

Dividend, Retirement Funds Subject to Tax

(This is the eighth of a series of articles on federal and California income tax filing. This information has been provided by the Committee on Taxation of The California Society of Certified Public Accountants.)

Anyone who owns stock needs to know about the dividend exclusion and credit. This applies only to dividends from corporations which are subject to United States corporate income tax; it does not include dividends from savings and loan associations, credit unions or foreign corporations. It does not apply to the California return.

Your first \$50 of qualified dividends is tax free, and should be subtracted from your total dividends in a special schedule on the tax form. Husband and wife are each entitled to exclude the first \$50 of dividends from stocks that each owns. If dividends are received from stocks which are community property, then each spouse may exclude \$50. On a joint return a maximum of \$100 may be excluded.

If you received dividends beyond this amount, you are entitled to a "dividends received credit." This credit is 4% of the remaining dividends, but it cannot be more than 4% of your taxable income, or more than the amount of tax otherwise due. This credit is not just a deduction from your taxable income — it is actually subtracted from your tax.

For example, if you received \$50 in dividends, you can exclude \$50 from your taxable income, and subtract 4% of \$50 — or \$20 — from the tax you would otherwise have to pay. If you filed a joint return with your wife and you received \$50 in dividends which was community income, you could each exclude \$50 or a total of \$100 excluded, which means you would report only \$450 as taxable dividends. In addition you can subtract 4% of this \$450, or \$18 from the tax you would otherwise have to pay.

If you made a profit on the sale of stocks, bonds or other property, you must report it as a capital gain on a special form. The same form is used for capital losses.

Detailed instructions are printed on the back of the

Famed Tenor To Appear Here Tonight

Don Torgeson, internationally known tenor soloist, will be the featured guest this evening at the First Nazarene Church, 1501 W. Carson, in Torrance.

Torgeson has been used extensively for Youth for Christ conventions, and other conferences. He has been featured with several large symphonies and last year was the featured soloist in the Hollywood Bowl Music Man production.

Torgeson will sing six numbers in the evening service, which starts at 7 o'clock. The Rev. Ponder W. Gilliland, pastor, extends a cordial welcome to everyone.

form. Generally speaking, your profit on the sale of an asset which you held more than six months is taxed at half the rate of ordinary income — and never more than 25%, regardless of the tax bracket you are in.

In your California State return, your capital gains are subject to tax on a similar basis as the federal returns.

Interest from state and municipal bonds is tax exempt on your federal return. But any gain or loss from selling these bonds or United States Bonds must be included in your federal and California tax returns as a capital gain or loss. However, losses from redemption of United States Series G bonds are reported as ordinary (fully deductible) losses in the federal return — but are not deductible in the California return.

Interest on United States and California bonds is exempt from California personal income tax.

If you are 65 or over and have less than \$1200 annual income (not including Social Security or Railroad Retirement Act benefits, which don't count), you can stop filing federal income tax returns!

If you don't meet the above requirements, however, there is a provision for "retirement income credit" which may reduce your federal tax on pensions and investment income in some circumstances. You may be entitled to this credit if —

1. You (or your deceased spouse) earned more than \$600 in each of any 10 calendar years before 1960;
2. You received less than \$1200 in tax exempt pensions or annuities in 1960;
3. You are under 65 but earned less than \$2100 in 1960;
4. If you are at least 65 and under 72 and earned less than \$2400 in 1960. (When you are 72 or over, you can have any amount of earned income without affecting your retirement income credit.)

(Don't forget that under California's community property law, one half of the income earned by one's spouse, as well as the Social Security benefits and pensions attributable to his earnings are treated as the taxpayer's income.)

If you have an annuity from life insurance, pension plan, or other source, the portion which you may receive tax free, for federal income tax purposes, depends on your life expectancy. The Internal Revenue Service or any qualified tax advisor will furnish actuarial tables to help you figure this out.

In California income tax returns you must report 3% of the original cost of the annuity as income and treat the remainder of annuity income and treat the remainder

of annuity income received as a reduction of the cost of the annuity until the entire cost has been recovered. Thereafter all amounts received are taxable income. (This is different from the federal method explained above.)

GM to Double Dealer Allowance For Driver Training Loan Cars

General Motors will double the allowance given its dealers who loan cars to high schools for driver training programs, John F. Gordon, GM president, announced today.

The allowance, to be granted retroactive to the start of the 1960-61 school year, will be \$250. It has been \$125 since General Motors pioneered the plan in 1955.

The action was taken, Gordon said, to encourage maximum dealer participation in the program and in recognition of the increased costs incurred by dealers loaning cars for this purpose.

MORE THAN 1,200,000 high school students in the United States receive some form of driver education annually with approximately 700,000 of them benefiting from a full course including behind-the-wheel instruction.

GM's contribution to the program during the 1959-60 school year totaled nearly one-half million dollars on almost 4,000 cars since 1955. Allowances have totaled \$2,697,500 on 21,580 cars.

"GENERAL Motors actively and enthusiastically supports

high school driver education," Gordon pointed out. "No program, in our opinion, offers more promise of developing the attitudes and skills behind the wheel which are the major requisite of greater highway safety."

"We hope this increased cooperation with our dealers in the training car loan program will help accelerate progress toward the goal of making this vital instruction universally available to the nation's youth."

Under terms of the GM plan, a dealer receives the al-

lowance from the Corporation for each new Buick, Oldsmobile, Pontiac or Chevrolet lent to schools for driver training. A further requirement is that cars must be equipped with two approved type front seat belts, dealer-installed at factory expense.

Charles L. Morrill, apprentice petty officer second class, USN, son of Mr. and Mrs. Gail E. Morrill of 1230 E. Renton St., graduated, March 3, from nine weeks of Recruit Training at the Naval Training Center, San Diego.

Conservative Jewish Group Plans Session

A meeting of area Conservative Jewish groups has been called for Friday evening at 8:30 at the home of Dr. and Mrs. Richard Gold, 26772 Menominee Place, Palos Verdes Estates.

Persons in the area interested in joining a Conservative Jewish group are being invited to the meeting, said to be the first time such a group has met in the area.



Limit Rights Reserved

EVERYONE IS TALKING ABOUT THOSE WONDERFUL MAGIC CHEF VALUES

3 Magic Sale Days
Monday thru Wednesday
March 13, 14, 15.



Poly Unsaturated
WESSON OIL
Full Quart **39¢**

Processed Pasteurized
ARDEN'S CHEESE
2 lb Loaf **69¢**

Beach Nut • Strained
BABY FOOD
3 Reg Jars **29¢**

Golden Ranch White or Wheat Flavorful
BREAD 4 Regular Loaves **49¢**

Downey Flake Brand, the best in frozen foods in a Regular Package of 4
FRENCH TOAST 4 in Pkg. **19¢**

Magic Chef Brand, the quality is high in the liquid detergent, 22-oz. Jar
DETERGENT **39¢**

Thricee Brand, Try Rice as your main course tonight. 2-Pound Cello Package
BLUE ROSE RICE **29¢**

F. & P. Brand. Here is a dessert that is fit for a King. Tall 303 Can
FRUIT COCKTAIL **21¢**

U.S.D.A. Government Graded "Choice" Steer Beef
Best Center Cuts—One Price—None Priced Higher
7-BONE ROAST
43¢ lb

U.S.D.A. Government Graded "Choice" Steer Beef
CHUCK STEAK **49¢ lb**

U.S.D.A. Government Graded "Choice" Steer Beef O-Bone
SWISS STEAK **59¢ lb**

Four Fishermen Brand. Heat 'n Eat Special, 1-lb. Bag
FRIED FISHSTICKS or FRIED PERCH FILLETS **59¢**

Dietary Supplement
PLAN
Chocolate and Vanilla
Quart **59¢**

Golden Cream
COTTAGE CHEESE
Quarts 47c
Pint **25¢**

MAGIC CHEF PLENTIFUL PRODUCE
DELICIOUS APPLES
Extra Fancy Washington **2 lbs 29¢**
Fresh and Crisp its indispensable for salad
LETTUCE 10¢ HEAD

MAGIC CHEF DELICIOUS DELICATESSEN
Grand Taste
SALAMI CHUBS
12-oz. Chub **49¢**

MAGIC CHEF CINNAMON BAKERY
RAISIN BREAD 29¢
Regular 35c Loaf
Race Track Coffee Cake 69¢
Regular 79c Loaf



Schwinn Dealer
SCHWINN BICYCLES
NOW ON DISPLAY...

Smith's BICYCLE CENTER
"We Specialize in Derailleurs"
Complete New Service Department
NOW IN 2 LOCATIONS
LOMITA REDONDO
1730 101 Hwy. 1301 101 Hwy.
DA 6-0617 FR 8-5177