

1947 Income Tax Primer—

Veterans Discharged in '46 Can Pay Taxes On Income in 12 Quarterly Payments

Many Service Incomes Are Deductible

(Last of a Series)

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WASHINGTON, Jan. 9.—In general, the rules governing income tax returns for veterans are the same as those for other civilians. They do have certain exemptions arising out of their ex-service status, which will be summarized in this article.

The following items of income are not taxable, and can be ignored when you are preparing your return—

—or deciding whether or not you must file:

Mustering out pay.

Anything an enlisted man earned in the service during 1946, prior to discharge.

The first \$1500 earned by a commissioned officer or commissioned warrant officer prior to leaving the active service. (This exemption applies only to service pay; if any is left over it cannot be extended to civilian earnings, but is lost.)

Exemptions Listed

Transportation home after discharge.

Government family allowance to dependents of enlisted personnel.

Government gratuity to beneficiary of deceased service man.

Bonus from state, county or municipality.

Pension and disability pay for injury or sickness incurred in service, including allowance for paid attendant.

Clothing or clothing allowance in connection with demobilization.

State unemployment insurance or federal readjustment allowance.

Benefits received under War Risk Insurance, or premiums refunded on National Service Life Insurance because of hospitalization for six months or more.

Benefits under GI Bill of Rights and Vocational Rehabilitation, including maintenance allowance, tuition, books, tools, equipment, etc.

The value of hospitalization or out-patient treatment at veterans' hospitals.

Proceeds of war risk insurance, including endorsement policies to veterans of world war I.

Benefits to world war I veterans under adjusted compensation act, including bonds, their proceeds, or the interest on them while held.

File Postponed Returns

The above exemptions (except the last two) are extended to all men or women who served actively after Dec. 31, 1939, in the army, navy, army air force, marine corps or coast guard, or any of their auxiliaries—WACS, WAVES, SPARS, women marines—and also, to commissioned officers in the coast and geodetic survey and in the regular and reserve corps of the public health service who were on active

Installment Dates for Veterans

This table shows when your first installment on taxes on service income, and pre-service earned income, will be due if you were demobilized during 1946.

The first column is the month of discharge.

The second column shows when the first installment is due on taxes for the years from 1940-1946, inclusive.

The third column shows when the first installment is due on taxes for the year 1946.

If you apply to your collector before the date shown in the second or third column, he will permit you to pay those taxes in 12 quarterly installments. Otherwise they are due in a lump sum on those dates.

If You Were Discharged In	First Installment Date Is—	1946 Taxes
Before July	1940-1945 Taxes	Already passed
July, 1946	January 15, 1947	March 15, 1947
August, 1946	February 15, 1947	March 15, 1947
September, 1946	March 15, 1947	March 15, 1947
October, 1946	April 15, 1947	April 15, 1947
November, 1946	May 15, 1947	May 15, 1947
December, 1946 and thereafter	June 15, 1947	June 15, 1947

duity with armed services outside the U. S., and to aviation cadets.

They are not available to those who served in the merchant marine or in the army specialist corps, or who were retired or inactive prior to January 1, 1940, and during the late war.

Men demobilized during 1946 have the privilege of arranging to pay taxes on service pay earned during war years, and on pre-service earned income, in 12 quarterly installments. They are required to file postponed returns within six months after return to the United States and that is the time to ask the collector for the installment privilege.

See Your Collector

If you were demobilized before July the first installment date already has passed on taxes for years from 1940 through 1946. The accompanying table will show first installment dates for men demobilized since June, 1946, so far as back years' taxes are concerned. The first installment date on 1946 taxes also is shown in the table.

So many different tax forms have been used, under so many different laws and changing regulations, since the war began, that no veteran who is not a lawyer or accountant can hope to do much with them by himself.

If you owe taxes for war years, on which returns were deferred because you were out of the country on active service, you had better get your financial data together and go to your collector's office, and ask to have an expert assigned to help you.

Inquire About Refunds

If your wife had income in your absence, and filed returns, it would be wise to have her go along too, with her copies of the returns she filed.

It may be that by submitting joint returns now you can save money.

The collector's office will help you decide what to do and how to do it.

You may even have a refund coming, if you paid tax during the war on enlisted pay, or if you paid tax on 1942 income and then earned less in 1943. Ask the collector's office about that, too.

Waitress Spurns Him, He Dynamites Cafe

SPARTANBURG, S. C., Jan. 9 (U. P.)—Elderly R. C. Watt who dynamited a cafe which employed the waitress who spurned him was sentenced today to eight years in prison.

The prosecution charged that the 70-year-old suitor had placed dynamite against a large plate glass window and set it off, endangering 35 persons inside the cafe.

The blast, however, failed to injure Mrs. Bessie Haynes Melehes, who was named as the object of Watt's attention. Another woman suffered a ruptured ear drum.

A general sessions court jury convicted Watt of assault and battery with intent to kill.

Pay Raise Averts Chicago School Strike

CHICAGO, Jan. 9 (U. P.)—A teachers' strike, scheduled to begin at 7:30 a. m. against the city's trade, vocational and high schools, was averted today as a result of pay increases announced by the board of education.

The board approved an immediate \$4,250,000 teachers' salary boost, together with a long-range schedule calling for additional increases of \$13,196,000 if and when the money is available.

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Heroine of Flying Tigers In U. S. for TB Treatment

By Scripps-Howard Newspapers

SAN FRANCISCO, Jan. 9.—The heroine of the Flying Tigers is back on American soil on her way to a St. Louis sanitarium where she will undergo treatment for tuberculosis. She is Miss Edith Dorothy Lillian Yuen, 24, better known to Maj. Gen. Claire L. Chennault's fighting air men as "Dottie." She landed at Fairfield army air base, near Sacramento late Tuesday from Honolulu.

An air transport command plane took Miss Yuen aboard at Shanghai. They set her down at Fairfield with loving care, for she is a legend to the men of the American, as well as the Chinese air forces.

Serves as Secretary

For three years she served the U. S. army as secretary to Col. R. H. Wise, commandant of units of the 14th air force which fought the Japs to a standstill before being driven from Kweilin to Luchow and finally to Kunning. Miss Yuen moved with the units, taking with the men the rigors of the successive

evacuations. Her devotion to duty won her the United States meritorious service award.

But her experiences impeded her health. After the war, she went to work for a civilian air line Gen. Chennault set up in China. But she had to give up the job.

Suffers from TB

Dr. John F. Shaner, former major in the army medical corps diagnosed her ailment as tuberculosis. He has since returned to this country and is now at Mount Rose sanitarium in St. Louis. There Miss Yuen will go for treatment prescribed by her former comrade in arms.

She hastened to assure reporters that she was in no serious danger. Bright eyed, and brisk in movement, she demonstrated she is far from a helpless invalid.

Born in New York, she lived in this country until 1935 when her father, S. D. Yuen, inherited an engineering works in Nantao and took his family there.

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