In the new law, as in the old, there are three main groups of deductions. These are:



1. Deductions of business expenses of employes.

2. Personal deductions.

3. The businessman (proprietor, partner, farmer or professional), can deduct from his profits all "ordinary and necessary" business expenses. This is done on special schedules designed to show all business expenses and income, and the results are transferred to summary schedule C of form 1040, where any losses being carried forward from previous years can be deducted from profits. Since the farmer is a businessman, he deducts for his soil and water conservation costs as a business cost, not as an employe expense.

This article will deal with the business expenses of employes. The next article of this series will deal with personal deductions.

Business - connected employe expenses are deducted, within set limits from your gross (total) income, on page 1 of form 1040. Deducting them, if any, is a step in finding your adjusted gross income, the basis for figuring your tax liability.

There are two kinds of business connected deductions for employes. They are handled separately, and differently, and it will help you to get the full advantage of both your business-connected and personal deductions to understand clearly how to make your employe deductions.

The two kinds of employe business-connected deductions are:

1. Employe expenses that are reimbursed, in part or in whole, by your employer.

2. Employe expenses of which no part has been repaid to you.

In the first—reimbursed—class, you may include any kind of allowable deduction for employe expenses. But the amount of these deductions may not exceed the amount of expense money you received.

In the second—unreimbursed—class you may include, as a business-connected expense, to be deducted on page 1 of form 1040, only three types of expenses. These are: expenses of travel away from home (you are "away from home" for tax purposes only when you are absent on business overnight); transportation around town, and the expenses of an outside salesman.

There are many other kinds of deductible employe expenses including union dues, small tools required by your job, fees for membership in professional societies, necessary entertainment of customers, cost of safety equipment you supply, and all other "ordinary and necessary" expenses of your job.

When these are reimbursed expenses, they can be deducted on page 1 of form 1040, from your gross income, up to the amount you were reimbursed.

But when they are unreimbursed, they must be listed among your miscellaneous, personal deductions, unless you are an outside salesman on page 3, where you may itemize your personal deductions. If you choose not to itemize your personal deductions, you have no way to deduct your unreimbursed employe expenses other than costs of travel away from home, transportation around town, and expenses of an outside salesman.

Consequently, before you decide whether to itemize your personal deductions or take the standard personal deduction (10 per cent of your adjusted gross income), it is well to know:

a) whether you have deductible employe expenses.

b) if so, into what class of business-connected expenses they fall.

"Transportation around town" and "expenses of an outside salesman" are the new phrases in the new tax law, in connection with business-connected, employe expenses.

Around-town transportation costs were formerly not allowed by law as deductible employe expenses. They now are. They include local bus, street car, subway and taxi fares, and the cost of operating your own car in your work (but not to and from home transportation costs, either in your own car or otherwise.)

Salesmen who work outside their employer's place of business ("outside salesmen") formerly could deduct their costs only among their personal deductions (and, therefore, only if they itemized). Under the new law, outside salesmen may deduct their business-connected expenses as a business cost.

An outside salesman is one who sells full time. This does not include part time salesmen, like milk delivery men, who may also do some business soliciting but whose main job is delivering.

The outside salesman can deduct all his "necessary and reasonable" business costs. These include:

Costs of telephone, stationery, secretarial help and entertainment of his customers, in addition to local transportation and away-from-home travel costs.

Travel costs away from home, for salesmen and for others, includes costs of room and board. Local expenses do not include meals.

You handle all your (partly or entirely) reimbursed employe expenses like this:

You first add to your total wages everything received from your employer as repayment for your business-connected expenses.

Then you subtract from the total your actual expenses, up to the total of expense money paid to you by your employer. You cannot subtract, as a business-connected

expense, more of your reimbursed expenses than was reimbursed.

If your actual expenses were less than the expense money you received, you will come out of this computation with increased total income.

If your actual expenses were more than the expense money you received, (that is, if you were only partly reimbursed) you can deduct the remainder (your out-of-pocket expenses) among your personal expenses, if you itemize, on page 3 of form 1040.

And, as stated earlier, you may also carry over to your personal deductions (if you choose to itemize them) all of your unreimbursed employe expenses except costs of travel away from home, around-town transportation, and all the necessary and ordinary business expenses of an outside salesman.

There is no special box or schedule in the tax form to figure your employe expense deductions. You must itemize them on a separate work sheet, which you attach to your return (always keeping a copy for yourself). You subtract your permissible employe deductions from your total income (make this subtraction a part of the worksheet), and enter the result as your total wages, in item 2, on page 1 of form 1040.

(Next: Your personal deductions.)

## ARMY CHIEFS HEAR BLAST AT CUTS



GENERAL MATTHEW B. RIDGWAY (left), Army Chief of Staff, and Secretary of the Army Robert T. Stevens are shown before the House Armed Services Committee in Washington. Stevens stated that the nation's reserve forces must be brought quickly to combat readiness. Representative Carl Vinson (D-Ga.), committee chairman, then blasted the Administration for cutting the size of the Army without consulting Congress. (International Soundphoto)

## Navy Reopens Its Graduate Training Program

Chief Charlie Holcomb, traveling Navy recruiter for Haywood County, said today that the Navy Department has authorized the re-opening of the High School Graduate Training Program wherein high school graduates may be assured of an opportunity to attend one of 53 basic vocational Navy trade schools.

The programs thrown open to the high school graduate cover the fields of electronics, hospital and dental corps, aviation, and specialized schools for general service.

There are 14 schools in the electronics field, covering aviation, shipboard and construction battalion ratings. In the Hospital Corps High School graduate training program opportunity is provided for attendance at either the Hospital Corps, or the Dental Corps schools. Completion of the Aviation School of Fundamentals, another field under the program, provides opportunity for attendance at either of the other schools specializing in aviation.

The specialized schools for general service cover 26 different Navy ratings in the broad fields of engineering, construction battalion ratings, clerical, radio, electronics, gunnery and seamanship.

Good physical condition, between the ages of 17 and 31, with no prior military service, and good moral character were described as the basic requirements for enlistment under the program. Candidates must also attain a qualifying score on the Navy's enlistment examination, and present documentary evidence of graduation from high school.

This newly reinstated program was discontinued about 18 months ago, according to Chief Holcomb. Application can be made by contacting the Travelling Navy Recruiter, who will be in Waynesville from 10 a.m. - 1:30 p.m. Monday at the Postoffice.

expense, more of your reimbursed expenses than was reimbursed.

If your actual expenses were less than the expense money you received, you will come out of this computation with increased total income.

If your actual expenses were more than the expense money you received, (that is, if you were only partly reimbursed) you can deduct the remainder (your out-of-pocket expenses) among your personal expenses, if you itemize, on page 3 of form 1040.

And, as stated earlier, you may also carry over to your personal deductions (if you choose to itemize them) all of your unreimbursed employe expenses except costs of travel away from home, around-town transportation, and all the necessary and ordinary business expenses of an outside salesman.

There is no special box or schedule in the tax form to figure your employe expense deductions. You must itemize them on a separate work sheet, which you attach to your return (always keeping a copy for yourself). You subtract your permissible employe deductions from your total income (make this subtraction a part of the worksheet), and enter the result as your total wages, in item 2, on page 1 of form 1040.

(Next: Your personal deductions.)

expense, more of your reimbursed expenses than was reimbursed.

If your actual expenses were less than the expense money you received, you will come out of this computation with increased total income.

If your actual expenses were more than the expense money you received, (that is, if you were only partly reimbursed) you can deduct the remainder (your out-of-pocket expenses) among your personal expenses, if you itemize, on page 3 of form 1040.

And, as stated earlier, you may also carry over to your personal deductions (if you choose to itemize them) all of your unreimbursed employe expenses except costs of travel away from home, around-town transportation, and all the necessary and ordinary business expenses of an outside salesman.

There is no special box or schedule in the tax form to figure your employe expense deductions. You must itemize them on a separate work sheet, which you attach to your return (always keeping a copy for yourself). You subtract your permissible employe deductions from your total income (make this subtraction a part of the worksheet), and enter the result as your total wages, in item 2, on page 1 of form 1040.

(Next: Your personal deductions.)

expense, more of your reimbursed expenses than was reimbursed.

If your actual expenses were less than the expense money you received, you will come out of this computation with increased total income.

If your actual expenses were more than the expense money you received, (that is, if you were only partly reimbursed) you can deduct the remainder (your out-of-pocket expenses) among your personal expenses, if you itemize, on page 3 of form 1040.

And, as stated earlier, you may also carry over to your personal deductions (if you choose to itemize them) all of your unreimbursed employe expenses except costs of travel away from home, around-town transportation, and all the necessary and ordinary business expenses of an outside salesman.

There is no special box or schedule in the tax form to figure your employe expense deductions. You must itemize them on a separate work sheet, which you attach to your return (always keeping a copy for yourself). You subtract your permissible employe deductions from your total income (make this subtraction a part of the worksheet), and enter the result as your total wages, in item 2, on page 1 of form 1040.

(Next: Your personal deductions.)

expense, more of your reimbursed expenses than was reimbursed.

If your actual expenses were less than the expense money you received, you will come out of this computation with increased total income.

If your actual expenses were more than the expense money you received, (that is, if you were only partly reimbursed) you can deduct the remainder (your out-of-pocket expenses) among your personal expenses, if you itemize, on page 3 of form 1040.

And, as stated earlier, you may also carry over to your personal deductions (if you choose to itemize them) all of your unreimbursed employe expenses except costs of travel away from home, around-town transportation, and all the necessary and ordinary business expenses of an outside salesman.

There is no special box or schedule in the tax form to figure your employe expense deductions. You must itemize them on a separate work sheet, which you attach to your return (always keeping a copy for yourself). You subtract your permissible employe deductions from your total income (make this subtraction a part of the worksheet), and enter the result as your total wages, in item 2, on page 1 of form 1040.

(Next: Your personal deductions.)



For indoor painting chores, mix the paint in a galvanized steel pail to prevent splattering. Next stretch a wire, fastened to the pail's handle attachments, across the top of the pail and use it to remove excess paint from the brush during painting.

## Traffic Safety Officials Endorse Tubeless Tires

Tubeless tires, rapidly becoming standard equipment on many passenger cars, have moved out of the novelty class and have been endorsed strongly by traffic safety authorities across the nation.

According to a recent report from A. J. White, director of Motor Vehicle Research, Inc. of South Lee, New Hampshire, the tubeless tires, if adopted generally, should bring about a much greater margin of safety for motorists.

Blowouts are virtually unknown in tires without tubes. In old style tires, White said, unless cars are driven from low to high speeds slowly, to allow for heat buildup, blowouts are likely to occur.

This caught the attention of State Motor Vehicle Department authorities.

They recommend that Tar Heel motorists, with conventional rubber on their cars, start a long trip at low speeds, gradually increasing until normal highway speed is attained. This practice will help to prevent dangerous tire failures, they said.

Other light on blowouts, as revealed by White, concerned "ozone puncture" or "spark bite" terms used to describe the build up and discharge of static electricity at

the compression point of the tire and tube when the car stops.

"An electrical discharge creates ozone, a gas that ruptures and dissolves inner tube rubber, causing them to fail," he said. "This discharge of static electricity is felt by many motorists daily and is a natural phenomenon of a car traveling on a dry road without an adequate ground connection."

The tubeless tire would not be subject to this type of puncture, White said.

Pressure build up, while tires are rotating, may be alleviated in the future by inflating them with nitrogen instead of compressed air, he predicted.

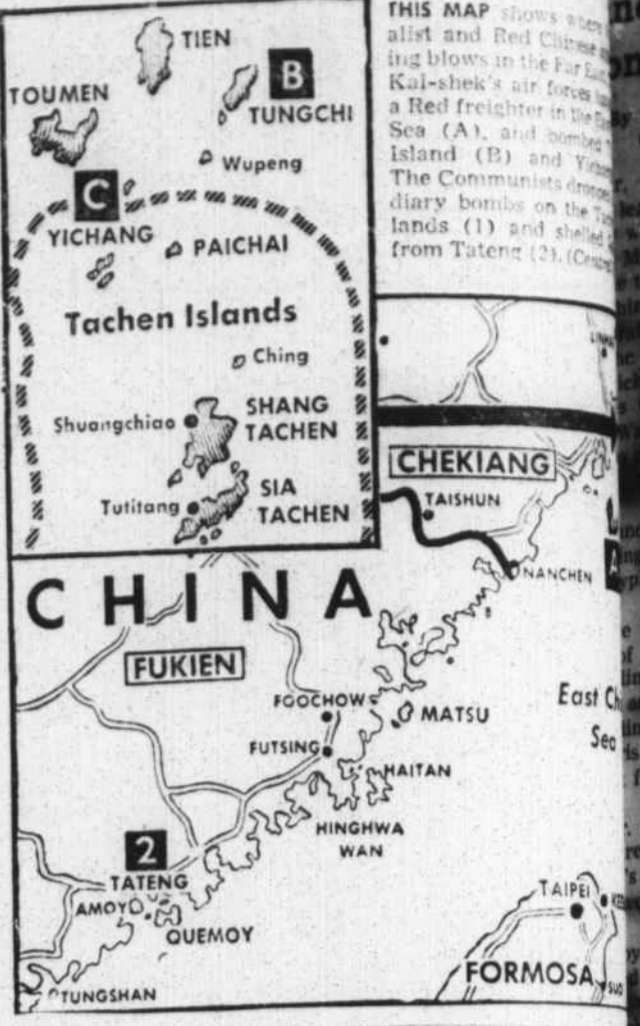
"Meanwhile the tubeless tire offers the best margin of safety to motorists."

### Travel Time

FLAGSTAFF, Ariz. (AP) -- Editors of the high school student newspaper don't think their parents had it so rough even if they did have to ride horseback or walk miles to school.

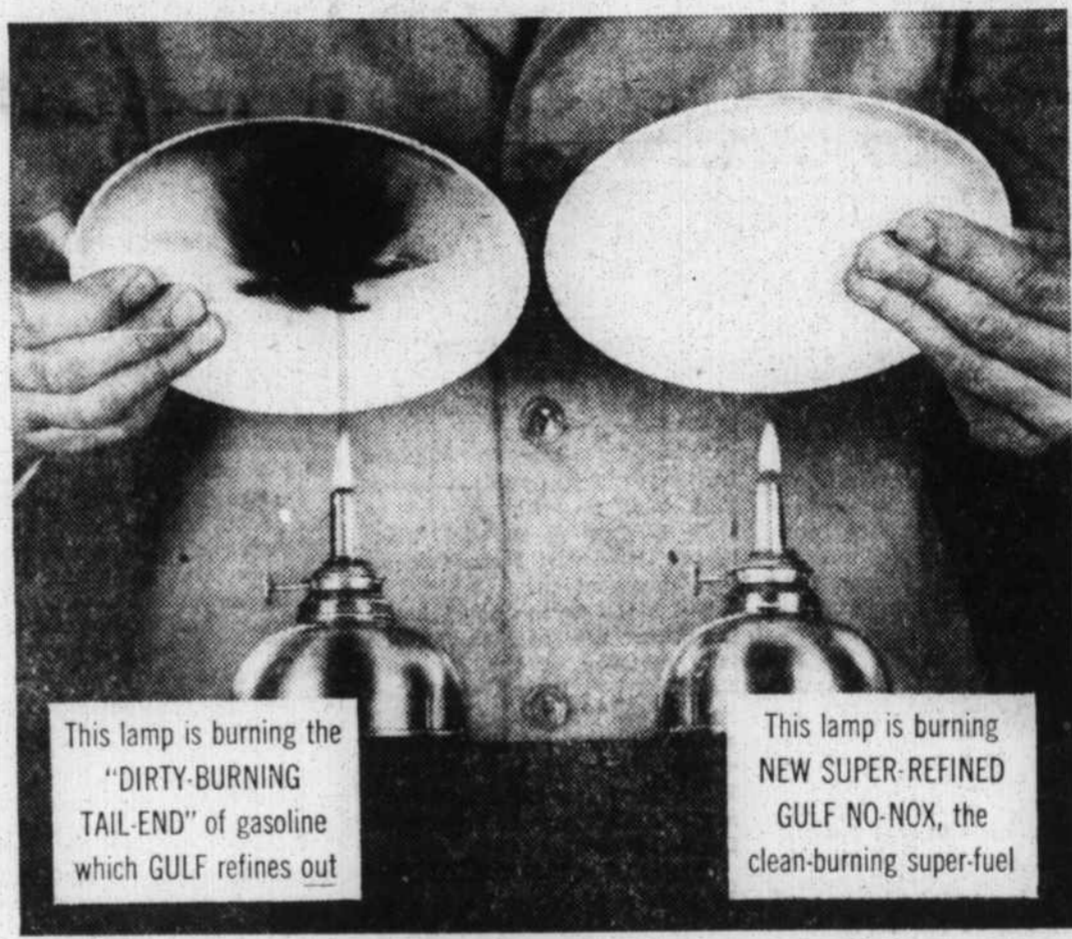
They noted that pupils living in Sedona, 30 miles away, travel 43,200 miles by bus going back and forth to school for four years.

## BOMBS FALL IN THE FAR EAST



THIS MAP shows various islands and Red Chinese military blows in the Far East. Kai-shek's air forces have bombed the Tachen Islands (A) and Formosa (B) and the Communist dropped diary bombs on the Tachen Islands (1) and Formosa (2) from Tateng (3). (Continued on page 1)

# No gasoline-no, not a single one has higher octane than New 1955 GULF NO-NOX



This lamp is burning the "DIRTY-BURNING TAIL-END" of gasoline which GULF refines out

This lamp is burning NEW SUPER-REFINED GULF NO-NOX, the clean-burning super-fuel

## but octane alone is not enough...

That's why new Super-Refined Gulf NO-NOX is specially made to burn clean—to protect your engine—to give you thousands of extra miles of full engine power.

Fill up with new Super-Refined Gulf NO-NOX and feel the difference, right from the start, in full engine power that lasts! You'll get:

- More complete engine protection than with so-called "miracle-additive" gasolines.
- Extra gas mileage in the short-trip, stop-and-go driving motorists do most.
- Stall-proof smoothness... instant starts... fast, fuel-saving warm-up.
- No knock, no pre-ignition—even in today's high-compression engines.

### This is GULF'S PLEDGE to the motoring public

- We at Gulf make this promise to America's motorists. We will not permit a single competitor—no, not a single one—to offer a gasoline superior to our own superb No-Nox.
- It is our sincere belief that No-Nox is the finest gasoline on the market today, and no matter what others do or say we will keep it the finest—in power, in performance, in engine protection.
- This is not a boast, not a claim. It is a pledge to you, the motoring public—a pledge backed by the resources—and the integrity—of the Gulf Oil Corporation.

# New 1955 GULF NO-NOX

It's super-refined... to burn clean!  
The '55 gasoline for all high-compression engines

# ENLOE and REED, DISTRIBUTORS



# TOBACCO CANVAS



READY AT  
**RAY'S** DEPT. STORE