

COME TAX
DEPARTMENT
—By—
M. L. SEIDMAN, C.P.A.

EDITOR'S NOTE

21, 1923, he was entitled to the married man's exemption for the entire year. If, on the other hand, the dependent died on December 31, the taxpayer could not claim the \$400 exemption for such dependent, even though he actually supported the dependent during the entire year.

The 1924 Act, under which 1924 returns are to be filed, changes this somewhat. While the rule so far as the \$400 exemption remains the same, namely, that this exemption shall be determined by the situation of the taxpayer on the last day of the year, the exemption for a married person or the head of a household depends on his status throughout the year.

In other words, if a person was married on June 30, 1924, the exemption on his 1924 return would be half the single man's exemption, of \$500, and half of the married man's exemption of \$1250, making a total of \$1750 because he was single half the year and married the other half. If instead of being married on June 30, he was married on any other date, his exemption would be figured on the same basis, namely, the proportion of the year that he was single and the proportion of the year that he was married.

Every single person is allowed an exemption of \$1,000. That is why a person having a net income of \$1,000 must file a return. The rules concerning the exemptions that are allowed individuals might therefore be summarized as follows: Every single person is entitled to an exemption of \$1,000. Every married person or head of a household is entitled to an exemption of \$2,500. An additional exemption of \$400 is allowed for each person that is dependent on the taxpayer. The last exemption is determined by the situation that exists at the end of the year. However, the other exemptions are computed on a *pro rata* basis where the taxpayer's status changes during the year.

The same exemption is allowed the head of a family as is allowed the married individual, namely, \$2,500. However, it should be noted that while the head of a family is allowed an exemption of \$2,500, he or she must file a return, if the net income is in excess of \$1,000. This point is usually overlooked. The general opinion is that if one's net income is less than the personal exemption, a return need not be filed. That is not so in the case of the head of a family.

Furthermore, one individual can not get more than one exemption. A married man who is also the head of the household is entitled to an exemption of \$2,500, not \$5,000 for that reason. What is meant by "a head of a family"? A head of a family is an individual who supports and maintains his household one or more other individuals. Note that the person being supported must live in the same household with the person claiming the exemption. A son who supports his parents, therefore, would be regarded as the head of the household only if he lived with his parents. If he were not living with his parents, he would not be entitled to an exemption for being head of a household.

The foregoing are known as the personal exemptions. In addition, there is a \$400 exemption for each person supported by the taxpayer, if the dependent is under eighteen years of age or is incapable of self-support, because of some mental or physical infirmity.

There are several interesting phases about this exemption. In the first place, a husband cannot claim it for supporting his wife or vice versa. Then, the dependent must be under the age of eighteen or mentally or physically incapable of self-support. The father that supports his nineteen year old son at college, therefore, cannot claim the exemption; nor can the father claim it for the support of his parents, unless they were incapable of supporting themselves because of some mental or physical defect. It should be observed that the exemption is allowed for each person that is dependent on the taxpayer. If, for example, a taxpayer has three children under the age of eighteen, dependent on him, he would be entitled to an exemption on that account, of \$1,200.

For the purpose of this exemption, it is not necessary that the dependent person live with the taxpayer, as is the case for the exemption of the head of a household. A man who supports a dependent relative in Europe can claim this exemption. However, as against this is the fact that for a person to be the head of a household, it is not necessary for the dependent to be under 18 or mentally or physically incapable of self-support. As long as the taxpayer supports anyone in his household, he is the head of a family. If that dependent person is under eighteen or incapable of self-support, then in addition to the head of the household exemption, the taxpayer is entitled to a further exemption of \$400 for each such dependent.

There is still another and most important feature about all of these exemptions. Under the old law, it was the situation at the end of the year that determined the amount of the exemption that one was entitled to. If the taxpayer married on December 31, 1923, he was entitled to the married man's exemption for the entire year. If, on the other hand, the dependent died on December 31, the taxpayer could not claim the \$400 exemption for such dependent, even though he actually supported the dependent during the entire year.

Don't think no European seed was imported this year. The clover seed shortage was nation-wide and there is only half enough native seed to go around. Don't sow European seed and then blame the hard winter.

Write the county's agent's office for Circular 114, Failure of European

IZAAK WALTON
LEAGUE ELECTS

Muncie Man Is Re-Elected
President; Favors Purchase of "Lumberlost"

Muncie, Jan. 14.—Karl Brown, of this city, was re-elected president of the Indiana division of the Izaak Walton League of America at the annual convention of the division, which opened at the chamber of commerce Saturday. Elkhart was named as the city for the next annual meeting to be held in December.

Other officers elected are Charles F. Bowden, of this city, secretary; J. B. Shleek, of Laporte, treasurer; Dr. E. F. Zimmerman, of Elkhart, first vice-president; Dr. Harry Schultz, of Logansport, second vice-president, and Dr. G. C. Repass, of Anderson, third vice-president. The directors elected are C. L. DeWitt, Elkhart; Harry C. Moore, Terre Haute; John F. Frederick, Kokomo; Gus Condo, Marion; B. T. Billman, Sullivan; C. A. Wilding, Ft. Wayne; M. L. Gochenour, Warsaw; Lewis Schlessman, Lafayette, and W. A. Guthrie, Indianapolis.

Those present from other states and prominent in the league's activities declared that the Indiana division today adopted one of the most complete conservation programs that has been drafted by any division. Nearly a score of bills to be presented before the state legislature were endorsed. The legislative committee of the division gave its report late Friday, after having been in session for nearly ten hours.

Judge K. M. Landis and Will H. Dilg, national president of the Izaak Walton league, arrived in Muncie Saturday and gave brief addresses before the convention. The principal address of the morning session was given by Richard Lieber, head of the state conservation department. Judge Landis spoke at a banquet Saturday evening at which there were plates for more than six hundred.

Estates and trusts are regarded as single persons and are therefore entitled to the \$1,000 exemption.

In the next article the time and place for filing returns as well as the rates of taxation will be discussed.

ISSUES CLOVER
SEED WARNING

County Agent Urges Farmers To Purchase Good Seed At Once

TELLS OF BIG RABBIT HUNT

Total Of 140,000 Jack Rabbits Killed In Drive In Colorado Recently

Rev. and Mrs. U. S. A. Bridge are in receipt of an interesting letter from their son Gail Bridge, who is visiting with his brother Vern Bridge, circulation manager of the Omaha Bee, at Omaha, Nebraska.

Mr. Bridge told of a community Jack-rabbit hunt which was held about a week ago near Denver, Colo. The rabbits in that section of the country were so numerous that they were destroying crops and young trees, so the farmers organized a hunting party of about 10,000 men and boys and in two days killed approximately 150,000 of the big Jack-rabbits.

The newspaper then took a hand, Mr. Bridge playing an important part in the distribution of the rabbits for food among the poor. The Denver Post organized a distributing agency for the rabbits in Colorado and saw that 100,000 of the rabbits were given to those who asked for them, especially to the poor. Mr. Bridge made a requisition for 50,000 of the rabbits and had them shipped to Omaha, Neb., where he supervised the distribution of the rabbits among the poorer families in his city and community. City, county and state official also aided in the hunt and distribution of the rabbits, and in view of the large number of rabbits which were killed the state of Colorado will soon be rid of the Jack-rabbit.

Otto Blecke, well known Adams county farmer, has received a letter from his son-in-law, A. W. Weiland, of Colorado, in which Mr. Weiland also tells of the rabbit hunt. He encloses a clipping from a newspaper, which contains an account of the hunt and around. Don't sow European seed and then blame the hard winter.

Write the county's agent's office for Circular 114, Failure of European

four feet and five inches in length and was twelve inches across its breast. It had ears measuring eight inches in length. A veterinarian estimated that the rabbit was eight years old.

AUCTION SCHOOL NEWS

—by—

"Bob" C. Smith

Your Turn To Smile
Semi-Annual Sale
Suits & O'Coats

\$14.75 to \$34.75

\$22.50 to \$49.50 values

SOME of the finest fabrics and styles of the season are included—the kind of merchandise not usually to be had at prices like these. You are invited to come early for choice values.

REDUCTIONS PREVAIL
IN FURNISHING SECTIONS

Vance & Linn

This seems to be SALE TIME—so we've decided to trot out our stuff.

Beginning Thursday Jan. 15th and Continuing
Until Jan. 31st Inclusive

Big Reduction On U. S. Tires

We are going to give you an opportunity to buy all sizes of tires at what are virtually greatly reduced prices. You see special prices quoted quite often on Ford sizes, but we are going to give the larger tire users a chance to save money on tires. The reduction is made in the form of a

FREE TUBE

of corresponding size with every tire purchased.

WE HAVE ALL SIZES IN STOCK

USCO TREAD

G. & J. TREAD

ROYAL CORDS

Buy Your Tires NOW—They'll Cost You More Later in the Season.

10% Reduction

on all

Top Covers and Side Curtains

taken in during the next

15 Days

1925

Automobile Painting

Season

is on—and we are ready how to
repaint your car and have ready
for March or April delivery.

Porter & Beavers

Monroe & First Streets

Phone 123