That Should Be Carefully Preserved By Everyone Who Renders an Income Tax Return.

If you have no use for it this year, they were sold tained in this Primer is invaluable as to some approved method of according As the first child has not real.

Own personal return?

As the first child has not real.

The industries themselves are ylaying titles to make the first child has not real.

(Continued From Last Week) is not paid to me until some day in the value of the farm produce which coive on Liberty Loan Bonds, or is of window glass to sper cent of It is actually received by you

22. "A" is employed by a corpora be claimed as a deduction tion at an annual salary of \$3,000. The 31. If a farmer exchanges produce ditional income tax only paid "A" \$2,000 during each of the value of such merchandise to be Loan 4 per cent bonds issued under least 90,000 boxes the two previous years. Must be in farm produce is to be included as in from such bonds, the principal of Fuel Administration of the principal in his return for that year?

be returned, and that amount will be cash rental and in addition make cer. cent bonds the interest from \$5.000.

23. If an employer agrees to pay an ble income to the property owner? ject to the additional tax employee a certain stipulated salary Report cash rental for year in 39. I held an endowment life insur. tition of this year's shortage

ness or trade the latter may claim the terminates (Nee T D 2442) rent paid by him for the room, if any. 33. Special payments, designated as miums on insurance policies subject land in represented.

24. An employee receives a per income subject to tax in the hands none written are taxable income for diem allowance for expenses in addi- of their recipients? tion to his regular salary. Is this Any bonus or other item of com Al- 40 or one state in which the ac- the past

in 1917 in my return for that subject to the income tax

Gross Income." If you purchased the property on or tween its cost, plus all amounts submently expended for permanent im- tion. wevements less depreciation previcosty claimed, and its selling price, ment under a contract which states this bonus a taxable status?

permanent improvereciation previously

The second installment from the and they were sold in 1917, the total tually occurred in the value "Income Tax Primer" is published be amount received therefor is to be included under "Gross income" in your use. The first installment appeared in the 1917 return. Crops and stock product 37. I have two children we at last issue of The Observer, and we ad- ed in 1917, and on hand December 31 home and are regularly of vised those who make income tax re- of that year, need not be considered; One is 17 years old; the of 21 turns to clip this information as it but the amount received therefor years old. Am I required to appears and paste in a scrap book for should be included in your return future reference.

The amount of income which a industries which use te quantities Garden Tools, Forks, Shovels, Hoes, and other arms.

tained in this Primer is invaluable as to some approved method of account its majority and is still legally up a leading part in the discussions. a guide in making income returns to ing, which clearly show the net in your control, the amount of its The aim of the Fuel Administration is come, may prepare their returns from come is to be included in your persto arrive at a percent per produc-If you have not already done so, such books, although the method of al return and is subject to tax in yolion which, under the remstances.

Only the year in which sold .

January, 1918, or later, is its amount is consumed by himself and family? that interest exempt from tax? No, but any amount of expense in All interest derived from the Lib. the sult of one of these onferences It is to be returned for the year curred in producing garden truck, or erty Loan 3% per cent bonds issued A vey of the field is rated that

corporation, being in financial straits, for merchandise, groceries, etc., is Interest derived from the Liberty result an overmanufacture of

"A" received his salary in full plus. Yes, the price placed by the mer empt from the normal income tax, but tation, gether with large the balance of the salary due him for chant upon the goods exchanged for so much of the interest as is derived the meda of using fund

Yes. Five thousand dollars should a lease, is repuired to pay a certain you hold \$8.000 of Liberty Loan 4 per strengthetheir facilities. subject to income tax at the rates pre- tain improvements. Is the cost of or \$200, is exempt from tax, and the larger quality of coal the these improvements held to be taxe balance of the interest of \$120, is sub last, but it is through the

and furnish him with room and board, which received. The difference because policy upon which I paid pre- ed to be preare the latter items to be considered tween cost of improvements and a real miums for 20 years. In 1917 that conin computing income tax liability? sonable allowance for the exhaustion, tract matured and I received its face Yes. A fair rental value is to be wear tear of the property arising out value, or \$1,000. Must I return the placed upon the room and a fair value of its use or employment in the busi entire amount received? upon the meals furnished and their ness of trade of lessee during the per. No Return only the difference be gir for world is morracy. amounts reported as income by the lod of its life under the lease should tween the aggregate amount of pre lifer loyal sons have gone employee If the services of the em be returned as income to the lessor mium paid and the amount received great numbers to follow Of ployee are used in the employer's bust for the year during which the lease upon maturity of the contract

and the actual cost of the meals so "Bonuses," are often made to officers to income tax? furnished as a deduction under the and employees of corporations, firms |) on such commissions received by the Naty since the mathematical

received should be reported as plied as additional compensation for account of the injury he suffered and one coppersmith for Avi Scome. The difference between the services rendered as a reward for past Must the entire amount thus received needed at this time. expenses incurred and paid while away endeavors or as a stimulus to fur be reported as income? from home and the ordinary expenses ther real and enthusiasm in the disches her Any amount received under while at home may be claimed as o charge of his duties is held to consti an employers' liability act or work master, directly from the Nav 25. If I enter into a contract in 1917 reported under "Gross income" in the similar act or as the result of a set ton streets, Haltimore, or from the P R., Today's Housewhich will not be completed until 1918. employee's return rendered for the tlement or compromise for 'pain or Navy Recruing Sub-stations at Cumyear during which received Christ suffering is held to be such income berland and Hagerstown enditures for material and labor, pro- mas remembrances anniversary gifts as is subject to the Federal income vide for possible losses, etc., must i etc from an employer to an employer tax. This ruling is also applicable include the advance payments I re- do not constitute such items are to any amount received under the

rived from his contract is not exempt turned as income? from the Federal income tax

adopt to ascertain the amount of gain chase. It is the seller's duty to report or profit which is to be reported under the balance

plement business or any other busi stitute items of taxable income? acquired the property sold ness which requires that a stock be Yes expended in making per beginning of the year for which the How is this matter to be handled for vements, then deduct return is to be rendered should be income-tax purposes? ceipts should not be reported under duction under the heading of "Taxes." "Gross income" and the cost of the 45. In 1915 I purchased 10 shares goods purchased claimed as a reduct of the preferred stock of a corpora-

It is held that every dollar received dit of a shareholder in a building and id the selling price, is to be under such a contract represents, in lean association subject to income tax? part, the return of a portion of the Any amount credited to a shareto the value as of March cost of the article to the dealer and a holder when the title to such credit, 1918, of property sold determined? portion of his profits to be derived passes to the latter at the time of the Ko method of determining this val- from the transaction; and that the credit has a taxable status for the norwhich will adequate amount of profit represented by all mal and additional income tax and What payments during the tax year should should be included in the return renestion of fact be included in the dealer's personal dered for the year during which the evidence return rendered for that year. For credit is made. adequately example a plane which cost the dealer Where the amount of accumulations \$300 is transferred to another under a credited does not become available other return of capital mounting to \$15 and share the amount received in excess

may be claimed as a deduction REDUCTION | FINE.

21. If My salary for December, 1917, 30. is a farmer required to report return the amount of interest 1 re. Fing the use of fuel to the product

other products so consumed, can not under the act of April 24, 1917, is ex wheat more than 5,000,000 boxes of empt from both the normal and ad with glass would be ded in 1918

which exceeds \$5,000, is subject to plement e product on 32. A tenant, under the terms of the additional income tax, that is, if year it

40 Are commissions or renewal pre- its are assembled "over there

and individuals. Are such items of insurance agents on account of busi has been fitted in low-

dillier - contract Expressed or im cident occurred he received \$5,000 on

tute taxable income which should be men a compensation act or any other cruiting Station. Calvert and Lexing-

34 is an individual contractor who 42 i purchased a 6 per cent. \$100 No. As you are unable to deter constructs a public highway, a bridge, coupon bond at its face value, plus Orphans' Court mine what amount of gain or profit a drainage system, etc., for the State, \$1.50; that is, three months' accrued you will derive from the contract un county, or municipality held to be an interest. Three months later I de the personal estate of til it is completed the payments re employee of the political subdivision tached a coupon therefrom and col. celved thereon during 1917 need not for which the work is performed? | lected \$3 interest. Must the entire No, and therefore the income de amount of interest received be re-

35. What method should a merchant as accrued after the date of your pur-

43. Do the pensions and retired pay ed from all benefit of said deceased's Any individual who conducts a gro- of ex-officers and men of the United Personal estate of property is returnable for cery, dry goods, clothing or farm im. States military and naval forces con-

market price or value as the close of each calendar year. To der a State law, is required to pay the add thereto all amounts the total of his inventory taken at the taxes assessed against such stock.

the aggregate of all claims for depre added the cost of all goods purchased. The proportionate part of the entire ciation in value of property claimed during that year, and the difference amount of taxes so paid by the bank, as deductions on previous returns, the amount thus obtained and the to which is properly chargeable against and the difference between the result tal of his inventory taken at the close the number of shares held by you. thus obtained and the selling price of the tax year, plus his total gross to should be reported, for additional tax the amount to be reported under ceipts, is the amount to be reported purposes, in your personal return, as Gross re a dividend, and then claimed as a de-

tion and received 10 shares of common 36. A piano dealer sells an instru- stock as a bonus. Has the value of

that payment therefor is to be made No: but when the stock received as in monthly installments, and that the a bonus is sold, the entire proceeds of title to the instrument is to remain the sale are income subject to normal difference between the ap with the dealer until the last payment and additional tax and should be invalue placed upon it at that is made. How is the latter to report cluded in your return rendered for the amounts subsequently, the amount of profit derived from this year during which the sale is made. 46. Are amounts placed to the cre-

PUBLIC SAL

1 black mare, oplendid driver, quiet

ADMINISTRATION AND TO AV OID REPETITIONOF THE WINTER'S SHEAGE.

quirements of each II during 1918. ticles too numerous to mention.

get a copy of last week's Observer, accounting may not be strictly in ac- hands. The income of the child white ill be satisfactory to be manufact. clip out what was published there, cordance with the above paragraph has attained his majority is not to there and their workmen but which clip from this issue and watch the next 29. I rent a farm on shares. When included in your return and is onight not represent a commption of few issues, until you have all the in- is my share of the crops and stock subject to tax in the hands of that for the manufactur of supplies needed during the errent year

Has Responded N

victors everywhere that for

withe Type and character of a

Full particulars of Ndvy enf an be obtained from the nears

Pletorial Heriew and

GEORGE LEROY JUMP. On or before the 2nd day of

October, 1918, otherwise they may by law be exclud-

All persons indebted to this estate Given under my hand this 26th day MONBY TO LOAN

of February, 1918. BALLIE B. JUMP. deceased

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> > 8. K. HORNEY, Owner

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