

EXPLAINS THE INCOME TAX

(Kansas City Star)
 E. B. Wilson of Drexel, Mo., says it is stated in an agricultural paper that if a man bought a farm ten or fifteen years ago for \$30,000, and sold it in 1917 for \$55,000, he would have to pay an income of \$25,000.
 That is wrong. The person owning the farm should place a fair value on same as of March 1, 1913, and add all amounts spent for permanent improvements and then deduct all depreciation previously claimed. Deducting the net result from the selling price gives the profit to be reported in the income tax return.

An interested taxpayer of Olathe,

Kas., writes: Please define a reasonable reduction per cent on income that a merchant would be allowed on goods. Is a farmer allowed for fertilizer used, also clover seed used in order to keep up fertility of soil? Where a farmer does not employ much hired labor, is he allowed for his labor? What is a reasonable depreciation of rental of buildings? In arriving at an income of a farmer does it mean the production of a season or from January 1, 1917, to January 1, 1918?

A merchant is not allowed to deduct depreciation on goods as the depreciation is automatically reflected in the inventory during the year in which the goods are sold.
 A farmer is allowed to deduct ex-

pense of fertilizing and seeding to keep up the fertility of the soil.

A farmer cannot deduct as an expense his own labor. Should he be permitted to do that he would be required to include in his income a like amount. The department in Washington will not fix an arbitrary rate to cover a reasonable depreciation on rented buildings. A person must figure the cost of the rented buildings, the estimated life and the construction. Where money is expended for the ordinary upkeep of rented buildings, the depreciation is reduced.
 The income of a farmer is based on the business of the calendar year.

J. R. H. of Great Bend has two motor cars—one a pleasure car and the other he designates his "freight" car. His freight car is used exclusively in hauling supplies and machinery to and from his farms. He asks if he may deduct his expenses—such as repairs, gas, oil, replacement of tires, etc.—of his "freight" car in his income tax return.

He buys mules to work on his farm and gets about ten years' service out of them. Can he charge off one-tenth of the original investment of these mules each year to expense?

Answer:
 The expenses of his "freight" car, such as he enumerates, are certainly necessary expenses in his business and proper deductions. I do think the government would not object to charging off one-tenth each year on the mules. However, should the mules be sold after ten years' service, the entire sale price would be reported as income the year in which sold. If the mules lasted more than ten years he could not charge off anything on them after the tenth year.

P. of Home City, Kas., desires to know if a farmer figures income tax on the amount of stuff he sells during 1917. Is there a deduction of \$600 figured on the amount of products consumed, that is, taken from the exemption of \$2,000? If he sells over \$2,000, but is exempt, does he have to make his report to the collector?

Answer:
 All grain, stock and other products sold during 1917 should be reported as income in his tax return, regardless of when same was raised. He should then deduct as expenses all money paid by him in 1917 for labor in preparing land for a crop and the cultivation, harvesting and marketing of the crop, the cost of the seed and fertilizer used, the amount expended for labor in caring for livestock and the cost of the feed, the cost of stock purchased for the purpose of resale. He also is entitled to deduct money actually paid in making repairs to farm buildings, but not the dwelling house, the cost of materials for immediate use and farm tools which are used up in the course of a year or two, such as spades, rakes, pitchforks, etc. The rent paid for a farm also may be deducted. Money paid for live stock used for breeding purposes are held to represent investment of capital and may not be deducted as expense.
 A farmer may not deduct cost of food, fuel and clothing for his family. A farmer is not required to report as income the value of farm produce consumed by himself and family. However, if he exchanges farm products for merchandise, groceries, etc., he must include as income the price paid by the merchant upon goods ex-

changed for produce.
 There is no provision requiring a farmer to deduct \$600 figured on the amount of products consumed from his exemption. If a farmer's net income computed as directed, is less than \$2,000, and he is a married man, he is not required to make a return.

Former Minot Lumberman Writes From Chippewa Falls.

T. J. Vincent, who for years was auditor for the Rogers Lumber Co., writes from Chippewa Falls, Wis., where he is engaged in the lumber business. He says in part: "Think we are going to like it here. Chippewa Falls is about the size of Minot; is a good substantial town and I believe has a bright future on account of its great water power, which has already attracted several manufacturing industries and will undoubtedly draw many others. There are a dozen factories here now, viz.: four shoe factories, one glove, one flour mill, a sugar beet factory, woolen mill, sash and door company, rubber tire and a large brewery, besides a canning factory.

"The power company furnishes power to the Twin Cities also, but only about 10 per cent of the power is used, so it is reasonable to think that this will become a manufacturing center. This, as you know, is the home of the famous Chippewa Spring Water and it is so plentiful it is used for all domestic purposes. It is certainly worth a great deal to have such pure, healthful water and in such abundance. There are a great many trees here and the people keep their places up in fine shape. I have an idea it is a very pretty town in the summer. There is a very pretty natural park containing over 200 acres within a few blocks of the center of the city.

"Building prospects for 1918 are good—shall be satisfied if 50 per cent of them materialize.
 "With kindest personal regards and wishing you a satisfactory 1918, I am,
 "Yours very truly,
 "T. J. VINCENT."

Christ Jansz, father of Gust and Emil Jansz from near Makoti, N. D., died at the home of his sons Wednesday morning, Jan. 23. Funeral services were held from the German Lutheran church Sunday afternoon.

SHORT SENSATIONAL STORY

Sophia Saunders searchingly scrutinized Sarah, scowling severely.
 Stephen Smith—Sarah's suitor—strong, splendidly sinewed, shapely Stephen, slept soundly.
 Sophia spoke. She said Sara should sell stale smelling soles.
 Stephen snored.
 Sarah spitefully shook Sarah.
 "Surrender!" said she.
 Sarah screamed shrilly.
 Stephen, seeing sweet Sarah's situation, stealing stealthily, suddenly squeezed Sophia's side, saying: "Stop such silly squabbles, such stupid strife; stop striking Sarah."
 She staggered.
 "So, sneered Sophia, "savage Stephen sreakingly supports Sarah! Seek safety—skedaddle!"

BUY War Savings Stamps

and

Back Your Uncle Sam

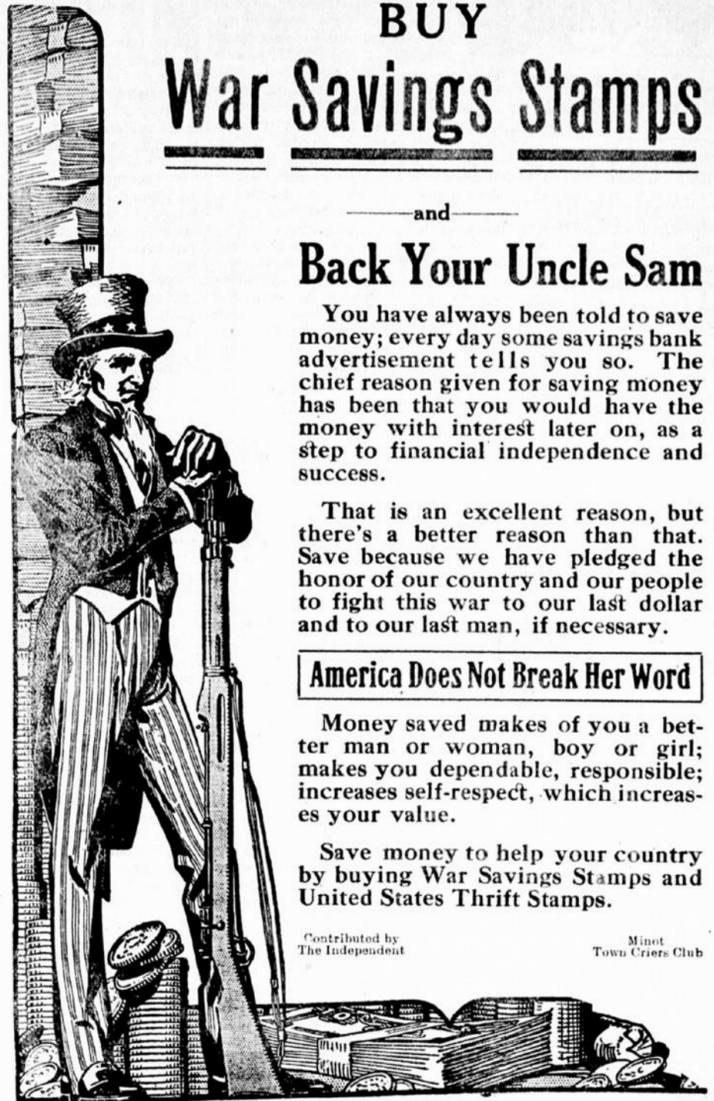
You have always been told to save money; every day some savings bank advertisement tells you so. The chief reason given for saving money has been that you would have the money with interest later on, as a step to financial independence and success.

That is an excellent reason, but there's a better reason than that. Save because we have pledged the honor of our country and our people to fight this war to our last dollar and to our last man, if necessary.

America Does Not Break Her Word

Money saved makes of you a better man or woman, boy or girl; makes you dependable, responsible; increases self-respect, which increases your value.

Save money to help your country by buying War Savings Stamps and United States Thrift Stamps.



Contributed by The Independent

Minot Town Criers Club

LELAND DRUG STORE

Leland Block F. P. TAYLOR, Mgr. Minot, N. D.

KODAK FINISHING PICTURE FRAMING

FLANNEL COVER For Hot Water Bags FREE

With Each Purchase of a Hot Water Bottle at \$1.50 or More, Next Week.

YOU obtain added comfort, when you enclose your Hot Water Bag in a dainty flannel cover. This has proven one of the greatest little comforts modern ingenuity has given the public. They are practical, because they hold the heat in the bag, thereby increasing the efficiency.

MAXIMUM HOT WATER BOTTLE

Made by hand of the best quality Para rubber, a full capacity two-quart bottle with non-losable stopper, with seam overlapped and triply reinforced. It is truly the greatest value of all water bottles.

A full capacity two-quart bottle, price \$2.00. Guaranteed, in writing, for two years.

SYMBOL HOT WATER BOTTLE

A big value at a popular price. The new wide neck and big funnel style, moulded into one piece. Has a smooth, plain surface, high gloss finish.

Two-quart size . . . \$1.50. Guaranteed for one year.

Mail orders will be sent to you promptly 1 hour after received

MAXWELL

Most Miles per Gallon Most Miles on Tires

Economize Wisely —A Maxwell Car Will Help

Waste is often committed when the intention is to economize. A Maxwell car, famous for its economy, will cost you only a few dollars a month to operate and maintain.

Which is the real economy:

- (1) To use the car and save time, strength, and mental vigor?
- (2) To do without the car, lose time in your business, lose the health gained from motoring, and worry yourself into illness?

Use of a Maxwell car will give you self confidence. Your neighbors and associates will get mental inspiration from you.

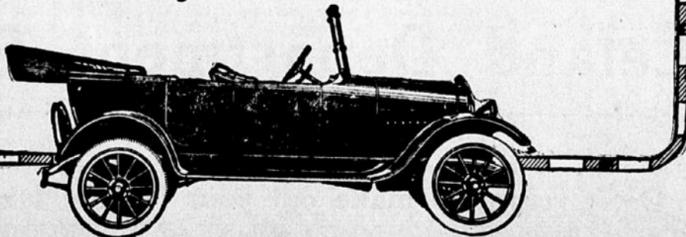
As wave circles widen when a pebble hits the water, so will your good example benefit your entire community.

Save—yes; but do it sensibly, and let the Maxwell help.

Touring Car \$745; Roadster \$745; Touring Car with Winter Top \$855
 Roadster with Winter Top \$830; Berlina \$1095; Sedan with Wire Wheels \$1195. F. O. B. Detroit

DAKOTA MOTOR SALES CO.

Old "Motor Inn" Bldg. 3rd Ave. N. W.



WANT ADS.

For Rent, For Sale, Lost, Found, Taken Up.

- Money to loan on farm land and city property. Current rates. Reply. C. Aurland, Minot, N. D.
- FARM FOR SALE—320 acres, all good soil, nine miles southeast of Minot, North Dakota, 4 miles from Logan, with buildings, 260 acres plowed, school 1-2 mile. Terms, \$31 per acre, one-fourth cash, one-fourth in two annual installments in November. One-half under first mortgage, 6 per cent. John Stromberg, Proprietor, R. 1, Mosinee, Wisconsin. 1-10-14
- LAND SNAP, FOR SALE OR TRADE—160 acres, S. E. 1-4 Sec. 6, Township 160 Range 34, Beltrami Co., Minn., 6 miles from railroad, good roads, easily cleared, best of soil, price \$1200.00, terms: assume mortgage of \$800.00 due in five years at 6 per cent, balance in trade for stock horses, machinery, auto or anything that I can use on the farm and worth the money. Write or call Joseph F. Spalla, R. R. No. 1, Box 17, Plaza, N. D. 1-17-t3cg
- ESTRAYED—From my place last spring, on Sec. 1-157-83, a plain bay gelding, 3 years old. Would make a 1,100-pound horse. \$15.00 reward for information leading to recovery.—C. A. Jennijohn, RFD 3, Glenburn, N. D. 1-24-3t
- LOST, STRAYED OR STOLEN—A four-year-old black Shetland horse pony. A liberal reward will be given for his recovery. Take up and notify E. E. Diehl, Sawyer, R. 1, Telephone No. 507. 1-24-43
- FOR SALE—160 acres of all prairie 2 miles east of Tagus. If I can't sell will rent the 160 to the highest bidder. All hay land. Send bids to Anton Strom, Hector, Minn. 1-17-t2cg
- FOR SALE—Lot on 10th St. N. E., 50x150 feet. Mrs. Robt. Evans, Minot. Phone 424.
- WANTED—To buy 320 to 640 acres of well improved land near market. Can pay cash for clear title. The Savings Loan & Trust Co., Minot, N. D. 12-6-tf
- FOR SALE—Shelled corn. Minot Farmers' Co-operative Elevator Co. Phone 385, Minot, N. D. 1-17-14
- FOR SALE—Or will trade for good young mares and some farm machinery, modern seven-room bungalow in Eastwood Park. E. G. Elliot, Minot, N. D. Phone 1014 White. Res. 113 6th St. SE. 1-24-4t
- TO TRADE—Will exchange improved and unimproved Minot city property for good farm land. Write full particulars to 424 First St. N. E., Minot, N. D. 1-17-tf
- WANTED—Good, intelligent house girl for good position. Answer by letter. Address L. F., Independent, Minot, N. D. 1-24-4t
- FOR SALE—Registered Holstein bull of serviceable age, sired by North Star Skylark Sir Beets No. 99022; his dam making 582 pounds milk, 26.72 pounds butter in 7 days. Three-quarters white, straight, deep bodied and all around good individual. For further information write or call on L. B. Shea, Burlington, N. D. 1-24-4t
- FOR SALE—Two fresh cows, with calves by their sides. Wm. Klumple, Sawyer, R. 1. 1-24-43
- FOR SALE—X-Ray incubator and brooder, 180 egg size, new. Incubator used twice. Both \$27. Mrs. Moses Wise, Minot, N. D., R. No. 1. 1-24-t2*