

Joint Return Usual Saving To Taxpayer

(EDITOR'S NOTE: This is the second of five dispatches on how to pay—and not overpay—your federal income tax. Today's dispatch explains joint husband-wife returns.)

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come taxes by filing a so-called "joint return." They can do this even though only one of them actually received taxable income during 1962.

The reason a joint return usually means a saving is that the United States has what is called a "progressive" income tax rate structure. The higher your income, the bigger percentage of it you must pay in taxes.

The basic tax rate for single taxpayers is 20 per cent of the

first \$2,000 of taxable income. The next \$2,000 is taxed at 22 per cent, the next \$2,000 at 26 per cent, and so on until, for taxable incomes above \$20,000, the government's bite is 91 cents out of each dollar.

Under a joint return, the total income reported by a married couple is in effect split in two, and each half is taxed separately. Thus the tax rate on each half is lower than the rate on the total.

A Savings of \$84

For example, a married man whose income was \$7,000 might find that he owed the government \$1,126 if he filed a separate return just claiming his wife as an exemption. But by having her sign a joint return with him, his tax bill is reduced to \$1,042—a savings of \$84.

Even when both husband and wife are wage-earners, it is usually cheaper to file joint returns. But there are some cases in which they'd come out better by filing separate returns. The only way to decide what to do is to figure your taxes both ways on scratch paper and take the cheaper way.

Even if you filed separate returns last year, you may file a joint return this year, or vice versa. If you file separate returns and later discovered you should have filed a joint return you may do so up to three years after the April 15 filing deadline. But, if you file a joint return, you may not file separate ones after April 15.

Joint filing is prohibited in some circumstances. They are: If you were divorced or legally separated on or before Dec. 31; if you are married to a non-citizen who does not live in this country; or if you and your wife report your income on the basis of different tax years. For example, for business reasons, you may report your income for a 12-month period ending June 30 while your wife uses the regular calendar year.

Other Conditions
Even if you got married on

New Year's Eve just before midnight, you are considered married for the entire year for tax purposes and may file a joint return.

If your spouse died in 1962 and you did not remarry, you still may file a joint return. Sometimes a surviving spouse may claim the income-splitting benefits of a joint return for the two years following death. For details on this provision, ask your attorney, accountant or local office of the Internal Revenue Service.

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Amounts distributed included:
Decatur \$2,542, Berne \$807, Albion \$404, Angola \$1,449, Auburn \$1,938, Bluffton \$1,904, Columbia City \$1,466, Fort Wayne \$49,398, Garrett \$1,332, Hartford City \$2,459, Huntington \$4,942, Kendallville \$2,065, LaGrange \$807, Ligonier \$792, Montpelier \$596, Portage \$2,137, Warsaw \$2,208, Winchester \$1,753.

Both husband and wife must sign a joint return and each becomes individually liable for any tax owed the government. For example, a woman could be legally responsible for a tax debt even if she did no work and received no income during the year.

Do The Same
Like an individual, a couple filing jointly may take the standard 10 per cent deduction or itemized deductions. But if the man and wife file separate returns and one itemizes his deductions, the other must, too.

You must attach to your joint return both the husband's and the wife's forms W-2, the statement of earnings provided by employers.

One other matter that concerns quite a few couples each year is buying and selling of houses. In some circumstances you can get a break on taxation of the profit you make on selling your house. Ask the Internal Revenue Office about this if you sold your house in 1962.

(Next: Exemptions)

Snow, Bitter Cold Envelop Midwest Again

By United Press International

Heavy snow and bitter cold crippled the Midwest again today. The cold threatened Southern California's crops for the ninth consecutive day, but Texas' Rio Grande Valley was out of danger.

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The death toll from the latest storm included Indiana 18, New England 15, Illinois 11, Texas 10, Oklahoma 8, Michigan 7, Colorado 5, Iowa and Wisconsin 3 each, Minnesota, Missouri and Montana 2 each, and New York 1.

Local Couple Honored In Magazine Photo

Mr. and Mrs. Elmo Smith, of 334 N. 1st street, were honored in this week's edition of the Rexall Clubs Reporter, a national magazine for Rexall pharmacists and salespeople, by having their pictures taken in a 1903 Rexall survey.

Smith's father put the Rexall sign out over his store in Decatur in 1904, 59 years ago, and Smith is continuing to operate as a part of the Rexall organization. He was honored as the oldest Rexallite to attend the convention held last week in Chicago.

Rexall is celebrating its diamond jubilee this year, 60 years of business. The 1903 surrey antique auto was given away as a door prize.

20 Years Ago Today

Jan 22, 1943 — C. E. Johnson, food service division chief of the OPA offices at Indianapolis, will speak on fixed price markup at a meeting at the Lincoln school auditorium here Jan. 28.

Mrs. Giles Porter was hostess to the Historical club at her home, with Mrs. Homer Lower as the leader.

The Indiana legislature is studying a measure to provide four-year terms for all county officials.

The fall of Tripoli, Libyan capital, is reported imminent as British troops have driven into the city's suburbs.

The Monroe Bearcats defeated the Hartford Gorillas, 36-31.

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KOHNE DRUG STORE

New Squabble On Stevenson

defused and the bases dismantled. He said that if it were necessary to sweeten up our negotiating position at this point, we might even consider yielding the Guantanamo base."

Fritchey's denial said:

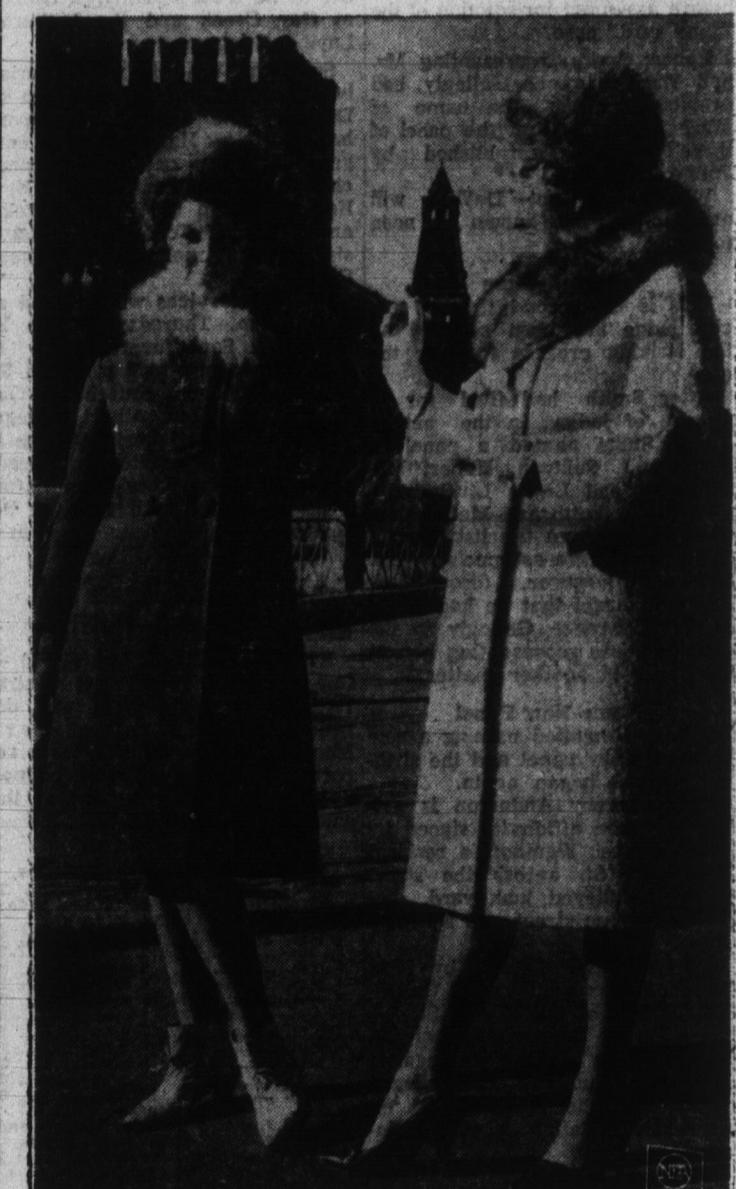
"As to Guantanamo, I said that my understanding of Governor Stevenson's position was that if there was to be any discussion of bases, it should be only after the Cuban military threat had been neutralized. Further, the original Saturday Evening Post article said:

"Stevenson was only willing to discuss Guantanamo and the European bases with the Communists after a neutralization of the Cuban missiles."

"Now however, Stewart Alsop's new footnote, plus a column on the subject by his brother, Joseph Alsop, insinuate that Mr. Stevenson was willing to 'yield' or 'abandon' Guantanamo in exchange for neutralization of the missiles. Again, this is not only inaccurate, but even contradicts the original account in the Saturday Evening Post."

"Governor Stevenson has already given his views on the Saturday Evening Post article. He has nothing to add and, so far as he is concerned, the matter is closed."

If you have something to sell or trade — use the Democrat Want ads — they get BIG results.



MOSCOW PATTERNS — Russian models exhibit current fashions in Moscow's Red Square. Photo is from a Soviet source.

1962 STEREO and TV CLOSE-OUTS

	Reg. Price	Close-Out Price
Emerson Stereo Console	\$149.95	\$ 99.95
Motorola 19" Walnut Console TV	279.95	219.95
Motorola Early American Maple Stereo	249.95	179.95
Motorola Walnut Stereo	159.95	124.50
Emerson Stereo Console	169.95	129.95
Motorola 19" Mahogany TV	269.95	209.95
Motorola Remote Control 23" TV	309.95	239.95
Admiral Portable Stereo	179.95	129.95
Emerson Stereo with AM-FM Radio	259.95	195.00
Motorola Blonde Oak Stereo	279.95	189.95
Motorola 19" Remote Control	269.95	219.95

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