

THE INCOME TAX AND THE INDIVIDUAL

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The act of September 8, 1916, as before stated, fixed a tax of two per cent. on all net income, over the exemptions and deductions, which have heretofore been exemplified at some length up to \$20,000. Additional taxes were then imposed, amounting to one per cent. on incomes between \$20,000 and \$40,000; that is, over the former and under the latter; two per cent. on incomes over \$40,000 and under \$60,000, and in like manner three per cent. between \$60,000 and \$80,000; four per cent. between \$80,000 and \$100,000; five per cent. between \$100,000 and \$150,000; six per cent. between \$150,000 and \$200,000; seven per cent. between \$200,000 and \$250,000; eight per cent. between \$250,000 and \$300,000; nine per cent. between \$300,000 and \$500,000; ten per cent. between \$500,000 and \$750,000; ten per cent. between \$750,000 and \$1,000,000; eleven per cent. between \$1,000,000 and \$1,500,000; and twelve per cent. between \$1,500,000 and \$2,000,000. Incomes of over \$2,000,000 pay thirteen per cent. additional tax, all these additional being plus the two per cent. normal tax.

The act of October 3, 1917, duplicated the normal tax, after exemptions, up to \$5,000, after which it fixes a scale of additional taxes, which very greatly increases the tax on the individual with net income above \$5,000.

Complete Tax Table

The following table will give the full tax schedules, normal and additional, of the individual, everything above normal pertaining to both single and married parties:

Table with columns: COMBINED RATES, Under act of Sept. 8, 1916, 2%, Under act of Oct. 3, 1917, 2%, Total Income tax, 4%. Includes rows for Normal Tax and Additional Taxes on Net Income.

Combined Tax on \$100,000 Income

The following table illustrates the full effect of the combined tax laws on an income of \$100,000; it also gives the manner of computing taxes on sums over and under fixed amounts, as indicated above:

Table showing tax calculations for \$100,000 income. Columns include Amount taxable, Rate, Additional tax, Married person, and Single person. Total normal tax liability is \$16,180 and total additional tax liability is \$16,220.

The normal tax follows all net income. If income is from dividends of corporations, the normal tax is eliminated, as before stated, through the corporation tax of six per cent.

Excess Profits Tax No legislation of recent years has caused as much comment and uncertainty as the excess profits tax, which is in addition to all taxes heretofore mentioned.

The tax is levied against the net income of corporations, partnerships and individuals in excess of certain prescribed deductions realized from trade, business, professions and occupations, but the amount of the tax or the proportionate share of any partnership tax, will be deducted from the income in assessing the income tax for the same year.

There is little or no capital is involved or a nominal capital, there is a flat tax of eight per cent. on the incomes of corporations in excess of \$5,000 and on individuals and partnerships a flat tax on incomes in excess of \$5,000—this in addition to other taxes hereinbefore mentioned.

The excess profits tax of corporations will probably be fixed at eight per cent. of invested capital, on a graded scale. The law fixes the percentage based on pre-war years, 1911-12 and 13, at not over seven per cent. and not over nine per cent. on invested capital, with the choice of eight per cent. being fixed as about the proper amount by the revenue bureau.

The term "invested capital" has not been fully explained, and as yet lawyers disagree as to what it means. The internal revenue bureau will probably define "invested capital" in the near future. Where income is derived from stocks and bonds or other investments the excess war profits tax does not affect the individual.

The excess profits tax follows with a flat rate of eight per cent. on all incomes over \$5,000 of individuals from professions, occupations, trades, businesses, where no capital is invested. The law exempts all legitimate expenditures with a view of producing income; the law encourages partnerships and makes the liberal exemption of \$5,000 plus moderate salaries; the law recognizes the relationship of blood and marriage in support extended by unmarried dependants; the law assesses corporations organized without capital for dividend purposes, etc., from all income taxes; the law permits the income tax payer to file his own schedule—which if not correctly prepared will be returned with the corrections needed indicated—sooner the schedule is filed the better for the taxpayer.

The expert of one of the largest trust companies was requested to state the five leading questions which he was called upon to answer and the answers thereto. He answered describing sections of the law, which may be referred to by any one sufficiently interested: "Who is subject to the excess profits tax?" "Corporations, partnerships and individuals. Sections 202-209. "How is the excess profits tax applied?" "Where they have invested capital. Corporations on net income less exemption and deductions, as described in sections 202-209; partnership and citizens on net income less deductions and exemptions, as in 209. "Is the income received as salary or wages subject to the excess profits tax?" "Yes." "Can a member of a partnership charge a reasonable sum as salary?" "Yes." "How is the tax figured?" "Where there is an invested capital the tax is figured on a scale—section 203—no tax being due until entire deductions and exemptions are taken.

"Where the capital is nominal, take the benefits of exemptions and deductions, as allowed in 209, and figure eight per cent. on the balance." "In taking inventories of stock cost price must figure." "All taxes are payable at any time after assessment, and at all events not later than June 15. Under a new provision in the act of October 3, 1917, subject to regulations to be presented by the Secretary of the Treasury, payments may be made in installments, in advance of assessment, with discount of three per cent. in certain cases of payment before June 15. (End of Series)

Should Make a Million for Him Cincinnati man discovers drug that loosens corns so they lift out.

Local druggists are having a tremendous call for freezeone, the drug which is said to shrivel a corn, root and pull it without any pain. A few drops of freezeone applied directly upon a tender, aching corn relieves the soreness at once, and shortly the entire corn, root and all, lifts right out with the fingers. This new drug is being dispensed at small cost in quarter ounce bottles, which is sufficient to take off every hard or sticky corn from one's feet. It is a sticky substance which dries at once, and does not inflame or even irritate the surrounding tissue or skin. There is no excuse for anyone inviting death by infection or lockjaw from cutting their corns now.—Adv.

Bruises and Sprains Have Sloan's Liniment handy for bruises and sprains and all pains and aches. Quick relief follows its prompt application. No need to rub. It quickly penetrates the trouble and drives out the pain. Cleaner than musky plasters or ointments. Sloan's Liniment does not stain the skin nor clog the pores. For rheumatic aches, neuralgia, stiff muscles, lame back, lumbago, sprains, and sprains. It gives quick relief. Generous sized bottles at all druggists. 25c., 50c., \$1.00.

Sloan's Liniment KILLS PAIN

BRITISH WOMAN ASKED TO QUIT SMOKING FOR WAR

Soldiers Need Tobacco at the Front More Than Workers at Home

What shall the bells of midnight say, As high in the tower they swing and sway? They shall toll, toll, for the passing soul

Of him who falls where the hot shells roll; For the brave who slumber by trench and field, Who could fighting die—but never yield.

What shall the bells of midnight say, As the censor swings while the people kneel? Ah! High, high, 'gainst a starry sky Their joyous harmonies floating by: To every mourning heart shall say: "To die for Right is to live for aye."

"Women Smoke Too Much." This is the headline on a front page story in a London daily paper. It surely caught the eye of the "Smokes for Soldiers" editor and he followed up to see what it was all about. And it was quite serious. Yes, madam, read this and meditate on what a

RESERVES TO EXTEND DRILLS Officers of the Harrisburg Reserves, at a meeting last night, decided to resume drills on Friday night in the City Grays' Armory, instead of tonight, because of the coal situation.

Friday night the two companies drilling will meet at 7:30 to take up new work, including interior guard duty. Tuesday night of next week the two companies will also meet at 7:30 instead of an hour apart to take up platoon and other work. Announcements regarding rifle practice will be made in weeks.

fascinating, soothing, vaporous epic tobacco must be to persuade your own fair sex to adopt it chronically. The article says: "The conduct of young women who smoke in the subway, the moving picture theaters and other playhouses where it is allowed, is gradually putting smoking out of fashion among English women of refined sensibilities. It is accomplishing more than a recent semi-official entreaty to women to give up smoking in order that the men at the front may have more 'fags.' The women declared, in reply, that they were doing as much war work as the men and should not be the ones to make any sacrifices."

The tobacco editor has no desire to engage in any controversy as to whether war-working women should be furnished smokes rather than be asked to sacrifice them for the soldiers. He does not even discuss the propriety of women puffing cigars in a moving picture show. He is solely concerned in pointing out to women that whether or not they smoke it is their duty to stir up the American man. Ask your husband or brother or father to meditate on the situation of our soldiers abroad. Many of them will never see this dear old land again. They will "die for the right." Send that money to the Telegraph, whence it will be forwarded immediately to lighten the heart of some brave lad fighting for Uncle Sam.

"I have been nearly three months in Europe, and all this time has not been spent in France either. It was not in France that we first landed. I would like to describe some of the interesting places I have been in, but this would of necessity involve names, and proper names are prohibited."

"It has been my good fortune to have had but few duties to perform. For instance, in a City in Southern France where I was stationed at a base hospital, we

SOLDIER SEES MUCH OF WORLD

Son of School Director Tells of Trip to Southern France

Gordon L. Werner, son of George A. Werner, city school director, now in service with Camp Hospital No. 15, American Expeditionary Forces, Somewhere in France, has written an interesting letter of his experiences. Young Werner is a graduate of Tech High School, class of 1917. His letters follow:

No, I've not forgotten to write; at first I was too much interested in everything to think of writing and now I have but little time. Our voyage across was eventful and at one time considerably exciting. I would like to write my experience while on this vessel but it might not get past the censor. It was a British ship, however, and not the Vaterland.

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were usually engaged only for a portion of the morning. It was a hospital with no patients. The remainder of the day up to 10 o'clock was our own time. Of course, permission was necessary to leave the place, but permission was easily obtained. There were only about a hundred Americans in the entire district and the major part of these belonged to the Yale unit. Blackberries were flourishing in October; there was a vast abundance of apples and pears. The climate was mild, being tempered by the warm winds from the Mediterranean.

"Points historically associated, were numerous, and walled villages continuing to exist from the feudal days were not rare sights. About twenty miles from us was a castle formerly inhabited by the Black Prince, and within view of our windows was an ancient Cathedral. I visited the former twice and the latter about a dozen times. The first mentioned was interesting because of its one time celebrated occupant, and also on account of the labyrinth of walled passages which had been considered secret passage ways. One exit passed under a lake and opened in a cavern on the mountain side. The foundation of the cathedral goes back to the third century, and the present structure to the thirteenth century. It contained thirteen altars dedicated to as many saints. Some of the statues were pretty well battered up in the French Revolution but the priceless art treasures remain intact.

The treasures I referred to are paintings by the old masters, the scepter of Charlemagne and the famous Iron Cross of the Lombards. This last you will remember is reputed to contain some of the nails used in the Crucifixion. Mass in this Cathedral is the most impressive thing imaginable. Its impressiveness is contributed to, no doubt, by its being celebrated in the face of stately antiquity.

"Before the altar containing the

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HARRISBURG, TUESDAY, JANUARY 8, 1918.

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