

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

not be laid down giving the point where it is no longer advantageous to come under the capital gains section, or vice versa. This much, however, can be said with exactness where the income including capital gains is less than \$23,000, it is best not to report on a capital gains basis, and where the total income exceeds \$23,000, it is best to report on a capital gains basis.

Another phase of the capital gains tax is reflected in a case where the taxpayer is confronted with a situation somewhat as follows: Net profits stocks (capital net gain) \$75,000; salary, \$25,000; bad debts, interest on taxes, etc., \$35,000. In other words, not considering the capital gain, there is a gross income of \$25,000 and deductions of \$35,000, or an excess of deductions of \$10,000. For the purpose of computing the capital gain tax, this excess of \$10,000 can be deducted from the \$100,000 of capital gains, so that the capital gains tax would be computed on \$90,000 and therefore amount to \$11,250.

It is interesting to note that in such a situation the taxpayer would not get the benefit of his exemption because the exemption is a credit allowed solely for the purpose of computing the normal tax and obviously in the case given there is no normal tax but only a capital gains tax, and the exemptions play no part at all in the computation of the capital gains tax.

So much for capital net gains. In the next article the effect of capital net losses will be discussed.

The writer wishes at this time to make note of the fact that a number of readers' questions have been advisedly accumulated. It is planned that the answers will be published in conjunction with subsequent articles. It has been thought best for the time being however, to confine the articles to a further explanation of the law, in the thought that readers might first be acquainted with more of the tax principles to guide them in their questions.

Wilson's Coolness Was Born Of Bashfulness

PAGES OF DAILY THOUGHTS
From An Old Adams County Boy Now Residing In New York City

The law says that capital gains will be taxed at a rate of 12½ percent, irrespective of the amount of the income. In the case supposed before, if in addition to the capital gain of \$90,000, the taxpayer had an ordinary income of \$60,000, his tax would be computed as follows: Assuming that he were a married man with no dependents and his earned income was \$5,000, the normal and tax would first be computed on the ordinary income of \$60,000, which would amount to \$8,677.50. To this would be added the capital gains tax on the capital net gain of \$90,000, or \$11,250, making the total tax \$19,927.50.

The relief that is afforded by this special treatment of the tax on the capital gains can best be shown by the fact that if there were no such provision, the normal and surtax on this, that is \$60,000 ordinary income and \$90,000 capital net gain, would be \$44,117.50, so that in the case supposed, the capital gains provision saves the taxpayer \$24,190.50. It is very important to note, however, that it is entirely optional with the taxpayer as to whether he wants to come under the capital gains provision. Naturally, if it works to his benefit, he should take advantage of it, and if it does not work to his benefit, he should not elect to be taxed under it. The way to determine whether the capital gains provision is advantageous or not is to first work the tax out in the ordinary way, as if there were no special treatment for capital gains, and then see how it compares with the tax computed after considering the capital gains provision.

It is obvious that the capital gains tax would be disadvantageous where the capital gain would not be taxed at more than 12½ if the tax were computed in the regular way. Let us suppose, for example, that the taxpayer has an income of \$5,000 from salaries \$5,000 from rentals making a total ordinary income of \$10,000 and \$10,000 from the sale of stocks held for more than two years, or in other words, a capital gain. If he elected to come under the capital gains provision, his tax would be as follows: one the \$10,000 ordinary income \$207.50; on the \$10,000 capital gain, \$1,250; total, \$1,457.50. However, if he computed his tax without regard to the capital gain provision, that is, as if his ordinary income were \$20,000, his tax would be only \$1,017.50, so that he would save \$440.00 by not electing to pay under the capital gains tax provision.

Because of the many possibilities and variations, an absolute rule can-

not be laid down giving the point where it is no longer advantageous to come under the capital gains section, or vice versa. This much, however, can be said with exactness where the income including capital gains is less than \$23,000, it is best not to report on a capital gains basis, and where the total income exceeds \$23,000, it is best to report on a capital gains basis.

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Much of what Woodrow Wilson's enemies called his coldness toward friends and political associates really was shrinking caused by bashfulness and self-consciousness. This is the novel light thrown on the character of America's masterful War President by Mrs. Mary Allen Hubert, formerly Mrs. Peck, whose reminiscences for years of friendship with Woodrow Wilson appear in this week's issue of *Liberty*.

"For example, when she has social consciousness, which might easily be set down as snobbishness," she says, "I contend that it was rather self-consciousness a shrinking from new personal contacts.

"For example, on my first visit to the White House we went motoring through Washington. In the car were the President, Mrs. Wilson, Miss Helen Bones (the President's cousin), and myself. We came upon a sightseeing bus, and we had to stop.

"The man with the megaphone shouted to the crowd in the bus:

"If you will look quickly to your left you will see the President of the United States."

"They looked and applauded. Wood-

row Wilson gave no sign of having heard. He crowded himself deeper into the seat. His face became grim, almost forbidding. He made no motion to raise his hat.

"Woodrow, why don't you raise your hat? Why didn't you recognize me?"

"I am not sure which us women said that first. I know that I was indignant.

"But the bus went on, and just as it did he touched his hat brim.

"'Oh,' he said, weakly. 'I suppose I should have done something. But they don't care for me. What do they care for me?'

like huge stars bursting out all around the disk of the moon, forming a perfect climax to the whole of the great scientific phenomenon.

The sky was intensely blue while totality lasted and stars were seen. At the bottom of the moon's disk there glowed with immense brilliancy a rose-colored projection, pleasing and visible to the naked eye. Ruby brilliants then burned with dazzling effulgence in the silver setting of the corona and soon the Baily beads were seen on the right as the sun emerged from his hiding with such glorious and triumphant sunlight that the corona immediately hid himself or disappeared to view as if afraid or ashamed to be seen.

The totality was but for a moment, yet it was one of a lifetime and one immensely and enthusiastically enjoyed by us all. In that short time our fan of science accomplished much in the way of useful information of benefit to all mankind, such as: The nature of the corona; The Einstein theory; and the effects of the eclipse, (a) on the magnetism of the earth, (b) on the electricity of the atmosphere, and (c) on radio receptivity.

In due modesty and thankfulness to Our Maker, may I make mention of a personal event, for I feel that in justice to all I should. When a child, in old Adams county, Indiana, I may have "thought as a child, spoke as a child" and I know I prayed "as a child," for I was taught to pray. On

the eve of August 7, 1869, as a child I prayed that God would make the day fair and bright so we could see the eclipse. I do not know if I have "put away childish things" of which Paul spoke or not, for last night, 55½ years after that childish prayer, I found myself (now a man in years) praying that same prayer and it astonished me. Suffice to say, that both prayers were granted as both days were very "bright and fair."

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**Agricultural Southwest
Opposes Child Labor Bill**

UNITED PRESS SERVICE

Kansas City, Jan. 27.—(Special to Daily Democrat)—The agricultural southwest is against the proposed child labor amendment to the federal constitution largely because such an amendment would interfere, it is believed, with the southwest's leading industry—agriculture.

The sentiment among the representatives of the voters is that the federal government should "mind its own business" in affairs concerning whom the citizens of the various sovereign states shall employ in the fields or factories, a survey of the situation shows.

Arkansas is the only one of the southwestern states that has ratified the amendment proposal and already there are reports current that a move would be made at the present session of the legislature to repeal the ratification done at a special session last June.

These busses must pay the license fee required by the state of Ohio according to Gillion.

He ruled, however, that busses doing an occasional hauling or operating on private contracts are not subject to the Ohio law.

"The state will use all power at its command to protect busses operating on private contracts or doing occasional hauling," Schortemeyer said after a conference with the gov-

ernor. Indianapolis Motor Speedway each May 30.

It is always the falling shadow of the coming event which attracts the largest crowd seen together any place in America each year.

Already thousands of dollars worth of tickets have been reserved and the checks and money orders held until January 26 when the sales gates are opened.

It was announced that the orders for seats will be filled in the order in which they have been received.

Mrs. J. S. Meyers, of Washington township, was a shopper here this afternoon.

Quality Coal. Phone 199.
Emerson Bennett. 273f

THROUGH AGES

Centuries ago sturdy Norsemen realized the benefits of health-building cod-liver oil.

Scott's Emulsion

brings to you the same vital nourishment that enabled these mighty men of old—exemplify strength.

Scott & Bowe, Bloomfield, N. J. 24-12

To Day is the Time

It is easy enough to wait until tomorrow or the day after, but the time is just as important as money to you, and accounts started today with this Bank will make the setting aside of money tomorrow much easier. Are you looking ahead?

Your business will be appreciated.

START A CHECKING ACCOUNT
WITH THIS BANK

The Peoples Loan & Trust Co.

"Bank of Service"

The Old Reliable
Dr. BELL'S
PINE-TAR HONEY
FOR COUGHS

FOR quick, sure cough relief there is nothing like the pine-tar and honey, which our parents and grandparents relied on. But be sure you get the genuine Dr. Bell's Pine-Tar Honey, the original compound which has been used in thousands of families for years. It has had many imitators, but still remains the best. Often stops a bad cough in 24 hours. Perfectly safe for children as well as grown-ups. Insist on Dr. Bell's and no other. Only 30¢ at any good druggist's.

Delinquent Tax List

The following is a list of lands, city and town lots remaining delinquent for the non-payment of taxes for the year 1925 and previous years in Adams county, Indiana:

NAME	DESCRIPTION	Sec.	Acre	Interest	Interest	Personal	1925	Current	Delin.
UNION TOWNSHIP									
Gleek, Ferdinand, e-2 nw	20800	8400.00					170.52	192.24	
Mummie, Chas. S., pt n-2 nw	1867.50	4750.00	1500.00	1060.00			112.91	33.62	
Worden, Charlotte C., pt n-2 nw	3216.	1260.00	1000.00				73.49	41.42	
ROOT TOWNSHIP									
Pommer, Wills, pt n-2 sw	16.77.10	5580.00	910.00				122.67	162.87	
	pt s-2 nw	16.57.49	2100.00	60.00	1230.00		122.67	162.87	
Martin, Chas. & Orma, w-2 nw	25.16.	3300.00	960.00	970.00		1143.70	64.92		
KIRKLAND TOWNSHIP									
Piercing, Martha, se	610	1000.00					150.15	57.58	
BLUE CREEK TOWNSHIP									
Gierber, David, pt sw	452.13	3610.00					93.35	99.64	
	pt ne	33.26	180.00				4.99	2.98	
Lautezneheimer, Ray E., lot 5 Salem	1.16	210.00	560.00				217.00	560.00	
Van Ordell, Henry & Ralph	18.80	7200.00	450.00				172.95	269.42	
FRENCH TOWNSHIP									
Foutz, Timothy, e-2 nw	3275.82	5580.00	1400.00				180.21	224.72	
	pt ne	33.26	180.00				217.50	288.07	
Fisher, Frank & Alice, pt n-2 sw	36.40	2780.00	1260.00	2470.00	1	98.38	151.28		
Gischer, Hazel G., nw sw	36.40	2780.00	1260.00	2470.00	1	67.83	151.08		
Bucher, Vm. S., sw sw	31.23	70.00	580.00				15.86	8.79	
Stevens, Lydia A., pt nw	31.23	70.00	580.00						
WABASH TOWNSHIP									